

HydraLyte[®]

Our purpose

To make better hydration solutions and make a difference doing it

Our ambition

To own hydration in the family home



Low
Sugar



More
Electrolytes



Hydration
Acceleration
Formula



Doctor Approved,
Rapid
Rehydration

An experienced Board, management and advisory team

Disciplined governance and extensive expertise in growing consumer products companies



Oliver Baker

CEO

Former General Manager of Swisse Wellness USA and China. (sold for \$1.7Bn)



George Livery

Chairman

Former Director of Strategy & Corporate at Swisse Wellness



Adem Karafili

NED

Former Managing Director and COO of Swisse Wellness



Gretta Van Riel

NED

Ecommerce expert, founder of Drop Bottle and Skinny Me Tea. Forbes 30 under 30



Chris Kavanaugh

CFO

20 years of experience running finance and operations for growing startups from inception to US\$30M+ in revenue



Margaret Hardin

NED

Former CEO and CFO of major US product companies, Baby super Brands, Ergo Baby and Munchkin



Brandon Fishman

US Advisor

Founder and CEO of VitaCup, vitamin-infused tea and coffee product, surpassed \$20m in sales in 5 years

HydraLyte®

A North American focused company with Australian heritage



Founded in Australia
with liquid products

Powder products launched

Tablet format products launched



Australian business and
exclusive brand licence sold
to Prestige Brands

Additional territories sold to
Prestige Brands (refer right)

2001

2006

2010

2012

2014

2016

2018

2020

2021

2022

Hydralyte North America (ASX: HPC)



Launch in Canada



US launch

Formation of Hydralyte North America

Relocate HQ to San Diego

Launch Hydralyte + products
and ecommerce sites

Successful IPO

US\$9.09m in sales (FY2022)

HYDRALYTE GLOBAL TERRITORIES



Exclusive
Hydralyte North
America markets

Hydralyte Australia
owned by (Prestige
Brands) exclusive

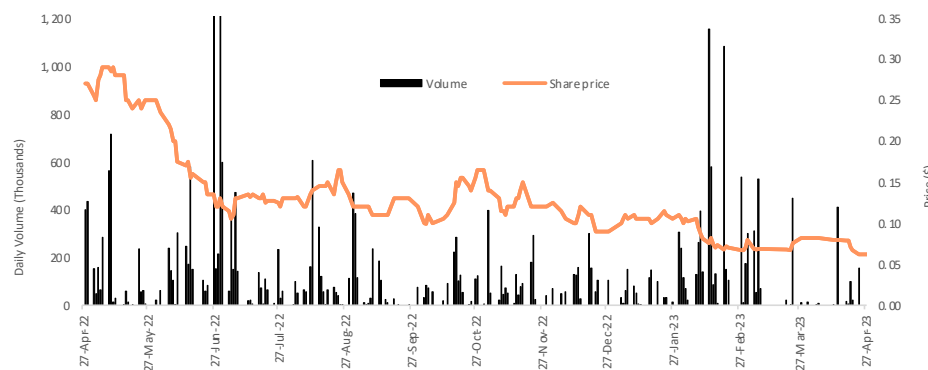
HydraLyte®

Corporate overview

Corporate snapshot

ASX code:	HPC
Shares on issue:	163.8m
Market capitalisation (at \$0.062 per share):	~A\$10.2m
Options on issue (exercisable at various prices):	64.8m
Cash at bank (as at Mar 30):	US\$3.1m
Unused financial facilities available:	A\$5.5m

12 month share price and volume:



Major shareholders (as at 3 February 2023):

Woobinda Nominees Pty Ltd (Mr Dan O'Brian)	9.16%
HSBC Custody Nominees (Australia) Limited	8.73%
Super Radek Pty Ltd (Mr Radek Sali)	7.52%
J P Morgan Nominees Australia	5.75%

Top 20 shareholders: 61.91%

Board and Management:

Chairman:	Mr George Livery
Chief Executive Officer:	Mr Oliver Baker
Chief Financial Officer:	Mr Chris Kavanaugh
Non-executive Director:	Mr Adem Karafili
Non-executive Director:	Ms Gretta Van Riel
Non-executive Director:	Ms Margaret Hardin
US Advisor:	Ms Vanessa Dew
US Advisor:	Mr Brandon Fishman

Overview and investment highlights

Established market presence, significant sales growth and proven star in Canada.

Established operations

- Strong sales growth across all traditional retail and ecommerce – stocked with major US and Canadian retailers with UK sales growing
- Scalable manufacturing and improved product strategy delivered **strong gross margin (FY22: 52%)**

Significant Sales Growth

- FY222 revenue **hits ~US\$9.1m growing at 50%**
- **Record revenue of US\$2.55m in Q1 FY23** (up 34% on pcp), delivered ahead of peak sales period of North American summer

Proven Canadian business

- **#2 Hydration brand in Canadian** pharmacy/grocery with national distribution, 21% share*
- **13 SKUs+** on shelf of largest retailer
- Canadian **regulation slows new market entrants**

Source: *IQVIA 52 Weeks Category Data for Food Drug and Mass. Excludes Fridge Items.



FY2022 Financial Highlights (and Jan Record)

Total FY2022 revenue:

US\$9.09m ↑

↑ +49% on PCP
(unaudited)

Q4 FY2022 revenue:

US\$2.52m ↑

↑ +45% on PCP

FY22 Gross margin:

52%↑

↑ +6% on PCP

Amazon US subscriber growth:

Up 108% ↑

From 1,962 to 4,093 subscribers as
at 30 December 2022

Canadian retail sales:

Up 69% ↑

Major increase on PCP through
increased sales to key retailers

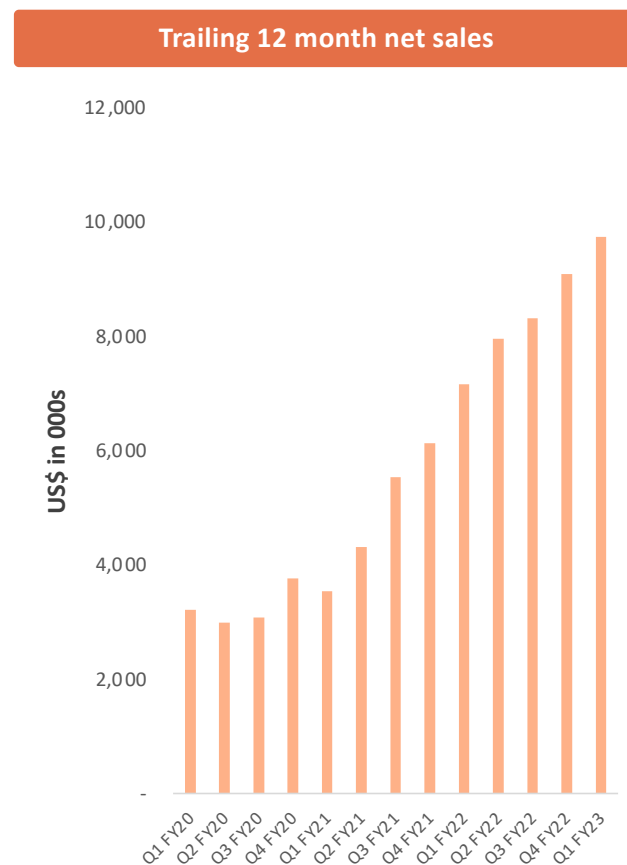
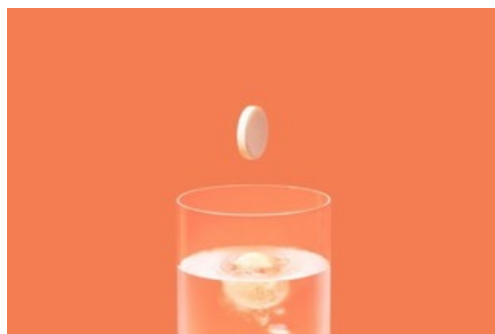
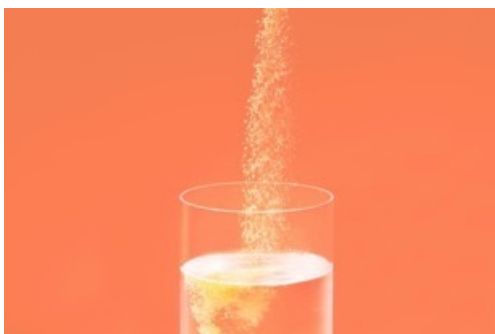
Record Sales in Jan

US\$1.0m

Record monthly sales – up 70% on
the PCP with reduced marketing
spend

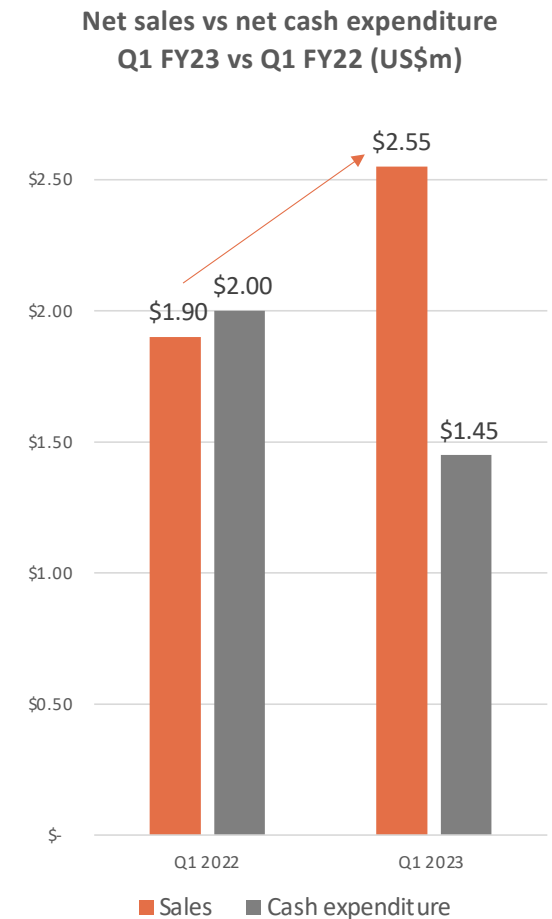
Revenue growth continues despite reduction in marketing expenditure

- Trailing 12 month revenue of US\$9.7m up 36% on same period last year
- Q1 FY2023 revenue growth driven by:
 - Sales to Canadian retailers: up 63% on PCP to US\$1m
 - Amazon Canada sales: +28% on PCP to C\$0.54m
 - Amazon US subscriptions: Up 78% to 4,222 – growing from 2,362 at the same time last year



Q1 FY2023: 44% decrease in cash used with 34% revenue growth

- Q1 FY2023 highlighted a 44% reduction in net cash used in operating activities compared to last quarter
- Cash burn reduced through decreased market spend – down US\$0.8m on last quarter to US\$0.9m
- Record revenue of US\$2.52m (up 34% on PCP) – highest quarterly sales to date
- Record sales growth achieved during North American Winter – generally an off peak sales period



Functional beverage companies command high multiples

Extensive M&A in recent years highlights the growing demand for established companies similar to



Liquid IV

- US-based health science, nutrition and wellness company
- Bought by Unilever in October 2022
- Estimated ~US\$100m in revenue

Sale price:

~US\$350m



Nuun

- US-based consumer goods and hydration company focused on tablet products
- Sold to Nestle in May 2021
- Estimated US\$35m in revenue

Sale price:

~US\$80m



License for Hydralyte Australia/NZ

- Australian and NZ rights to Hydralyte – held ~85% of the oral rehydration in Australia
- Sold to NYSE-listed Prestige Brand Holdings in 2014, estimated \$30m in revenue

Sale price:

~US\$80m



Pure Boost

- Smaller USA based Powder Energy sticks business
- Raising money at \$US40m pre-money
- 2022 revenue \$8.5m (HPC: US\$9.09m)

Recent capital raise value:

~US\$40m

Canada alone presents a major market opportunity with huge US upside potential

Canadian category has doubled in size – led by Pedialyte (market leader) and Hydralyte
 Canadian market is undersized and will grow organically – providing significant opportunity



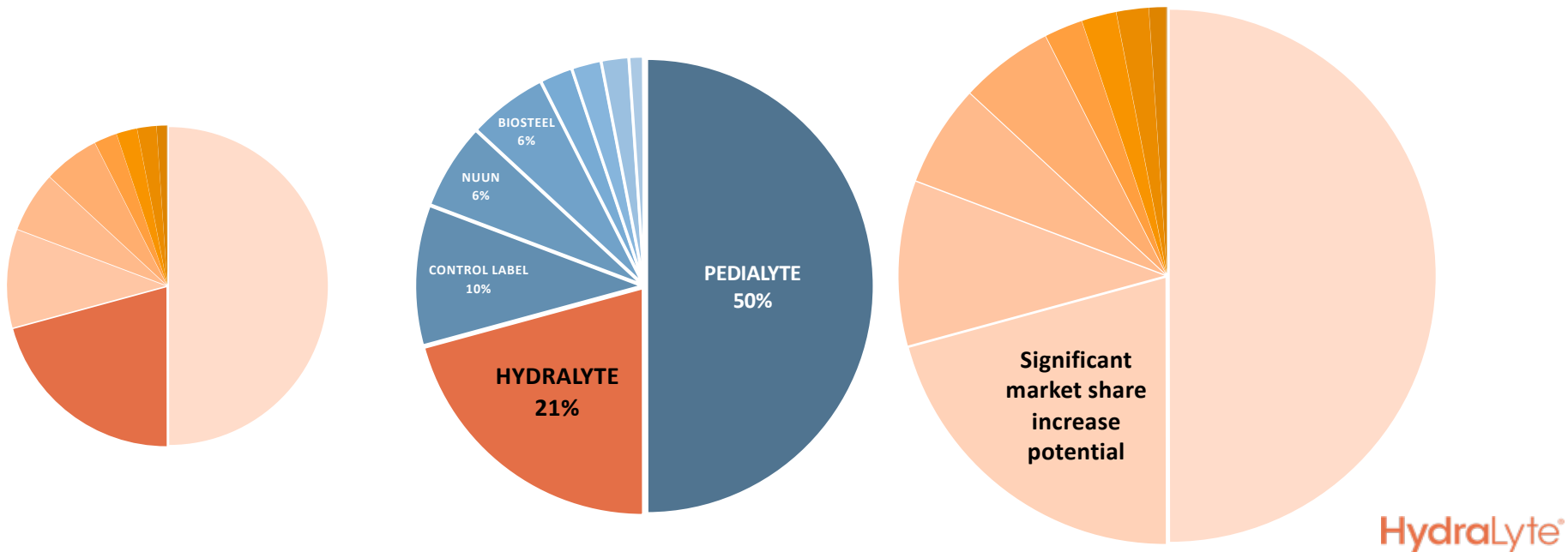
US Hydration category is valued at ~\$US\$1.5Bn with most mature Canadian categories 1/10 of US– Hydralyte to benefit from ongoing organic growth



August 2021 market value:
~US\$16m

August 2022 market value:
~US\$33m

2025-2026 forecast value:
+US\$150m (10:1 USA)



Source: IQVIA 52 Weeks Category Data for Food Drug and Mass. Excludes Fridge Items. 52 Weeks IRI + Jungle Scout Amazon Estimate plus estimate Costco + Estimate D2C

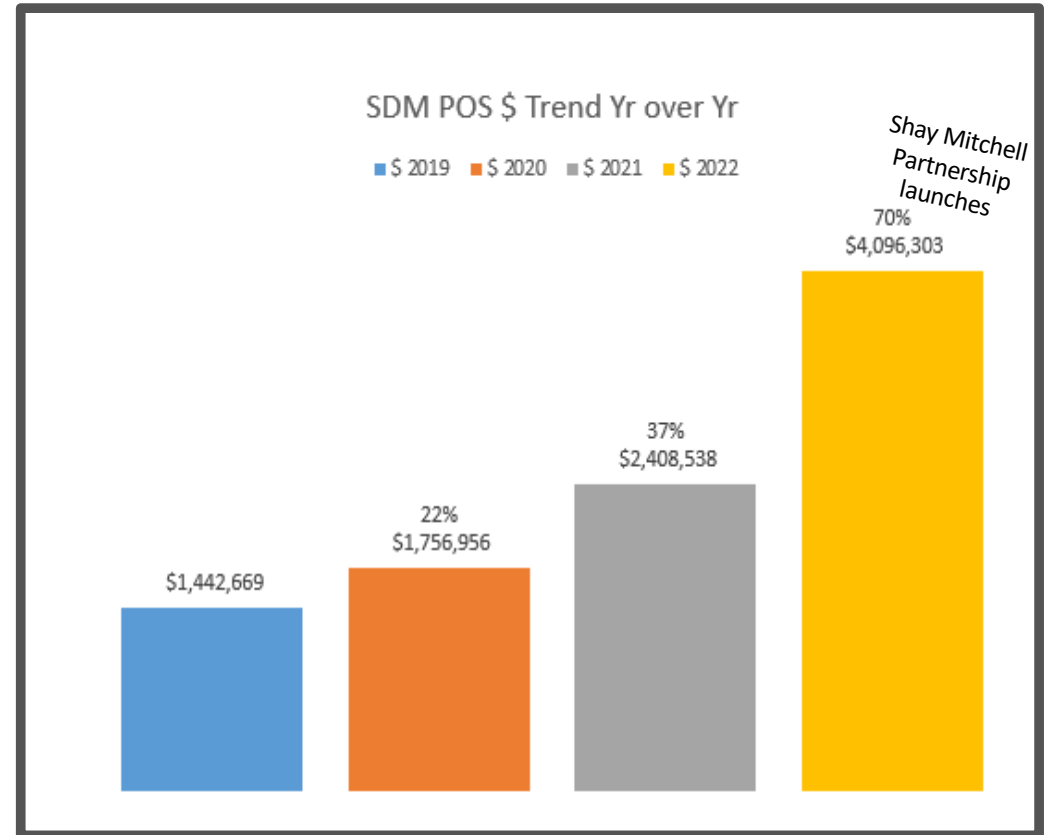
Bricks & Mortar highlights: Growth with Canada's leading pharmacy chain

- Shoppers Drug Mart is Canada's number one pharmacy chain
- YTD sales grew 135% with the group on the prior quarter
- March 2023 saw peak summer sales matched in the middle of Canadian winter
- Additional commitment to stock another 13 products on shelf with the retailer secured in March 2023



Leading shelf positioning for HPC products in Shoppers Drug Mart

Shoppers Drug Mart retail sales last 4 years (\$CAD)

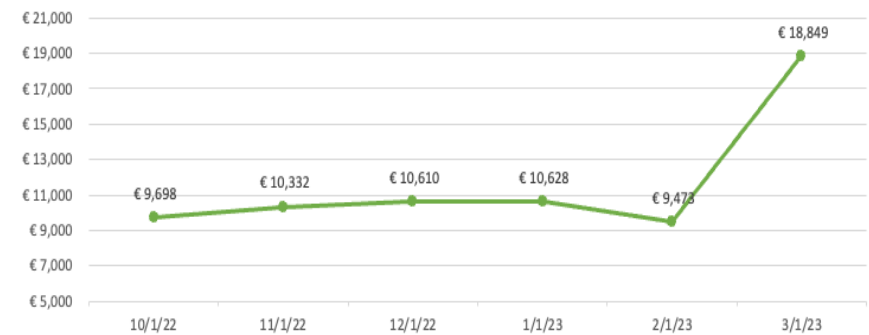


International expansion opportunities and UK sales upside

Wholefoods London



Amazon UK sales growth



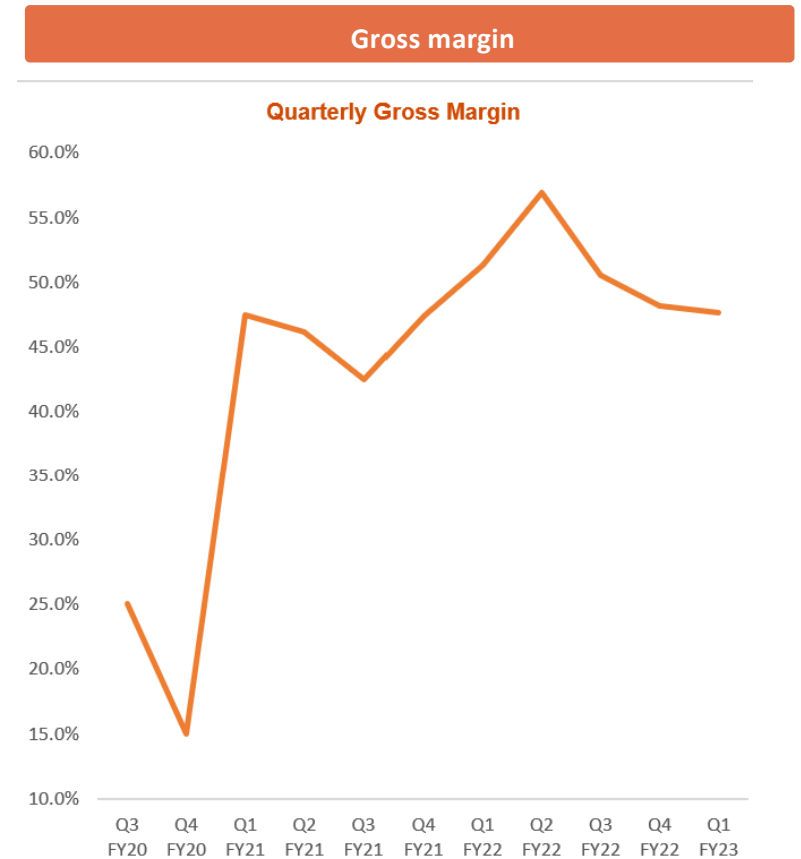
- Sales opportunities outside North America being pursued
- Products now being sold in leading retailers Wholefoods and Chemist Warehouse across expanding USA stores
- Amazon UK showing extreme growth in initial phases – sales of ~£20k per month being realized



Prime positioning in Wholefoods Stores (London, UK)

Gross margin remains strong

- Gross margin of 48% in Q1 FY2023
- Slightly decreased on last quarter (Q4 FY2022: 49%) due to air freight costs and increased inventory reserves prior to peak sales period in North American summer
- Product profile strategically modified in Q1 FY2023 – lowest performing products to be eliminated
- Lower performing products being sold through discount channels to focus on stronger selling inventory
- Ongoing manufacturing optimisation processes to assist with margin improvement



Partnership with brand ambassador and co-owner, Shay Mitchell

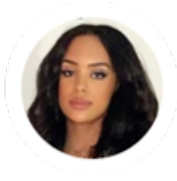
- Ms Mitchell is a Canadian Actress and entrepreneur with ~35.4m Instagram followers
- Co-branded product launched in December 2022 through HPC ecommerce channels and Amazon USA – with Canadian launch pending
- For launch, 16 of North America's top influencers were invited for a two-day marketing activation in Miami to promote the partnership. Around **\$1m** in advertising value.
- Event delivered significant social media exposure across HPC's target market – second product being developed for launch in June

Influencer attendees:



Abbie Herbert
@abbieherbert

14.4m followers



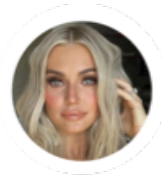
Kristy Sarah
@kristy.sarah

9.6m followers



Bailey Daughenbaugh
@baidaugh

4.6m followers



Lindsay Cusick
@lindsarnold

1.1m followers

Guests had a total of 85m followers combined – providing major exposure ahead of bricks and mortar roll out



HydraLyte®

Major product launches planned for Q2 FY2023 expected to deliver additional sales

#1 SKU launch of 2022 was **Hydralyte Liver Detox** which delivered ~US\$300,000 of incremental sales, now sells \$3k per day

Introducing 2 in 1 Rapid Rehydration Plus Apple Cider Vinegar

Apple Cider Vinegar is a nutritional powerhouse but taste is its main barrier for adoption. That's where we came in with a sweet take on apple cider vinegar.



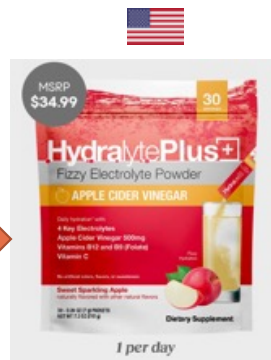
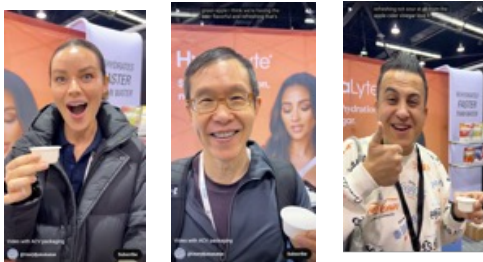
Market
Proven!



Goli is the market leader in gummies with a USA revenue of \$70M USD in 2022, from a single SKU ¹.

Taste Perfected
(Tested by real people)

<https://www.youtube.com/shorts/tOFFt9PR2Uo>



Launching imminently

Q2

Apple Cider Vinegar is one of the largest wellness categories in USA

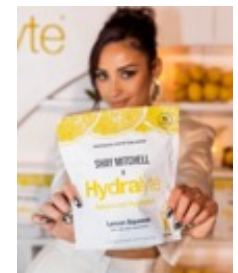
Timeline is subject to change at the Company's discretion, without notice. 2.
<https://www.databridgemarketresearch.com/reports/global-apple-cider-vinegar-market>



Best selling stick pack
in bulk tub format

Q2

Delivers higher per unit
margin on Amazon



Shay Mitchell Lemon
Squeeze launch

Q2

Shay's SKU accepted at both
London Drugs and #1
pharmacy Shoppers Drug Mart

Hydralyte

Thank You

Stay Hydrated

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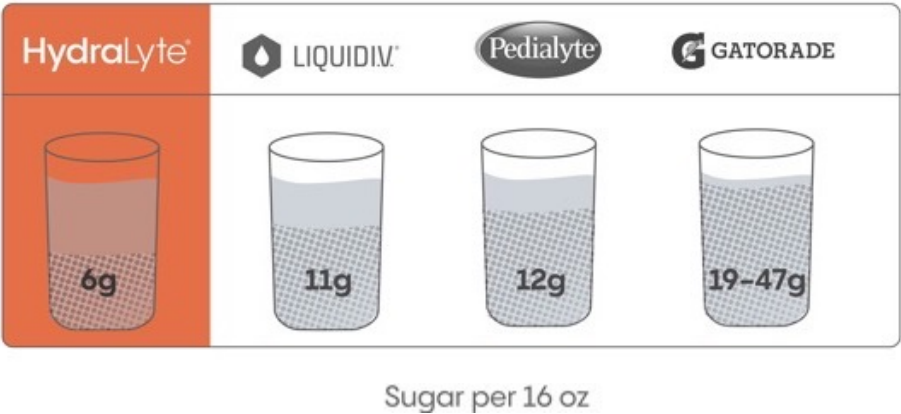
Appendix 2: Product health benefits

Hydralyte is the most advanced rapid rehydration solution in the market designed for the whole family.

With more electrolytes and less sugar, Hydralyte can be used daily for various use cases, without worry.

	 Hydralyte	 Pedialyte	 Liquid I.V.	 Nuun	 Gatorade	 Coconut Water
Advanced rapid rehydration formula	✓	✓	✓	✗	✗	✗
Used by medical professionals	✓	✓	✗	✗	✗	✗
Designed for all ages	✓	✗	✗	✗	✗	✗
Powders, tablets & Ready-to-drink	✓	✗	✗	✗	✗	✗
Electrolytes per 16oz.	★★★★★	★★★★	★★★★	★★	★	★
Sugar per 16oz.	6g	12g	11g	1g	19g-47g	18g-30g

Rapid Rehydration **Requires** Sugar. We Only Use What is Needed. **Nothing More.**



HydraLyte

Appendix 3: Product Range

HydraLyte is now leading industry innovation. Intersection of daily rehydration and drinkable vitamins

ORIGINAL RAPID REHYDRATION

Ready to drink

Portable, compact tablets

Stick-style packets



HYDRATION PLUS 2 in 1

Immunity

Collagen

Liver Support



Best Seller!

Product	Hydralyte Original	Hydralyte + Immunity With Vit C and Elderberry	Hydralyte + Collagen	Hydralyte + Liver Support
About	Rapid rehydration in multiple formats, flavors and serving sizes	ElderBerry and Citrus – inc. 1000mg Vit C, Plus Zinc	Fast dissolve, no chunk, Clinically proven Collagen	7 electrolytes, 6 antioxidants including Ginger, Turmeric, Milk Thistle & Prickly Pear.