

Prenetics™

Prenetics Global Limited

Third Quarter 2025 Earnings Conference Call

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CORPORATE PARTICIPANTS

Danny Yeung, *Chief Executive Officer and Co-Founder*

Stephen Lo, *Chief Financial Officer*

PRESENTATION

Operator

Greetings, and welcome to the Prenetics Third Quarter 2025 Earnings Conference Call.

As a reminder, this call is being recorded.

Your hosts today are Danny Yeung, Chief Executive Officer and Co-Founder, and Stephen Lo, Chief Financial Officer. Mr. Yeung and Mr. Lo will present results of operations for the third quarter ended September 30, 2025, and provide a corporate update. A press release detailing these results was released today and is available on the Investor Relations section of our Company's website, www.prenetics.com.

Before we begin the formal presentation, I would like to remind everyone that statements made on the call and webcast may include predictions, estimates and other information that might be considered forward-looking. These statements are made under the Safe Harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. While these forward-looking statements represent our current judgment on what the future holds, they are subject to risks and uncertainties that could cause actual results to differ materially and are not a guarantee of future performance. You are cautioned not to place undue reliance on these forward-looking statements, which reflect our opinions only as of the date of this presentation.

Please keep in mind that we are not obligating ourselves to revise or publicly release the results of any revision to these forward-looking statements in light of new information or future events. Throughout today's discussion, we will attempt to present some important factors relating to our business that may affect our predictions. Unless otherwise specified, all information provided on this call is as of today's date, and we undertake no duty to update such information. For a more complete discussion of these factors and other risks, you should review our quarterly annual reports and other documents and disclosures on file with the Securities and Exchange Commission at www.sec.gov.

At this time, I'll turn the call over to Prenetics' Chief Executive Officer, Danny Yeung. Please go ahead, sir.

Danny Yeung

Thank you, and good morning, everyone.

The third quarter of 2025 marks a defining moment for Prenetics and for IM8, our flagship health and longevity brand co-founded by David Beckham. As you may know, Prenetics has actually been public for several years now. However, this is actually the first time we're hosting a quarterly earnings call, and the reason being, quite frankly, there was not much data we could point to as we were in the process of a complete transformation of our business. But now, given our sharpened focus on IM8 and its extraordinary growth trajectory, we felt now was the right moment to begin engaging with investors on a more regular cadence.

Now, for myself personally, I spent my whole career building category-defining companies. This is actually my fourth company started from the ground up. My previous company was actually acquired by Groupon

in Asia, and I led that company to being the largest e-commerce direct-to consumer company in the region. After I left Groupon, I started Prenetics roughly about 11 years ago as a DNA testing company.

When COVID hit, we pivoted to serving PCR testing for the community, and in just those three years alone from 2020 to 2023, we generated over \$800 million in revenue. What that shows us is our ability to execute and execute at scale. As I wrote recently in my published manifesto, I believe execution is repeatable. It's really about identifying inflection points early and building disciplined systems that convert vision into measurable results. What we're building with IM8 is exactly that. I do believe this is a once-in-a-lifetime opportunity to create a new category at the intersection of health and wealth. I believe IM8 can be one of the world's biggest health and longevity brands in the world, and to achieve \$1 billion annual revenue by 2030.

While that number sounds ambitious, think about what we just achieved in the last nine months. We just hit \$100 million annual recurring revenue in the last 11 months, the first time that's ever been done in the history of the supplement industry on a global basis. We project that we will hit \$300 million ARR by the end of 2026. Hence, I believe that's highly, highly realistic for us.

Just last month, we've also completed a \$44 million strategic funding round, attracting a very world-class group of investors, including Kraken, Exodus, XtalPi, as well as the world number one tennis champion, Aryna Sabalenka. Together with the divestment of ACT Genomics, Prenetics now holds approximately \$122 million in total equity, \$82 million in cash, 387 Bitcoin, valued at approximately \$40 million, and zero debt. We believe we have a position of real strength to support accelerating growth.

This capital also supports our dual engine growth model, where IM8 is driving the health engine through rapid recurring revenue, and our Bitcoin treasury, in which we have been buying one BTC daily since August 1, fueling the wealth engine by preserving long-term value.

Today, Prenetics is the only mass-administered consumer health company integrating Bitcoin into its balance sheet. Naturally, one would ask, why Bitcoin? Because I do believe the future is health and wealth. In my manifesto, I also write that prosperity in the next decade belongs to companies that compound both. Health drives purpose, wealth provides endurance. Our Bitcoin strategy isn't speculation, it's part of a sustainable framework to build enduring shareholder value alongside human well-being.

Turning to our Q3 results and IM8, in short, performance has been exceptional. In just 12 months since launch, IM8 is on pace to reach \$120 million in annualized recurring revenue by December 2025, representing the fastest growth trajectory ever recorded in the global supplement industry, surpassing even leading AI startups.

For the third quarter, total revenue surged 568% year-over-year to \$23.6 million, driven by IM8's 76% quarterly growth and expanding international demand. October alone was a record for the brand, with \$9 million in monthly revenue, up 32% month-over-month, and on track to exceed \$10 million in the month of December. IM8 has achieved truly global scale with 420,000 plus customer purchases across 31 countries worldwide. Remarkably, international markets now represent 56.5% of our total revenue, with our top markets being the U.S., followed by Canada, U.K., Australia and Singapore. This international diversification validates our premium position across diverse markets.

We are also now in a unique position to begin introducing key performance indicators to better depict our growth of IM8, as well as showing increased transparency into the brand's success. For the third quarter, we have a subscription rate of 80%. That means for any new customer coming into the platform, 80% of the time, they are repeatable subscribers. We also have average order value up 36% quarter-over-quarter to \$150. This actually was \$110 last quarter. Very importantly, our gross margin is now up to 60% from 52%, so an 800 basis point increase in just one quarter.

Lastly, our customer payback period stands at now 3.9 months, inclusive of churn. What this number means is that we recover our customer acquisition costs in less than four months. Typically, this figure for supplement brands is roughly at 6 to 12 months, and it shows we have very healthy unit economics and can continue to scale our marketing span. What makes these results even more remarkable is that our growth has been built on essentially one scale, the daily ultimate essentials. What that product does is basically replaces 16 different supplements in one tasty drink.

More recently, we've just added IM8 Daily Ultimate Longevity in October. This product is specifically for slowing down the aging process, targeting the 12 hallmarks of aging. When we launched this product last month, this immediately drove our average order value from \$110 to \$150. This is 100% DTC. This 36% increase demonstrates that people are willing to pay premium prices for science-backed solutions with proven quality and efficacy.

What's particularly more exciting is also our clear trajectory towards break-even and profitability. Our Adjusted EBITDA loss has improved dramatically from \$6.5 million in Q1 to \$4.1 million in Q2, and now to just \$2.1 million in Q3. Now, this trend demonstrates we could be profitable if we chose to, but given the immense global opportunity, we're strategically choosing to scale even more aggressively.

We believe speed is the ultimate advantage. We've built an AI-optimized organization capable of iterating, testing, and scaling faster than incumbents can react. That's how we've been able to reach \$120 million ARR run rate in under a year, something that typically takes other brands three to four years. This will mean that IM8 for full year 2025 will exceed \$60 million in revenue, and we are projecting \$180 to \$200 million in full year revenue for 2026. This means by the end of 2026, monthly revenues will be \$25 million, \$300 million annual recurring revenue in the end of 2026, and heading into 2027. Keep in mind, this is only for the IM8 brand, not for any of our other business units.

To put our growth in perspective, we're following a very similar growth trajectory to Hims and Hers, which grew from \$148 million to over \$2 billion in annual revenue in just the last five years.

With the global supplements market valued at over \$700 billion by 2030, according to Grandview Research, we're still in the very early stages of capturing our addressable market. What gives me confidence in these projections is the quality of data that we now have. With three full quarters of IM8 data, and the data is very clear and compelling, we believe we have the flywheel now.

In parallel, and importantly, we've also initiated a strategic reveal of non-core assets, being Europa Sports, CircleDNA, and Insighta, following a successful \$72 million sale of ACT Genomics. In fact, we are in the closing stages for the divestment of Europa, and we'll make an announcement in the coming weeks. This focus reflects another theme from the manifesto, execution over ideology.

We're simplifying our structure to channel every resource we have toward our highest margin and our highest velocity growth engine, that is IM8. Our partnerships with David Beckham, Co-Founder of IM8, and Aryna Sabalenka, world number one tennis player, have given us global visibility few competitors can match.

Behind the scenes, our Scientific Advisory Board, comprised of 11 world-class experts from institutions like the Mayo Clinic, Cedars-Sinai, anchors our brand in credibility and innovation. IM8 is 100% direct-to-consumer brand, and the data-driven DTC model gives us deep retention insight and marketing efficiency that compounds over time.

Prenetics is not just scaling. We believe we're building a new class of consumer company defined by execution discipline, scientific credibility, and financial innovation. With \$82 million in cash, \$40 million in Bitcoin, our 35% stake in Insighta valued at \$70 million based upon \$0.10 investment, and a conservative \$380 million valuation for the IM8 business, our net asset value approaches \$572 million, or approximately \$34 per share. I'm confident, though, that in the coming years, we will become the multibillion-dollar

company I envision, helping millions of people around the world with science-backed solutions for optimal health and longevity.

With that, I'll turn the call over to our CFO, Stephen Lo, to walk through the financials in more detail.

Stephen Lo

Thank you, Danny, and good morning, everyone. We are pleased to report a record third quarter that underscores the operational strength and scalability of our business model.

Danny just now touched on most of the financial highlights. There are a few items I want to address before turning the call over to the Operator for questions, beginning with the improvement in our Adjusted EBITDA. The improving Adjusted EBITDA transformed a \$6.5 million loss in Q1, when we still had loss-making ACT Genomics, down to \$2.1 million in the third quarter. This demonstrates our operational leverage and clear path to profitability. After the October funding round and ACT Genomics disposal, cash has increased to about \$80 million and Bitcoin holdings to 387 BTC, worth approximately \$41 million.

What this means is that we have approximately \$120 million in total liquidity and no debt. This liquidity gives us the flexibility to scale IM8 globally, invest in marketing, and continue Bitcoin accumulation under our dual-engine framework. We also have the luxury of choosing growth over short-term profitability, allowing us to capture maximum market share during this critical scaling phase.

As IM8 continues to drive both scale and margin expansion, we can reinforce this leadership as a core growth engine. We also have positioned ourselves to reaffirm a full-year 2025 revenue guidance of \$90 to \$100 million, with IM8 expecting to be approximately \$60 million. For 2026, we expect IM8 revenue to be between \$180 to \$200 million, driven by continued international expansion, new products, and enhanced brand activation.

Our focus remains on scaling efficiently, expanding margins, and maintaining financial discipline. As Danny mentioned, the third quarter was another quarter of strong execution and strategic progress. Positioning Prenetics for sustained value creation into 2026 and beyond.

Thank you, everyone, for joining us today. Operator, please open the line for questions.

Operator

Thank you. We would now like to turn to a few pre-submitted questions from the audience.

Danny, the 3.9-month payback period is impressive for the supplement industry. Can you walk us through how this metric has evolved since launch, and what gives you confidence this can be maintained as you scale marketing spend globally?

Danny Yeung

Yes. Thank you. We've been very happy about payback period of 3.9 months. Just to put this into perspective, if you guys look at this whole year from Hims and Hers, that's a company that we really look up to, given that they are a large \$10 billion market cap company, their payback period is roughly 12 months' time.

How do we calculate payback period? Basically, we're taking into consideration our cost of customer acquisition, and how long does it take for us to recoup the customer acquisition based upon our gross margins. That's why we get 3.9 months.

In terms of how it's evolved, when we started out, it was roughly about four to five months. By now, we've been able to gain marketing efficiencies. We've got much more data. Given that this trend is actually going down in terms of the payback period, and given how competitors are having from 6 to 12 months, even at their worst case, let's say our payback period is 5 to 6 months, we're still within great range of how large companies, such as Hims and Hers, are viewing this payback period as one of the most critical figures or metrics that any DTC company is looking at today.

Operator

You mentioned 56.5% of revenue now comes from international markets across 41 countries. Which geographies are showing the strongest growth? How do you think about the TAM expansion opportunity as you scale into new markets in 2026?

Danny Yeung

Yes, this is a good question. I think when we started, we launched IM8 back in December. When we first started, I think the first two to three months, we were actually hovering roughly about 70% U.S. market. This actually has gotten down to roughly right now 46.5% for the U.S. and 55.5% for international. What this means is that we've, in such a short amount of time, basically in the last 11, 12 months, we went from zero to a global brand that's serving 31 countries. When we say 31 countries, this is a global market opportunity.

We're thinking that the total addressable market is over \$700 billion. This means we're very well positioned to grow in many of these markets. We're seeing a lot of growth from around the world. As mentioned, U.S. is number one. Canada is growing. We have Europe growing. The Middle East is growing. Southeast Asia, Singapore, Hong Kong are growing. We're seeing growth pretty much across the board in every market that we're operating in.

Operator

Danny, you just completed a \$44 million raise. Now you have \$122 million in total liquidity with zero debt. Given IM8's rapid growth trajectory and your 2026 target of \$180 million to \$200 million in revenue, do you anticipate needing additional capital to fund this expansion?

Danny Yeung

Yes, great question. Given our current liquidity, we do not expect to need any new capital to fund our expansion. As we mentioned for Q3, our Adjusted EBITDA loss is just \$2.1 million. Again, for any DTC brand, to be at this position is quite phenomenal. I think we did a lot of work behind the scenes operationally to ensure that by the end of the first year, we can get to break even. That's where the metrics and data is pointing to. But again, given the global expansion opportunity, we're going to look to aggressively grow even further.

Also to touch on the recent equity fundraising, the beauty of this fundraising is that there is a 50%/ 100% premium warrant. If we're hitting that share price, the first warrant is able to be exercised at \$24, and then \$32 at a much higher valuation, we'll get additional capital to further fund this growth.

Again, we have very highly ambitious goals, and the recent fundraising gives us a lot of operational flexibility to be able to go after growth, while at the same time limiting losses, as you can see from our Q3 results.

We're in a very strong position from a capital perspective and we do not expect any immediate fundraising needs.

Operator

Thank you. This now concludes our pre-submitted questions. I would now like to turn the floor back over to Danny Yeung for closing comments.

Danny Yeung

Thank you everyone for joining. Again, this is the first time we've done an investor earnings call. As I mentioned at the top of the call, the reason why is that we never really had anything that we were really able to shout and be proud of, but I think now we have something phenomenal.

You may know I travel quite extensively, and in every country visit, I talk to the individuals there locally and it's amazing how many people around the world currently are on IM8 and make it part of their routine. We're building something very, very special here and I do believe the market will soon recognize this.

Thank you for following along our journey. I fully expect to update everyone in terms of our traction and the opportunity ahead of us as we move forward.

Operator

Ladies and gentlemen, thank you for your participation. This does conclude today's teleconference. You may disconnect your lines and have a wonderful day.