

LUKE, MASON AND JESSE HAMBLY, PRESSA BOTTLE

Elora brothers tame 'dragon' for Pressa Bottle investment

BY JAIME MYSLIK

FERGUS – "We wanted to be first and fastest to market," Elora resident Jesse Hambly said while on CBC's *Dragons' Den* with brothers Luke and Mason.

The brothers created Pressa Bottle, the only pressed fruit water bottle on the market.

"I think we know where we're going and we need the money and that third party investment to match," said Jesse.

"We decided to go with Jim (Treliving)."

The Elora brothers went on the show, which aired on Feb. 1, prepared and ready to win.

"You don't go in with the mindset of insecurity, because it's going to show," Jesse said in an interview with *Business Leader* a week after the show aired.

And win they did.

After more than two hours of discussion, of which only about eight minutes was aired on the CBC show, the brothers accepted the offer from Treliving, chairman and owner of Boston Pizza International Inc.

"It's clever and it's simple," said Dragon Joe Mimran on the episode. "You know, it's ridiculously simple."

The brothers' appearance on *Dragons' Den*, a CBC show where Canadian business giants or "dragons" choose whether to invest in Canadian entrepreneurs, was the culmination of years of hard work.

The brothers began the Pressa Bottle journey in 2015 when they launched a Kickstarter campaign to develop a water bottle that would press real fruit juice into the water. At the time all they had was a 3D-printed prototype, but after a month, the campaign raised $40,000, which was $5,000 above the $35,000 goal.

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They have been running with the product ever since.

Both Jesse and Mason told *Business Leader* their success is largely based on preparation.

Before even launching the Kickstarter campaign, Jesse said they "pre-campaigned" for about three months.

"You can't just put a Kickstarter campaign online and make money," Jesse said. "It doesn't work like that. No one will even visit your campaign."

Mason said it's important to have a solid foundation.

"Your pre-campaign and pre-marketing before the Kickstarter campaign is, I think, more important than the actual campaign," Jesse said.

The money raised went towards purchasing Pressa Bottle moulds for the product, which is manufactured in China.

From that point, Pressa Bottle has been sold online - and it is now being sold in some stores.

The brothers began the venture after Jesse and Luke graduated from university and while Mason was a student at the Toronto Film School.

Now Mason, 24, Luke, 26, and Jesse, 28, all work at Pressa Bottle full time as the only employees. They each do a little bit of everything, but they do have specialties. Jesse is in charge of marketing and advertising, Mason is in charge of media and Luke is in charge of manufacturing.

The brothers actually tried to get on

Dragons' Den before their Kickstarter campaign, but they were asked to come back and audition again when the company was more established.

So in January 2017 they auditioned at the Delta Guelph.

"You pitch the producers and then they run you through a whole bunch of questions," Jesse said. "They test the product right there.

"They do a whole bunch of stuff right in front of you."

Jesse and Mason said they were comfortable because they had won pitch contests in the past.

"I think the simplicity of the product ... really helps us out when we're pitching it because it's one of those things where people can see it in their hands or in someone's life," Jesse said.

"It's a very easy thing to fit in."

After making it through the producer round, Jesse, Luke and Mason were asked to come to CBC's broadcasting centre in Toronto in May 2017 to film the episode.

"We signed a non-disclosure agreement that says you won't talk about it, you won't promote it ... because they don't want to wreck the surprise," Jesse said. "So yeah, we've just been kind of sitting."

Mason added, "We've known the whole time."

Before pitching to the dragons the brothers were in a waiting room with other contestants.

"Some people get ripped and they don't get a deal ... so they're bummed out," Mason said. "And some people get a deal."

The show was filming a family episode, so the brothers' parents were waiting with them.

"When it was our time to go on they basically pulled us apart and then put our parents in one room with a TV so they were watching the whole thing and then we went in the actual den to pitch," Mason said. "So our parents pretty much were watching us the whole time from when we left them."

The brothers went in prepared with a planned pitch.

"We were a little surprised because we had rehearsed our pitch so many times and then when we did it they [were] interrupting ... so it was supposed to be more flowy," Jesse explained.

"We had wanted to just ... get our pitch out like we had rehearsed it, but then because of the TV stuff they'd cut you off and they'd stop you in the middle of it to make you interact more with them ... so it's not so rehearsed."

The brothers went in asking for $150,000 in exchange for 20 per cent of Pressa Bottle. They valued the company at $750,000.

"We just pooled all of our sales, what we'd spent on patents and basically anything that we owned that was an asset, we just kind of took them all and pooled them together and they say three times the sales, we just did three times the valuation of our current assets," Jesse explained.

"So sales and everything combined and, to be honest, they're going to beat you up on that in there for sure.

"They're going to definitely try to chop you down on your valuation every time - they're investors."

After hearing about the beginnings of Pressa Bottle, dragon Michele Romanow commended the brothers for their efforts.

"That's exactly how you should be building a business these days," she said. "Spending not that much capital, get something 3D-printed, make a Kickstarter, find out that people want it, and then get to scale and grow from there."



JIM TRELIVING, MICHELE ROMANOW, JOE MIMRAN, ARLENE DICKINSON, MICHAEL WEKERLE AND MANJIT MINHAS, *DRAGONS' DEN*

PHOTOS: SUBMITTED



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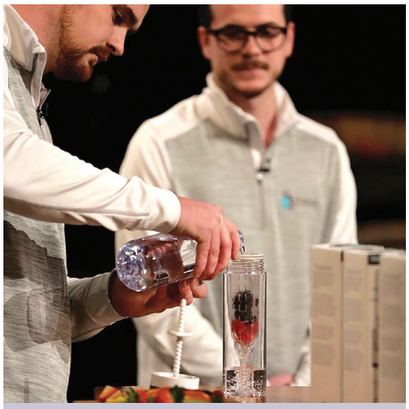

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> JESSE HAMBLY

She offered $150,000 for 40% of the company, after saying the brothers' valuation was too high.

Dragon Michael Wekerle said, "I think it's a good idea. I don't think it's a great idea, I'm just being honest with you. I think that there's a lot of products that are going to compete with you."

Wekerle did not make an offer.

Dragon Manjit Minhas also said she wouldn't be making an offer.

Dragon Arlene Dickinson said she'd loan the brothers $150,000 at 10% interest, with the ability to convert it in a year to 25% of the business.

"I would have actually liked to help you on this project because I think this would have been a really fun one to work on," Mimran said before he offered $150,000 for 30% of the business.

Treliving offered the Hamblys $150,000 for 25% of the company.

"It will make us equal partners in the sense of the four of us," he said. "I want to be able to have some say on the board."

The Hamblys accepted his offer.

"We ended up dropping another 25% equity because Jim wanted to do 25% each between the four of us and honestly, at that point in time, it made sense," Jesse said.

"Like 5% for that much more, it's like you just get greedy at that point in time if you try to negotiate. So we just took the deal and then go from there."

During the more than two-hour pitch Jesse said they were grilled on their numbers, but Mason said they were prepared and had answers for every question.

"They wanted to know where we were getting our funding from, which was our own funding, our own money," Jesse said.

"They were having a hard time processing that. They figured we got funding from somewhere else so they were kind of pushing us on that.

"But we didn't. It was all self-funded."

The negotiations with Treliving didn't end with *Dragons' Den*.

"The handshake means nothing on the show," Jesse explained. "Really it's just an intent to kind of go through your company.

"We just continued to keep going through everything with them, to renegotiate if at this point in time we're worth more or at some point in time we're worth less.

"It's going to be an ongoing negotiation before anything gets set, but we're working towards the deal."

However, the negotiations slowed before the *Dragons' Den* episode aired.

"From being on the show there's a lot of stuff they want to do with the due diligence to see that there's a demand for [the product] before they get into it," Jesse explained.

After the show Jesse and Mason said the sales for Pressa Bottle skyrocketed.

"They've gone crazy, actually," Jesse said a week after the show aired. "We sold out in Canada and the U.S. and we had to pool all of our inventory from the U.S. just to fulfill Canadian orders."

They anticipate new Pressa Bottles will be available in April.

"They're just pre-ordering them," Jesse said. "Which is still happening, at a surprising rate, from *Dragons' Den*.

"It's good though, because it pays for our next run of inventory without having to foot the money the first time."

They said many sales can be directly linked to their *Dragons' Den* appearance.

"When the east coast had aired we started getting a whole bunch of sales and then it kind of came to central and we got sales and then it went to the west coast, too," Mason said.

In addition to web sales, Jesse said Pressa Bottle is also available in many retail stores, including Saks Fifth Avenue, Staples and Home Depot in the U.S.

"They've given us projections for Home Depot and Home Depot has some pretty crazy projections," Jesse said. "So, it's just going to be about keeping up with that.

"Those companies, they don't pay you, some of them, for 90 days after you've shipped the product to them. So it's just a matter of floating the boat."

The bottles are also sold internationally in Europe, Japan and Australia.

To be successful on *Dragons' Den* Jesse and Mason said it's important to know the company's numbers.

"If you have a decent idea ... and it's got good numbers ... you're just proving that you can sell it and it's making money and it's profitable for an investor to come in - you're set," Jesse said.

"And then after that they're just going to joke around with you the whole time and have fun with you."

Jesse said the best part of his Pressa Bottle journey was learning other people liked the product after the successful Kickstarter campaign.

"I saw the community of people that I didn't know and then people from Belgium and people from Japan, people from all over the world, U.S. and everywhere," he said. "When I saw all those come in and people wanting to back you and support you before the product was even made, I think after I got the funding with that I was stoked because ... people also think it's a good idea and then after that it kind of validated it a bit for me."

He added, "When you do something you want people to like it."

For more information about Pressa Bottle visit www.pressabottle.com. To watch the *Dragons' Den* episode visit www.cbc.ca.

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