

10 December 2021

ASX Announcement

The Hydration Pharmaceuticals Company – Pre-Quotation Disclosure

The following information is provided to ASX Limited by The Hydration Pharmaceuticals Company Limited (**Hydralyte North America or Company**) for release to the market as pre-quotation disclosure in connection with:

- the initial public offering of fully paid ordinary shares in the Company (**Shares**) under a prospectus dated 3 November 2021 (**Prospectus**); and
- the official quotation of the Shares.

Capitalised terms used but not defined in this document have the meaning given to them in the Prospectus.

1. Completion of the Offer and issue of Options and Performance Rights

The Company confirms that that the Offer and the Cleansing Offer under the Prospectus have closed and completion of the issue of the following securities has occurred:

- 58,620,690 Shares under the Offer and 2,000 Shares under the Cleansing Offer, each at the Offer Price of \$0.29;
- 3,000,000 options (1,500,000 options exercisable at \$0.5075 and 1,500,000 options exercisable at \$0.6525) both expiring on 9 December 2021;
- 8,939,600 options exercisable at \$0.29 on or before 1 December 2026;
- 5,208,400 options exercisable at \$0.44 on or before 1 December 2026;
- 5,208,400 options exercisable at \$0.58 on or before 1 December 2026;
- 5,208,400 options exercisable at \$0.73 on or before 1 December 2026; and
- 6,288,028 performance rights.

2. Capital structure of the Company

The Company's capital structure comprises:

- 161,026,683 Shares;
- 38,689,619 options; and
- 6,288,028 performance rights.

A summary of the terms of issue of the options is provided below.

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3. Issued Options

The table below provides a summary of each class of option on issue and the number of options issued pursuant to each class. It also indicates the options that are escrowed and the options that are not escrowed. The escrow period of the escrowed options expires on the two-year anniversary of commencement of quotation of the Shares.

The terms of issue of the options are provided in a separate document released to the market on 10 December 2021.

The total number of unescrowed options is 28,301,796.

The total number of escrowed options is 10,387,823.

The total number of options is 38,689,619.

| Number of Options | Exercise Price | Expiry Date |
|---------------------------|----------------|-------------------|
| Unescrowed Options | | |
| 1,206,667 | \$0.20 | 31 August 2024 |
| 666,667 | \$0.23 | 31 August 2024 |
| 666,666 | \$0.25 | 31 August 2024 |
| 580,000 | \$0.29 | 31 August 2024 |
| 6,939,600 | \$0.29 | 1 December 2026 |
| 600,000 | \$0.29 | 31 August 2028 |
| 5,208,400 | \$0.44 | 1 December 2026 |
| 5,208,400 | \$0.58 | 1 December 2026 |
| 5,208,400 | \$0.73 | 1 December 2026 |
| 7,474 | \$0.45 | 10 January 2029 |
| 74,739 | \$0.45 | 15 January 2029 |
| 134,531 | \$0.45 | 16 January 2029 |
| 19,432 | \$0.45 | 17 January 2029 |
| 178,767 | \$0.45 | 21 January 2029 |
| 35,874 | \$0.45 | 22 January 2029 |
| 351,275 | \$0.45 | 23 January 2029 |
| 258,240 | \$0.45 | 24 January 2029 |
| 956,664 | \$1.34 | 14 September 2028 |
| Escrowed Options | | |
| 1,600,000 | \$0.20 | 31 August 2024 |
| 2,000,000 | \$0.29 | 1 December 2026 |
| 300,000 | \$0.29 | 31 August 2024 |
| 1,500,000 | \$0.5075 | 9 December 2024 |
| 1,500,000 | \$0.6525 | 9 December 2024 |
| 2,594,951 | \$0.45 | 13 January 2029 |
| 179,375 | \$0.45 | 30 April 2029 |
| 713,497 | \$0.45 | 2 May 2029 |

4. Satisfaction of conditions of Offer

The conditions to completion of the Offer were:

- completion of the Restructure; and
- the Company raising the Minimum Subscription under the Offer.

The Company confirms that the conditions to completion of the Offer have been satisfied in full, and not waived.

5. Completion of Restructure and conversion of Convertible Notes

The Company confirms that the Restructure has completed and that all of the securities required to be issued or converted under the Restructure have been issued or converted.

We confirm that all of the Convertible Notes have converted and a total of 43,130,367 Shares have been issued on conversion of the Convertible Notes.

6. ASX escrow

The following is a breakdown of the number of Shares subject to ASX mandatory escrow and the escrow period applying to the Shares. The total number of Shares subject to mandatory escrow is 28,861,659 Shares.

| Number of Shares subject to ASX escrow | Escrow period ends |
|--|----------------------|
| 8,962,224 | 18 March 2022 |
| 2,416,700 | 1 year from Listing |
| 17,482,735 | 2 years from Listing |

The number of options subject to ASX escrow is set out in section 3 above (Issued Options).

7. Voluntary Escrow

The following is a breakdown of the number of Shares subject to voluntary escrow and the escrow period applying to the Shares. For details of the voluntary escrow arrangements, please refer to section 9.7 of the Prospectus.

The total number of Shares subject to voluntary escrow is 37,911,119.

| Number of Shares subject to voluntary escrow | Escrow period ends |
|--|------------------------|
| 10,835,361 | 6 months from Listing |
| 10,835,361 | 12 months from Listing |
| 9,568,677 | 18 months from Listing |
| 6,671,720 | 24 months from Listing |

8. ASX Waiver

ASX has granted the Company a waiver from Listing Rule 1.1, condition 12, to the extent necessary to permit the Company to have on issue 6,288,028 performance rights with a nil exercise price, on

condition that the terms and conditions of the performance rights are clearly disclosed in the Prospectus.

Authorised for release by the Board of The Hydration Pharmaceuticals Company Limited

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