

Company Announcement
ASX: HPC

DATE: 14 December 2021

Hydralyte North America commences ASX trading following \$17M IPO

KEY HIGHLIGHTS

- Hydralyte North America lists on the ASX today after an IPO which raised \$17 million via the issue of ~59M shares at \$0.29 per share.
 - The Company has an indicative market capitalisation of \$46.7 million upon listing based on \$0.29 per share.
 - Hydralyte North America produces a range of electrolyte-rich tablets, liquids and powders for rehydration solutions.
 - The Company aims to be a leading brand for healthy hydration solutions in the US and Canada, where the market generated up to an estimated US\$1.1 billion in sales in 2020.¹
 - Management and Board includes former executives of major vitamins and wellness brand Swisse, with former Swisse CEO, Radek Sali, as the Company's second largest shareholder.
-

Hydration solutions company, The Hydration Pharmaceuticals Company Limited (ASX: HPC) ("Hydralyte North America" or "the Company"), will commence trading on the Australian Securities Exchange (ASX) today at 12noon AEDT following an initial public offer ("IPO") which raised \$17 million.

Hydralyte North America issued ~59 million shares at \$0.29 per share under its IPO, giving it an indicative market capitalisation of ~\$46.7 million.

A well-known existing brand developed in Australia in 2001 to produce a range of electrolyte-rich tablets, liquids and powders, Hydralyte North America was formed in 2014 and aims to grow its footprint in new international markets.

Hydralyte North America is led by an experienced management team and highly skilled Board of Directors, including former executives from major vitamin brand Swisse which has since been acquired by Hong Kong Stock Exchange listed H&H Group.

Hydralyte North America's CEO, Oliver Baker, is the former Swisse Wellness North American General Manager, and Chairman, George Livery, was formerly Swisse Wellness Director of Strategy and Corporate. Former Swisse CEO, Radek Sali, is

¹ Company estimate. Please see section 2.4 and 2.5 of the Company's IPO Prospectus dated 13 November 2021 for details of how this figure was calculated.



Hydralyte North America's second largest shareholder following the IPO, with a 7.15% interest in the Company.

"We have a clear vision for our position in the market: we want to 'own' hydration in the family home," Mr Livery said.

"The healthy hydration solutions market sits in the overlap between over-the-counter medicines, functional beverages and vitamin and mineral supplements, and primarily aims to boost health and wellness via a range of rehydrating products. We offer products covering each of those market areas."

"This sector is experiencing strong growth due to a variety of factors including improved consumer consciousness of health and wellness as well as increasing consumption of vitamins and minerals."

"We intend to capitalise on these industry trends, such as consumer shifts to lower sugar functional beverages and to everyday consumption of beverages for health and wellness benefits. There's also increasing focus by consumers on marketing and personalisation of products to an individual consumer, such as a tailored vitamin profile."

"In addition, there has been a strong shift to e-commerce where we have existing channels which we hope to expand. There is an immense opportunity for our Company to grow via brand activation, customer acquisition from competitors and geographic expansion."

Hydralyte North America does not operate in Australia or New Zealand, where the brand is owned by Care Pharmaceuticals, but has retained exclusive rights to the Hydralyte brand in North and South America, Europe (excluding Turkey), China (excluding Taiwan) and Hong Kong. Current operations are focused on the United States and Canada, with headquarters in San Diego, California.

As set out in the Company's IPO prospectus, Hydralyte North America will use proceeds from its IPO for marketing through online and retail channels, new product development, operating expenses, working capital and costs of the Offer.

Along with Mr Sali, other substantial shareholders on Hydralyte North America's register include founder Dan O'Brien, holding 9.32% and Regal Emerging Companies Opportunities Fund, which holds 5.77% following completion of the IPO.

BW Equities was Lead Manager to the IPO.

ENDS

This announcement was authorised for release by the Board of Hydralyte North America.

For personal use only



For further information:

Investors/Media

Nathan Ryan

NWR Communications

0420 582 887

nathan.ryan@nwrcommunications.com.au

Disclaimer

This announcement contains “forward-looking statements.” These can be identified by words such as “may”, “should”, “anticipate”, “believe”, “intend”, “estimate”, and “expect”. Statements which are not based on historic or current facts may be forward-looking statements. Forward-looking statements are based on:

- assumptions regarding the Company’s financial position, business strategies, plans and objectives of management for future operations and development and the environment in which the Company will operate; and
- current views, expectations and beliefs as at the date they are expressed and which are subject to various risks and uncertainties.

Actual results, performance or achievements of the Company could be materially different from those expressed in, or implied by, these forward-looking statements. The forward-looking statements contained within the presentations are not guarantees or assurances of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company, which may cause the actual results, performance or achievements of the Company to differ materially from those expressed or implied by forward-looking statements. For example, the factors that are likely to affect the results of the Company include general economic conditions in Australia and globally; exchange rates; competition in the markets in which the Company does and will operate; weather and climate conditions; and the inherent regulatory risks in the businesses of the Company. The forward-looking statements contained in this announcement should not be taken as implying that the assumptions on which the projections have been prepared are correct or exhaustive. The Company disclaims any responsibility for the accuracy or completeness of any forward-looking statement. The Company disclaims any responsibility to update or revise any forward-looking statements to reflect any change in the Company’s financial condition, status or affairs or any change in the events, conditions or circumstances on which a statement is based, except as required by law. The projections or forecasts included in this presentation have not been audited, examined or otherwise reviewed by the independent auditors of the Company.

You must not place undue reliance on these forward-looking statements.

For personal use only

