

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.
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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.



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