

Company Announcement
ASX: HPC

DATE: 10/11/2022

First tranche draw-down of secured loan facility completed - provides A\$6.5m in new capital

HIGHLIGHTS

- **First tranche of existing secured loan facility with PURE Asset Management has been drawn down – provides A\$6.5m in new funding (less costs)**
- **Funds to be utilised to advance marketing initiatives, new product launches, online sales growth and opportunities with traditional retail outlets in USA and Canada**
- **Material addition to existing cash at bank reserves of US\$3.45m (as at 30 September 2022)**
- **Provides considerable financial flexibility to capitalise on near-term growth catalysts including launch of co-branded product with brand ambassador Ms Shay Mitchell**

Hydration solutions company **The Hydration Pharmaceuticals Company Limited (ASX: HPC) (“Hydralyte North America” or “the Company”)** is pleased to advise that it has successfully drawn down the first tranche of its A\$12m two-tranche secured loan facility with PURE Asset Management Pty Ltd as trustee for The Income and Growth Fund (“PURE Asset Management”) (refer ASX announcement: 17 October 2022).

The draw down has resulted in the receipt of A\$6.5m (less costs) by Hydralyte North America, which builds on the Company’s existing cash at bank of US\$3.45m as at 30 September 2022. In connection with its utilisation of the first tranche, Hydralyte North America has issued 22,413,794 warrants to PURE Asset Management today. An Appendix 3G in relation to the warrants will follow this announcement.

Funds from the draw down will be utilised to advance several marketing initiatives in pursuit of the Company’s stated strategy to build long-term brand awareness in the North American market. The broader marketing campaign will comprise a number of new product launches including a co-branded product with Hydralyte ambassador Shay Mitchell, one of the leading social media influencers globally.

HPC will also deploy funds towards distribution, logistics and marketing with respect to the growth of its online sales footprint, along with added flexibility to capitalise on additional market opportunities throughout Canada and the USA.

Chief Executive Officer Mr Oliver Baker said: *“The funding from PURE Asset Management – an existing substantial shareholder – provides considerable runway to accelerate the Company’s growth trajectory and meet demand in the fast-growing North American hydration market. The Company is continuing to witness strong trading conditions, evidenced by its recent quarterly sales momentum. We anticipate this will continue through the current quarter with the pending launch of our co-branded SKU with Shay Mitchell in the coming weeks to be complemented by additional market opportunities as they arise.”*

ENDS

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

About PURE Asset Management:

PURE Asset Management is a specialist provider of hybrid capital to Australia's most compelling emerging growth companies. Founded in 2018, PURE provides funding for working capital, acquisitions and buybacks via structures that are less dilutive than equity capital, offering companies an alternative to direct equity markets. For more information, please visit www.puream.com.au

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