

Company Announcement
ASX: HPC

DATE: 19 June 2025

Net sales of US\$308,000 in May 2025 to underpin fifth consecutive month of EBITDA improvement

- **May 2025 unaudited net sales of US\$308,000, up 34% on prior month (April: US\$229,000) and 18% on PCP (May 2024: US\$280,000)**
- **May 2025 unaudited net sales mark the highest monthly total for CY25 to date, ahead of peak US summer months**
- **Gross margin remains strong at 66.5%, supported by sustained performance of high-margin SKUs**
- **Contributing margin of US\$55,000 reflects improved unit economics**
- **May EBITDA (unaudited) loss of ~US\$127,000 – 29% improvement on April 2025, marking strongest monthly to date in CY25**
- **Fifth consecutive month of EBITDA improvement (excluding one-off divestiture and capital raise costs)**
- **Cash balance of US\$1.9m as at 18 June 2025**
- **Two new SKUs expected to launch in Q3 CY25 in high-growth gut and brain health categories with potential to underpin additional sales increases**

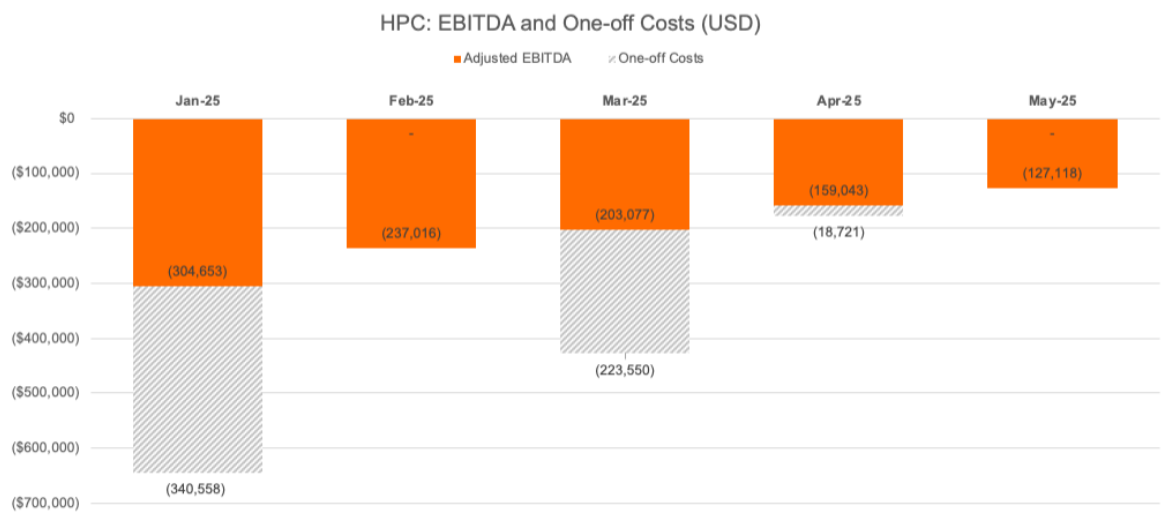
Hydration solutions company **The Hydration Pharmaceuticals Company Limited (ASX: HPC) (“HydraLyte USA” or “the Company”)** is pleased to provide the following trading update for May 2025, highlighting a continued increase in unaudited net sales for May 2025 and ongoing improvement in EBITDA loss.

Strong momentum continuing across sales and operating performance:

The Company generated unaudited net sales of US\$308,000 in May 2025, a 34% increase on April and the highest monthly sales result to date during CY25. Gross margin remained strong at 66.5%, underpinned by continued demand for the Company’s Liver Detox SKU and a product mix weighted toward high-margin offerings.

Pleasingly, ongoing sales performance has underpinned the fifth consecutive month of EBITDA improvement (excluding one-off divestiture and capital raise costs), reflecting disciplined cost control and operational focus. The unaudited EBITDA loss of ~US\$127,000 in May 2025 represents a 29% improvement on the prior month (April 2025: \$177,764), and the lowest during CY25 to date. May trading demonstrates progress towards the Company’s goal of positive EBITDA.

Contributing margin of US\$55,000 during the month further supports the objective of progressing toward positive EBITDA and cashflow breakeven, with further opportunities identified to streamline operations and scale gross profit.



As at 18 June 2025, HydraLyte USA held a cash balance of US\$1.9m, which the Board considers sufficient to support near-term growth and working capital requirements, ahead of the upcoming US summer months, which is traditionally a peak sales period.

To support the Company's ongoing growth trajectory, HydraLyte USA remains on track to launch two new SKUs during the next quarter which target the gut and brain health segments. These new product launches are anticipated to build on the consistently strong performance of the Liver Detox SKU and expand HydraLyte's position in high-growth adjacent wellness categories.

Management Commentary:

HydraLyte USA CEO, Mr Oliver Baker said: "Our May result reflects disciplined execution across the business — topline growth, strong gross margins, and another meaningful reduction in EBITDA loss. This also marks five straight months of improvement and reinforces the strength of our US-focused, high-margin product strategy. With a lean operating base, and new products launching in the coming quarter, the Company has laid a strong foundation to advance into the second half of the year."

ENDS

This announcement was authorized for release by the Board of HydraLyte USA.

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Forward Looking Statements:

This ASX release includes certain forward-looking statements that are based on information and assumptions known to date and are subject to various risks and uncertainties. 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 could be significantly different from those expressed in, or implied by, these forward-looking statements. Such forward-looking statements are not guaranteeing of future performance and involve known and unknown risks, uncertainties, and other factors, many of which are beyond the control of HydraLyte USA. These factors may cause actual results to differ materially from those expressed in the statements contained in this announcement.

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 announcement 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.