

Company Announcement

ASX: HPC

DATE: 03/10/2025

Sales momentum continues in Q3 CY25 and launch of Hydralyte Plus Brain Support product

HIGHLIGHTS

- US\$478,705 in sales generated in July and August (Q3 CY25 to date) up 11% on PCP (July & August CY24 sales: US\$433,030)
- August CY25 sales up 20% on PCP to US\$233,000
- Online sales of Hydralyte Plus Brain Support underway via online channels, marks second high-margin product introduction following Metabolic Support launch in August CY25
- New Hydralyte Plus Brain Support product is an innovative formula for brain health and hydration underpinned by nootropics that support focus, mood and energy

Hydration solutions company The Hydration Pharmaceuticals Company Limited (ASX: HPC) ("Hydralyte USA" or "the Company") is pleased to provide the following update on sales growth during Q3 CY25, as well as confirm the launch of a new product following first sales of Hydralyte Plus Brain Support.

Q3 FY25 sales momentum:

The Company advises it has generated a total of US\$478,705 in unaudited revenue during July and August CY25, marking an 11% increase on the prior corresponding period (PCP: US\$433,030). Pleasingly, sales during August CY25 were up 20% on the PCP, highlighting the Company's ongoing momentum during the US summer trading period.

Momentum is expected to further consolidate through increased topline sales and operating margins during September CY25 and beyond, underpinned by sales of the recently introduced Hydralyte Plus Metabolic Support product (refer ASX announcement: 12 August 2025) and Hydration Plus Brain Health product.

Launch of high-margin Brain Support product:

First sales of its new SKU have been achieved through online channels during September. The new product targets the brain health segment through an innovative product formulation featuring electrolytes, as well as organic Lion's Mane, Reishi and Cordyceps –nootropics and adaptogens that support on focus, mood and energy. The new formulation also includes organic 5-HTP, a precursor to serotonin.

The functional mushroom market, particularly Lion's Mane, has emerged as one of the fastest growing segments within the broader wellness and nootropics categories, reaching a US\$31Bn market valuation in 2024ⁱ.

Lion's Mane is increasingly recognised for its potential cognitive and neurological benefits, with consumer demand driven by rising awareness of natural solutions for focus, mood, and cognitive health. In the US, the functional mushroom category has expanded rapidly across both supplements and



functional beverages, with Lion's Mane now among the most sought-after ingredients on Amazon and other online retail platforms.

By incorporating Lion's Mane alongside Reishi and Cordyceps into the new SKU, Hydralyte USA is tapping into this accelerating trend, positioning the Company at the intersection of two high-growth categories: hydration and functional nootropics. Hydralyte USA is now also one of the only electrolyte brands in the Lion's Mane category on Amazon USA with a soluble flavoured mushroom blend.



Image: Hydralyte Plus Brain Support

Management commentary:

CEO Mr Oliver Baker said: "We are very encouraged by the strong sales uplift delivered in August CY25, which reflects the benefits of our continued focus on direct-to-consumer channels. Pleasingly, the Company is also witnessing early traction of its new high-margin products, which have the potential to provide further upside through entry into burgeoning new market segments in the hydration market."

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.

¹ https://www.fortunebusinessinsights.com/industry-reports/functional-mushrooms-market-101511