

Company Announcement
ASX: HPC

DATE: 17/02/2026

Cost saving initiatives implemented and key inventory replenishments completed

HIGHLIGHTS

- **Additional targeted headcount reductions implemented with collective initiatives to deliver cost savings of ~US\$25,000 per month**
 - **Manufacturing run completed for previously out-of-stock products, resolving supply constraints impacting December quarter revenue**
 - **Inventory now being replenished across key North American distributors, including Cardinal and Medline, to support near-term sales growth during February**
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Hydration solutions company **The Hydration Pharmaceuticals Company Limited (ASX: HPC)** (“Hydralyte USA” or “the Company”) is pleased to provide the following update on the implementation of cost saving initiatives, as well as the completion of key inventory replenishments to satisfy sales demand for previously out-of-stock products.

The Company advises that Ms Margaret Hardin has tendered her resignation to the Board, effective 28 February 2026. Ms Hardin was appointed as Independent Non-Executive Director in February 2022. During her tenure, she undertook a number of corporate responsibilities including Chair of the Company’s audit committee. The Board thanks Ms Hardin for her service and contribution to the Company and wishes her well in her future endeavours. As part of an ongoing review of the cost base, HydraLyte USA has also implemented a reduction in headcount, resulting in the redundancy of two additional staff members effective from 19 February 2026.

Collectively, these actions are expected to deliver ongoing cost savings of approximately US\$25,000 per month, protecting the Company’s existing cash reverses.

Separately, the Company is pleased to confirm that manufacturing of products previously disclosed as temporarily out of stock has now been completed (refer ASX announcement: 31 January 2026), marking the resolution of supply and inventory timing issues which impacted December quarter revenue. Finished goods are currently being sent to customers, with inventory expected to be progressively replenished with emerging US distributors including Cardinal and Medline in the coming weeks to underpin further revenue growth.

Management commentary:

CEO Mr Oliver Baker said: “We’ve taken decisive action to simplify the business and materially reduce our cost base. The targeted headcount reductions will deliver approximately US\$25,000 per month in savings, strengthening our cash position and improving operating leverage as revenue rebuilds.”

“Importantly, we have now completed the manufacturing run for products that were previously out of stock and are actively replenishing inventory across key distribution partners including Cardinal and Medline. With supply constraints resolved, our focus is firmly on accelerating sales through new and existing channels and expanding our footprint to drive sustainable revenue growth.”

ENDS

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

Investors/Media

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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 North America. 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.