

Company Announcement — ASX: HPC**DATE: 23 October 2026****Non-Renounceable Pro Rata Entitlement Offer with Free-Attaching Options and Share Sale Facility**

Hydration solutions company **The Hydration Pharmaceuticals Company Limited** (ACN 620 385 677) (ASX: HPC) (the "**Company**" or "**HPC**") is pleased to announce that it has launched a non-renounceable pro rata entitlement offer of new shares in the Company, together with free-attaching new options (**Offer** or **Rights Offer**), to raise up to approximately A\$1.43 million (before costs). The Company has also established a share sale facility (**Share Sale Facility** or **Facility**) for holders of an Unmarketable Parcel of Shares, to run concurrently with the Offer.

Highlights

- Non-renounceable pro rata entitlement offer of 2 New Shares for every 3 existing Shares held by Eligible Shareholders on the Record Date at an issue price of A\$0.004 per New Share (**Issue Price**), together with 1 free-attaching New Option for every 2 New Shares subscribed for and issued.
- Each New Option is exercisable at A\$0.006 and expires on 30 June 2029.
- Offer targeted to raise up to approximately A\$1,434,635 (before costs).
- Issue Price represents a premium of approximately 33% to the 5-day VWAP of Shares traded on ASX up to and including Thursday, 22 October 2026.
- Offer made to Eligible Shareholders - Shareholders with a registered address in Australia or New Zealand as at 5.00 pm (Melbourne time) on the Record Date. Shareholders with a registered address outside Australia and New Zealand are Ineligible Shareholders and cannot participate in the Offer.
- Proceeds will be applied primarily to fund the Company's ongoing working capital requirements, as further set out in Section 4.2 of the Prospectus.
- Concurrent Share Sale Facility to be offered to holders of an Unmarketable Parcel of Shares (a parcel with a market value of less than A\$500) on an opt-out basis, in accordance with rule 5.4 of the Company's Constitution - participating Minority Shareholders will have their Shares sold on-market by the Nominated Broker at no cost to them.
- The Offer is not underwritten and there is no minimum subscription.
- The Company has appointed Harbour City Corporate Pty Ltd as Lead Manager to the Offer.

Overview

The Company is pleased to announce the Offer to enable Eligible Shareholders to participate in a fundraising of up to approximately A\$1,434,635 (before costs). The net proceeds of the Offer will be

applied by the Company to fund its ongoing working capital requirements and general corporate purposes as further described in the Prospectus.

In conjunction with the Offer, the Company is also providing a Share Sale Facility to allow Shareholders who hold an Unmarketable Parcel of Shares as at the Facility Record Date the opportunity to sell their Shares on-market without incurring brokerage or other transaction costs. The Facility is being conducted under rule 5.4 (Selling non marketable parcels) of the Company's Constitution.

Details of the Offer

The full details of the Offer are set out in the prospectus lodged with ASIC and released to ASX today (**Prospectus**). The Prospectus will be despatched to Eligible Shareholders together with a personalised Entitlement and Acceptance Form in accordance with the Key Dates set out below. A copy of the Prospectus is also available on the Company's ASX platform (ASX: HPC) and on the Company's website at www.hydralyte.com.

Eligible Shareholders will be offered the opportunity to subscribe for 2 New Shares for every 3 existing Shares held at the Record Date at the Issue Price of A\$0.004 per New Share. For every 2 New Shares subscribed for and issued under the Offer, subscribing Eligible Shareholders will also receive 1 free-attaching New Option, exercisable at A\$0.006 and expiring on 30 June 2029. Entitlements will be rounded down to the nearest whole number of New Shares.

Eligible Shareholders are those Shareholders registered as holders of Shares as at 5.00 pm (Melbourne time) on the Record Date and with a registered address in Australia or New Zealand. Shareholders whose registered address is outside Australia or New Zealand are Ineligible Foreign Shareholders and cannot participate in the Offer. Their Entitlements will lapse and will form part of the Shortfall, and Ineligible Foreign Shareholders will not receive any payment or other consideration in respect of their lapsed Entitlements. Ineligible Foreign Shareholders are also not eligible to participate in the Share Sale Facility.

New Shares issued under the Offer will rank equally in all respects with existing Shares on issue from the date of their allotment. Entitlements are non-renounceable and will not be tradeable on ASX or any other exchange. Any Entitlements not taken up by Eligible Shareholders by the Closing Date will lapse and will form part of the Shortfall.

Eligible Shareholders who take up their full Entitlement may also apply for additional New Securities under the Shortfall Offer, subject to allocation at the absolute discretion of the Directors and subject to the ASX Listing Rules. The Directors will not allocate Shortfall Securities to any person if to do so would result in a breach of the takeover prohibitions in Chapter 6 of the Corporations Act or the ASX Listing Rules.

The Offer is not underwritten and there is no minimum subscription.

Use of Proceeds

The Company intends to apply the funds raised under the Offer (assuming full subscription) as follows:

Use of Funds	Amount (A\$) (full subscription)	%
Working capital	\$1,277,240	89%
Costs of the Offer	\$157,395	11%
Total	\$1,434,635	100%

The above table is a statement of the Board's current intentions as at the date of this announcement. The allocation of funds may change depending on a number of factors, including the level of subscription achieved under the Offer, the Company's operating performance, changes in market conditions and any opportunities or challenges that arise. The Board reserves the right to alter the way in which the funds are applied. If less than the full subscription amount is raised, the Company will apply the funds in the order of priority set out in Section 4.2 of the Prospectus.

Share Sale Facility

The Share Sale Facility is being conducted for Shareholders who hold an Unmarketable Parcel of Shares as at the Facility Record Date. The ASX Listing Rules define a Marketable Parcel as a parcel of Shares with a market value of at least A\$500; an Unmarketable Parcel is a parcel of Shares that is not a Marketable Parcel. The Facility is being conducted under rule 5.4 (Selling non marketable parcels) of the Company's Constitution.

The Company is providing the Facility to give eligible smaller Shareholders the opportunity to sell their Shares on-market without having to engage a broker or pay brokerage. The Company incurs significant administrative costs in maintaining a large number of very small holdings, and the Facility is designed to reduce those costs while giving affected Shareholders a straightforward exit at no cost to them.

As at 5.00 pm (Melbourne time) on Friday, 16 October 2026 (**Facility Record Date**), and based on the closing sale price of Shares on ASX on that date of A\$0.003, an Unmarketable Parcel is a holding of fewer than 166,667 Shares. As at the Facility Record Date, approximately 436 Shareholders held an Unmarketable Parcel of Shares, representing approximately 3.47% of the total Shares on issue. Those Shareholders with a registered address in Australia or New Zealand are referred to in this announcement as **Minority Shareholders**.

How the Facility works

- **Notice under rule 5.4(b):** Each Minority Shareholder will be sent a notice from the Company under rule 5.4(b) of the Constitution explaining the effect of rule 5.4 and enclosing a form of election (**Notice of Retention Form**) that the Minority Shareholder may return if they wish to retain their Shares and be excluded from the Facility.

- **Opt-out:** In accordance with rule 5.4(c) of the Constitution, a Minority Shareholder will be included in the Facility and taken to have irrevocably appointed the Company as their agent to sell their Shares unless, by 5.00 pm (Melbourne time) on the Facility Opt-Out Date, the Minority Shareholder either (i) returns a Notice of Retention Form to the Share Registry, or (ii) increases their holding to a Marketable Parcel (including by taking up their Entitlement under the Offer and, if applicable, applying for additional Shortfall Securities).
- **Nominated Broker and sale process:** Shares of Minority Shareholders who have not opted out will be sold on-market by the Company's nominated broker (**Nominated Broker**), as soon as practicable after the Facility Opt-Out Date. Sales will be made at prevailing market prices in one or more transactions.
- **No cost to Minority Shareholders:** In accordance with rule 5.4(f) of the Constitution, the Company will pay all brokerage and other transaction costs of any sale under the Facility. Minority Shareholders will not be charged brokerage, commission or stamp duty. Any tax consequences arising from the sale remain the Minority Shareholder's responsibility.
- **Payment of proceeds:** The net proceeds of sale attributable to each Minority Shareholder will be remitted (without interest) by direct credit to the bank account recorded on the Company's share register as soon as reasonably practicable after the end of the sale period, in accordance with the Key Dates.
- **Eligibility:** The Facility is available only to Minority Shareholders with a registered address in Australia or New Zealand. Ineligible Foreign Shareholders and other Shareholders whose registered address is outside Australia or New Zealand are not eligible to participate in the Facility.

A copy of the letter to Minority Shareholders and the Notice of Retention Form will be released to ASX and mailed to eligible Minority Shareholders in accordance with the Key Dates below. Minority Shareholders with questions about the Facility should contact the Company's Share Registry, Automic, on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia).

Key Dates

The Key Dates for the Offer and the Share Sale Facility are set out below and align with the Key Dates table in the Prospectus. These dates are indicative only and are subject to change. The Directors reserve the right, subject to the ASX Listing Rules and the Corporations Act, to vary the dates including by extending the Closing Date. The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. Accordingly, the date on which the New Shares are expected to commence trading on ASX may vary.

Event	Date
Record date for determining holders of less than a Marketable Parcel (Facility Record Date, 5.00 pm Melbourne time)	Friday, 16 October 2026
Announcement of Offer and Share Sale Facility	Friday, 23 October 2026
Letters sent to holders of less than a Marketable Parcel	Friday, 23 October 2026
Lodgement of Prospectus with ASIC	Friday, 23 October 2026
Lodgement of Appendix 3B with ASX	Friday, 23 October 2026
Ex-date on ASX	Tuesday, 27 October 2026
Record Date for determining Entitlements (5.00 pm Melbourne time)	Wednesday, 28 October 2026
Prospectus and Entitlement and Acceptance Forms despatched / Opening Date	Monday, 2 November 2026
Company announces that dispatch has been completed	Monday, 2 November 2026
Last day to extend Closing Date	Wednesday, 11 November 2026
Closing Date (5.00 pm Melbourne time)	Monday, 16 November 2026
Shares quoted on deferred settlement basis	Tuesday, 17 November 2026
Announcement of results of the Offer	Thursday, 19 November 2026
Issue Date of New Securities	Monday, 23 November 2026
Despatch of holding statements	Monday, 23 November 2026
Last day for Company to issue New Securities and lodge Appendix 2A applying for quotation of New Shares (prior to 12.00 pm Melbourne time)	Monday, 23 November 2026
New Shares commence trading on ASX	Tuesday, 24 November 2026
Closing date for receipt of a Notice of Retention Form (Facility Opt-Out Date, 5.00 pm Melbourne time)	Monday, 7 December 2026
Sale of less than Marketable Parcels and distribution of sale proceeds to relevant Shareholders	As soon as practicable after the Closing Date for receipt of a Notice of Retention Form
Last day for Company to issue shortfall shares	Tuesday, 16 February 2027

Chairman commentary

Chairman Mr Nick Berry said: “We are pleased to offer this opportunity to Investors to participate in the next stage of HPC’s development. Over the last several months the business has been stabilised, with substantial cost reductions leading to positive EBITDA at a US entity level in August. Proceeds from the raise are expected to contribute to the Company’s progress to Group profitability and provide the capacity to deliver improved shareholder returns.”

ENDS

This announcement was authorised for release by the Board of HPC.