



Hydrofarm Holdings Group Closes \$8.3 Million Registered Direct Offering and Private Placement in Connection with Elimination of \$109 Million Term Loan

October 28, 2026

Eliminates approximately \$12 million of annual debt service;

Pro forma stockholders' equity exceeds Nasdaq's \$2.5 million Equity Rule requirement

SHOEMAKERSVILLE, Pa., Oct. 28, 2026 (GLOBE NEWSWIRE) -- Hydrofarm Holdings Group, Inc. ("Hydrofarm" or the "Company") (Nasdaq: HYFM), a leading independent manufacturer and distributor of branded supplies and equipment for controlled environment agriculture, today announced that it has closed its previously announced registered direct offering of 1,599,400 shares of common stock at \$0.905 per share, priced at-the-market under Nasdaq rules, and concurrent private placement of 7,611,575 unregistered shares of common stock (or pre-funded warrants ("Pre-Funded Warrants") in lieu thereof) and 9,210,975 common stock purchase warrants ("Common Warrants"). Gross proceeds to Hydrofarm were approximately \$8.3 million, before deducting the placement agent fee and offering expenses. All of the shares of common stock, Pre-Funded Warrants and Common Warrants were sold by the Company.

Bill Toler, the Company's Chairman and Chief Executive Officer, as well as additional officers and directors of the Company, or their respective affiliates, participated in the offering on the same terms as the other investors.

The Company intends to use the net proceeds for general corporate purposes.

ThinkEquity acted as sole placement agent and advisor to Hydrofarm in connection with the transactions.

Concurrently with the closing, the Company entered into a payoff letter with the holders of its Senior Secured Term Loan (the "Term Loan"). In satisfaction of the Term Loan in full, the Company issued to the lenders 27.5 million shares of Series 1 Non-Voting Convertible Preferred Stock and warrants to purchase 27.5 million shares of common stock at an exercise price of \$0.78 per share (the "Lender Warrants"). Upon closing, all indebtedness, liabilities and obligations under the Term Loan documents were discharged and satisfied in full, and all liens and security interests securing them were released. Each share of Series 1 Non-Voting Convertible Preferred Stock has a stated value of \$1.00 and converts into one share of common stock. The conversion of the Series 1 Non-Voting Convertible Preferred Stock and the exercise of the Lender Warrants are subject to stockholder approval, which the Company intends to seek as promptly as practicable.

Nasdaq Listing Compliance

As previously disclosed, the Company was not in compliance with Nasdaq Listing Rule 5550(b)(1), which requires a minimum of \$2.5 million in stockholders' equity (the "Equity Rule"). Giving effect to the transactions described above, the Company's pro forma stockholders' equity exceeds the \$2.5 million minimum, and the Company believes it has regained compliance with the Equity Rule. Additional information is set forth in the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission (the "SEC") on October 27, 2026.

The registered direct offering was made pursuant to an effective shelf registration statement on Form S-3 previously filed with the SEC and declared effective on December 10, 2025, the base prospectus dated December 10, 2025 thereunder and a prospectus supplement to the base prospectus to be filed with the SEC. Copies of the final prospectus, when available, may be obtained from ThinkEquity, 17 State Street, 41st Floor, New York, New York 10004. The final prospectus will be filed with the SEC and will be available on the SEC's website located at <http://www.sec.gov>.

The securities sold in the concurrent private placement, and the Series 1 Non-Voting Convertible Preferred Stock and Lender Warrants issued to the holders of the Term Loan, have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or state securities laws, and may not be offered or sold in the United States absent registration with the SEC or an applicable exemption from such registration requirements. Hydrofarm has agreed to file registration statements with the SEC covering the resale of those securities and the shares of common stock issuable upon their exercise or conversion. Any such resale will be made only by means of a prospectus.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

About Hydrofarm Holdings Group, Inc.

Hydrofarm is a leading independent manufacturer and distributor of supplies and equipment for controlled environment agriculture, including plant nutrition, growing media, horticultural lighting and climate control solutions, spanning a portfolio of proprietary and select partner brands. The Company manufactures its proprietary plant nutrition and growing media brands at its manufacturing center of excellence in Eugene, Oregon, and, through its logistics services platform, provides third-party warehousing, fulfillment and distribution services across a wide range of industries. For nearly 50 years, Hydrofarm has helped growers make growing easier and more productive. The Company's mission is to empower growers, farmers and cultivators with products that enable greater quality, efficiency, consistency and speed.

www.Hydrofarm.com

Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by words such as "believe," "expect," "intend," "anticipate," "plan," "will," "project," "potential" and similar expressions. They include, among others, statements regarding: the intended use of the net proceeds of the offering; the Company's expectation that it has no outstanding indebtedness; the receipt of stockholder approval for the conversion of the Series 1 Non-Voting Convertible Preferred Stock and the exercise of the Lender Warrants, and the timing of the related proxy solicitation; whether any warrants will be exercised and the amount of any additional proceeds therefrom; the filing and effectiveness of resale registration statements for the securities issued in the concurrent private placement and to the holders of the Term Loan; the Company's pro forma capitalization and stockholders' equity; the Company's belief that it has regained compliance with Nasdaq Listing Rule 5550(b)(1) and its ability to maintain compliance with Nasdaq continued listing requirements, including the minimum bid-price rule; the Company's competitive position and the strength of its brand portfolio; expected benefits of the consolidation of manufacturing into the Company's Eugene, Oregon manufacturing center of excellence, including productivity and cost improvements; the objectives, scope and anticipated results of Project Agility, including growth of the Company's logistics services platform; and the Company's future financial performance, margins, liquidity and capital allocation plans.

These statements are based on management's current expectations and assumptions. They are subject to risks and uncertainties that could cause actual results to differ materially, including: the risk that stockholders do not approve the conversion of the Series 1 Non-Voting Convertible Preferred Stock or the exercise of the Lender Warrants, or that approval is delayed; the risk that the Panel does not find that the Company has regained compliance with the Equity Rule, or that the Company does not maintain compliance with Nasdaq continued listing requirements, including the minimum bid-price rule, and the risk that its securities could be delisted; the dilution to existing stockholders from the issuance of common stock, Pre-Funded Warrants, Common Warrants, Lender Warrants and Series 1 Non-Voting Convertible Preferred Stock, and from any later conversion or exercise; the impact on the market price of the common stock of future sales of shares; the risk that the Company cannot file or obtain effectiveness of the required resale registration statements; the final accounting treatment of the Series 1 Non-Voting Convertible Preferred Stock and the warrants issued in the transactions; the Company's history of operating losses; demand conditions in the CEA and hydroponics markets; the Company's ability to execute on Project Agility and its other growth initiatives; and the other factors described under "Risk Factors" in the Company's Annual Report on Form 10-K and subsequent periodic reports filed with the SEC. Pro forma figures are unaudited and illustrative and are not necessarily indicative of the Company's actual financial position. Forward-looking statements speak only as of the date of this release, and the Company undertakes no obligation to update them except as required by law.

Contact: ir@hydrofarm.com