UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)
X **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended **June 30, 2025**

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ________________________ to ____________________________

Commission File Number: **001-42374**

SYNERGY CHC CORP.
(Exact name of registrant as specified in its charter)

Nevada	**99-0379440**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
865 Spring Street Westbrook, Maine	**04092**
(Address of principal executive offices)	(Zip Code)

(207) 321-2350
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading symbol(s)**	**Name of each exchange on which registered**
Common stock, par value $0.00001 per share	SNYR	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes X No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	X	Smaller reporting company	X
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No X

As of August 12, 2025, there were 9,621,926 shares of common stock, par value $0.00001 per share, of the registrant issued and 9,441,853 shares outstanding.

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

Synergy CHC Corp.

Condensed Interim Financial Statements
For the Three and Six Months Ended June 30, 2025 and 2024
Unaudited
(Expressed in U.S. Dollars)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING CONDENSED INTERIM FINANCIAL REPORTING

The accompanying unaudited condensed interim financial statements of Synergy CHC Corp. ("the Company") have been prepared by management in accordance with accounting principles generally accepted in the United States (GAAP). Management acknowledges responsibility for the preparation and presentation of the unaudited condensed interim financial statements, including responsibility for significant accounting estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

Synergy CHC Corp.
Condensed Consolidated Balance Sheets

	June 30, 2025 (unaudited)	December 31, 2024
Assets		
Current Assets		
Cash and cash equivalents	$ 1,458,561	$ 687,920
Restricted cash	100,000	100,000
Accounts receivable, net	7,069,889	5,321,037
Other receivables	2,025,094	1,999,637
Loan receivable (related party)	4,427,883	4,375,059
Prepaid expenses (including related party amount of $801,345 and $312,966, respectively)	2,064,094	1,859,563
Inventory, net	2,364,158	1,716,552
Total Current Assets	19,509,679	16,059,768
Intangible assets, net	216,667	283,333
Total Assets	$ 19,726,346	$ 16,343,101
Liabilities and Stockholders' Deficit		
Current Liabilities:		
Accounts payable and accrued liabilities (including payable to shareholder of $92,955 and $88,644, respectively)	$ 4,960,331	$ 5,191,868
Income taxes payable	266,472	242,977
Contract liabilities	4,887	24,252
Short term loans payable, net of debt discount	1,894,857	7,725,272
Current portion of long-term notes payable, net of debt discount and debt issuance cost, shareholder	-	4,000,000
Total Current Liabilities	7,126,547	17,184,369
Long-term Liabilities:		
Notes payable, net of debt discount, shareholder	-	8,333,053
Notes payable, net of debt discount	24,978,999	7,457,022
Total long-term liabilities	24,978,999	15,790,075

Total Liabilities	32,105,546	32,974,444
Commitments and contingencies		
Stockholders' Deficit:		
Common stock, $0.00001 par value; 300,000,000 shares authorized; 9,621,926 and 8,721,818, shares issued, respectively; 9,441,853 and 8,541,745 outstanding, respectively	96	87
Additional paid in capital	29,508,354	27,643,660
Accumulated other comprehensive loss	(9,838)	(47,777)
Accumulated deficit	(41,750,312)	(44,099,813)
Less: Treasury stock (180,073 shares) at cost	(127,500)	(127,500)
Total stockholders' deficit	(12,379,200)	(16,631,343)
Total Liabilities and Stockholders' Deficit	$ 19,726,346	$ 16,343,101

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

Synergy CHC Corp.

Unaudited Condensed Consolidated Statements of Income and Comprehensive Income

	For the three months ended		For the six months ended	
	June 30, 2025	**June 30, 2024**	**June 30, 2025**	**June 30, 2024**
Revenue				
Product Sales	$ 6,734,996	$ 8,024,840	$ 13,405,530	$ 17,436,703
License Revenue	1,400,000	-	2,900,000	-
Total Revenue	8,134,996	8,024,840	16,305,530	17,436,703
Cost of sales	1,896,391	2,448,890	3,902,904	5,086,029
Gross profit	6,238,605	5,575,950	12,402,626	12,350,674
Operating expenses				
Selling and marketing	3,062,211	3,055,186	5,938,482	6,639,863
General and administrative	1,519,325	903,838	2,826,039	2,252,223
Depreciation and amortization	33,334	33,334	66,667	66,667
Total operating expenses	4,614,870	3,992,358	8,831,188	8,958,753
Income from operations	1,623,735	1,583,592	3,571,438	3,391,921
Other (income) expenses				
Other income				
Interest income	(379)	(374)	(14,261)	(761)
Interest expense	2,107,714	745,528	3,203,083	1,855,508
Gain on settlement of notes payable	(2,154,522)	-	(2,154,522)	-
Remeasurement (gain) loss on translation of foreign subsidiary	7,578	3,870	8,990	(5,113)
Total other (income) expenses	(39,609)	749,024	1,043,290	1,849,634
Net income before income taxes	1,663,344	834,568	2,528,148	1,542,287
Income tax benefit (expense)	(190,107)	(179,382)	(178,647)	(306,571)
Net income after tax	$ 1,473,237	$ 655,186	$ 2,349,501	$ 1,235,716
Net income per share – basic	$ 0.17	$ 0.09	$ 0.27	$ 0.17
Net income per share – diluted	$ 0.17	$ 0.09	$ 0.27	$ 0.17
Weighted average common shares outstanding				
Basic	8,928,548	7,373,745	8,743,639	7,373,745
Diluted	8,928,548	7,373,745	8,743,639	7,373,745
Comprehensive income:				
Net income	1,473,237	655,186	2,349,501	1,235,716
Foreign currency translation adjustment	39,874	55,736	37,939	187,373
Comprehensive income	$ 1,513,111	$ 710,922	$ 2,387,440	$ 1,423,089

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

Synergy CHC Corp.

Unaudited Condensed Consolidated Statement of Stockholders' Deficit

Accumulated Other

	Common stock Shares	Common stock Amount	Additional Paid in Capital	Comprehensive Income (Loss)	Treasury stock	Accumulated Deficit	Total Stockholders' Deficit
Balance as of December 31, 2023	**7,553,818**	**$ 76**	**$ 19,148,707**	**$ (102,467)**	**$ (127,500)**	**$ (46,224,789)**	**$ (27,305,973)**
Foreign currency translation gain				131,637			131,637
Net income						580,530	580,530
Balance as of March 31, 2024	**7,553,818**	**$ 76**	**$ 19,148,707**	**$ 29,170**	**$ (127,500)**	**$ (45,644,259)**	**$ (26,593,806)**
Fair value of vested stock options			4,611				4,611
Foreign currency translation gain				55,736			55,736
Net income						655,186	655,186
Balance as of June 30, 2024	**7,553,818**	**$ 76**	**$ 19,153,318**	**$ 84,906**	**$ (127,500)**	**$ (44,989,073)**	**$ (25,878,273)**

	Common stock Shares	Common stock Amount	Additional Paid in Capital	Accumulated Other Comprehensive Income (Loss)	Treasury stock	Accumulated Deficit	Total Stockholders' Deficit
Balance as of December 31, 2024	**8,721,818**	**$ 87**	**$ 27,643,660**	**$ (47,777)**	**$ (127,500)**	**$ (44,099,813)**	**$ (16,631,343)**
Foreign currency translation loss				(1,935)			(1,935)
Issuance of common stock for loan financing	30,360	1	117,647				117,648
Net income						876,264	876,264
Balance as of March 31, 2025	**8,752,178**	**$ 88**	**$ 27,761,307**	**$ (49,712)**	**$ (127,500)**	**$ (43,223,549)**	**$ (15,639,366)**
Foreign currency transaction gain				39,874			39,874
Issuance of pre-funded warrants for settlement of shareholder notes payable			899,993				899,993
Issuance of common stock for exercise of pre-funded warrants	**428,570**	4	(4)				-
Issuance of common stock for modification of notes payable	**441,178**	4	847,058				847,062
Net income						1,473,237	1,473,237
Balance as of June 30, 2025	**9,621,926**	**$ 96**	**$ 29,508,354**	**$ (9,838)**	**$ (127,500)**	**$ (41,750,312)**	**$ (12,379,200)**

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

Synergy CHC Corp.

Unaudited Condensed Consolidated Statements of Cash Flows

	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Cash Flows from Operating Activities		
Net income	$ 2,349,501	$ 1,235,716
Adjustments to reconcile net income to net cash used in operating activities:		
Amortization of debt discount and debt issuance cost	892,435	-
Depreciation and amortization	66,667	66,667
Stock based compensation	-	4,611
Stock issued for modification of notes payable	847,062	-
Foreign currency transaction loss (gain)	(9,068)	23,345
Remeasurement loss (gain) on translation of foreign subsidiary	8,990	(5,113)
Non cash implied interest	-	4,799
Gain on settlement of debt	(2,154,522)	-
Changes in operating assets and liabilities:		
Accounts receivable	(1,748,852)	(1,161,992)
Other receivables	(25,457)	-
Loan receivable, related party	(52,824)	35,449
Inventory	(647,606)	1,805,950
Prepaid expenses	283,848	(276,818)
Prepaid expense, related party	(488,379)	(326,682)
Income taxes payable	23,495	262,374
Contract liabilities	(19,365)	(2,949)
Accounts payable and accrued liabilities	(610,770)	(2,804,381)
Accounts payable, shareholder	385,114	(980)
Net cash used in operating activities	(899,731)	(1,140,005)
Cash Flows from Investing Activities	-	-
Cash Flows from Financing Activities		
Advances from related party	135,000	1,509,226
Repayment of notes payable, related party	(135,000)	(84,500)
Proceeds from notes payable	18,996,250	600,000
Payment of loan financing fees	(1,980,914)	-
Repayment of notes payable, shareholder	(10,000,000)	-
Repayment of notes payable	(5,382,903)	(1,617,335)
Net cash provided by financing activities	1,632,433	407,391
Effect of exchange rate on cash, cash equivalents and restricted cash	37,939	187,373

Net increase (decrease) in cash, cash equivalents and restricted cash	770,641	(545,241)
Cash and restricted cash, beginning of year	787,920	732,534
Cash and restricted cash, end of period	$ 1,558,561	$ 187,293
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the period for:		
Interest	$ 896,734	$ 1,850,896
Income taxes	$ -	$ 44,197
Supplemental Disclosure of Noncash Investing and Financing Activities:		
Accounts payable converted to loan payable upon settlement	$ -	$ 3,770,824
Reduction of short term related party note payable by reduction of prepaid balance	$ -	$ 328,003
Issuance of common stock for loan financing	$ 117,648	$ -
Issuance of pre-funded warrants for settlement of shareholder notes payable	$ 899,993	$ -
Exercise of pre-funded warrants	$ 4	$ -
Loan fees payable to lender	$ 375,000	$ -

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

Synergy CHC Corp.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – Nature of the Business

Synergy CHC Corp. ("Synergy", "we", "us", "our" or the "Company") (formerly Synergy Strips Corp.) was incorporated on December 29, 2010 in Nevada under the name "Oro Capital Corporation." On April 21, 2014, the Company changed its fiscal year end from July 31 to December 31. On April 28, 2014, the Company changed its name to "Synergy Strips Corp.". On August 5, 2015, the Company changed its name to "Synergy CHC Corp."

The Company is a consumer health care company that is in the process of building a portfolio of best-in-class consumer product brands. Synergy's strategy is to grow its portfolio both organically and by further acquisitions.

Effective January 1, 2019 the Company has merged its U.S. subsidiaries (Neuragen Corp., Breakthrough Products, Inc., Sneaky Vaunt Corp., and The Queen Pegasus Corp.) into the parent company.

Synergy is the sole owner of four subsidiaries: NomadChoice Pty Ltd., Hand MD Corp., Synergy CHC Inc. and Synergy CHC Mexico, and the results have been consolidated in these statements. Synergy CHC Mexico was incorporated during May 2025 for the purposes of expanding into Mexico.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The accompanying condensed consolidated financial statements as of June 30, 2025 and for the three and six months ended June 30, 2025 and 2024 are unaudited. The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("US GAAP"). Accordingly, they do not include all the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three and six months ended June 30, 2025 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2025. The unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements as of and for the year ended December 31, 2024 and footnotes thereto.

All amounts referred to in the notes to the consolidated financial statements are in United States Dollars ($) unless stated otherwise.

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

Reverse Stock Split

On September 11, 2024, the Company effected a 1-for-11.9 reverse stock split with respect to its common stock. The reverse stock split did not change the number of authorized shares of common stock or par value. All references in these condensed consolidated financial statements to shares, share prices, exercise prices and other per share information in all periods have been adjusted, on a retroactive basis, to reflect the reverse stock split.

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual results could differ from those estimates. Significant estimates included are assumptions about collection of accounts receivable, current income taxes, deferred income taxes valuation allowance, useful life of intangible assets, impairment analysis of intangible assets, estimates used in the fair value calculation of stock based compensation, assumptions used in Black-Scholes-Merton, or BSM, valuation methods, such as expected volatility, risk-free interest rate and expected dividend rate, accrual of sales returns, and accrual of legal expense. The results of any changes in accounting estimates are reflected in the financial statements in the period in which the changes become evident. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the period that they are determined to be necessary.

Cash and Cash Equivalents

The Company considers all cash on hand and in banks, including accounts in book overdraft positions, certificates of deposit and other highly-liquid investments with maturities of three months or less, when purchased, to be cash and cash equivalents. As of June 30, 2025 and December 31, 2024, the Company had no cash equivalents. The Company maintains its cash in banks insured by the Federal Deposit Insurance Corporation (FDIC) in accounts that at times may be in excess of the federally insured limit of $250,000 per bank. The Company minimizes this risk by placing its cash deposits with major financial institutions. At June 30, 2025 and December 31, 2024, the uninsured balances amounted to $1,286,994 and $503,215, respectively.

Restricted Cash

The following table provides a reconciliation of cash and restricted cash reported within the statement of financial position that sum to the total of the same such amounts shown in the statement of cash flows.

	June 30, 2025	December 31, 2024
Cash	$ 1,458,561	$ 687,920
Restricted cash	100,000	100,000
Total cash and restricted cash shown in the statement of cash flows	$ 1,558,561	$ 787,920

Amounts included in restricted cash represent amounts held for credit card collateral.

Intangible Assets

The Company evaluates the recoverability of intangible assets periodically and takes into account events or circumstances that warrant revised estimates of useful lives or that indicate that impairment exists. All of the intangible assets are subject to amortization. Intangible assets are amortized on a straight-line basis over the useful lives.

Long-lived Assets

Long-lived assets include intangible assets other than those with indefinite lives. The Company assesses the carrying value of its long-lived asset groups when indicators of impairment exist and recognizes an impairment loss when the carrying amount of a long-lived asset is not recoverable when compared to undiscounted cash flows expected to result from the use and eventual disposition of the asset.

Indicators of impairment include significant underperformance relative to historical or projected future operating results, significant changes in the Company's use of the assets or in its business strategy, loss of or changes in customer relationships and significant negative industry or economic trends. When indications of impairment arise for a particular asset or group of assets, the Company assesses the future recoverability of the carrying value of the asset (or asset group) based on an undiscounted cash flow analysis. If carrying value exceeds projected, net, undiscounted cash flows, an additional analysis is performed to determine the fair value of the asset (or asset group), typically a discounted cash flow analysis, and an impairment charge is recorded for the excess of carrying value over fair value.

Revenue Recognition

The Company recognizes revenue in accordance with the Financial Accounting Standards Board's ("FASB"), Accounting Standards Codification ("ASC") ASC 606, Revenue from Contracts with Customers ("ASC 606"). Revenues are recognized when control is transferred to customers in amounts that reflect the consideration the Company expects to be entitled to receive in exchange for those goods. Revenue recognition is evaluated through the following five steps: (i) identification of the contract, or contracts, with a customer; (ii) identification of the performance obligations in the contract; (iii) determination of the transaction price; (iv) allocation of the transaction price to the performance obligations in the contract; and (v) recognition of revenue when or as a performance obligation is satisfied.

The Company recognizes revenue upon shipment from its fulfillment centers. Certain of the Company's distributors may also perform a separate function as a co-packer on the Company's behalf. In such cases, ownership of and title to the Company's products that are co-packed on the Company's behalf by those co-packers who are also distributors, passes to such distributors when the Company is notified by them that they have taken transfer or possession of the relevant portion of the Company's finished goods. Freight billed to customers is presented as revenues, and the related freight costs are presented as cost of goods sold. Cancelled orders are refunded if not already dispatched, refunds are only paid if stock is damaged in transit, discounts are only offered with specific promotions and orders will be refilled if lost in transit. The Company recognizes revenue for its digital products in the month the download by the customer occurs.

All product sales were initiated based upon the retailer's purchase orders at a fixed transaction price and revenues recognized when the products were shipped to the Company's customers.

The Company accounts for its IP license revenue, which provides the Company's customer with rights to use the Company's IP, in accordance with ASC 606. A license may be perpetual or time limited in its application. In accordance with ASC 606, the Company will continue to recognize revenue from IP license at the time of delivery when the customer accepts control of the IP, as the IP is functional without professional services, updates and technical support. The Company has concluded that its IP license is distinct as the customer can benefit from the functional IP on its own. Therefore, the Company has determined the right to use its IP was satisfied at a point in time (on the date the rights to the IP were granted).

Contract Assets

The Company does not have any contract assets such as work-in-process. All trade receivables on the Company's condensed consolidated balance sheet are from contracts with customers.

Contract Costs

Costs incurred to obtain a contract are capitalized unless short term in nature. As a practical expedient, costs to obtain a contract that are short term in nature are expensed as incurred. The Company does not have any contract costs capitalized as of June 30, 2025 and December 31, 2024.

Contract Liabilities

The Company's contract liabilities consist of advance customer payments. Contract liability results from transactions in which the Company has been paid for products by customers, but for which all revenue recognition criteria have not yet been met. Once all revenue recognition criteria have been met, the contract liabilities are recognized.

	June 30, 2025	December 31, 2024

Beginning balance	$ 24,252	$ 14,202
Additions	4,887	24,252
Recognized as revenue	(24,252)	(14,202)
Ending balance	$ 4,887	$ 24,252

Accounts receivable

Accounts receivable are generally unsecured. The Company establishes an allowance for doubtful accounts receivable based on the age of outstanding invoices and management's evaluation of collectability. Accounts are written off after all reasonable collection efforts have been exhausted and management concludes that likelihood of collection is remote. Any future recoveries are applied against the allowance for doubtful accounts. As of both June 30, 2025 and December 31, 2024, allowance for doubtful accounts was $0.

Advertising Expense

The Company expenses marketing, promotions and advertising costs as incurred. Such costs are included in selling and marketing expense in the accompanying consolidated statements of operations.

Research and Development

Costs incurred in connection with the development of new products and processing methods are charged to general and administrative expenses as incurred.

Income Taxes

The Company utilizes FASB ASC 740, "Income Taxes," which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the difference between the tax basis of assets and liabilities and their financial reporting amounts based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. A valuation allowance is recorded when it is "more likely-than-not" that a deferred tax asset will not be realized.

The Company generated a deferred tax asset through net operating loss carry-forward. However, a valuation allowance of 100% has been established due to the uncertainty of the Company's realization of the net operating loss carry forward prior to its expiration.

NomadChoice Pty Ltd, the Company's wholly-owned subsidiary is subject to income taxes in the jurisdictions in which it operates. Significant judgment is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The company recognizes liabilities for anticipated tax audit issues based on the Company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Synergy CHC Inc., a wholly-owned foreign subsidiary, is subject to income taxes in the jurisdictions in which it operates. Significant judgment is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The company recognizes liabilities for anticipated tax audit issues based on the Company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Net Earnings (Loss) Per Common Share

The Company computes earnings per share under ASC subtopic 260-10, Earnings Per Share. Basic earnings (loss) per share is computed by dividing the net income (loss) attributable to the common stockholders (the numerator) by the weighted average number of shares of common stock outstanding (the denominator) during the reporting periods. Diluted earnings per share is computed by increasing the denominator by the weighted average number of additional shares that could have been outstanding from securities convertible into common stock (using the "treasury stock" method), unless their effect on net income per share is anti-dilutive. As of June 30, 2025 and 2024, options to purchase 252,102 and 336,134 shares of common stock, respectively, were outstanding. As of June 30, 2025, warrants to purchase 103,500 shares of common stock were outstanding.

The following is a reconciliation of the number of shares used in the calculation of basic and diluted earnings per share for the three and six months ended June 30, 2025 and 2024:

	For the three months ended		For the six months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Net income after tax	$ 1,473,237	$ 655,186	$ 2,349,501	$ 1,235,716
Weighted average common shares outstanding	8,928,548	7,373,745	8,743,639	7,373,745
Incremental shares from the assumed exercise of dilutive stock options	-	-	-	-
Dilutive potential common shares	8,928,548	7,373,745	8,743,639	7,373,745
Net earnings per share:				
Basic	$ 0.17	$ 0.09	$ 0.27	$ 0.17
Diluted	$ 0.17	$ 0.09	$ 0.27	$ 0.17

The following securities were not included in the computation of diluted net earnings per share as their effect would have been antidilutive:

	For the three and six months ended	
	June 30, 2025	June 30, 2024

Options to purchase common stock	252,102	336,134
Warrants to purchase common stock	103,500	-

Fair Value Measurements

The Company measures and discloses the fair value of assets and liabilities required to be carried at fair value in accordance with ASC 820, Fair Value Measurements and Disclosures. ASC 820 defines fair value, establishes a framework for measuring fair value, and enhances fair value measurement disclosure.

ASC 825 defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of nonperformance. ASC 825 establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 825 establishes three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices for identical assets or liabilities in active markets to which the Company has access at the measurement date.

Level 2 - Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the asset or liability.

The determination of where assets and liabilities fall within this hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Our financial instruments consisted primarily of cash and cash equivalents, restricted cash, accounts receivable, other receivable, loan receivable, accounts payable and accrued liabilities and short term and long term loans payable. The carrying amounts of such financial instruments approximate their respective estimated fair value due to the short-term maturities and approximate market interest rates of these instruments.

As of both June 30, 2025 and December 31, 2024, the Company has determined that there were no assets or liabilities measured at fair value on a recurring basis.

Inventory

Inventory consists of raw materials, components and finished goods. The Company's inventory is stated at the lower of cost (FIFO cost basis) or net realizable value. Finished goods include the cost of labor to assemble the items.

Foreign Currency Translation

The functional currency of one of the Company's foreign subsidiaries (NomadChoice Pty Ltd.) is the U.S. Dollar. The Company's foreign subsidiary maintains its records using local currency (Australian Dollar). All monetary assets and liabilities of the foreign subsidiary were translated into U.S. Dollars at quarter end exchange rates, non-monetary assets and liabilities of the foreign subsidiary were translated into U.S. Dollars at transaction day exchange rates.

Income and expense items related to non-monetary items were translated at exchange rates prevailing during the transaction date and other incomes and expenses were translated using average exchange rate for the period. The resulting translation adjustments, net of income taxes, were recorded in statements of operations as Remeasurement gain or loss on translation of foreign subsidiary.

The functional currency of the Company's other foreign subsidiary (Synergy CHC Inc.) is the Canadian Dollar (CAD). The Company's foreign subsidiary maintains its records using local currency (CAD). All assets and liabilities of the foreign subsidiary were translated into U.S. Dollars at period end exchange rates and stockholders' equity is translated at the historical rates. Income and expense items were translated using average exchange rate for the period. The resulting translation adjustments, net of income taxes, are reported as other comprehensive income and accumulated other comprehensive income in the stockholder's equity in accordance with ASC 220 – Comprehensive Income.

The exchange rates used to translate amounts in AUD and CAD into USD for the purposes of preparing the consolidated financial statements were as follows:

Balance sheet:

	June 30, 2025	December 31, 2024
Period-end AUD: USD exchange rate	$ 0.6572	$ 0.6183
Period-end CAD: USD exchange rate	$ 0.7330	$ 0.6950

Income statement:

	June 30, 2025	June 30, 2024
Average six months AUD: USD exchange rate	$ 0.6338	$ 0.6585
Average six months CAD: USD exchange rate	$ 0.7098	$ 0.7361
Average three months AUD: USD exchange rate	$ 0.6403	$ 0.6591
Average three months CAD: USD exchange rate	$ 0.7226	$ 0.7308

Translation gains and losses that arise from exchange rate fluctuations from transactions denominated in a currency other than the functional currency are translated into either Australian Dollars or Canadian Dollars, as the case may be, at the rate on the date of the transaction and included in the results of operations as incurred.

Concentrations of Credit Risk

In the normal course of business, the Company provides credit terms to its customers; however, collateral is not required. Accordingly, the Company performs credit evaluations of its customers and maintains allowances for possible losses which, when realized, were within the range of management's expectations. From time to time, a higher concentration of credit risk exists on outstanding accounts receivable for a select number of customers due to individual buying patterns.

Warehousing costs

Warehouse costs include all third-party warehouse rent fees and are charged to selling and marketing expenses as incurred. Any additional costs relating to assembly or special pack-outs of the Company's products are charged to cost of sales.

Product display costs

All displays manufactured and purchased by the Company are for placement of product in retail stores. This also includes all costs for display execution and setup and retail services are charged to cost of sales and expensed as incurred.

Cost of Sales

Cost of sales includes the purchase cost of products sold, all costs associated with getting the products into the retail stores including buying and transportation costs and the hosting of the Company's online Application.

Debt Issuance Costs

Debt issuance costs consist primarily of arrangement fees, professional fees and legal fees. These costs are netted off with the related loan and are being amortized to interest expense over the term of the related debt facilities.

Shipping Costs

Shipping and handling costs billed to customers are recorded in sales. Shipping costs incurred by the company are recorded in selling and marketing expenses.

Related parties

Parties are considered to be related to the Company if the parties that, directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with the Company. Related parties also include principal owners of the Company, its management, members of the immediate families of principal owners of the Company and its management and other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests (see Note 9).

Segment Reporting

Segment identification and selection is consistent with the management structure used by the Company's chief executive officer who is the Chief Operating Decision Maker (CODM) to evaluate performance and make decisions regarding resource allocation, as well as the materiality of financial results consistent with that structure. Based on the Company's management structure and method of internal reporting, the Company has one operating segment. The Company derives its revenue from the sale of nutraceuticals. The accounting policies of the segment are the same as those described in the summary of significant accounting policies. The chief operating decision maker assesses performance for the segment and decides how to allocate resources based on net income that also is reported on the income statement as consolidated net income. The measure of segment assets is reported on the balance sheet as total consolidated assets. Significant segment expenses include retailer promotions, freight and fulfillment, marketing and salaries. The Company's CODM reviews financial information presented and decides how to allocate resources based on net income. The Company does have intra-entity sales or transfers. The Company's CODM does not review operating results on a disaggregated basis; rather, the chief operating decision maker reviews operating results on an aggregated basis.

Presentation of Financial Statements – Going Concern

Going Concern Evaluation

In connection with preparing unaudited condensed consolidated financial statements for the six months ended June 30, 2025, management evaluated whether there were conditions and events, considered in the aggregate, that raised substantial doubt about the Company's ability to continue as a going concern within one year from the date that the unaudited condensed consolidated financial statements are issued.

The Company considered the following:

- At June 30, 2025, the Company had an accumulated deficit of $41,750,312.
- During the six months ended June 30, 2025, there was a decrease in revenue of $1,131,173.
- During the six months ended June 30, 2025, the Company had $899,731 of net cash used in operating activities

Ordinarily, conditions or events that raise substantial doubt about an entity's ability to continue as a going concern relate to the entity's ability to meet its obligations as they become due.

The Company evaluated its ability to meet its obligations as they become due within one year from the date that the financial statements are issued by considering the following:

- At June 30, 2025, the Company had working capital surplus of $12,383,132.
- During the six months ended June 30, 2025, the Company refinanced a portion of its outstanding debts to one lender with favorable terms (see Note 11).
- During the six months ended June 30, 2025, the Company had net income of $2,349,501.
- The Company has the option of publicly selling its common stock to raise additional capital.
- The Company has the option of selling any of its brands to raise additional capital.

Management concluded that above factors alleviate doubts about the Company's ability to generate enough cash from operations and other available sources to satisfy its obligations for the next twelve months from the issuance date.

The Company will take the following actions if it starts to trend unfavorably to its internal profitability and cash flow projections, in order to mitigate conditions or events that would raise substantial doubt about its ability to continue as a going concern:

- Raise additional capital through line of credit and/or loans financing for future mergers and acquisitions.
- Implement restructuring and cost reductions.
- Raise additional capital through an additional capital raise.

Correction of Prior Period Immaterial Errors:

The Company has identified an immaterial error in the Company's previously issued consolidated financial statements related to Treasury Shares held by its wholly owned subsidiary. The adjustment pertained to the acquisition of remaining 50% ownership interest in Hand MD Corp. during July 2021 and accordingly the shares previously issued to Hand MD Corp. required correction on the financial statement as Treasury Shares on the consolidated balance sheet. The amount of the reclassification is $127,500 and has no effect on the consolidated statement of income and other comprehensive income (except for earnings per share and weighted average shares) and statement of cash flow.

In evaluating whether the previously issued consolidated financial statements were materially misstated for the interim or annual periods prior to December 31, 2022, the Company applied the guidance of ASC 250, *Accounting Changes and Error Corrections*, SEC Staff Accounting Bulletin ("SAB") Topic 1.M, *Assessing Materiality and SAB Topic 1.N, Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements*, and concluded that the effect of the errors on prior period annual financial statements was immaterial. The guidance states that prior-year misstatements which, if corrected in the current year would materially misstate the current year's financial statements, must be corrected by adjusting prior year financial statements, even though such correction previously was and continues to be immaterial to the prior-year financial statements. Correcting prior-year financial statements for such immaterial misstatements does not require previously filed reports to be amended.

The Company's earnings per share has been revised from the amounts previously reported to correct the error and the impact of the reclassification is shown in the below table.

Earnings Per Share for the six months ended June 30, 2024:

	As Previously Reported	Corrections	As Adjusted
Earnings per share	$ 0.16	$ 0.01	$ 0.17
Weighted average common shares outstanding	7,553,818	(180,073)	7,373,745

Earnings Per Share for the three months ended June 30, 2024:

	As Previously Reported	Corrections	As Adjusted
Earnings per share	$ 0.08	$ 0.01	$ 0.09
Weighted average common shares outstanding	7,553,818	(180,073)	7,373,745

Recent Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures" ("ASU 2023-09"). ASU 2023-09 amends the rules on income tax disclosures to require entities to disclose specific categories in the rate reconciliation, the income or loss from continuing operations before income tax expense or benefit (separated between domestic and foreign) and income tax expense or benefit from continuing operations (separated by federal, state, and foreign). In addition, ASU 2023-09 requires entities to disclose their income tax payments to international, federal, state, and local jurisdictions, among other changes. The amendments can be applied on a prospective basis although retrospective application is permitted. The amendments are effective for the fiscal years beginning after December 15, 2024, with early adoption permitted. The adoption of ASU 2023-09 has not affected the Company's financial statements.

In October 2023, the FASB issued ASU No. 2023-06, "Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative" ("ASU 2023-06"). ASU 2023-06 amends U.S. GAAP to reflect updates and simplifications to certain disclosure and presentation requirements referred to FASB by the Securities and Exchange Commission ("SEC"). The targeted amendments incorporate 14 of the 27 disclosures referred by the SEC into codification. Each amendment in ASU 2023-06 is effective on either the date on which the SEC's removal of the related disclosure requirement from Regulation S-X or Regulation S-K becomes effective, or on June 30, 2027, if the SEC has not removed the requirements by that date. The Company is currently evaluating the impact this update will have on its Consolidated Financial Statements.

Note 3 – Income Taxes

The Company utilizes FASB ASC 740, "Income Taxes," which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the difference between the tax basis of assets and liabilities and their financial reporting amounts based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. A valuation allowance is recorded when it is "more likely-than-not" that a deferred tax asset will not be realized.

Deferred income taxes arise from temporary differences resulting from income and expense items reported for financial accounting and tax purposes in different periods. Deferred taxes are classified as current or non-current, depending on the classification of assets and liabilities to which they relate. Deferred taxes arising from temporary differences that are not related to an asset or liability are classified as current or noncurrent depending on the periods in which the temporary differences are expected to reverse. The Company does not have any uncertain tax positions.

For U.S. purposes, the Company has not completed its evaluation of NOL utilization limitations under Internal Revenue Code, as amended (the "Code") Section 382/383, change of ownership rules. If the Company has had a change in ownership, the NOL's would be limited or eliminated, as to the amount that could be utilized each year, based on the Code. NOL's attributable to Breakthrough Products, Inc., which are the majority of the Company's domestic NOL's are Separate Return Limitation Year (SRLY) NOL's. Such losses may generally not be available for use (limited or eliminated).

The Company has not filed its State & Local Income/Franchise tax returns in states it is required to file, as such returns and liability remain open. The Company does not expect this to be a significant liability.

The Company had tax expense of $178,647 and $306,571 for the six months ended June 30, 2025 and 2024, respectively. The Company had tax expense of $190,107 and $179,382 for the three months ended June 30, 2025 and 2024, respectively. The Company's provision for tax expense amount, computed by applying the statutory federal income tax rate of 21% in 2025 and 2024 to income before taxes, differs from the effective tax rate, due primarily to state income taxes and permanent items (plus utilization of NOL carryforwards in 2023).

The Company also has net operating loss carryforwards of approximately $48,700,000 and approximately $50,800,000 (United States, Canada and Australia) included in the deferred tax assets for June 30, 2025 and December 31, 2024, respectively, the majority attributable to the acquisition of Breakthrough Products, Inc. However, due to limitations of carryover attributes and separate return limitation year rules, it is unlikely the company will benefit from the NOLs and thus Management has determined a 100% valuation allowance is required. Further, the Company has not completed an evaluation of the NOLs attributable to Breakthrough Products, Inc. at the date of this report.

Note 4 – Accounts Receivable

Accounts receivable, net of allowances for doubtful accounts, consisted of the following:

	June 30, 2025	December 31, 2024
Trade accounts receivable	$ 7,069,889	$ 5,321,037
Other receivables	2,025,094	1,999,637
Less allowances	-	-
Total accounts receivable, net	**$ 9,094,983**	**$ 7,320,674**

During the three and six months ended June 30, 2025 and 2024, the Company charged $0 to bad debt expense.

Note 5 – Prepaid Expenses

At June 30, 2025 and December 31, 2024, prepaid expenses consisted of the following:

	June 30, 2025	December 31, 2024
Advances for inventory	$ 260,572	$ 605,913
Insurance	36,429	2,879
Deposits	14,000	14,000
Prepaid consulting fees, related party	695,587	296,981
Rent, related party	105,757	15,985
Advertising and promotions*	859,920	869,920
Conferences	9,500	15,000
Professional fees	41,000	13,000
IT expenses	33,479	25,404
Miscellaneous	7,850	481
Total	**$ 2,064,094**	**$ 1,859,563**

* During the year ended December 31, 2024, the Company bartered inventory worth $859,920 for media credits to be used at the Company's discretion.

Note 6 – Concentration of Credit Risk

Cash and cash equivalents

The Company maintains its cash and cash equivalents in banks insured by the Federal Deposit Insurance Corporation (FDIC) in accounts that at times may be in excess of the federally insured limit of $250,000 per bank. The Company minimizes this risk by placing its cash deposits with major financial institutions. At June 30, 2025 and December 31, 2024, the uninsured balances amounted to $1,286,994 and $503,215 respectively.

Accounts receivable

As of June 30, 2025 and December 31, 2024, two and one customers accounted for 84% and 74%, respectively, of the Company's trade accounts receivable.

Major customers

For the six months ended June 30, 2025, three customers accounted for approximately 80% of the Company's net revenue. For the six months ended June 30, 2024, two customers accounted for approximately 70% of the Company's net revenue. For the three months ended June 30, 2025, three customers accounted for approximately 82% of the Company's net revenue. For the three months ended June 30, 2024, two customers accounted for approximately 72% of the Company's net revenue. Substantially all of the Company's business is with companies in the United States.

Accounts payable

As of June 30, 2025 and December 31, 2024, two and four vendors accounted for 58% and 69%, respectively, of the Company's accounts payable.

Major suppliers

For the six months ended June 30, 2025, three suppliers accounted for approximately 47% of the Company's purchases. For the six months ended June 30, 2024, one supplier accounted for approximately 21% of the Company's purchases. For the three months ended June 30, 2025, one supplier accounted for approximately 39% of the Company's purchases. For the three months ended June 30, 2024, one supplier accounted for approximately 13% of the Company's purchases. Substantially all of the Company's business is with suppliers in the United States.

Note 7 – Inventory

Inventory consists of finished goods, components and raw materials. The Company's inventory is stated at the lower of cost (FIFO cost basis) or net realizable value.

The carrying value of inventory consisted of the following:

	June 30, 2025	December 31, 2024
Finished goods	$ 2,213,770	$ 1,578,561
Components	105,388	92,991
Raw materials	45,000	45,000
Total inventory	**$ 2,364,158**	**$ 1,716,552**

During the six months ended June 30, 2025 and 2024, the Company had no inventory write-offs.

Note 8 – Intangible Assets

	June 30, 2025	December 31, 2024
License Fee	$ 450,000	$ 450,000
Less accumulated amortization	(233,333)	(166,667)
Intangible assets, net	**$ 216,667**	**$ 283,333**

Amortization for the six months ended June 30, 2025 and 2024 was $66,666 and $66,667, respectively.

The estimated aggregate amortization expense over each of the next five years is as follows:

2025 (remaining)	$ 66,667
2026	133,333
2027	16,667

Note 9 – Related Party Transactions

The Company paid consulting fees through June 2025 to a company owned by Mr. Jack Ross, Chief Executive Officer of the Company. The Company expensed $0 during the three and six months ended June 30, 2025 and 2024 as consulting fees. The Company advanced $398,606 and $326,683 in prepaid consulting fees during the six months ended June 30, 2025 and 2024, respectively. The prepaid balance as of June 30, 2025 and December 31, 2024 was $695,587 and $296,981, respectively. During the six months ended June 30, 2025 and 2024, the Company was advanced $135,000 and $1,400,000, respectively, in the form of a short-term note. During the six months ended June 30, 2025 the Company repaid the $135,000 advance. The balance owed as of both June 30, 2025 and December 31, 2024 was $0. During the three months ended June 30, 2025, the Company paid $53,720 in the manner of prepaid rent for one year. The Company expensed $4,477 during the six months ended June 30, 2025, leaving a prepaid balance of $49,243.

The Company paid rent through June 2025 to a company owned by Mr. Jack Ross, Chief Executive Officer of the Company. The Company expensed $60,000 Canadian Dollars ($42,587 US Dollars) for the six months ended June 30, 2025, leaving a prepaid balance of $77,100 Canadian Dollars ($53,514 US Dollars).

The Company entered into transactions with a related party controlled by the CEO during prior years. The transactions were a pass through and allocation of expenses and reimbursements. As of June 30, 2025 and December 31, 2024 the Company was owed $4,427,883 and $4,375,059, respectively. This loan has a repayment date of December 31, 2025. If the loan is not repaid by January 1, 2026, the borrower will pledge the number of shares of borrower's stock with a market value equal to the amount outstanding on the note as security to be released upon payment of the note.

The Company entered into a transaction with a related party controlled by the CEO during the year ended December 31, 2023. The transaction was in the form of a short-term loan. The Company received $10,000 Canadian dollars (US Dollars $7,561). This amount was owed to the related party as of December 31, 2023 and was repaid during February 2024.

During June 2024, the Company entered into Sixth Amended Agreement with Knight Therapeutics Inc., a shareholder, to modify prior Agreements. This modification consolidated outstanding loans and extended the maturity dates of the loans to March 31, 2026. The Company recognized interest expense of $623,355 and $1,117,459 during the six month periods ended June 30, 2025 and 2024, respectively. The Company recognized interest expense of $253,363 and $703,301 during the three month periods ended June 30, 2025 and 2024, respectively. During May and June 2025, the Company repaid the balance on this amended agreement (see Note 11).

On December 23, 2016, the Company entered into an agreement with Knight Therapeutics for the distribution rights of FOCUSfactor in Canada. In conjunction with this agreement, the Company is required to pay Knight a distribution fee equal to 30% of gross sales for sales achieved through a direct sales channel and 5% of gross sales for sales achieved through retail sales. The minimum due to Knight under this agreement is $100,000 Canadian dollars. As of both June 30, 2025 and December 31, 2024, the total outstanding balance was $123,584 Canadian dollars. In US Dollars, the total outstanding balance was $90,587 and $85,891 as of June 30, 2025 and December 31, 2024, respectively.

The Company expensed royalty of $7,788 and $41,277 for the six months ended June 30, 2025 and 2024, respectively. The Company expensed royalty of $3,239 and $18,799 for the three months ended June 30, 2025 and 2024, respectively. At June 30, 2025 and December 31, 2024, the Company owed Knight Therapeutics $2,368 and $2,753, respectively, in connection with a royalty distribution agreement.

Note 10 – Accounts Payable and Accrued Liabilities

As of June 30, 2025 and December 31, 2024, accounts payable and accrued liabilities consisted of the following:

	June 30, 2025	December 31, 2024
Accrued payroll	$ 195,889	$ 76,399
Legal fees	214,829	13,722
Commissions	-	450,208
Manufacturers	1,635,113	409,744
Promotions	823,174	2,570,126
Accounting fees	80,000	210,386

Freight	154,659	149,549
Royalties, shareholder	92,955	88,644
Warehousing	514,872	261,046
Sales taxes	2,878	67,488
Payroll taxes	542,442	700,797
Professional fees	52,600	26,200
Insurance	-	12,118
Interest	186,047	-
Lender fees	375,000	-
Others	89,873	155,441
Total	**$ 4,960,331**	**$ 5,191,868**

The Company has estimated and accrued for its sales tax liability at $3,424 and $3,703 for the parent entity as of June 30, 2025 and December 31, 2024, respectively.

Note 11 – Notes Payable

The Company's notes payable at June 30, 2025 and December 31, 2024 are as follows:

	June 30, 2025	**December 31, 2024**
$10,000,000 August 9, 2017 Loan	$ -	$ 12,333,052
$2,000,000 and $6,000,000 Notes	9,794,165	9,794,165
$5,450,000 December 28, 2023 Loan	-	2,802,445
$3,020,824 March 27, 2024 Loan	1,400,000	2,302,824
Other	-	317,292
$2,268,000 February 2025 Loan	567,000	-
$17,500,000 May 2025 Loan	17,500,000	-
	29,261,165	27,549,778
Unamortized debt issuance cost and debt discount	(2,387,309)	(34,432)
Total	26,873,856	27,515,346
Current portion, shareholder	-	(4,000,000)
Current portion, other	(1,894,857)	(7,725,272)
Long-term portion, shareholder	-	8,333,053
Long-term portion, other	$ 24,978,999	$ 7,457,022

<u>$10,000,000 August 9, 2017 Loan:</u>

On August 9, 2017, the Company entered into a Second Amendment to Loan Agreement ("Second Amendment") with Knight, pursuant to which Knight agreed to loan the Company an additional $10 million.

The Company recognized interest expense of $253,363 and $703,301 for the three months ended June 30, 2025 and 2024, respectively. The Company recognized interest expense of $623,355 and $1,117,459 during the six months ended June 30, 2025 and 2024, respectively.

During June 2024, the Company entered into Sixth Amended Agreement with Knight Therapeutics Inc., a shareholder, to modify prior Agreements. This modification consolidated outstanding loans and extended the maturity dates of the loans to March 31, 2026.

On May 29, 2025, the Company satisfied $12,713,858 through a combination of (i) a $10,000,000 cash repayment, (ii) an early payment discount of $1,213,858 and (iii) a conversion of $1,500,000 into equity (the "Equity Conversion").

On June 11, 2025 (the "Initial Exercise Date"), the Company issued a pre-funded common stock purchase warrant (the "Pre-Funded Warrant") to purchase up to 428,570 shares of common stock (each a "Warrant Share"), to Knight, in connection with the Equity Conversion. The Pre-Funded Warrant expires upon the earlier of the date the Pre-Funded Warrant is exercised in full, and June 11, 2026. The aggregate exercise price of the Pre-Funded Warrant, except for a nominal exercise price of $0.00001 per Warrant Share, was pre-funded to the Company on or prior to the Initial Exercise Date and, consequently, no additional consideration (other than the nominal exercise price of $0.00001 per Warrant Share) shall be required to be paid by Knight to effect any exercise of the Pre-Funded Warrant. The Pre-Funded Warrant may be exercised, in whole or in part, by means of a "cashless exercise." Pursuant to Section 2(f) of the Pre-Funded Warrant, the Pre-Funded Warrant will be automatically exercised via "cashless exercise" upon the earlier of (i) June 11, 2026, or (ii) the closing of the next sale of equity securities of the Company. The Company relied upon the exemption from registration provided by Section 4(a)(2) of the Securities Act for transactions by an issuer not involving a public offering to issue the Pre-Funded Warrant. The Company valued 428,570 pre-funded warrants at $899,993 resulting in a gain to the Company of $1,813,865 upon settlement of this loan.

As of June 30, 2025 and December 31, 2024 the total consolidated amount outstanding on these loans, including accrued interest and royalties was $0 and $12,333,052, respectively.

<u>$2,000,000 February 10, 2022 Loan:</u>

On February 10, 2022, the Company entered into a promissory note for $2,000,000 with an individual which was to be repaid with subsequent financing.

Subsequently and pursuant to the modification agreement entered into on June 14th, 2023, effective September 9, 2022, the promissory loan would bear all the same characteristics as the additional $6,000,000 loan noted below.

<u>$6,000,000 March 8, 2022 Loans:</u>

On March 8, 2022, the Company entered into Securities Purchase Agreements with debenture holders for the Senior Subordinated Debentures in the amount of $6,000,000 with an original maturity date of September 8, 2022 and warrants with a term of 3 years. The Senior Subordinated Debentures were modified on June 14, 2023 in conjunction with the promissory note.

On March 31, 2024, the Company entered into a Modification Agreement in relation to this loan, which consolidated it with the $2,000,000 February 10, 2022 loan above.

On May 30, 2025, the Company entered into a Subordination Agreement in relation to this loan, whereby this loan becomes subordinated debt to the senior lender (<u>$17,500,000 May and June 2025 Loan</u>). This loan may only be repaid based on certain conditions which must be met before payment can be made. There is no maturity date on this loan.

"Interest Payment Conditions" means with respect to any payment of interest on any Sanders Note, the satisfaction of the following conditions:

(a) as of the date of any such interest payment and immediately after giving effect thereto, no Default or Event of Default has occurred and is continuing;

(b) Liquidity (prior to and after giving effect to such payment) shall not be less than $2,000,000;

(c) the Fixed Charge Coverage Ratio of the Borrower and its Subsidiaries for the period of 12 fiscal months of the Borrower and its Subsidiaries most recently ended prior to such payment (and, for the avoidance of doubt, without giving effect to such payment for purposes of determining Consolidated Net Interest Expense), shall be not less than 1.20 to 1.00; and

(d) the Administrative Agent shall have received a certificate of an Authorized Officer of the Borrower certifying as to compliance with the preceding clauses and demonstrating (in reasonable detail) the calculation required thereby.

"Principal Payment Conditions" means with respect to any payment or prepayment of principal on any Sanders Note, the satisfaction of the following conditions:

(a) as of the date of any such principal payment and immediately after giving effect thereto, no Default or Event of Default has occurred and is continuing;

(b) Liquidity (prior to and after giving effect to such payment) shall not be less than $4,000,000;

(c) the Fixed Charge Coverage Ratio of the Borrower and its Subsidiaries for the period of 12 fiscal months of the Borrower and its Subsidiaries most recently ended prior to such payment (and, for the avoidance of doubt, without giving effect to such payment for purposes of determining Consolidated Net Interest Expense), shall be not less than 1.20 to 1.00;

(d) the Consolidated Senior Net Leverage Ratio of the Borrower and its Subsidiaries as of the end of such fiscal quarter of the Borrower ending on or most recently preceding the date of such payment or prepayment was less than 2.75 to 1.00;

(e) such payment or prepayment is made using only Net Cash Proceeds of an Equity Issuance which are not required to be applied as a mandatory prepayment pursuant to Section 2.5(c)(v) in an amount not to exceed fifty percent (50%) of such Net Cash Proceeds; and

(f) the Administrative Agent shall have received a certificate of an Authorized Officer of the Borrower certifying as to compliance with the preceding clauses and demonstrating (in reasonable detail) the calculation required thereby.

On April 28, 2025, the Company entered into Assignment, Assumption and Release Agreement with the holder to release Jack Ross (CEO of the Company) from the obligation to personally grant warrants struck at $0.01 penny per share, covering 10% of his stock to the lender for non-payment of principal amount plus loan renegotiation fees by December 31, 2024. The Company issued 441,178 shares valued at $847,062 to the lender for releasing Jack Ross (CEO) from this obligation.

<u>$5,450,000 December 28, 2023 Loan:</u>

On December 28, 2023, the Company entered into a confidential settlement agreement and mutual general release with a former supplier. The loan bears interest at 5% per annum and is payable in full with the last payment. This settlement resulted in a gain to the Company of $2,235,986 and is reflected as a reduction of cost of sales (See Note 13).

During 2025 and 2024, the Company made payments of $2,622,201 and $2,000,000, respectively toward this loan. During June 2025, the supplier agreed to a Payoff Letter re: Settlement Agreement, resulting in a lesser prepay amount resulting in a gain to the Company of $180,245.

The outstanding loan balance at June 30, 2025 and December 31, 2024 was $0 and $2,802,445, respectively.

<u>$3,020,824 March 27, 2024 Loan:</u>

On March 27, 2024, the Company entered into a confidential settlement agreement and mutual general release with a supplier.

During 2025 and 2024, the Company made payments of $760,412 and $700,000 toward this loan. During June 2025, the supplier agreed to a Payoff Letter re: Settlement Agreement, resulting in a lesser prepay amount, resulting in a gain to the Company of $160,412. The outstanding loan balance at June 30, 2025 and December 31, 2024 was $1,400,000 and $2,320,824, respectively. This was subsequently repaid in full.

The Company is required to make future payments as follows:

2025	$	1,400,000

<u>$418,100 May 1, 2024 Loan:</u>

On May 1, 2024, the Company entered into a loan agreement of $418,100 with Shopify Capital Inc. for an advancement of working capital from its online processing account. The Company received $370,000 from Shopify Capital Inc. and $48,100 was an original issue discount. The loan bears a repayment rate of 25% of daily sales.

The Company recognized amortization of original issue discount of $21,989 and $32,297 which is included in interest expense in the statement of income during the three and six months ended June 30, 2025, respectively.

The outstanding loan balance at June 30, 2025 and December 31, 2024 was $0 and $280,732, respectively.

<u>$118,650 May 22, 2024 Loan:</u>

On May 22, 2024, the Company entered into a loan agreement of $118,650 with Shopify Capital Inc. for an advancement of working capital from its online processing account. The Company received $105,000 from Shopify Capital Inc. and $13,650 was an original issue discount. The loan bears a repayment rate of 25% of daily sales.

The payment of such amounts is secured by a security interest in certain assets, undertakings and property pursuant to the Security Agreement, which will be released upon receipt of total payments of $118,650.

The Company recognized amortization of original issue discount of $2,135 and $1,464, which is included in interest expense in the statement of income during the six months ended June 30, 2025 and 2024, respectively. The outstanding loan balance at June 30, 2025 and December 31, 2024 was $0 and $16,425, net of unamortized original issue discount of $2,135, respectively.

<u>$800,000 December 5, 2024 Loan:</u>

On December 5, 2024, the Company entered into a cash advance agreement of $800,000 with Cedar Advance LLC for an advancement of working capital. The Company received $760,000 and recorded $40,000 as interest expense. The loan bears a repayment rate of $41,100 per week. In conjunction with the advance, the Company issued 18,000 shares of common stock to the consultant who facilitated the facility and thus recognized $97,920 as interest expense.

The Company recognized total interest expense of $136,000 during the year ended December 31, 2024. The outstanding loan balance at December 31, 2024 was $0.

<u>$2,268,000 February 2025 Loan:</u>

On January 29, 2025, the Company entered into a cash advance agreement of $2,268,000 with Cedar Advance LLC for an advancement of working capital. The Company received $1,496,250 and recorded $771,750 as original issue discount. The loan bears a repayment rate of $81,000 per week with a total payment of $2,268,000. In conjunction with the advance, the Company issued 30,360 shares of common stock to the consultant who facilitated the facility and thus recognized $117,648 as financing cost.

The Company recognized total interest expense of $422,857 and $817,255 and during the three and six months ended June 30, 2025, respectively. The outstanding loan balance at June 30, 2025 was $494,857, net of unamortized debt discount and financing costs of $72,143.

<u>$17,500,000 May 2025 Loan:</u>

On May 30, 2025, Synergy CHC Corp. (the "Company") entered into a term loan credit agreement (the "Credit Agreement") with ACP Agency, LLC ("ACP"). The Credit Agreement consists of a $15.0 million term loan (the "Term Loan"), up to $2.5 million in a committed delayed draw facility (the "Delayed Draw Facility"), and up to $2.5 million in an uncommitted term loan incremental facility (the "Incremental Facility"), which facilities are secured by all of the assets of the Company and certain of its subsidiaries; including, without limitation, a pledge of the Company's equity interests in its subsidiaries and their respective rights to intellectual property. Further, the obligations of the Company under the Credit Agreement are guaranteed by the Company and certain of its subsidiaries. The proceeds of the Term Loan are to be used to repay existing indebtedness of the Company, pay related fees and transaction costs, and provide working capital to the Company. The proceeds of the Delayed Draw Facility are to be used to pay off all indebtedness owed by the Company pursuant to certain settlement agreements. All capitalized words used but not defined herein have the meanings assigned in the Credit Agreement.

The Credit Agreement has customary representations, warranties and covenants including restrictions on indebtedness, liens, restricted payments and dividends, investments, asset sales and similar covenants and contains customary events of default. The Credit Agreement also contains covenants requiring the Company and its subsidiaries to maintain a maximum (x) consolidated senior net leverage ratio of (i) 3.25:1.00 for the quarter ending September 30, 2025, (ii) 3.25:1.00 for the quarter ending December 31, 2025, (iii) 3.00:1.00 for the quarter ending March 31, 2026, (iv) 2.75:1.00 for the quarter ending June 30, 2026, (v) 2.75:1.00 for the quarter ending September 30, 2026, and (vi) 2.50:1.00 for the quarter ending December 31, 2026 and each fiscal quarter ended thereafter and (y) a fixed charge coverage ratio of 1.20 for the quarter ending September 30, 2025 and each fiscal quarter ended thereafter.

Of the Term Loan, $175,000 is subject to repayment on each of January 1, 2026, April 1, 2026, July 1, 2026 and October 1, 2026 and the remaining balance is to be repaid in the amount of $350,000 beginning January 1, 2027 and the first day of each quarter thereafter. The Term Loan bears interest at a rate equal to the Term SOFR rate plus 8.50%. The Delayed Draw Facility and Incremental Facility, if applicable, shall bear interest following any advance of proceed thereunder, at a rate of either (x) (i) Term SOFR rate plus (ii) 8.5%, or (y) (i) a reference rate equal to the greater of (a) 6.0% per annum, (b) the federal funds rate plus 0.50% per annum, (c) the Term SOFR rate plus 1% per annum, and (d) the rate last quoted by The Wall Street Journal as the "Prime Rate" in the United States, plus (ii) 7.50%.

The Company received $15,000,000 in May 2025 on the initial draw and $2,500,000 in June 2025 on a delayed draw. The proceeds of the loan were used to pay out existing debt. The Company recorded $2,355,914 as original debt discount. The Company recognized $40,748 as amortization during the period. The unamortized balance amounts to $2,315,166 at June 30, 2025.

The note bears interest at Term SOFR rate, plus 8.5%, currently 12.83% per annum, and matures on May 30, 2029.

The Company recognized interest expense of $186,047 during the three months ended June 30, 2025.

The Company is required to make future payments as follows:

2025	$	-
2026	$	700,000
2027	$	1,400,000
2028	$	1,400,000
2029	$	14,000,000

Note 12 – Stockholders' Deficit

The total number of shares of all classes of capital stock which the Company is authorized to issue is 300,000,000 shares of common stock with $0.00001 par value.

During 2025 and 2024 the Company issued 30,360 and 18,000 shares, respectively, to a consultant who facilitated a cash advance facility (Note 11).

During 2025, the Company issued 428,570 pre-funded warrants to a Knight as a partial settlement of debt. These warrants were fully exercised during the six months ended June 30, 2025.

During 2025, the Company issued 441,178 shares valued at $847,062 in conjunction with an assignment, assumption and release agreement with a note holder (see Note 11).

As of June 30, 2025 and December 31, 2024, there were 9,621,926 and 8,721,818 shares issued, respectively, and 9,441,853 and 8,541,745 shares outstanding, respectively.

Note 13 – Commitments and Contingencies

Litigation:

From time to time the Company may become a party to litigation in the normal course of business. Management believes that there are no current legal matters that would have a material effect on the Company's financial position or results of operations.

Note 14 – Stock Options and Warrants

The following table summarizes the options outstanding, option exercisability and the related prices for the shares of the Company's common stock issued to employees and consultants under a stock option plan at June 30, 2025:

	Options Outstanding			Options Exercisable	
Exercise Prices ($)	Number Outstanding	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price ($)	Number Exercisable	Weighted Average Exercise Price ($)
$ 2.98-7.74	252,102	0.46	$ 6.15	252,102	$ 6.15

The stock option activity for the six months ended June 30, 2025 is as follows:

	Options Outstanding	Weighted Average Exercise Price
Outstanding at December 31, 2024	252,102	$ 6.15
Granted	-	-
Exercised	-	-
Expired or canceled	-	-
Outstanding at June 30, 2025	252,102	$ 6.15

Stock-based compensation expense related to vested options was $0 during both the six months ended June 30, 2025 and 2024. Stock options outstanding as of June 30, 2025, as disclosed in the above table, have an intrinsic value of $0.

The following table summarizes the changes in warrants outstanding and the related prices for the shares of the Company's common stock issued at June 30, 2025:

	Warrants Outstanding			Warrants Exercisable	
Exercise Price ($)	Number Outstanding	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price ($)	Number Exercisable	Weighted Average Exercise Price ($)
$ 11.70	103,500	3.57	$ 11.70	103,500	$ 11.70

The warrant activity for the six months ended June 30, 2025 is as follows:

	Warrants Outstanding	Weighted Average Exercise Price
Outstanding at December 31, 2024	103,500	$ 11.70
Granted	428,570	0.00001
Exercised	(428,570)	(0.00001)
Expired or canceled	-	-
Outstanding at June 30, 2025	103,500	$ 11.70

Stock warrants outstanding as of June 30, 2025, as disclosed in the above table, have an intrinsic value of $0.

During June 2025, the Company issued 428,570 warrants valued at $899,993 to settle a loan payable to a shareholder. The Company determined the value of the warrants using the Black-Scholes fair value option-pricing model with the following weighted average assumptions: estimated fair value of the Company's common stock of $2.10, risk-free interest rate of 4.30%, volatility of 97%, expected term of 0.1 years and dividend yield of 0%.

Note 15 – Segments

Segment identification and selection is consistent with the management structure used by the Company's chief executive officer who is the Chief Operating Decision Maker (CODM) to evaluate performance and make decisions regarding resource allocation, as well as the materiality of financial results consistent with that structure. Based on the Company's management structure and method of internal reporting, the Company has one operating segment. The Company derives its revenue from the sale of nutraceuticals. The accounting policies of the segment are the same as those described in the summary of significant accounting policies. The chief operating decision maker assesses performance for the segment and decides how to allocate resources based on net income that also is reported on the income statement as consolidated net income. The measure of segment assets is reported on the balance sheet as total consolidated assets. Significant segment expenses include retailer promotions, freight and fulfillment, marketing and salaries. The Company's CODM reviews financial information presented and decides how to allocate resources based on net income. The Company does have any intra-entity sales or transfers. The Company's CODM does not review operating results on a disaggregated basis; rather, the chief operating decision maker reviews operating results on an aggregated basis.

Net sales attributed to customers in the United States and foreign countries for the three months ended June 30, 2025 and 2024 were as follows:

	June 30, 2025	June 30, 2024
United States	$ 7,954,326	$ 6,705,486
Foreign countries	180,670	1,319,354
	$ 8,134,996	$ 8,024,840

Foreign country sales primarily consist of sales in Canada.

The Company's net sales by product group for the three months ended June 30, 2025 and 2024 were as follows:

	June 30, 2025	June 30, 2024
Nutraceuticals	$ 6,734,996	$ 8,024,840
License Revenue	1,400,000	-
	$ 8,134,996	$ 8,024,840

The Company's net sales by major sales channel for the three months ended June 30, 2025 and 2024 were as follows:

	June 30, 2025	June 30, 2024
Online	$ 2,074,439	$ 979,540
Retail	6,060,557	7,045,300
	$ 8,134,996	$ 8,024,840

The Company's significant segment expenses for the three months ended June 30, 2025 and 2024 were as follows:

	June 30, 2025	June 30, 2024
Retailer promotions	$ 1,160,615	$ 1,191,671
Freight and fulfillment	396,436	501,982
Online marketing	931,994	1,005,771
Salaries and benefits, marketing	377,785	283,631
Other selling and marketing	195,381	317,164
IT expenses	163,608	158,035
Salaries and benefits, non-marketing	591,170	440,970
Professional fees	432,866	(119,829)
Travel	71,895	55,064
Other general and administrative expenses	259,786	124,565
Amortization	33,334	33,334
	$ 4,614,870	$ 3,992,358

Net sales attributed to customers in the United States and foreign countries for the six months ended June 30, 2025 and 2024 were as follows:

	June 30, 2025	June 30, 2024
United States	$ 15,409,050	$ 14,984,092
Foreign countries	896,480	2,452,611
	$ 16,305,530	$ 17,436,703

Foreign country sales primarily consist of sales in Canada.

The Company's net sales by product group for the six months ended June 30, 2025 and 2024 were as follows:

	June 30, 2025	June 30, 2024
Nutraceuticals	$ 13,405,530	$ 17,436,703
License Revenue	2,900,000	-
	$ 16,305,530	$ 17,436,703

The Company's net sales by major sales channel for the six months ended June 30, 2025 and 2024 were as follows:

	June 30, 2025	June 30, 2024
Online	$ 4,836,284	$ 2,150,177
Retail	11,469,246	15,286,526
	$ 16,305,530	$ 17,436,703

The Company's significant segment expenses for the six months ended June 30, 2025 and 2024 were as follows:

	June 30, 2025	June 30, 2024
Retailer promotions	$ 2,100,068	$ 2,731,307
Freight and fulfillment	894,184	1,098,279
Online marketing	1,863,821	1,850,009
Salaries and benefits, marketing	705,959	678,469
Other selling and marketing	374,450	526,831
IT expenses	304,184	295,899
Salaries and benefits, non-marketing	1,159,163	1,037,565
Professional fees	596,634	81,347
Travel	227,015	133,800
Other general and administrative expenses	539,043	458,580
Amortization	66,667	66,667
	$ 8,831,188	$ 8,958,753

Long-lived assets (net) attributable to operations in the United States and foreign countries as of June 30, 2025 and December 31, 2024 were as follows:

	June 30, 2025	December 31, 2024
United States	$ 216,667	$ 283,333
Foreign countries	-	-
	$ 216,667	$ 283,333

Note 16 – Subsequent Events

Management evaluated all activities of the Company through the issuance date of the Company's unaudited condensed consolidated financial statements and concluded that except as noted below, no subsequent events have occurred that would require adjustment or disclosure into the unaudited condensed consolidated financial statements.

Subsequent to June 30, 2025, the Company has repaid $1,400,000 of principal on the March 27, 2024 loan, $416,614 of principal and $69,386 of interest on the February 2025 loan, $92,942 of interest on the March 8, 2022 loan and $379,371 of interest on the May 2025 loan.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

References in this report (the "Quarterly Report") to "we," "us" or the "Company" refer to Synergy CHC Corp. References to our "management" or our "management team" refer to our officers and directors. The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the unaudited condensed consolidated financial statements and the notes thereto contained elsewhere in this Quarterly Report. Certain information contained in the discussion and analysis set forth below includes forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from the results, expectations and plans discussed in these forward-looking statements.

Special Note Regarding Forward-Looking Statements

This Quarterly Report includes "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act that are not historical facts, and involve risks and uncertainties that could cause actual results to differ materially from those expected and projected. All statements, other than statements of historical fact included in this Form 10-Q including, without limitation, statements in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" regarding our financial position, business strategy and the plans and objectives of management for future operations, are forward-looking statements. Words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intends," "may," "might," "plan," "possible," "potential," "predict," "project," "should," "would" and variations thereof and similar words and expressions are intended to identify such forward-looking statements. Such forward-looking statements relate to future events or future performance, but reflect management's current beliefs, based on information currently available. A number of factors could cause actual events, performance or results to differ materially from the events, performance and results discussed in the forward-looking statements. For information identifying important factors that could cause actual results to differ materially from those anticipated in the forward-looking statements, please refer to the Risk Factors section of our final prospectus for our initial public offering filed with the SEC on October 23, 2024 (the "Prospectus") and the "Risk Factors" section of this report. Our securities filings can be accessed on the EDGAR section of the SEC's website at www.sec.gov. Except as expressly required by applicable securities law, we disclaim any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the unaudited condensed consolidated financial statements and the notes thereto contained elsewhere in this report. Certain information contained in the discussion and analysis set forth below includes forward-looking statements that involve risks and uncertainties.

Overview

We are a provider of consumer health care, beauty, and lifestyle products. Our current brand portfolio consists of two core brands: FOCUSfactor, a clinically-tested brain health supplement (this study was performed independently and is not related to any FDA-approved Investigational New Drug application) that has been shown to improve memory, concentration and focus and Flat Tummy, a lifestyle brand that provides a suite of nutritional products to help women achieve their weight management goals.

Our management's discussion and analysis of our financial condition and results of operations are only based on our current business and should be read in conjunction with our unaudited interim condensed consolidated financial statements and audited consolidated financial statements and accompanying notes thereto included elsewhere in this Quarterly Report. Key factors affecting our results of operations include revenues, cost of revenue, operating expenses and income and taxation.

Non-GAAP Financial Measures

We currently focus on EBITDA to evaluate our business relationships and our resulting operating performance and financial position. EBITDA is defined as net income plus interest expense, income tax expense, depreciation and amortization.

We believe that EBITDA, viewed in addition to, and not in lieu of, our reported results in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"), provides useful information to investors.

	Three Months Ended June 30, 2025 (Unaudited)	Three Months Ended June 30, 2024 (Unaudited)
Net income	$ 1,473,237	$ 655,186
Interest income	(379)	(374)
Interest expense	2,107,714	745,528
Income tax expense	190,107	179,382
Depreciation and amortization	33,334	33,334
EBITDA	$ 3,804,013	$ 1,613,056

	Six Months Ended June 30, 2025 (Unaudited)	Six Months Ended June 30, 2024 (Unaudited)
Net income	$ 2,349,501	$ 1,235,716
Interest income	(14,261)	(761)
Interest expense	3,203,083	1,855,508
Income tax expense	178,647	306,571
Depreciation and amortization	66,667	66,667
EBITDA	$ 5,783,637	$ 3,463,701

EBITDA is considered non-GAAP financial measures. EBITDA represents earnings before interest, taxes, depreciation and amortization. Our definition of EBITDA might not be comparable to similarly titled measures reported by other companies.

Results of Operations for the Three Months Ended June 30, 2025 and June 30, 2024

During both the three months ended June 30, 2025 and 2024, we focused on developing our currently owned brands into new markets and by product extensions. Our objective is to grow our two targeted verticals (Nutraceuticals and Ready To Drinks (RTDs)) to provide a balanced and synergistic portfolio that drives consumer demand via multiple channels. Our Nutraceuticals vertical consists of FOCUSfactor, including RTDs, and Flat Tummy consumables.

Revenue

For the three months ended June 30, 2025, we had revenue of $6,734,996 from sales of our products and $1,400,000 from a license agreement, as compared to revenue of $8,024,840 for the three months ended June 30, 2024. The revenue is comprised of the following categories:

	June 30, 2025	June 30, 2024
Nutraceuticals	$ 6,734,996	$ 8,024,840
License Revenue	1,400,000	-
	$ 8,134,996	$ 8,024,840

We had a decrease in Nutraceuticals revenue in the three months ended June 30, 2025 as compared to the three months ended June 30, 2024 due to a new product sell-in to one customer in 2024 that did not repeat in 2025. We also had revenue from a license agreement to expand into selected foreign territories.

Cost of Revenue

For the three months ended June 30, 2025, our cost of revenue was $1,896,391. Our cost of revenue for the three months ended June 30, 2024, was $2,448,890. The decrease in cost of sales was primarily due to the decrease in revenue.

Gross Profit

Gross profit was $6,238,605, or 77% of revenue, for the three months ended June 30, 2025, as compared to gross profit of $5,575,950, or 69% of revenue, for the same period in 2024, an increase of $662,665, or 12%. The increase in gross profit is directly related to the license revenue.

Operating Expenses

Selling and Marketing Expenses

For the three months ended June 30, 2025, our selling and marketing expenses were $3,062,211 as compared to $3,055,186 for the three months ended June 30, 2024, which is an immaterial increase.

General and Administrative Expenses

For the three months ended June 30, 2025, our general and administrative expenses were $1,519,325. For the three months ended June 30, 2024, our general and administrative expenses were $903,838. The increase is primarily due to public market expenses.

Depreciation and Amortization Expenses

For the three months ended June 30, 2025, our depreciation and amortization expenses were $33,334 as compared to $33,334 for the three months ended June 30, 2024.

Other Income and Expenses

For the three months ended June 30, 2025 and 2024 we had other income and expense items as follows:

	Three months ended June 30, 2025	Three months ended June 30, 2024
Interest expense	$ 2,107,714	$ 745,528
Interest income	(379)	(374)
Gain on settlement of loans	(2,154,522)	-
Remeasurement loss on translation of foreign subsidiary	7,578	3,870
Total other (income) expense	$ (39,609)	$ 749,024

For the three months ended June 30, 2025, we had interest expense of $2,107,714 as compared to $745,528 for the three months ended June 30, 2024. The increase is primarily due to the advance, shares issued related to the modification of notes payable and new May 2025 loan.

Net Income

For the three months ended June 30, 2025, our net income was $1,473,237 as compared to a net income of $655,186 for the three months ended June 30, 2024 due to a gain on settlement of loans.

Results of Operations for the Six Months Ended June 30, 2025 and June 30, 2024

During both the six months ended June 30, 2025 and 2024, we focused on developing our currently owned brands into new markets and by product extensions. Our objective is to grow our two targeted verticals (Nutraceuticals and Ready To Drinks (RTDs)) to provide a balanced and synergistic portfolio that drives consumer demand via multiple channels. Our Nutraceuticals vertical consists of FOCUSfactor, including RTDs, and Flat Tummy consumables.

Revenue

For the six months ended June 30, 2025, we had revenue of $13,405,530 from sales of our products and $2,900,000 from a license agreement, as compared to revenue of $17,436,703 for the six months ended June 30, 2024. The revenue is comprised of the following categories:

	June 30, 2025	June 30, 2024
Nutraceuticals	$ 13,405,530	$ 17,436,703
License Revenue	2,900,000	-
	$ 16,305,530	$ 17,436,703

We had a decrease in Nutraceuticals revenue in the six months ended June 30, 2025 as compared to the six months ended June 30, 2024 due to a new product sell-in to one customer in 2024 that did not repeat in 2025. We also had revenue from a license agreement to expand into selected foreign territories.

Cost of Revenue

For the six months ended June 30, 2025, our cost of revenue was $3,902,904. Our cost of revenue for the six months ended June 30, 2024, was $5,086,029. The decrease in cost of sales was primarily due to the decrease in revenue.

Gross Profit

Gross profit was $12,402,626, or 76% of revenue, for the six months ended June 30, 2025, as compared to gross profit of $12,350,674, or 71% of revenue, for the same period in 2024, an increase of $51,952, or 0.4%. The increase in gross profit is related to the license revenue.

Operating Expenses

Selling and Marketing Expenses

For the six months ended June 30, 2025, our selling and marketing expenses were $5,938,482 as compared to $6,639,863 for the six months ended June 30, 2024, which is primarily due to lower revenue and an improved management of promotions in 2025.

General and Administrative Expenses

For the six months ended June 30, 2025, our general and administrative expenses were $2,826,039. For the six months ended June 30, 2024, our general and administrative expenses were $2,252,223. The increase is primarily public market expenses.

Depreciation and Amortization Expenses

For the six months ended June 30, 2025, our depreciation and amortization expenses were $66,667 as compared to $66,667 for the six months ended June 30, 2024.

Other Income and Expenses

For the six months ended June 30, 2025 and 2024 we had other income and expense items as follows:

	Six months ended June 30, 2025	Six months ended June 30, 2024
Interest expense	$ 3,203,083	$ 1,855,508
Interest income	(14,261)	(761)
Gain on settlement of loans	(2,154,522)	-
Remeasurement loss (gain) on translation of foreign subsidiary	8,990	(5,113)
Total other expense	$ 1,043,290	$ 1,849,634

For the six months ended June 30, 2025, we had interest expense of $3,203,083 as compared to $1,855,508 for the six months ended June 30, 2024. The increase is primarily due to an advance taken in 2025, shares issued related to the modification of notes payable and new May 2025 loan.

Net Income

For the six months ended June 30, 2025, our net income was $2,349,501 as compared to a net income of $1,235,716 for the six months ended June 30, 2024 due to lowering operating expenses and gain on loan settlements.

Liquidity and Capital Resources

Overview

As of June 30, 2025, we had $1,458,561 cash on hand and restricted cash of $100,000 which is held for credit card collateral.

Cash Flows from Operating Activities

For the six months ended June 30, 2025, net cash used in operating activities was $899,731 compared to net cash used in operating activities of $1,140,005 for the six months ended June 30, 2024. This decrease in net cash used by operating activities for the six months ended June 30, 2025 is detailed in the table below.

For the six months ended June 30, 2025, net cash used in operating activities of $899,731 consisted of our net income of $2,349,501 adjusted by:

Amortization of debt discount and debt issuance cost	892,435
Depreciation and amortization	66,667
Stock issued for modification of notes payable	847,062
Foreign currency transaction gain	(9,068)
Remeasurement loss on translation of foreign subsidiary	8,990
Gain on settlement of debt	(2,154,522)
Accounts receivable	(1,748,852)
Other receivables	(25,457)
Loan receivable, related party	(52,824)
Inventory	(647,606)
Prepaid expenses	283,848
Prepaid expense, related party	(488,379)
Income taxes payable	23,495
Contract liabilities	(19,365)
Accounts payable and accrued liabilities	(610,770)
Accounts payable, shareholder	385,114

For the six months ended June 30, 2024, net cash used in operating activities of $1,140,004 consisted of our net income of $1,235,716 adjusted by:

Depreciation and amortization	$ 66,667
Stock based compensation expense	4,611
Foreign currency transaction loss	23,345
Remeasurement gain on translation of foreign subsidiary	(5,113)
Non cash implied interest	4,799
Accounts receivable	(1,161,992)
Loan receivable, related party	35,449
Inventory	1,805,950
Prepaid expenses	(276,818)
Prepaid expense, related party	(326,682)
Income taxes payable	262,374
Contract liabilities	(2,949)
Accounts payable and accrued liabilities	(2,804,381)
Accounts payable, shareholder	(980)

Cash Flows from Investing Activities

For the six months ended June 30, 2025 and 2024, we used net cash of $0 in investing activities.

Cash Flows from Financing Activities

For the six months ended June 30, 2025, net cash provided by financing activities was $1,632,433 compared to net cash provided by financing activities of $407,391 for the six months ended June 30, 2024. The increase was attributable to new loans.

Financing activities during the six months ended June 30, 2025 and 2024:

	Six months ended June 30, 2025	Six months ended June 30, 2024
Advances from related party	$ 135,000	$ 1,509,226
Repayment of notes payable, related party	(135,000)	(84,500)
Proceeds from notes payable	18,996,250	600,000
Payment of loan financing fees	(1,980,914)	-
Repayment of notes payable, shareholder	(10,000,000)	-
Repayment of notes payable	(5,382,903)	(1,617,335)

Key Near-Term Initiatives

We intend to organically grow our current product lines by developing and launching new products and expanding into new markets. Specifically, for FOCUSfactor, we are working on increased distribution for our recently launched ready-to-drink beverage. Lastly, we intend to grow further through additional strategic acquisitions and we continue to evaluate opportunities and candidates that we believe fit well with our brand portfolio.

Off-Balance Sheet Arrangements

During the six months ended June 30, 2025, and during the year ended December 31, 2024, we had no off-balance sheet arrangements.

Inflation

The effect of inflation on our operating results was not significant in the six months ended June 30, 2025 or 2024.

Critical Accounting Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenue and expenses during the reported periods. The more critical accounting estimates include estimates related to revenue recognition and accounts receivable allowances. We also have other key accounting policies, which involve the use of estimates, judgments and assumptions that are significant to understanding our results, which are described in Note 2 to our unaudited condensed consolidated financial statements appearing elsewhere in this report.

Recent Accounting Pronouncements

Note 2 to our unaudited condensed consolidated financial statements appearing elsewhere in this report includes Recent Accounting Pronouncements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As a smaller reporting company, we have elected not to provide the disclosure required by this item.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Management, under the supervision and with the participation of the Chief Executive Officer and Chief Financial Officer, have conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Disclosure controls and procedures are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Based on that evaluation, our Chief Executive Officer and our Chief Financial Officer, concluded that as of the end of the period covered by this Quarterly Report, (i) the Company's disclosure controls and procedures were not effective to ensure that material information relating to the Company is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission (the "Commission"), and (ii) the Company's controls and procedures have not been designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934, as amended, is accumulated and communicated to the Company's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There has been no change in our internal control over financial reporting, as defined in Rules 13a-15(f) of the Exchange Act, during the quarter ended June 30, 2025, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

We are not party to any material legal proceedings. From time to time, we may be involved in legal proceedings or subject to claims incident to the ordinary course of business. The outcome of litigation is inherently uncertain, and there can be no assurances that favorable outcomes will be obtained. In addition, regardless of the outcome, such proceedings or claims can have an adverse impact on us, which may be material because of defense and settlement costs, diversion of resources and other factors.

Item 1A. Risk Factors.

As a smaller reporting company under Rule 12b-2 of the Exchange Act, we are not required to include risk factors in this Quarterly Report. However, as of the date of this Quarterly Report, there have been no material changes with respect to those risk factors previously disclosed in the "Risk Factors" section of the Prospectus. Any of these factors could result in a significant or material adverse effect on our results of operations or financial condition. Additional risk factors not presently known to us or that we currently deem immaterial may also impair our business or results of operations. We may disclose changes to such risk factors or disclose additional risk factors from time to time in our future filings with the SEC.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(a) None.

(b) None.

(c) None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

(a) None.

(b) None.

(c) During the quarter ended June 30, 2025, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

The following exhibits are filed as part of, or incorporated by reference into, this Quarterly Report.

No.	Description of Exhibit
2.1	Agreement and Plan of Merger, dated April 7, 2014, by and among Oro Capital Corporation, Synergy Merger Sub, Inc. and Synergy Strips Corp. (incorporated by reference to Exhibit 2.1 to the Registration Statement on Form S-1, filed by Synergy CHC Corp. with the SEC on June 28, 2024)
2.2	Asset Purchase Agreement, dated January 16, 2015, by and among Synergy Strips Corp.; Factor Nutrition Labs, LLC; Vita Partners, LLC, RPR Partners, LLC, and Thor Associates, Inc. (incorporated by reference to Exhibit 2.2 to the Registration Statement on Form S-1, filed by Synergy CHC Corp. with the SEC on June 28, 2024)
2.3	Asset Purchase Agreement, dated June 26, 2015, by and between Neuragen Corp. and Knight Therapeutics, Inc. (incorporated by reference to Exhibit 2.3 to the Registration Statement on Form S-1, filed by Synergy CHC Corp. with the SEC on June 28, 2024)
3.1	Articles of Incorporation, as amended (incorporated by reference to Exhibit 3.1 to the Registration Statement on Form S-1, filed by Synergy CHC Corp. with the SEC on September 16, 2024)
3.2	Certificate of Amendment to Articles of Incorporation (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K, filed by Synergy CHC Corp. with the SEC on June 18, 2025)
3.3	Amended and Restated Bylaws (incorporated by reference to Exhibit 3.4 to the Registration Statement on Form S-1, filed by Synergy CHC Corp. with the SEC on June 28, 2024)
4.1	Form of Pre-Funded Warrant (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K, filed by Synergy CHC Corp. with the SEC on June 12, 2025)
10.1 ¥	Credit Agreement, dated as of May 30, 2025, by and among Synergy CHC Corp. as Borrower, each subsidiary of the Borrower listed as a Guarantor therein, the lenders from time-to-time party thereto as Lenders and ACP Agency, LLC, as Collateral Agent and Administrative Agent (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K, filed by Synergy CHC Corp. with the SEC on June 4, 2025)
10.2	Amendment to Synergy CHC Corp. 2024 Equity Incentive Plan(incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K, filed by Synergy CHC Corp. with the SEC on June 18, 2025)
31.1*	Rule 13a-14(a) Certification by Principal Executive Officer
31.2*	Rule 13a-14(a) Certification by Principal Financial and Accounting Officer
32.1**	Section 1350 Certification of Principal Executive Officer
32.2**	Section 1350 Certification of Principal Financial and Accounting Officer
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document

101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (formatted in iXBRL, and included in exhibit 101)

* Filed with this Report.

** Furnished with this Report.

¥ Certain schedules and exhibits to this agreement have been omitted in accordance with Item 601(a)(5) of Regulation S-K. A copy of any omitted schedule and/or exhibit will be furnished to the SEC on request.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SYNERGY CHC CORP.

Date: August 14, 2025

By: */s/ Jack Ross*
Name: Jack Ross
Title: Chief Executive Officer and Chairman
(Principal Executive Officer)

Exhibit 31.1

CERTIFICATIONS

I, Jack Ross, certify that:

1. I have reviewed this Form 10-Q quarterly report of Synergy CHC Corp. for the quarter ended June 30, 2025;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

SYNERGY CHC CORP.

Date: August 14, 2025

By: */s/ Jack Ross*
Name: Jack Ross
Title: Chief Executive Officer and Chairman
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATIONS

I, Jaime Fickett, certify that:

1. I have reviewed this Form 10-Q quarterly report of Synergy CHC Corp. for the quarter ended June 30, 2025;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

SYNERGY CHC CORP.

Date: August 14, 2025

By: */s/ Jaime Fickett*
Name: Jaime Fickett
Title: Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of Synergy CHC Corp. (the "Company") on Form 10-Q for the quarter ended June 30, 2025, as filed with the Securities and Exchange Commission (the "Report"), the undersigned principal executive officer of the Company, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

SYNERGY CHC CORP.

Date: August 14, 2025

By: */s/ Jack Ross*
Name: Jack Ross
Title: Chief Executive Officer and Chairman
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Synergy CHC Corp. (the "Company") on Form 10-Q for the quarter ended June 30, 2025, as filed with the Securities and Exchange Commission (the "Report"), the undersigned principal financial officer of the Company, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

SYNERGY CHC CORP.

Date: August 14, 2025

By: */s/ Jaime Fickett*
Name: Jaime Fickett
Title: Chief Financial Officer
(Principal Financial and Accounting Officer)