

1 Company Information

Name of entity:	HYDRIX LIMITED
ABN:	84 060 369 048
Reporting period:	For the year ended 30 June 2025
Previous period:	For the year ended 30 June 2024

2 Results for announcement to the market

	2025	2024	% Change
Revenues from contracts with customers	10,092,472	10,608,574	-4.9%
Loss from ordinary activities after tax attributable to the owners of Hydrix	(2,919,257)	(9,558,852)	69.5%
Loss for the year attributable to the owners of Hydrix Limited	(2,955,528)	(9,582,944)	69.2%

Dividends

The consolidated entity does not propose to pay a dividend.

No dividend or distribution plans are in operation.

Comments

Net cash used in operating activities has improved to \$527,006 (30 June 2024: \$1,891,650). The loss for the consolidated entity after providing for income tax (after adjusting for non-recurring revenue items and impairment of non-financial assets) was \$2,842,316 (30 June 2024: \$5,353,142). See Review of Financials for reconciliation loss before income tax expense .

3 Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security (including right-of-use assets)	(2.41)	(1.53)

4 Control gained over entities

Not applicable.

5 Loss of control over entities

Not applicable.

6 Details of associates and joint venture entities

Not applicable.

7 Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements are in the process of being audited. Similar to the prior year financial accounts, it is anticipated that the audit opinion will contain an Emphasis of Matter paragraph in relation to going concern.

8 Other information required by Listing Rule 4.3A

Other information requiring disclosure to comply with Listing Rule 4.3A is contained in the unaudited FY2025 Preliminary Financial Report which accompanies this Appendix 4E.

9 Attachments

Details of attachments (if any):

The unaudited Preliminary Financial Report of Hydrix Limited for the year ended 30 June 2025 is attached.

10 Signed



Mr Gavin Coote
Executive Chairman
Melbourne

Date: 29-August-2025

Principal activities

The principal activities of the consolidated entity during the year were providing product design and development consulting services to clients in the medical technology sector, marketing disruptive cardiovascular product technologies and managing a portfolio of venture investments in high potential early-stage medtech companies.

The consolidated entity operates three wholly owned subsidiary entities:

Hydrix Services delivers world first products and innovation across the medtech, cardiac health, defence and industrial market sectors. It offers a end-to-end multi-discipline product design and development consulting services including systems engineering, software, electronics, mechanical, human factors and industrial design. Its product consulting services range from applied research through all stages of engineering design, development, prototyping, manufacturer management, and certification process management.

Hydrix Medical distributes disruptive cardiovascular technologies that address unmet needs for patients and healthcare providers. Products include the Guardian real-time heart attack warning system from Avertix Medical and Implicity's cloud-based AI-driven remote cardiac patient monitoring and data management solution. These products are pre commercial revenue and being distributed by Hydrix under license agreements across Australia and various Asia Pacific jurisdictions.

Hydrix Ventures selectively invests in high potential Hydrix Services medtech clients to generate equity capital gains. Current portfolio companies include Gyder Surgical Pty Ltd (orthopaedic surgical tool used in hip replacement surgeries), Avertix Medical (implantable heart attack warning system), and Wavewise Pty Ltd (formerly known as Cyban Pty Ltd) (non-invasive brain trauma injury monitoring device). Hydrix Services provides arm's-length product design and development consulting services.

The consolidated entity has approximately 50 employees and its headquarters are located in Mulgrave, Victoria Australia.

Dividends

No dividends have been paid or declared since the start of the period and the directors do not recommend the payment of a dividend in respect of the period.

Review of operations

Hydrix Limited purpose is to enhance people's health, safety, and well-being. It does this leveraging its powerful product innovation capability across three business segments: **Hydrix Services** designs, engineers and delivers world first products and innovation; **Hydrix Ventures** invests in high potential medtech clients; and **Hydrix Medical** distributes disruptive cardiovascular products.

Operating costs for Hydrix Limited for the financial year were reduced by \$0.75 million or 37% compared to the prior year to \$1.29 million following a reduction in rental overheads and employee costs. Hydrix Limited is not a revenue generating entity. Hydrix limited owes \$4.35 million in shareholder loans and convertible notes to Directors and \$0.71 million convertible notes to external parties.

The majority of revenue and operating costs of the consolidated entity for the year were derived by Hydrix Services.

Hydrix Services

Hydrix Services revenues were relatively flat at \$10.1 million from \$10.6 million in the prior year.

Many of our clients are emerging medtech start-ups reliant on raising venture capital to support new product development. Fund raising conditions have been challenging and it has taken longer to move sales opportunities through the conversion process. As a result of these sorts of timing matters, revenues from new client wins have not come on quickly enough to offset existing client projects coming to either an end of development or end of a significant revenue stage to generate revenue growth this past year.

The business sustained strong progress building its international medtech client base generating 63% of its revenues from outside Australia. Pursuing larger funded international medtech clients is core to the growth strategy. Contributing to international revenue growth, the business signed a multi-million-dollar contract with a leading billion-dollar European medical company, announcing a \$2.9m contract stage during the financial year. Approximately 82% of revenues came from cardiac and medtech clients with the balance coming from defence and industrial clients in Australia.

Sales activity towards the end of the June quarter and into the start of the September quarter has increased as clients appear to be seeing funding starting to come available. The business has approximately 20 active clients with \$40m in future contract stages, of which, 80% are international and 84% are cardiac and medtech in nature.

Review of operations (continued)

Hydrix Services (continued)

Total operating costs were down \$1.2 million to \$10.3 million primarily as a result of a reduction in non-billable overhead costs which lowered the cost base in line with lower revenues. The business made a small \$0.36 million cash operating loss, a significant improvement, down from a prior year cash operating loss of \$1.42 million. The business finished the year well placed with billable capacity to support near term revenue growth from sales wins late in the June quarter and early in the September quarter.

Hydrix Medical

Hydrix Medical continued to actively engage prospectively with public and private cardiovascular medical practice clientele. The main sales activities are focused on building the pipeline for the remote cardiac patient AI cloud monitoring software (being sold under licence from Implicity) in the Australia, Singapore and New Zealand markets.

As is usual for digital technology in cardiovascular health, purchase cycles are subject to capital and operating budget expenditure approval and government reimbursement schemes. These tend to be long duration sale processes.

There are numerous national and state-based Department of Health policy reviews, decisions and tenders awaiting public sector funding and / or private sector reimbursement. We remain optimistic about the sales prospects of the Implicity software as evidenced by market adoption in USA and European markets being driven by improved standards of care required to better manage chronic cardiovascular disease; the leading cause of death globally.

Hydrix Ventures

Hydrix Ventures holds investments in three high potential emerging medical device technology Hydrix Services clients. As at year end, the net tangible asset (NTA) value of the venture portfolio was \$3.6 million or approximately 1.3c per share of Hydrix Limited shares on issue. The portfolio valuation increased year-on-year by approximately \$0.15 million. This increase was primarily attributable to satisfying an equity-based milestone in Gyder Surgical valued at \$0.22 million when the GYDER® Hip System achieved FDA Clearance in February 2025 plus a mark-to-market increase of \$0.12 million to reflect its current valuation. This increase was offset by a mark-to-market revision of the Wavewise (formerly known as Cyban) investment down by \$0.19 million to reflect its current valuation.

Review of financials

For the year ended 30 June 2025, the consolidated entity recorded total income from operations of \$10,092,472 (2024: \$10,608,574).

Total operating costs for the consolidated entity decreased \$3,187,502 or 19.6% to \$13,059,027 (2024: \$16,246,529).

The consolidated entity loss before income tax decreased \$6,639,595 year-on-year to \$2,919,257 (2024: \$9,558,852). This year-on-year improvement was primarily attributable to the following:

- Operating cost reductions of \$3.2 million or 19.6%
- Revenue decline of \$0.5 million in Hydrix Services
- Prior period included two, non-recurring, non-cash accounting adjustments:
 - \$2.5 million asset impairment relating to Avertix Guardian distribution rights
 - \$1.75 million fair value adjustment to the investment in Avertix Medical Inc.

The consolidated entity losses before income tax adjusted to exclude the impact of the non-cash non-recurring items in FY2025 and FY2024, were \$2,842,316 and \$5,353,142, respectively. The significant improvement in FY2025 was primarily attributable to the annualised benefit of the cost reduction initiatives taken in late FY2024.

Reconciliation to adjusted consolidated loss before income tax

	2025	2024
	\$	\$
Loss after income tax expense per Consolidated Statement of Profit & Loss	(2,919,257)	(9,558,852)
Impairment of intangible assets	-	2,508,079
(Loss) / gain on financial instruments at fair value through profit or loss	76,941	1,697,631
Adjusted consolidated loss before income tax	(2,842,316)	(5,353,142)

The net cash used in operating activities (excludes financing costs) to support the growth and expansion of the consolidated entity was \$527,006 down from a prior year cash use of \$1,891,650.

During the financial year, the entity entered into the following new loan agreements with shareholders of the company

- On 26th August 2024, a \$250,000 loan was made to the business with an 11% interest rate. Loan is repayable on 30 June 2025, or extendable through mutual agreement
- On 26th June 2025, a \$1,250,000 loan facility was made available on a draw down basis, with 12% interest rate payable on drawn funds. Loan is repayable on 31 August 2026, or extendable by mutual consent. At 30 June 2025, \$1,000,000 had been drawn down under this facility.

Review of financials (continued)

In April 2025 Hydrix Services extended its \$1.5 million revolving loan facility agreement with Tradeplus24 Australia Pty Ltd ("TP24") to 30 September 2025. The amount drawn under the facility at 30 June 2025 was \$0.746 million.

The consolidated entity's cash position at 30 June 2025 was \$0.30 million. Funds available for draw down under a Shareholder \$2.00 million Letter of Comfort were \$1.25 million.

Hydrix Limited
Consolidated Statement of Profit & Loss and Other Comprehensive Income
For the year ended 30 June 2025

Revenue	2025	2024
	\$	\$
Revenue from contracts with customers	10,092,472	10,608,574
Other income	159,438	85,431
Interest income	21,461	22,265
	10,273,371	10,716,270
Operating expenses		
Employee benefits expense	(8,925,331)	(10,956,721)
Project material expenses	(562,433)	(799,760)
Selling, advertising and distribution expenses	(156,430)	(274,670)
Cost of sales	-	(19,798)
Other expenses	(1,764,010)	(2,376,988)
Depreciation and amortisation expense	(413,501)	(937,309)
Finance costs	(1,054,876)	(705,542)
Property expense	(182,447)	(175,739)
Loss on financial instruments at fair value through profit or loss	(76,941)	(1,697,631)
Impairment of intangible assets	-	(2,508,079)
Write back/(impairment) of receivables	(11,454)	50,283
Share based payment reversal / (expense)	(47,419)	125,036
Movement in contingent consideration liability	-	-
Unrealised foreign exchange gain	2,213	1,797
	(13,192,627)	(20,275,122)
Loss before income tax expense	(2,919,257)	(9,558,852)
Income tax (expense)/ benefit	-	-
Loss after income tax expense	(2,919,257)	(9,558,852)
Other comprehensive income		
Movement in functional currency of foreign operations	(36,271)	(24,092)
Total comprehensive loss for the year attributable to the Owners of Hydrix	(2,955,528)	(9,582,944)
Loss per share	Cents	Cents
Basic and diluted earnings per share (cents per share)	(1.15)	(3.76)

Hydrix Limited
Consolidated Statement of Financial Position
As at 30 June 2025

Current assets	2025	2024
	\$	\$
Cash and cash equivalents	297,881	914,274
Trade and other receivables	1,730,465	1,173,395
Contract assets	397,314	373,836
Prepayments	238,630	258,198
Inventory	46	46
Total current assets	2,664,336	2,719,749
Non-current assets		
Plant and equipment	119,512	204,245
Intangible assets	525,000	525,000
Financial assets at fair value through profit & loss	3,557,052	3,416,120
Right of use assets	961,000	1,235,563
Other assets	100,810	98,818
Security deposits	424,980	424,980
Total non-current assets	5,688,354	5,904,726
Total assets	8,352,690	8,624,474
Current liabilities		
Trade and other payables	4,517,119	2,229,929
Contract liabilities	398,221	499,131
Other liabilities	4,807	3,558
Employee benefits	1,127,097	1,208,564
Borrowings	5,405,110	2,290,647
Lease liabilities	483,841	675,864
Total current liabilities	11,936,196	6,907,694
Non-current liabilities		
Employee benefits	174,661	259,176
Provisions	183,977	174,050
Borrowings	1,000,000	3,060,000
Lease liabilities	1,094,806	1,578,647
Total non-current liabilities	2,453,444	5,071,873
Total liabilities	14,389,640	11,979,567
Net assets	(6,036,951)	(3,355,093)
Equity		
Issued capital	102,411,434	102,126,684
Reserves	57,140	353,758
Accumulated losses	(108,505,525)	(105,835,535)
Total equity	(6,036,951)	(3,355,093)

Hydrix Limited
Consolidated Statement of Changes in Equity
For the year ended 30 June 2025

Consolidated	Issued Capital	Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2023	102,126,684	678,120	(96,451,917)	6,352,887
Loss after income tax expense for the year	-	-	(9,558,852)	(9,558,852)
Other comprehensive income, net of tax	-	(24,092)	-	(24,092)
Total comprehensive income for the year	-	(24,092)	(9,558,852)	(9,582,944)
<i>Transactions with owners in their capacity as owners:</i>				
Share based payments	-	(125,036)	-	(125,036)
Expired options	-	(72,484)	72,484	-
Performance rights that failed to vest	-	(102,750)	102,750	-
Balance at 30 June 2024	102,126,684	353,758	(105,835,535)	(3,355,093)

Consolidated	Issued Capital	Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2024	102,126,684	353,758	(105,835,535)	(3,355,093)
Loss after income tax expense for the year	-	-	(2,919,257)	(2,919,257)
Other comprehensive income, net of tax	-	(36,271)	-	(36,271)
Total comprehensive income for the year	-	(36,271)	(2,919,257)	(2,955,528)
<i>Transactions with owners in their capacity as owners:</i>				
Share based payments	-	47,419	-	47,419
Exercised options / performance rights	58,500	(58,500)	-	-
Expired options	-	(246,016)	246,016	-
Performance rights that failed to vest	-	(3,250)	3,250	-
Contributions of equity, net of transaction costs	226,250	-	-	226,250
Balance at 30 June 2025	102,411,434	57,140	(108,505,525)	(6,036,951)

Hydrix Limited
Consolidated Statement of Cash Flows
For the year ended 30 June 2025

Cash Flows from operating activities	2025	2024
	\$	\$
Receipts from customers (including GST)	10,081,596	12,256,047
Payments to suppliers and employees (including GST)	(10,680,461)	(14,147,697)
Receipt of R&D tax incentive	71,859	-
Net cash used in operating activities	(527,006)	(1,891,650)
Cash Flows from investing activities		
Payments for plant and equipment	(8,128)	(14,022)
Payments for intangible assets	(46,076)	(39,862)
Proceeds from sale of plant and equipment	-	457
Net cash used in investing activities	(54,204)	(53,427)
Cash Flows from financing activities		
Proceeds from borrowings	1,525,106	4,238,223
Borrowing transaction costs	-	(30,360)
Repayments of borrowings	(470,643)	(1,256,579)
Interest received	21,461	13,958
Interest and other finance costs paid	(436,369)	(483,181)
Repayments of lease liabilities	(675,863)	(775,439)
Net cash flow from financing activities	(36,308)	1,706,622
Net (decrease) in cash and cash equivalents	(617,518)	(238,455)
Cash and cash equivalents at start of year	914,274	1,153,080
Effects of exchange rate changes on cash and cash equivalents	1,125	(351)
Cash and cash equivalents at end of year	297,881	914,274