1 Company Information

Name of entity:	HYDRIX LIMITED
ABN:	84 060 369 048
Reporting period:	For the year ended 30 June 2026
Previous period:	For the year ended 30 June 2025

2 Results for announcement to the market

	2026	2025	% Change
Revenues from contracts with customers	$ 9,741,433	$10,092,472	-3%
Loss from ordinary activities after tax attributable to the owners of Hydrix	$ (6,718,322)	$ (3,654,226)	84%
Loss for the year attributable to the owners of Hydrix Limited	$ (6,741,243)	$ (3,690,497)	83%

Dividends
The consolidated entity does not propose to pay a dividend.

No dividend or distribution plans are in operation.

Comments
Revenues from contract with customers fell by 3% to $9,741,433 (2025: $10,092,472), as a result of changes in client funding situations resulting in slippage in delivery of contracted revenue. The loss for the consolidated entity, after excluding non-cash fair value losses on financial instruments, was $3,964,997 (2025: $3,192,316).

3 Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security (including right-of-use assets)	(0.56)	(2.55)

4 Control gained over entities

During the financial year, Hydrix Limited established a new wholly owned subsidiary, Hydrix Defence Pty Ltd

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 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 FY2026 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 2026 is attached.

10 Signed

Date: 28-August-2026

Mr Gavin Coote
Executive Chairman
Melbourne

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 and defence technology sectors, marketing remote cardiac monitoring technologies and managing a portfolio of venture investments in early-stage medtech companies.

Hydrix Limited's purpose is to enhance people's health, safety, and well-being. It does this by leveraging its powerful product innovation capability across four business segments. The consolidated entity operates four wholly owned subsidiary entities:

Hydrix Services delivers world first products and innovation across the medtech, cardiac health, defence and industrial market sectors. It offers end-to-end multi-discipline product design and development consulting services including safety critical control 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 Defence is actively evaluating investments, acquisitions and intellectual property (IP) licensing arrangements with a mandate to own technologies that will deliver higher-value, diversified and longer duration revenue streams. Key areas of interest include embedded intelligence and autonomy-enabling technologies. These areas align to Australian Defence Force (ADF) requirements to support development of disruptive, field ready, sovereign assets that fill specific capability needs of the war fighter in contested environments, and to Australian border security and protecting critical infrastructure.

Hydrix Medical distributes a cloud-based AI-driven remote cardiac patient monitoring and data management solution. This product from Implicity is being distributed by Hydrix under a license agreement across Australia and Southeast Asia.

Hydrix Ventures selectively invests in 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), and Wavewise 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

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

Hydrix Limited, the ASX listed entity, is not a revenue generating unit. It's operating costs for the financial year marginally increased compared to prior year by $0.1 million (9%) due to higher corporate advisory costs in relation to strategic initiatives.

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 $9.7 million, slightly down from $10.1 million in the prior year.

Strong sales during the second half of the financial year resulted in $11.7 million signed contract value, an 18% increase of $1.8 million from prior year (2025: $9.9 million). This takes active client programs to more than 15 with estimated future program value in excess of $37 million.

Revenue and receipts from customers were negatively impacted in the June quarter. This was primarily attributable to a temporary pause in SynCardia's Emperor program due to a change in their funding situation.

Hydrix continues to support SynCardia and anticipates the Emperor program recommencing as and when they secure their funding. New client projects from sales late in the second half began commencing in the September quarter of the new fiscal year replacing the SynCardia program.

The business continues to sustain a strong international MedTech presence recording revenues of 73% from outside Australia (2025: 63%). Pursuit of larger international medtech opportunities remains a core growth strategy. In Australia, a core focus on new sovereign defence technology opportunities is providing growth. Australian Defence contract wins contributed $2.9 million in sales for the year (70% of Australian revenues).

Review of operations (continued)

Hydrix Defence
Hydrix Defence was established as a wholly owned subsidiary of Hydrix Limited in May 2026.

Minimal direct operating costs were incurred by the entity during the year. Corporate activity was ramped up in the fourth quarter to identify opportunities to develop, acquire and/or licence sovereign intellectual property own technologies that will deliver higher-value, diversified and longer duration revenue streams.

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, and Hydrix Medical continues to progress opportunities through these processes.

Hydrix Ventures
Hydrix Ventures holds investments in two emerging medical device companies. As at year end, the net tangible asset (NTA) value of the venture portfolio was $0.4 million. The portfolio valuation decreased year-on-year by approximately $2.8 million. This decrease was primarily attributable to a fair market value adjustment in Gyder Surgical investment. Despite the GYDER® Hip System achieving FDA Clearance in February 2025 and USA commercialisation activities commencing in 2026, their recent capital raise activities raised capital at a lower valuation resulting in a mark-to-market adjustment of $2.3 million. The reduction reflects changes in the market valuation inputs and does not represent cash outflow.

Review of financials

For the year ended 30 June 2026, the consolidated entity recorded total revenue from operations of $9,741,433 (2025: $10,092,472).

Total operating costs for the consolidated entity increased $187,934 or 1.4% to $13,596,961 (2025: $13,409,027).

The consolidated entity loss before income tax increased $3,064,096 year-on-year to $6,718,322 (2025: $3,654,226). This year-on-year change was primarily attributable to the following:

- Fee Revenue decline of $0.6m in Hydrix Services
- $2.3 million increase in non-cash, non-recurring losses on financial instruments

The adjusted consolidated entity losses before income tax are noted in the table below. Excluding the impact of the non-cash non-recurring items in FY2026 and FY2025, results in an adjusted consolidated loss of $3,964,997 and $3,192,316, respectively. The slightly higher loss in FY2026 was attributable to lower Hydrix Services fee revenues.

Reconciliation to adjusted consolidated loss before income tax

	2026	2025
	$	$
Loss after income tax expense per Consolidated Statement of Profit or Loss	(6,718,322)	(3,654,226)
Add back loss on financial instruments at fair value through profit or loss	2,753,325	461,910
Adjusted consolidated loss before income tax	(3,964,997)	(3,192,316)

The Consolidated entity announced an $8.18 million Accelerated Renounceable Entitlement Offer to Eligible Shareholders on 18 May 2026. Hydrix as at 30 June 2026 had raised $5,224,402 (before costs) and issued 1,044,880,400 shares of new common stock priced at $0.005 per share with each share issued receiving a one-for-one Option priced at $0.01 with a 3-year expiry. The capital raised materially strengthened the liquidity position of the consolidated entity and helped extinguish a $1 million trade debtors facility held by Hydrix Services.

As at the balance sheet date, Hydrix limited owed $5.9 million in loans and convertible notes to Directors and a further $0.2 million convertible notes to external parties. During the capital raise program, the consolidated entity secured up to $5.1 million in debt conversion commitments. The debt conversion amount is subject to the final amount of capital raised under the Retail Shortfall Facility (closes 4 September 2026) and no shareholder crossing the 20.00% ownership control threshold under the anticipated debt conversion. In the event that no more capital is raised under the shortfall, $3.9 million dollars of debt conversion commitements will be converted, and the pro forma residual debt amount (excl. accrued interest) at 30 June 2026 would be $2.2 million.

The net cash used in operating activities (excludes financing costs) to support the consolidated entity was $1,907,665, up from a prior year cash use of $527,006, primarily due, as noted above, to fourth quarter client revenue delays and deferred payments of amounts outstanding.

The consolidated entity's cash position at 30 June 2026 was $2.96 million.

Hydrix Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2026

Revenue	**2026**	**2025**
	$	$
Revenue from contracts with customers	9,741,433	10,092,472
Other income	86,626	159,438
Interest income	28,246	21,461
	9,856,305	10,273,371
Operating expenses		
Employee benefits expense	(8,650,532)	(8,925,331)
Project material expenses	(856,172)	(562,433)
Selling, advertising and distribution expenses	(192,138)	(156,430)
Other expenses	(1,999,119)	(1,764,010)
Depreciation and amortisation expense	(529,677)	(763,501)
Finance costs	(1,216,024)	(1,054,876)
Property expense	(153,298)	(182,447)
Loss on financial instruments at fair value through profit or loss	(2,753,325)	(461,910)
Impairment of receivables	(173,704)	(11,454)
Share based payment expense	(41,036)	(47,419)
Unrealised foreign exchange (loss) / gain	(9,600)	2,213
	(16,574,627)	(13,927,596)
Loss before income tax expense	(6,718,322)	(3,654,226)
Income tax (expense) / benefit	-	-
Loss after income tax expense	(6,718,322)	(3,654,226)
Other comprehensive income		
Movement in functional currency of foreign operations	(22,921)	(36,271)
Total comprehensive loss for the year attributable to the Owners of Hydrix Limited	(6,741,243)	(3,690,497)
Loss per share	**Cents**	**Cents**
Basic and diluted earnings per share (cents per share)	(1.86)	(1.38)

Hydrix Limited
Consolidated Statement of Financial Position
As at 30 June 2026

Current assets	2026	2025
	$	$
Cash and cash equivalents	2,958,328	297,881
Trade and other receivables	1,498,911	1,730,465
Contract assets	59,622	397,314
Prepayments & other assets	205,155	238,676
Total current assets	4,722,016	2,664,336
Non-current assets		
Plant and equipment	91,715	119,512
Intangible assets	-	175,000
Financial assets at fair value through profit & loss	415,732	3,172,082
Right of use assets	590,324	961,000
Other assets	42,836	100,811
Security deposits	225,593	424,980
Total non-current assets	1,366,200	4,953,385
Total assets	6,088,216	7,617,721
Current liabilities		
Trade and other payables	4,080,917	3,839,220
Contract liabilities	522,109	398,221
Other liabilities	-	4,807
Employee benefits	1,047,045	1,127,097
Borrowings	7,250,334	6,083,010
Lease liabilities	393,710	483,841
Total current liabilities	13,294,117	11,936,197
Non-current liabilities		
Employee benefits	156,546	174,661
Provisions	87,433	183,977
Borrowings	-	1,000,000
Lease liabilities	701,096	1,094,806
Total non-current liabilities	945,076	2,453,444
Total liabilities	14,239,193	14,389,641
Net assets	(8,150,977)	(6,771,920)
Equity		
Issued capital	104,280,394	102,411,434
Reserves	3,451,258	57,140
Accumulated losses	(115,882,629)	(109,240,494)
Total equity	(8,150,977)	(6,771,920)

Hydrix Limited
Consolidated Statement of Changes in Equity
For the year ended 30 June 2026

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	-	-	(3,654,226)	(3,654,226)
Other comprehensive income, net of tax	-	(36,271)	-	(36,271)
Total comprehensive income for the year	-	(36,271)	(3,654,226)	(3,690,497)
Transactions with owners in their capacity as owners:				
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 -	(109,240,494)	(6,771,920)

Consolidated	**Issued Capital**	**Reserves**	**Accumulated Losses**	**Total**
	$	$	$	$
Balance at 1 July 2025	102,411,434	57,140	(109,240,494)	(6,771,921)
Loss after income tax expense for the year	-	-	(6,718,322)	(6,718,322)
Other comprehensive income, net of tax	-	(22,921)	-	(22,921)
Total comprehensive income for the year	-	(22,921)	(6,718,322)	(6,741,243)
Transactions with owners in their capacity as owners:				
Share based payments	-	41,036	-	41,036
Expired options	-	(58,238)	58,238	-
Performance rights that failed to vest	-	(17,950)	17,950	-
Contributions of equity, net of transaction costs	1,868,960	3,452,191	-	5,321,151
Balance at 30 June 2026	104,280,394	3,451,258	(115,882,629)	(8,150,977)

Hydrix Limited
Consolidated Statement of Cash Flows
For the year ended 30 June 2026

Cash Flows from operating activities	2026	2025
	$	$
Receipts from customers (including GST)	11,018,825	10,081,596
Payments to suppliers and employees (including GST)	(12,965,799)	(10,680,461)
Receipt of R&D tax incentive	39,309	71,859
Net cash used in operating activities	(1,907,665)	(527,006)
Cash Flows from investing activities		
Payments for plant and equipment	(30,756)	(8,128)
Payments for intangible assets	(21,581)	(46,077)
Proceeds from release of security deposits	199,387	-
Net cash from / (used in) investing activities	147,050	(54,205)
Cash Flows from financing activities		
Proceeds from issue of shares	5,224,402	-
Share issue transaction costs paid	(258,150)	-
Proceeds from borrowings	2,110,769	1,525,106
Repayments of borrowings	(1,594,790)	(470,643)
Interest received	28,246	21,461
Interest and other finance costs paid	(603,574)	(436,368)
Repayments of lease liabilities	(483,841)	(675,863)
Net cash flow from / (used in) financing activities	4,423,062	(36,307)
Net increase / (decrease) in cash and cash equivalents	2,662,447	(617,518)
Cash and cash equivalents at start of year	297,881	914,274
Effects of exchange rate changes on cash and cash equivalents	(2,000)	1,125
Cash and cash equivalents at end of year	2,958,328	297,881