ASX Announcement

28 August 2026

Executive Chairman's Letter:
A year of progress and growing momentum

Fellow Shareholders,

Hydrix is accelerating its growth prospects. Leveraging its high-value advanced engineering services capability, we are actively pursuing technology ownership opportunities within high-priority Australian sovereign capability domains. These initiatives aim to generate larger and recurring revenue streams.

FY26 marked a defining year for Hydrix. The Company's strategy of leveraging advanced engineering services to pursue technology ownership opportunities has progressed from concept to execution. The Company secured a number of significant contract wins, established Hydrix Defence and strengthened its capital position, creating a stronger platform from which to pursue both engineering services growth and longer-term benefits offered from technology ownership. These milestones demonstrate the coming together of various growth initiatives and reflects an important inflection point.

We increased momentum, strengthened operating flexibility and expanded the strategic opportunity set across advanced engineering, defence and medical technology commercialisation. We believe the foundations are in place for FY27 to become a period of meaningful value creation as engineering services growth combines with emerging opportunities in Defence and medical technology commercialisation. Our objective is to build Hydrix into a business that combines world-class engineering services with ownership of valuable technology and intellectual property.

Hydrix Services continues to be a key Group asset and is actively supporting Defence growth initiatives. Its multidisciplinary capabilities in advanced software, electronics, sensing, systems engineering and regulated product development enable the Company to participate in complex international new product development programs where reliability, safety and technical integration are critical.

Some sales and client programs to highlight from FY26:

- A$2.5 million contract with SynCardia Systems (USA) to support development of the next-generation Emperor Total Artificial Heart, reinforcing Hydrix's reputation in cardiovascular and safety-critical medical technology
- Multiple contract wins in advanced surgical robotics, including A$3.4 million contract with Remedy Robotics (USA) to support development of safety-critical software and embedded electronics for its N1 remote endovascular intervention robotics platform and with Quantanosis to support development of a next-generation robotic stroke therapy platform

FY26 Highlights (continued)

- Multiple Defence client contracts announced including A$1.2 million contract with the NIOA Group (AUS) to develop a counter-UAS payload subsystem and a contract with Phasor Innovation to support development of advanced quantum sensing and navigation technology for GPS-denied environments in undersea, maritime, airborne and land-based applications
- Revenue and cash flow conversion in the fourth quarter were impacted by a temporary funding-related pause in the SynCardia Emperor program and a delayed receivables payment. Contract sales momentum remains strong, with sales since year end of approximately $4.0 million after total FY26 sales contract wins of $11.7 million.

Client programs span advanced medical technology, robotics and defence, and share a common foundation: a capability need to solve difficult, mission-critical engineering problems and translate innovation into systems ready for real-world deployment. These contract wins provide further validation that Hydrix remains a trusted partner for the development of complex, safety-critical systems where technical capability and regulatory expertise are essential.

Hydrix Defence was established in the June quarter to pursue Defence and security sector market growth. Hydrix has supported defence technology development programs for more than a decade. While engineering services remain an important foundation, Defence technology ownership represents a significant opportunity to potentially create scalable, higher-margin recurring revenue streams. Hydrix Defence is focused on acquiring, licensing and developing technologies aligned with Australia's rapidly growing sovereign defence priorities, including advanced sensing, autonomy, electronic warfare, navigation and counter-UAS capabilities.

Hydrix Medical continued to develop opportunities for the Implicity remote cardiac monitoring platform. The sales process duration is influenced by reimbursement, procurement and healthcare funding pathways. Hydrix continues to progress commercialisation opportunities for the Implicity remote cardiac monitoring platform while maintaining a disciplined investment approach aligned with customer and market adoption milestones.

Hydrix Ventures continues to manage a portfolio of emerging medical technology investments. As expected, the portfolio is exposed to the normal risks and opportunities associated with early-stage innovation, including technology development, commercialisation and funding outcomes. Capital preservation remains a priority and while continuing to support the portfolio companies, no venture capital was deployed.

In a show of confidence from new and existing shareholders in the growth prospects of the Company, **Hydrix Limited** successfully raised $5.2 million via an Accelerated Renounceable Entitlement Offer in the June quarter and received commitments from loan and convertible note holders to convert a majority of debt into equity on the same terms. The capital raising and associated debt conversions materially simplified the Company's capital structure and reduced future cash obligations, positioning Hydrix with significantly greater flexibility to pursue strategic growth initiatives.

Looking forward

Hydrix enters FY27 with a strengthened balance sheet, growing engineering services momentum and an expanding pipeline of Defence and medical technology opportunities. Importantly, the Company has the capability, strategic focus and financial flexibility to accelerate ownership of technologies capable of generating long-term shareholder value.

While significant work remains ahead, we believe Hydrix is better positioned today than at any point in recent years to create a diversified business combining world-class engineering services with valuable proprietary technology assets.

On behalf of the Board, I thank our shareholders, clients and employees for their continued support and commitment. We look forward to updating you on our progress throughout FY27.

Gavin Coote
Executive Chairman
Hydrix Limited

Ends -

This announcement is authorised for release by the Board of Directors of Hydrix Limited.

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About Hydrix Limited

Hydrix Limited (ASX: HYD) is an Australian technology company operating across medical technology, defence, industrial and mining. The Group combines multidisciplinary engineering, technology investment, intellectual property development and commercialisation to create long-term value for customers and shareholders.

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Learn about **Hydrix Defence:** Investor Presentation.

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