al use only

HYDRIX Annual Report 2025

Services | Ventures | Medical

hydrix

Developing, investing in, and launching breakthrough technologies

Services | Ventures | Medical

For person

Executive Chairman's letter	2
Hydrix Services	4
Hydrix Medical	6
Hydrix Ventures	8
Hydrix Community	10
Financial statements	12
Twenty largest shareholders	80

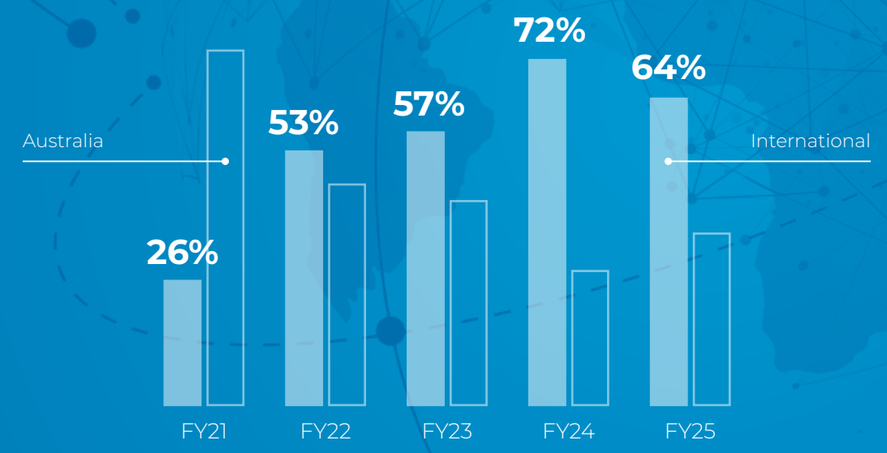
For personal use only

Strengthening our international footprint

FY25 was a year of consolidation and strategic focus for Hydrix.

The **Services** business continued as the company's current growth engine, delivering mission-critical product development for the Healthcare, Defence, and Industrial sectors across global markets.

These programs strengthened client partnerships, reinforcing the company's foundation for future performance.



Hydrix Services - International Market Growth

Hydrix Services (Services) continued to make significant progress competing on the global stage with revenues from international clients exceeding 60%. The point of difference driving international expansion success since 2022 is our powerful innovation engine delivering highly specialised and highly regulated breakthrough healthcare technologies, including cardiovascular technologies seeking to better manage heart failure.

Services is an integral partner to global Blue-chip and emerging MedTech stars shaping the future of healthcare technologies. From HARTMANN in Germany, to Ceryx Medical in the UK and Remedy Robotics in the USA, together we are driving real healthcare innovation that will improve the future of patient care and reduce healthcare burdens; delivering meaningful benefits to all stakeholders.

The reality of competing on a global stage is that our expertise must outweigh the physical distance. It is a delight when a client says, "I'd rather pick an A-grade partner in another country than a C-grade partner across the road." This demonstrates client trust in our high calibre talent and know-how to deliver exceptional product outcomes.

We started to see green shoots in the sales opportunity pipeline, with some clients securing funding to commence projects. The increased June quarter sales activity was followed by a strong $3.35 million sales result in the September quarter. We currently have more than 15 active clients with potential revenues of more than $35 million over the next few years.

Similar to the majority of FY25 revenues coming from international clients, the prospective sales within the opportunity pipeline are primarily with international MedTech clients plus some emerging growth in Defence and industrial clients in Australia. The business development team on the ground in the USA and Europe is well supported by the sales and marketing team, and fly-in fly-out engineering and project team support.

Hydrix Medical (Medical) is in start-up mode, primarily pursuing sales of software to remotely monitor patients implanted with cardiac implantable electronic devices (CIEDs) such as pacemakers, in Australia and Southeast Asia.

The remote monitoring software platform licensed under distribution rights from Implicity, is an AI-driven solution transforming cardiac care, enabling physicians, administrators, clinic staff, and IT professionals to deliver faster, smarter, and more personalised care in the USA and Europe.

In FY25 **Medical**:

- Demonstrated the advantages of the software to leading cardiology practices in Australia and Singapore
- Broadened relationships with hospitals and clinicians, as they gained a clearer understanding of the clinical and operational value delivered by the software
- Continued to strengthen our sales opportunity pipeline which is dependent on healthcare reimbursement and budgets to yield commercial adoption

This progress reinforces **Medical**'s potential as a dedicated channel for world-class cardiovascular innovations across the region.

Financial Discipline: We remain confident the **Services** growth strategy to win larger international MedTech development programs remains the right approach to drive sustained profitability, and with **Medical** pursuing cardiac patient remote monitoring software sales. During the year, we strengthened our operating resilience by reducing overhead costs, prioritising sales and revenue producing activities, and ensuring engineering resources are available to ramp quickly to client demand. Balancing short and long-term objectives underpins our ability to deliver high value client outcomes, retain talent and manage the business prudently for shareholders. We are focused on growing sales to achieve profitability.

Hydrix Ventures (Ventures) continues to monitor its three investments (Avertix, Wavewise, Gyder Surgical) and is currently not actively deploying new capital. The Board remains vigilant around future inflection points and opportunities for liquidity events to inject non-dilutive funding into the company.

The Year Ahead: With **Services** firmly established as our growth driver, international credibility strengthened, and financial discipline improved, Hydrix enters FY26 on solid foundations. We anticipate **Medical** will commence generating recurring software revenues.

To our shareholders, clients, and team, thank you for your continued confidence. Hydrix has an important role as a sovereign Australian innovator with genuine global reach.

Gavin Coote
Executive Chairman
Hydrix Limited

Hydrix Services

From mission critical to critical care: We create products that transform

hydrix.com

Hydrix Services remains the company's growth engine, delivering regulated, mission critical engineering projects across medical, industrial, and defence markets. In FY25, the business further strengthened its international reach, with the majority of revenue again generated from offshore clients.

This year's work has spanned some of the most advanced areas of product development. In medical devices, Hydrix continued to support **Remedy Robotics** in advancing next-generation surgical robotics, partnered with **HARTMANN** in Germany on medical device innovation, and collaborated with **Ceryx Medical** in the UK to progress pioneering bioelectronic therapies. Together, these projects illustrate our depth of expertise across firmware, electronics, systems engineering, industrial design, and quality assurance. They demonstrate how Hydrix helps world-class innovators deliver technologies that transform patient outcomes.

For person

At the same time, Hydrix has sharpened its market presence. A refreshed website now highlights our capabilities and client successes, supporting growth in global markets. In Australia, we have broadened our role in sovereign capability by applying our mission critical expertise to new defence programs. Together, these activities reinforce Hydrix Services as a trusted partner in creating products that transform, from **mission critical to critical care**.

Ceryx Medical

Hydrix is partnering with UK-based Ceryx Medical to advance its pioneering bio-electronic pacemaker technology. The system replicates the heart's natural beat-to-beat variability, aiming to transform treatment for arrhythmias and heart failure.

PAUL HARTMANN

Since 2022, Hydrix has been collaborating with PAUL HARTMANN AG, a global leader in healthcare solutions, to advance a next generation medical device platform. This long-term partnership reflects HARTMANN's commitment to innovation and Hydrix's proven capability to integrate seamlessly with client teams to deliver complex programs with excellence.

Remedy Robotics

Co-Founded by Australian clinician and entrepreneur David Bell and Stanford PhD Jake Sganga, San Francisco–based Remedy Robotics is focused on ensuring geography is no barrier to endovascular care. The company is currently creating the world's first remotely operated endovascular robot and is already achieving clinical milestones with leading hospitals internationally. Key to this ongoing project, Hydrix has been defining the technical requirements and preliminary system designs for the Firefly contrast injection module, providing the engineering foundation for Remedy's platform.

With Hydrix's regulated engineering expertise and the support of our clinical trials partners, we are translating breakthrough science into a device that can improve outcomes for patients worldwide.

Stuart Plant
CEO
Ceryx Medical

The Hydrix team feels like an extension of our own. Their expertise, dedication and passion for the project give us great confidence in the outcomes we are achieving together.

Martin Deibler
Director Product Development – Devices and Innovation,
PAUL HARTMANN AG

The best consulting firm I have worked with. Deep technical and medical understanding - True experts.

David Bell
CEO
Remedy Robotics

Hydrix Medical

AI & Smart technologies: Managing cardiovascular disease

hydrixmedical.com

FY25 has been a year of building momentum and credibility for **Hydrix Medical** as the dedicated channel for introducing world-class cardiovascular technologies across Asia-Pacific. Our focus has remained on market development, awareness building, and advocacy.

A central element of this has been the **Implicity** remote monitoring software platform licensed from Implicity under distribution rights, which continues to demonstrate its potential to transform the way clinicians manage cardiac patients. Implicity's AI-driven technology delivers faster, smarter, and more personalised care, reducing workload for physicians and support staff while improving patient outcomes.

For person

> **Implicity** represents more than technology; it's a smarter, more connected way of delivering cardiac care. By building awareness across Australia and Singapore, and engaging policymakers in Canberra, we are laying the foundations for real change in how patients are supported.
>
> **Vickie Edwards**
> Director of Sales & Operations, Hydrix Medical

Throughout FY25, we worked closely with leading cardiology practices in Australia and Singapore to showcase the platform's clinical and operational benefits. These relationships are laying the foundation for commercial adoption as awareness and trust among hospitals and clinicians continues to grow.

Beyond our commercial activities, we also strengthened Hydrix Medical's profile through **policy engagement and advocacy**. In August 2025, I was proud to represent Hydrix at the Federal Government's **MedTech on the Hill** event in Canberra.

This initiative provided the opportunity to brief Ministers, Members of Parliament, and senior advisors on the transformative potential of digital cardiovascular health solutions. The conversations underscored the importance of integrating technologies like Implicity into the healthcare system to address pressures from an ageing population, rising cardiovascular disease, and workforce shortages.

Together, these efforts demonstrate Hydrix Medical's expanding role: not only as a distributor of innovative products but also as an advocate for change in healthcare delivery. FY25 has been about preparing the ground—deepening clinical engagement, building government awareness, and shaping the policy environment. As these threads come together, Hydrix Medical is well positioned to reach a commercial inflection point in FY26 and beyond.

Vickie Edwards
Director of Sales & Operations
Hydrix Medical

Hydrix Ventures

Investing in the next generation of medical breakthroughs

hydrixltd.com/ventures

Hydrix Ventures invests in early-stage medical device companies developing transformative technologies. We focus on clients where Hydrix directly contributes to the design, engineering, and regulatory development of their innovations, aligning our technical capability with investment capital to accelerate their path to market.

Together, these partnerships strengthen Hydrix's position as a trusted innovation partner and create opportunities to share in the success of breakthrough medical technologies. Our investment focus is on companies with a pathway to commercialisation within five years, targeting capital returns greater than five times the initial investment.

For person

The Gyder advantage is pinless, imageless, real-time guidance in about two minutes, making it highly relevant to high-throughput outpatient centres, the fastest growing segment of the hip replacement market. With FDA clearance achieved, we are now activating initial US sites and are receiving enthusiastic interest from surgeons.

Sujit Dike
CEO & Board Member, Gyder Surgical

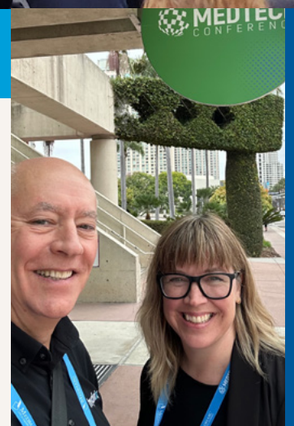
Gyder Surgical	Wavewise Analytics (formerly Cyban)	Avertix
gydersurgical.com	wavewise.com	avertix.com
A surgical navigation system to assist surgeons position implants with greater accuracy during total hip arthroplasty.	A non-invasive continuous monitoring technology for early detection of neurological deterioration.	The world's first implantable cardiac monitor with real-time patient alerting capability.
Private company	Private company	Private company
Gen 1 market ready	In development	Gen 3 in the market
TGA (2023), FDA 510K (2025)		US FDA, SNG, MAL, THD
Selling in the USA		Selling in the USA
Hydrix book value **$2.65m**	**$0.37m**	**$0.14m**

Hydrix community

Growing our reputation through global & local engagement

At Hydrix, we believe connection beyond the office walls is vital to who we are and how we grow. From inspiring the next generation through school STEM events, to building trusted relationships with clients and partners around the world, these activities strengthen both our brand and amplify our impact.

They take time and effort, but the return is real: broader awareness of Hydrix's capabilities, deeper community connections, and stronger partnerships that open doors to new opportunities for innovation and collaboration.



al use only

Corporate directory

Directors	Mr Gavin Coote (Executive Chairman) Ms Julie King (Non-Executive Director) Mr Paul Lewis (Non-Executive Director) Mr Paul Wright (Non-Executive Director)
Company Secretary	Ms Alyn Tai
Registered Office	30-32 Compark Circuit Mulgrave VIC 3170 Phone: (03) 9550 8100
Principal place of business	30-32 Compark Circuit Mulgrave VIC 3170
Share register	Boardroom Pty Limited Grosvenor Place Level 8, 210 George Street Sydney NSW 2000
Auditor	Grant Thornton Audit Pty Ltd Collins Square, Tower 5 727 Collins Street Melbourne VIC 3008
Solicitors	Thomson Geer Level 23, Rialto South Tower 525 Collins Street Melbourne VIC 3000
Stock Exchange Listing	Hydrix Limited's shares are listed on the Australian Securities Exchange (ASX code: HYD)
Websites	www.hydrixltd.com
Country of incorporation and domicile	Australia

Financial statements

For the year ended 30 June 2025
ABN: 84 060 369 048

General information

The financial statements cover Hydrix Limited as a consolidated entity consisting of Hydrix Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Hydrix Limited's functional and presentation currency.

Hydrix Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	Principal place of business
30-32 Compark Circuit Mulgrave VIC 3170	30-32 Compark Circuit Mulgrave VIC 3170

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 10 October 2025. The directors have the power to amend and reissue the financial statements.

Directors' report	14
Auditor's independence declaration	29
Consolidated statement of profit & loss	30
Consolidated statement of financial position	31
Consolidated statement of changes in equity	32
Consolidated statement of cash flows	33
Notes accompanying the financial statements	34
Directors' declaration	70
Independent auditor's report	71
Additional securities exchange information	76

Directors' report

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Hydrix Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2025.

Directors: The following persons were directors of Hydrix Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Gavin Coote
Executive Chairman

Appointed as Non-Executive Director 12 January 2017; appointed as Non-Executive Chairman 28 March 2017; appointed as Executive Chairman 1 January 2020

Mr Coote brings 25+ years executive leadership in corporate and financial strategy, and private equity. His experience includes 5 years with

PricewaterhouseCoopers in Australia and the USA, a decade in technology mergers & acquisitions, corporate development, and venture investing in the United States, and 15 years in Australian private equity in various sectors including healthcare, industrial and residential construction materials, leisure and hospitality, and sports and entertainment.

He has played significant roles in several turnaround and acquisition-led growth strategies culminating in successful trade sales. These include NASDAQ-listed Platinum Technology Inc., where revenues grew from $100 million to over $1 billion in 4 years driven by organic revenue growth and 40+ acquisitions, and eventually sold to CA Technologies for $3.5 billion, and several above-average SME private-equity exits

Gavin has a Bachelor of Economics & Politics (Accounting) from Monash University, a Masters of Business Administration from University of Michigan, and is a Graduate of the Australian Institute of Company Directors.

Julie King
Non-Executive Director

Appointed 28 March 2017

Ms King holds a Bachelor of Commerce degree from the University of Melbourne. With 40 years' experience in various industries including utilities, maritime, airline, banking and FMCG, she is a specialist in commercial negotiations and leading high performance leadership and culture programs.

Ms King currently operates a private philanthropic family Foundation and is a Graduate of the Australian Institute of Company Directors.

Paul Lewis
Non-Executive Director

Appointed 28 October 2021

Mr Lewis started his IT career with 20 years split between Mobil Oil and ICL in UK, Italy, Greece and Australia. He then spent 20 years with PA Consulting Group, the last 12 as Managing Partner for Asia based in Hong Kong. Since returning to Australia in 2003, he has undertaken 15 Board appointments including Magellan (15 years), NAB Private, Optal, British Telecom Global Advisory Board, Cure Cancer and 14 years as Deputy Chair of the Australian British Chamber of Commerce - for which he received an MBE in 2019 for services to bilateral trade.

Current appointments include ipSCAPE, Grassrootz, Tobacco Free Portfolios and the Sydney Children's Hospital Foundation. He is a Fellow of the Australian Institute of Company Directors.

Paul Wright
Non-Executive Director

Appointed 8 August 2018

Mr Wright spent 18 years as CEO of three of Australia's leading international technology companies. At ASX-listed Universal Biosensors ("UBI"), Paul built long term partnerships with global diagnostics leaders Siemens Healthcare and Johnson & Johnson, and led the company through a period of strong growth and new product development. Before UBI, Paul was CEO of Invetech (1999-2007), an internationally renowned product design and development company, and Vision BioSystems (2007-2008), the major subsidiary of ASX-listed Vision Systems Limited that developed, manufactured and marketed diagnostic instruments and consumables to pathology laboratories worldwide.

Prior to this, Paul spent over 8 years working in Europe, North America and Asia with corporate strategy consultants Bain & Company, advising multi-national clients on growth strategy, mergers and acquisitions, and manufacturing improvement. As General Manager of Corporate Development at TNT Logistics, Paul played a key role in the development of a major contract logistics business in Asia establishing Joint Venture businesses in China, Malaysia, and Indonesia.

Paul has a Masters Degree in Engineering from the University of Cambridge, has studied corporate finance at the London Business School, and is a Fellow of the Australian Institute of Company Directors.

Directors' report

For personal use only

Other current directorships held by directors

No other directorships requiring disclosure are held by the directors at the date of this report

Company secretary

Ms Alyn Tai LLB (Hons) has held the role of Company Secretary since June 2016. She is a Partner with law firm Thomson Geer specialising in corporate and commercial law, and the provision of company secretarial and legal counsel services to ASX-listed entities.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2024, and the number of meetings attended by each director were:

	Board of Directors' Meetings		Nomination and Remuneration		Audit and Risk Committee*	
Director	Attended	Held	Attended	Held	Attended	Held
Mr Gavin Coote	8	8	2	2	3	3
Ms Julie King	8	8	2	2	3	3
Mr Paul Wright	8	8	2	2	3	3
Mr Paul Lewis	8	8	2	2	3	3

Held: represents the number of meetings held during the time the director held office.
*Mr. Gavin Coote is not a member of the ARC and NRC. He attends by invitation.

Interest in the securities of the company

At the date of this report, the relevant interests of directors in the company's securities were:

Director	No. of Ordinary Shares	No. of Convertible Notes
Mr Gavin Coote (i)	10,680,000	-
Ms Julie King (ii)	30,913,145	1,500,000
Mr Paul Wright (iii)	6,667,673	100,000
Mr Paul Lewis (iv)	20,423,334	500,000

The directors' relevant interests in the company's securities shown above are as follows:

(i) Mr Gavin Coote has a relevant interest in 10,680,000 fully paid ordinary shares, which are held as follows:

a. 10,208,502 fully paid ordinary shares are held by Beachridge Advisory Services Pty Ltd as Trustee for the Coote Family Discretionary Trust.
b. 471,498 fully paid ordinary shares are held by a custodian as registered owner on behalf of the Coote Family Super Fund.

(ii) Ms Julie King has a relevant interest in 30,913,145 fully paid ordinary shares, held by John W King Nominees Pty Ltd. In addition, Julie King has a relevant interest in 1,500,000 convertible notes, held by John W King Nominees Pty Ltd.

Interest in the securities of the company (continued)

(iii) Mr Paul Wright has a relevant interest in 6,667,673 fully paid ordinary shares, which are held by a custodian as registered owner on behalf of PKW Super Fund. In addition, Paul Wright has a relevant interest in 100,000 convertible notes, which are held by a custodian as registered owner on behalf of PKW Super Fund.

(iv) Mr Paul Lewis has a relevant interest in 20,423,334 fully paid ordinary shares, which are held as follows:

a. 10,211,667 fully paid ordinary shares are held by a custodian as registered owner on behalf of PAJ Lewis Super Fund.
b. 10,221,667 fully paid ordinary shares are held by a custodian as registered owner on behalf of PAJ Lewis Trust.

In addition, Paul Lewis has a relevant interest in 500,000 convertible notes, which are held as follows:

a. 250,000 convertible noted are held by a custodian as registered owner on behalf of PAJ Lewis Super Fund.
b. 250,000 convertible notes are held by a custodian as registered owner on behalf of PAJ Lewis Trust.

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.

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 by 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.

Directors' report

For personal use only

Review of operations (continued)

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 stages to be contracted, of which, 80% are international and 84% are cardiac and medtech in nature.

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 $3.2 million or approximately 1.3c per share of Hydrix Limited shares on issue. The portfolio valuation decreased year-on-year by approximately $0.24 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 Analytics (formerly known as Cyban) investment down by $0.58 million to reflect its current valuation.

Review of financials

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

Total operating costs for the consolidated entity decreased $2,837,502 or 17.5% to $13,409,027 (2024: $16,246,529).

The consolidated entity loss before income tax decreased $5,904,626 year-on-year to $3,654,226 (2024: $9,558,852). This year-on-year improvement was primarily attributable to the following:

- Operating cost reductions of $2.8 million or 17.5%
- 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 $3,192,316 and $5,353,143, 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 or Loss	(3,654,226)	(9,558,852)
Impairment of intangible assets	-	2,508,079
(Loss) / gain on financial instruments at fair value through profit or loss	461,910	1,697,631
Adjusted consolidated loss before income tax	(3,192,316)	(5,353,143)

Review of financials (continued)

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 at 30 June 2025

In April 2025 Hydrix Services extended its $1.5 million revolving loan facility agreement with Tradeplus24 Australia Pty Ltd ("TP24") to 30 September 2025, and subsequently to 30 November 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 Shareholder loan agreements was $0.25 million.

Outlook

The business prospects for the consolidated entity remain strong, noting management anticipates business conditions will remain fluid. The key objective for the next 12 months is to drive the consolidated entity to cash operating profit on the back of sales conversions, higher revenues, higher margins and billable utilisation, and a lower operating cost structure. The consolidated entity continues to operate in a dynamic and challenging environment. Management remains focused on executing strategic initiatives aimed at enhancing operational resilience and financial sustainability. While uncertainties exist, the consolidated entity is actively pursuing measures to support its long-term objectives.

Significant changes in the state of affairs

With the exception of the above, there were no significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year

After the reporting period, the following debt instruments had their maturity dates extended. All other terms of these instruments remain unchanged:

Debt instrument	Amount $	Previous maturity date	New maturity date	Date of change
Shareholder loan	500,000	31-Dec-24	1-Oct-26	23-Sep-25
Shareholder loan	500,000	31-Dec-24	1-Oct-26	23-Sep-25
Shareholder loan	750,000	31-Aug-26	1-Oct-26	23-Sep-25
Shareholder loan	100,000	30-Jun-25	1-Oct-26	23-Sep-25
Shareholder loan	500,000	31-Aug-26	1-Oct-26	23-Sep-25
Shareholder loan	100,000	30-Jun-25	1-Oct-26	23-Sep-25
Shareholder loan	25,000	30-Jun-25	1-Oct-26	23-Sep-25
Shareholder loan	25,000	30-Jun-25	1-Oct-26	23-Sep-25
Convertible Notes	2,100,000	6-Dec-25	11-Oct-26	23-Sep-25
Convertible Notes	500,000	11-Oct-25	11-Oct-26	8-Oct-25

In addition, Hydrix Services Pty Ltd's agreement with TP24 Creditline has been extended from 30 September 2025 to 30 November 2025, with option for further extension.

Likely developments and expected results of operations

The current consolidated entity's principal activities will continue for the next financial year ending 30 June 2025.

Environmental regulation

The consolidated entity's operations are subject to environmental regulations under the law of the Commonwealth and State. The Board believes that the consolidated entity has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the consolidated entity.

Directors' report

For personal use only

REMUNERATION REPORT (Audited)

The remuneration report details the key management personnel (KMP) remuneration arrangements for the consolidated entity, in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Details of key management personnel
- Remuneration philosophy
- Details of remuneration

Details of Key Management Personnel

Mr Gavin Coote

Non-Executive Chairman - Appointed 28 March 2017, Executive Chairman - Appointed 1 January 2020

Ms Julie King

Non-Executive Director - Appointed 28 March 2017

Mr Paul Wright

Non-Executive Director - Appointed 8 August 2018

Mr Paul Lewis MBE

Non-Executive Director - Appointed 28 October 2021

Mr Gareth Evans
Chief Financial Officer - Appointed 1 January 2025

Remuneration Philosophy

The performance of the company depends on the quality of the company's directors, executives and employees and therefore the company must attract, motivate and retain appropriately qualified industry personnel.

The remuneration policy of the company has been designed to align KMP objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific short-term and long-term incentives based on key performance areas affecting the company's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the high-quality KMP required to run and manage the company, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for KMP of the company is as follows:

- The remuneration policy has been developed by the Nomination and Remuneration Committee and approved by the Board and professional advice is sought from independent external consultants where required.
- All KMP receive a base salary, superannuation, options (subject to shareholder approval in the case of directors) and performance incentives.
- Performance incentives are only paid once predetermined key performance indicators (KPI's) have been met.
- Incentives paid in the form of options or rights are intended to align the interests of the directors and company with those of the shareholders. In this regard, KMP are prohibited from limiting risk attached to those instruments by use of derivatives or other means.
- The Nomination and Remuneration Committee reviews KMP packages annually by reference to the consolidated entity's performance, executive performance and comparable information from industry sectors.

The Board has established a formal Nomination and Remuneration Committee which operates under the Nomination and Remuneration Committee Charter approved and adopted by the Board.

REMUNERATION REPORT (Audited) (continued)

The Nomination and Remuneration Committee reviews remuneration packages and practices applicable to the senior executives and the Board. This role also includes responsibility for share option schemes, incentive performance packages and retirement and termination entitlements. Remuneration levels are competitively set to attract the most qualified and experienced Directors and senior executives. The Nomination and Remuneration Committee may obtain independent advice on the appropriateness of remuneration packages.

The performance of KMP is measured against criteria agreed annually with each executive and is based predominantly on the performance of the consolidated entity. All bonuses and incentives must be linked to predetermined performance criteria. The Nomination and Remuneration Committee may, however, exercise its discretion in relation to approving incentives, bonuses and options. Any change must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance results leading to long-term growth in shareholder wealth.

KMP are also entitled and encouraged to participate in the employee share and option arrangements to align directors' interests with shareholders' interests.

The employment terms and conditions of KMP are formalised in contracts of employment or consultancy agreements.

In accordance with the company's Constitution, the aggregate remuneration that can be paid to the company's Non-Executive Directors is $500,000 per annum, and the Board determines how this aggregate amount should be divided among individual directors and in what proportions.

Directors are entitled to be paid reasonable travelling, accommodation and other expenses incurred in consequence of their attendance at meetings of directors and otherwise in the execution of their duties as directors. A director may also be paid additional amounts as fees or as the directors determine where a director performs extra services or makes any special exertions, which in the opinion of the directors are outside the scope of the ordinary duties of a director.

Details of remuneration

Mr Gavin Coote - Executive Chairman

Term and termination

Mr Coote's appointment as Executive Chairman was effective on 1 January 2020, and continues on an ongoing basis under a services agreement between Mr Coote and the company. Either the company or Mr Coote may terminate the services agreement with 6 months' notice (other than by the company for cause).

Remuneration

Mr Coote's total fixed remuneration for his executive services under the employment agreement is $334,500 per annum (inclusive of superannuation). For Mr Coote's roles and responsibilities as Chairman and Director of the Company. He receives no additional fees.

Variable performance-based reward will be in the form of short-term and long-term incentives, as determined by the Board at its sole discretion.

Restraints

Mr Coote must not, during his employment, except with the written consent of the company, engage in (directly or indirectly) any undertaking or business of a similar nature to, or in competition with, the business of the company. In addition, certain non-compete and non-solicit restraints apply to Mr Coote for a period of 12 months after termination of his employment with the company.

Ms Julie King - Non-Executive Director

i. Fixed remuneration – The base remuneration is $48,000 per annum plus $10,000 per annum for the role of Chairperson of the Nomination and Remuneration Committee (exclusive of GST, but inclusive of any applicable superannuation).

ii. Expenses – Ms King is entitled to claim from the company reimbursement of reasonable out-of-pocket expenses properly incurred in the performance of her duties and responsibilities (and upon production of satisfactory receipts).

Mr Paul Wright - Non-Executive Director

i. Fixed remuneration – The base remuneration is $48,000 per annum plus $10,000 per annum for the role of Chairperson of the Audit and Risk Committee (exclusive of GST, but inclusive of any applicable superannuation).

ii. Expenses – Mr Wright is entitled to claim from the company reimbursement of reasonable out-of-pocket expenses properly incurred in the performance of his duties and responsibilities (and upon production of satisfactory receipts).

For personal use only

REMUNERATION REPORT (Audited) (continued)

Mr Paul Lewis - Non-Executive Director

i. Fixed remuneration – The base remuneration is $48,000 per annum (exclusive of GST, but inclusive of any applicable superannuation).

ii. Expenses – Mr Lewis is entitled to claim from the company reimbursement of reasonable out-of-pocket expenses properly incurred in the performance of his duties and responsibilities (and upon production of satisfactory receipts).

Mr Gareth Evans - Chief Financial Officer

Term and termination

Mr Evans' appointment as Chief Financial Officer was effective on 1 January 2025, and continues on an ongoing basis under an employment contract between Mr Evans and the company. Either the company or Mr Evans may terminate the services agreement with 3 months' notice (other than by the company for cause).

Remuneration

Mr Evans' total fixed remuneration for his executive services under the employment agreement is $285,000 per annum (inclusive of superannuation). Variable performance-based reward will be in the form of short-term and long-term incentives, as determined by the Board at its sole discretion.

During the financial year no external consultants were engaged to review the remuneration and provide recommendations relating to KMP.

Remuneration details for the year ended 30 June 2025

The following tables detail, in respect to the financial year, the components of remuneration for each member of KMP of the company:

Table of benefits and payments for the year ended 30 June 2025

	Short-term benefits		Post-employment benefits	Long-term benefits	Share-based payments		
	Salary	Fees	Super-annuation	Long Service Leave	Equity-settled shares	Equity-settled rights	Total
Directors	$	$	$	$	$	$	$
Mr Gavin Coote[1]	320,142	-	35,357	3,075	-	-	358,574
Ms Julie King[1]	-	52,489	5,511	-	-	-	58,000
Mr Paul Wright[1]	-	52,489	5,511	-	-	-	58,000
Mr Paul Lewis[1]	-	48,000	-	-	-	-	48,000
Mr Gareth Evans[2]	131,735	-	14,697	2,883	-	6,726	156,041
Total	451,877	152,978	61,076	5,958	-	6,726	678,615

[1] All Director fees have been accrued but have not been paid since 1 October 2023. Those accrued between October 2023 and October 2024 were converted to equity in Hydrix Limited on 3 December 2024.

[2] Mr Gareth Evans became a KMP upon his appointment as Chief Financial Officer on 1 January 2025

REMUNERATION REPORT (Audited) (continued)

Table of benefits and payments for the year ended 30 June 2024

	Short-term benefits		Post-employment benefits	Long-term benefits	Share-based payments		
	Salary	Fees	Super-annuation	Long Service	Equity-settled	Equity-settled rights	Total
Directors	$	$	$	$	$	$	$
Mr Gavin Coote[1 2 5]	309,502	83,000	34,045	5,904	-	(147,496)	284,955
Ms Julie King[1]	-	52,489	5,511	-	-	-	58,000
Ms Joanne Bryant[1 3]	-	10,811	1,189	-	-	-	12,000
Mr Paul Wright[1]	-	52,489	5,511	-	-	-	58,000
Mr Paul Lewis[1]	-	48,000	-	-	-	-	48,000
Total	309,502	246,789	46,256	5,904	-	(147,496)	460,955

[1] All Director fees have been accrued but have not been paid since 1 October 2023. Those accrued between October 2023 and October 2024 were converted to equity in Hydrix Limited on 3 December 2024.

[2] Mr Gavin Coote's salary as Executive Chairman was reduced by 20% from 1 November 2023 to 31 January 2024, and was deferred by 20% from 1 May 2024 to 30 June 2024, meaning $12,055 of the above remuneration was not paid in cash in the year.

[3] Ms Joanne Bryant stepped down from the board on 13 November 2023.

[4] Performance rights with non-market based hurdles that failed to vest in the period have the accrued expense reversed in the period, resulting in a reduction in remuneration in the period.

[5] Short-term salary benefits payable to Mr Coote include $83,000 for work performed in his role as director.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
Directors	2025	2024	2025	2024	2025	2024
Mr Gavin Coote[2]	100%	152%	-	-	0%	-52%
Ms Julie King	100%	100%	-	-	-	-
Ms Joanne Bryant[1]	N/A	100%	N/A	-	N/A	-
Mr Paul Wright	100%	100%	-	-	-	-
Mr Paul Lewis	100%	100%	-	-	-	-
Mr Gareth Evans[3]	96%	N/A	-	N/A	4%	N/A

[1] Ms Joanne Bryant stepped down from the board on 13 November 2023.

[2] As a result of the expense reversal for Mr Coote's performance rights that failed to vest in the period, fixed remuneration is greater than 100% of total remuneration, whilst at risk-LTI is a negative percentage of remuneration, reflecting the expense reversal.

[3] Mr Gareth Evans became a KMP upon his appointment as Chief Financial Officer on 1 January 2025

Share-based compensation

Issue of shares

Details of shares issued to directors and other KMP in lieu of historical accrued director fees during the year ended 30 June 2025 are set out below:

Name	Date	Shares	Fair value of grant date	$
Mr Gavin Coote	22-Nov-24	450,000	$0.13	$58,500
Mr Gavin Coote	3-Dec-24	4,980,000	$0.01	$62,250
Ms Julie King	3-Dec-24	4,640,000	$0.01	$58,000
Mr Paul Wright	3-Dec-24	4,640,000	$0.01	$58,000
Mr Paul Lewis	3-Dec-24	3,840,000	$0.01	$48,000

For personal use only

REMUNERATION REPORT (Audited) (continued)

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other KMP in this financial year and future reporting years are as follows:

Name	Number of Options granted	Grant date	Vesting date	Expiry date	Exercise price	Fair value per right at grant date
Mr Gareth Evans	37,500	30-Oct-24	30-Oct-24	30-Jun-29	$0.03	$0.01
Mr Gareth Evans	37,500	30-Oct-24	1-Jul-25	30-Jun-29	$0.03	$0.01
Mr Gareth Evans	37,500	30-Oct-24	1-Jul-26	30-Jun-29	$0.03	$0.01
Mr Gareth Evans	37,500	30-Oct-24	1-Jul-27	30-Jun-29	$0.03	$0.01

Options will vest on the vesting date assuming the KMP is still employed by the company at that date.

Performance rights

The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of directors and other KMP in this financial year and future reporting years are as follows:

Name	Number of performance rights granted	Grant date	Vesting date	Expiry date	Exercise price	Fair value per right at grant date
Mr Gareth Evans	200,000	20-Dec-24	1-Jul-25	30-Jun-27	$0.00	$0.012
Mr Gareth Evans	2,000,000	21-Jan-25	1-Jul-27	30-Jun-29	$0.00	$0.010

The performance rights vest subject to satisfaction of prescribed vesting conditions including financial, operational, corporate governance, strategic planning and business development objectives set by the Board.

Performance rights granted carry no dividend or voting rights.

Additional information

The earnings of the consolidated entity for the five years ended 30 June 2025 are summarised below:

	2025	2024	2023	2022	2021
	$	$	$	$	$
Revenue	10,273,371	10,716,270	14,121,482	10,468,453	9,311,738
(Loss) before tax	(3,654,226)	(9,558,852)	(396,926)	(5,546,389)	(9,778,693)
(Loss) after tax	(3,654,226)	(9,558,852)	(396,926)	(5,546,389)	(9,778,693)

The factors that are considered to affect total shareholders return (TSR) are summarised below:

	2025	2024	2023	2022	2021
Share price at financial year end ($)	$0.01	$0.01	$0.03	$0.07	$0.19
Total dividends declared (cents per share)	$0.00	$0.00	$0.00	$0.00	$0.00
Basic loss per share (cents per share)	(1.38)	(3.76)	(0.17)	(3.19)	(6.84)
Diluted loss per share (cents per share)	(1.38)	(3.76)	(0.17)	(3.19)	(6.84)

REMUNERATION REPORT (Audited) (continued)

Additional disclosures relating to KMP

Shareholding

The number of shares in the company held during the financial year by each director and other members of KMP of the consolidated entity, including their personally related parties is set out below:

Name	Balance at the start of the year	Received on the exercise of performance rights	Additions	Disposals	Balance at the end of the year
Mr Gavin Coote	5,250,000	450,000	4,980,000	-	10,680,000
Ms Julie King	26,273,145	-	4,640,000	-	30,913,145
Mr Paul Wright	2,027,673	-	4,640,000	-	6,667,673
Mr Paul Lewis	16,583,334	-	3,840,000	-	20,423,334
	50,134,152	450,000	18,100,000	-	68,684,152

Performance rights holding

The number of performance rights over ordinary shares in the company held during the financial year by each director and other members of KMP of the consolidated entity, including their personally related parties is set out below:

Name	Balance at the start of the year	Granted	Exercised	Expired / forfeited	Balance at the end of the year
Mr Gavin Coote	475,000	-	(450,000)	(25,000)	-
Ms Julie King	-	-	-	-	-
Ms Joanne Bryant	-	-	-	-	-
Mr Paul Wright	-	-	-	-	-
Mr Paul Lewis	-	-	-	-	-
Mr Gareth Evans	-	2,200,000			2,200,000
	475,000	2,200,000	(450,000)	(25,000)	2,200,000

The performance rights vest subject to satisfaction of prescribed vesting conditions including market conditions, and financial, operational, corporate governance, strategic planning and business development objectives set by the Board.

This concludes the remuneration report, which has been audited.

Directors' report

For personal use only

Shares under option / performance rights

At the date of this report, there were 5,180,845 options and 10,400,000 performance rights to acquire ordinary shares of the company as follows:

Class of Unlisted Options	Note	Exercise Price	Vesting Date	Expiry Date	Grant Date	Fair Value at Grant Date	Balance at 30 June 2025	Balance at Date of this Report
Employee LTIP options	(i)	$0.100	17-Jan-22	30-Jun-26	17-Jan-22	$0.101	131,909	131,909
Employee LTIP options	(i)	$0.100	1-Jul-22	30-Jun-26	17-Jan-22	$0.101	131,909	131,909
Employee LTIP options	(i)	$0.100	1-Jul-23	30-Jun-26	17-Jan-22	$0.101	131,909	131,909
Employee LTIP options	(i)	$0.100	1-Jul-24	30-Jun-26	17-Jan-22	$0.101	131,898	131,898
Employee LTIP options	(ii)	$0.175	30-Sep-22	30-Jun-27	30-Sep-22	$0.037	102,760	102,760
Employee LTIP options	(ii)	$0.175	1-Jul-23	30-Jun-27	30-Sep-22	$0.037	102,760	102,760
Employee LTIP options	(ii)	$0.175	1-Jul-24	30-Jun-27	30-Sep-22	$0.037	102,760	102,760
Employee LTIP options	(ii)	$0.175	1-Jul-25	30-Jun-27	30-Sep-22	$0.037	102,760	102,760
Lead Manager options	(iii)	$0.060	28-Nov-23	28-Nov-25	28-Nov-23	$0.004	920,000	920,000
Employee LTIP options	(iv)	$0.073	29-Nov-23	30-Jun-28	29-Nov-23	$0.015	281,688	281,688
Employee LTIP options	(iv)	$0.073	1-Jul-24	30-Jun-28	29-Nov-23	$0.015	281,688	281,688
Employee LTIP options	(iv)	$0.073	1-Jul-25	30-Jun-28	29-Nov-23	$0.015	281,688	281,688
Employee LTIP options	(iv)	$0.073	1-Jul-26	30-Jun-28	29-Nov-23	$0.015	281,688	281,688
Employee LTIP options	(v)	$0.027	30-Oct-24	30-Jun-29	30-Oct-24	$0.010	383,563	383,563
Employee LTIP options	(v)	$0.027	1-Jul-25	30-Jun-29	30-Oct-24	$0.010	383,563	383,563
Employee LTIP options	(v)	$0.027	1-Jul-26	30-Jun-29	30-Oct-24	$0.010	383,563	383,563
Employee LTIP options	(v)	$0.027	1-Jul-27	30-Jun-29	30-Oct-24	$0.010	383,563	383,563
Performance Rights	(vi)	$0.000	1-Jul-25	30-Jun-27	20-Dec-24	$0.010	1,400,000	1,400,000
Performance Rights	(vii)	$0.000	1-Jul-27	30-Jun-29	21-Jan-25	$0.012	9,000,000	9,000,000

The following notes refer to the options and performance rights on issue at 30 June 2025:

(i) On 17 January 2022, 934,825 options were issued to employees under the LTIP, and subsequently 130,360 were forfeited due to failure to meet vesting conditions and 276,840 lapsed after not being exercised within 60 days of cessation of employment. These options vest subject to time-based and performance-based vesting conditions, including the employee remaining in the employ of the consolidated entity during the performance period and satisfaction of individual KPI's.

(ii) On 30 September 2022, 705,152 options were issued to employees under the LTIP, and subsequently 147,032 were forfeited due to failure to meet vesting conditions and 147,080 lapsed after not being exercised within 60 days of cessation of employment. These options vest subject to time-based and performance-based vesting conditions, including the employee remaining in the employ of the consolidated entity during the performance period and satisfaction of individual KPI's.

(iii) On 28 November 2023, 920,000 options were issued to the Joint Lead Managers of the Placement Offer as announced by the consolidated entity on 31 July 2023

(iv) On 29 November 2023 1,373,000 options were issued to employees under the LTIP, and subsequently 129,375 were forfeited due to failure to meet vesting conditions and 116,875 lapsed after not being exercised within 60 days of cessation of employment. These options vest subject to time-based and performance-based vesting conditions, including the employee remaining in the employ of the consolidated entity during the performance period and satisfaction of individual KPI's.

(v) On 30 October 2024, 1,547,250 options were issued to employees under the LTIP, and subsequently 30,000 were forfeited due to failure to meet vesting conditions and 10,000 lapsed after not being exercised within 60 days of cessation of employment. These options vest subject to time-based and performance-based vesting conditions, including the employee remaining in the employ of the consolidated entity during the performance period and satisfaction of individual KPI's.

(vi) On 20 December 2024, 1,400,000 Performance Rights were issued to employees under a short term incentive plan

(vii) On 21 January 2025, 9,000,000 Performance Rights were issued to employees under the LTIP

Option holders do not have any right, by virtue of the option, to participate in any share issue of the company or any related entity or in the interest issue of any other registered scheme. For details of options issued to directors and executives as remuneration, refer to the Remuneration Report.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the consolidated entity for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the consolidated entity paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

To the extent permitted by law, the company has agreed to indemnify its auditors, Grant Thornton Audit Pty Ltd, as part of the terms of its audit engagement agreement against claims made by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Grant Thornton Audit Pty Ltd during or since end of the financial year.

The company has not otherwise, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the consolidated entity or any related entity against a liability incurred by the auditor.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 25 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* .

The directors are of the opinion that the services as disclosed in note 25 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board including Independence Standards, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Rounding of amounts

The company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors

Mr Gavin Coote
Executive Chairman
10-October-2025
Melbourne

For personal use only

Auditor's independence declaration

Grant Thornton

Grant Thornton Audit Pty Ltd
Level 22 Tower 5
Collins Square
727 Collins Street
Melbourne VIC 3008
GPO Box 4736
Melbourne VIC 3001

T +61 3 8320 2222

Auditor's Independence Declaration

To the Directors of Hydrix Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Hydrix Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton Audit Pty Ltd
Chartered Accountants

B A Mackenzie
Partner – Audit & Assurance

Melbourne, 10 October 2025

www.grantthornton.com.au
ACN-130 913 594

Grant Thornton Audit Pty Ltd ACN 130 913 594 a subsidiary or related entity of Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389. 'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Limited is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389 and its Australian subsidiaries and related entities. Liability limited by a scheme approved under Professional Standards Legislation.

For personal use only

Consolidated statement of profit & loss and other comprehensive income

for the year ended 30 June 2025

Revenue	Note	2025	2024
		$	$
Revenue from contracts with customers	4	10,092,472	10,608,574
Other income	4	159,438	85,431
Interest income		21,461	22,265
		10,273,371	10,716,270
Operating expenses			
Employee benefits expense	5	(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	5	(1,764,010)	(2,376,988)
Depreciation and amortisation expense	5	(763,501)	(937,309)
Finance costs	5	(1,054,876)	(705,542)
Property expense		(182,447)	(175,739)
Loss on financial instruments at fair value through profit or loss	5	(461,910)	(1,697,631)
Impairment of intangible assets	10	-	(2,508,079)
(Impairment) / write back of receivables	8	(11,454)	50,283
Share based payment (expense) / reversal	29	(47,419)	125,036
Unrealised foreign exchange gain		2,213	1,797
		(13,927,596)	(20,275,122)
Loss before income tax expense		(3,654,226)	(9,558,852)
Income tax (expense) / benefit	6	-	-
Loss after income tax expense		(3,654,226)	(9,558,852)
Other comprehensive income			
Movement in functional currency of foreign operations	19	(36,271)	(24,092)
Total comprehensive loss for the year attributable to the Owners of Hydrix Limited		(3,690,497)	(9,582,944)
Loss per share		**Cents**	**Cents**
Basic and diluted earnings per share (cents per share)	28	(1.38)	(3.76)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Consolidated statement of financial position

as at 30 June 2025

Current assets	Note	2025	2024
		$	$
Cash and cash equivalents	7	297,881	914,274
Trade and other receivables	8	1,730,465	1,173,395
Contract assets	13	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	9	119,512	204,245
Intangible assets	10	175,000	525,000
Financial assets at fair value through profit & loss	11	3,172,082	3,416,120
Right of use assets	17	961,000	1,235,563
Other assets		100,811	98,818
Security deposits		424,980	424,980
Total non-current assets		4,953,385	5,904,726
Total assets		7,617,721	8,624,474
Current liabilities			
Trade and other payables	12	3,839,220	1,931,404
Contract liabilities	13	398,221	499,131
Other liabilities		4,807	3,558
Employee benefits	14	1,127,097	1,208,564
Borrowings	16	6,083,010	2,589,173
Lease liabilities	17	483,841	675,864
Total current liabilities		11,936,197	6,907,694
Non-current liabilities			
Employee benefits	14	174,661	259,176
Provisions	15	183,977	174,050
Borrowings	16	1,000,000	3,060,000
Lease liabilities	17	1,094,806	1,578,647
Total non-current liabilities		2,453,444	5,071,873
Total liabilities		14,389,641	11,979,567
Net assets		(6,771,920)	(3,355,093)
Equity			
Issued capital	18	102,411,434	102,126,684
Reserves	19	57,140	353,758
Accumulated losses	20	(109,240,494)	(105,835,535)
Total equity		(6,771,920)	(3,355,093)

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

For personal use only

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)
Transactions with owners in their capacity as owners:				
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	-	-	(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)

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Consolidated statement of cash flows

for the year ended 30 June 2025

Cash Flows from operating activities	Note	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 government grants		-	-
Receipt of R&D tax incentive		71,859	-
Net cash used in operating activities	21	(527,006)	(1,891,650)
Cash Flows from investing activities			
Payments for plant and equipment	9	(8,128)	(14,022)
Payments for intangible assets	10	(46,077)	(39,862)
Payments for investments		-	-
Proceeds from sale of plant and equipment		-	457
Proceeds from sale of investments		-	-
Proceeds from release of security deposits		-	-
Net cash used in investing activities		(54,205)	(53,427)
Cash Flows from financing activities			
Proceeds from issue of shares		-	-
Share issue transaction costs paid		-	-
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		(436,368)	(483,181)
Repayments of lease liabilities		(675,863)	(775,439)
Net cash flow from financing activities		(36,307)	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	7	297,881	914,274

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Notes accompanying the financial statements

for the year ended 30 June 2025

For personal use only

1 General Information

The financial statements cover Hydrix Limited as a consolidated entity consisting of Hydrix Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Hydrix Limited's functional and presentation currency.

Hydrix Limited is a company limited by shares and incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue by the directors of the company on 10 October 2025.

a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The Company is a for-profit entity for financial reporting purposes under the Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and derivatives.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

Going concern
The financial statements have been prepared on the going concern basis. This contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business.

For the year ended 30 June 2025, the consolidated entity reported a net loss before tax of $3,654,226 and net cash used in operations of $527,006. The entity reported a net current liability of $9,271,861 at 30 June 2025 of which approximately $4,503,000 is to Related Parties and which payment maturity dates have been extended subsequent to year end (refer Subsequent Events note).

The financial result and net current liability position creates business uncertainty. It may cast doubt over the business continuing as a going concern and the consolidated entity realising its assets and extinguishing its liabilities in the normal course of business.

Despite these material uncertainties, the directors are of the opinion the consolidated entity will continue as a going concern taking into consideration various factors including:
- The consolidated entity's available cash of $297,881 and $348,693 of undrawn funds under shareholder loan and credit card facilities;
- Directors extended a Letter of Comfort for up to $2.5m for a period of 12 months from the date of this report;
- Subsequent to 30 June 2025, maturity dates were extended on the following debt instruments:
    - $2,250,000 of shareholder loans to 1 October 2026
    - $2,600,000 of convertible notes to 11 October 2026
    - TP24 finance facility was renewed to 30 November 2025.
- The budgeted cash flow forecast for the 12-month period from the date of signing of the financial statements further supports the directors' assertion the consolidated entity is a going concern. Forecasts are contingent on future events
- Hydrix Ventures portfolio companies may achieve future liquidity events, which while such events are uncertain, they could generate non-dilutive cash inflows. Should such events arise, the Board will determine whether to hold or liquidate in-full or in-part investment positions to support the consolidated entity working capital requirements;
- The directors continuously review strategic initiatives with the potential to unlock value across the consolidated entity and to strengthen the balance sheet; and
- The directors continue to consider the potential to raise additional capital if required to support working capital requirements.

a) Basis of Preparation (continued)

Accordingly, the directors believe the consolidated entity will continue as a going concern and it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial statements do not include any adjustments relating to amounts or classification of recorded assets or liabilities that might be necessary should the consolidated entity not be able to continue as a going concern.

b) Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 27.

c) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Hydrix Limited ('company' or 'parent entity') as at 30 June 2025 and the results of all subsidiaries for the year then ended. Hydrix Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

d) Foreign currency translation

The financial statements are presented in Australian dollars, which is Hydrix Limited's functional and presentation currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

For foreign subsidiaries, assets and liabilities are translated at the closing exchange rate at the reporting date; income and expenses are translated at average exchange rates for the period; and equity items are translated at historical rates. Exchange differences arising from translation are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. Upon disposal of a foreign operation, the cumulative translation differences are reclassified to profit or loss.

e) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Notes accompanying the financial statements

for the year ended 30 June 2025

For personal use only

f) Impairment of assets

At the end of each reporting period, the consolidated entity assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

g) Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

h) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset, unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets
The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

i) Financial liabilities

The consolidated entity's financial liabilities include borrowings, trade and other payables and derivative financial instruments. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the consolidated entity designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges are included within finance costs or finance income.

j) Fair value measurement of financial instruments

The consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 2 and level 3 are determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

k) New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

l) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2025.

2 Critical Accounting Estimates, Assumptions and Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed throughout the financial report.

(i) Share-based payment transactions

The consolidated entity assesses the fair value of options granted without market conditions by applying the Black-Scholes valuation model. The use of this model requires management to make assumptions regarding key inputs such as risk free rate, share price volatility and time to maturity. The fair value of options with market conditions are assessed by an independent third party using an appropriate valuation model.

For personal use only

2 Critical Accounting Estimates, Assumptions and Judgements (continued)

(ii) Impairment of assets

The consolidated entity assesses impairment at the end of each reporting period by evaluating conditions and events specific to the consolidated entity that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other non-financial assets have suffered any impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows. Refer to Note 10 for further discussion.

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions. Refer to Note 10 for further disclosures.

(iii) Valuation of financial instruments at fair value through profit or loss

When the fair values of financial assets recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using other valuation techniques and inputs. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See Note 11 for further disclosures.

3 Operating Segments

Identification of reportable operating segments

The consolidated entity is organised into three operating segments based on the internal reports that are reviewed and used by the Board of Directors [who are identified as the Chief Operating Decision Makers ('CODM')] in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the CODM, who are responsible for the allocation of resources to operating segments and assessing their performance.

The consolidated entity considers its operating segments to reflect the structure of its three wholly owned subsidiaries, each representing a distinct business activity. Hydrix Services provides multidisciplinary product design and development consulting across medtech, cardiac health, defence, and industrial sectors, offering services from applied research through to certification management. Hydrix Medical is focused on the distribution of disruptive cardiovascular technologies under exclusive licence agreements across Australia and the Asia Pacific region, with products currently in pre-commercial revenue stages. Hydrix Ventures selectively invests in high-potential medtech clients of Hydrix Services, aiming to generate equity capital gains, while maintaining arm's-length consulting relationships with its portfolio companies.

The consolidated entity's operations are in five geographical locations, being Australia, Singapore, New Zealand, Europe and USA.

EBITDA is a non-AASB financial measure used by management to assess operating performance. The Group defines EBITDA as earnings before interest, tax, depreciation and amortisation, and excludes certain non-operating and non-cash items. These include foreign exchange gains and losses, share-based payment expenses, impairment charges and fair value movements on financial instruments.

Management believes this measure provides a more consistent view of underlying performance by excluding items that are not reflective of the consolidated entity's core operating results. This definition may differ from that used by other entities. A reconciliation between statutory profit and EBITDA is provided in the tables below.

Unallocated EBITDA and expenses includes the provision of corporate overheads not fully allocated to an operating segment.

Operating Segment Information

	Note	Hydrix Services	Hydrix Medical	Hydrix Ventures	Unallocated	Total Operations
Consolidated - 2025		$	$	$	$	$
Revenue						
Revenue from contracts with customers		10,091,308	1,164	-	-	10,092,472
Total Segment revenue		10,091,308	1,164	-	-	10,092,472
Other Income						
Interest income		-	-	-	21,461	21,461
Other income		159,438	-	-	-	159,438
Other income non-recurring		-	-	-	-	-
Total Segment income		10,250,746	1,164	-	21,461	10,273,371
EBITDA		376,206	(419,616)	(978)	(1,272,892)	(1,317,280)
Finance costs		(582,711)	-	-	(472,165)	(1,054,876)
Depreciation and amortisation		(760,025)	(3,396)	-	(80)	(763,501)
Write-back of receivables		(11,454)	-	-	-	(11,454)
Impairment of intangibles		-	-	-	-	-
Unrealised foreign exchange gain		632	-	1,581	-	2,213
Share based payment (expense) / reversal		(35,269)	(5,192)	-	(6,958)	(47,419)
(Loss) / gain on financial instruments at FVTPL	11	-	-	(461,910)	-	(461,910)
Profit/(Loss) before income tax expense		(1,012,621)	(428,204)	(461,307)	(1,752,094)	(3,654,226)
Income tax (expense)/ benefit		-	-	-	-	-
(Loss) after income tax expense		(1,012,621)	(428,204)	(461,307)	(1,752,094)	(3,654,226)

Notes accompanying the financial statements

for the year ended 30 June 2025

For personal use only

3 Operating Segments (continued)

	Note	Hydrix Services	Hydrix Medical	Hydrix Ventures	Unallocated	Total Operations
Consolidated - 2025 (continued)						
Assets						
Segment assets		3,892,455	37,889	-	-	3,930,343
Unallocated assets:						
Cash and cash equivalents		-	-	-	297,881	297,881
Intangible assets		-	-	-	175,000	175,000
Hydrix Ventures investment portfolio		-	-	3,172,082	-	3,172,082
Other assets		-	-	-	42,414	42,414
Total assets		3,892,455	37,889	3,172,082	515,295	7,617,720
Liabilities						
Segment liabilities		7,572,715	87,412	-	-	7,660,127
Unallocated liabilities:						
Borrowings		-	-	-	6,251,207	6,251,207
Other liabilities		-	-	-	478,306	478,306
Total liabilities		7,572,715	87,412	-	6,729,513	14,389,641

	Note	Hydrix Services	Hydrix Medical	Hydrix Ventures	Unallocated	Total Operations
Consolidated - 2024		$	$	$	$	$
Revenue						
Sales to external customers		10,607,103	1,471	-	-	10,608,574
Total Segment revenue		10,607,103	1,471	-	-	10,608,574
Other Income						
Interest income		-	-	-	22,265	22,265
Other income		84,974	457	-	-	85,431
Other income non-recurring		-	-	-	-	-
Total Segment income		10,692,077	1,928	-	22,265	10,716,270
EBITDA		(963,901)	(1,318,269)	(754)	(1,604,482)	(3,887,406)
Finance costs		(343,420)	(1,073)	-	(361,049)	(705,542)
Depreciation and amortisation		(518,590)	(418,586)	-	(133)	(937,309)
Write-back of receivables		50,283	-	-	-	50,283
Impairment of intangibles		-	(2,508,079)	-	-	(2,508,079)
Unrealised foreign exchange gain / (loss)		51	-	1,746	-	1,797
Share based payment expenses		(21,394)	(1,066)	-	147,496	125,036
Gain on financial instruments at FVTPL	11	-	-	(1,698,906)	1,275	(1,697,631)
Profit/(Loss) before income tax expense		(1,796,972)	(4,247,073)	(1,697,914)	(1,816,893)	(9,558,852)
Income tax (expense)/ benefit		-	-	-	-	-
(Loss) after income tax expense		(1,796,972)	(4,247,073)	(1,697,914)	(1,816,893)	(9,558,852)
Assets						
Segment assets		3,683,861	41,862	-	-	3,725,723
Unallocated assets:						
Cash and cash equivalents		-	-	-	914,274	914,274
Intangible assets		-	-	-	525,000	525,000
Hydrix Ventures investment portfolio		-	-	3,416,120	-	3,416,120
Other assets		-	-	-	43,357	43,357
Total assets		3,683,861	41,862	3,416,120	1,482,631	8,624,474

3 Operating Segments (continued)

	Note	Hydrix Services	Hydrix Medical	Hydrix Ventures	Unallocated	Total Operations
Consolidated - 2024 (continued)						
Liabilities						
Segment liabilities		6,627,669	78,619	-	-	6,706,288
Unallocated liabilities:						
Borrowings		-	-	-	4,442,556	4,442,556
Other liabilities		-	-	-	830,724	830,724
Total liabilities		6,627,669	78,619	-	5,273,280	11,979,567

4 Revenue

	2025	2024
Revenue from contracts with customers	$	$
Project revenue – services	9,818,280	9,924,380
Project revenue – materials	273,028	682,723
Project revenues	10,091,308	10,607,103
Sales of Avertix Guardian System Consumables	1,164	1,471
Total revenue from contracts with customers	10,092,472	10,608,574
Other income:		
Research and development tax incentive	71,859	-
Profit on disposal of fixed assets	-	457
Other income	87,579	84,974
Total other income	159,438	85,431
Total income from operations	10,251,910	10,694,005

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

Timing of revenue recognition		
Goods transferred at a point in time	1,164	1,471
Services & materials transferred over time	10,091,308	10,607,103
	10,092,472	10,608,574
Geographical Regions		
Australia	3,653,324	2,910,986
Europe	5,254,602	5,270,513
North America	1,149,720	2,346,481
Singapore	1,164	1,471
Other	33,661	79,123
	10,092,472	10,608,574

The consolidated entity attributes project revenues from external customers to geographical regions based on the domicile of the parent entity, or in the case of Hydrix Medical products, where the goods are transferred.

For personal use only

4 Revenue (continued)

Major customers disclosure

The nature of the Hydrix Services business is that it enters into a mix of short-term and long-term contracts with key customers. Two customers each contributed more than 10% of the consolidated entity's total revenue.

Accounting Policy - Revenue recognition & other income

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Revenue from contracts with customers

Revenue is recognised over time at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

(i) Project revenue

The consolidated entity provides a comprehensive range of engineering and product development services, including software, electronics, mechanical, industrial design, and general product development services through its Hydrix Services segment. Due to the high degree of integration and interdependence among the various disciplines, and the fact that the services are combined in delivering a single, customised output to the customer, the services are not considered distinct within the context of the contract. Accordingly, they are accounted for as a single performance obligation.

For project contracts under a fixed fee basis, to depict the progress by which the consolidated entity transfers control of the services to the customer, and to establish when and to what extent revenue can be recognised, the consolidated entity measures its progress towards complete satisfaction of the performance obligation by comparing actual input costs (labour hours and materials) spent to date with the total estimated costs required to complete the project. The percentage completion basis provides the most accurate depiction of the transfer of goods and services to each customer due to the consolidated entity's ability to make reliable estimates of the total number of costs required to complete the project. At the end of each reporting period, progress towards complete satisfaction of the performance obligation is remeasured.

For project contracts under a time and materials basis, project revenue is recognised based on the actual input labour and materials incurred over time as this is when the consolidated entity transfers control of the services to the customer, and therefore represents when the performance obligation is fulfilled.

Customers are invoiced monthly as work progresses. Any amounts remaining unbilled at the end of a reporting period are presented in the statement of financial position as Contract assets as only the passage of time is required before payment of these amounts will be due. When payments received from customers exceed revenue recognised to date on a particular contract, any excess is reported in the statement of financial position as Contract liabilities.

(ii) Product sales revenue

Hydrix Medical distributes cardio-vascular technology products under exclusive distribution agreements. Revenue is recognised at the point in time that the customer takes control of the product sold, as this represents when the performance obligation is fulfilled.

In some instances, Hydrix Medical has established sub-distribution agreements with partners located in the jurisdiction that the sales will occur. In these instances, the sub-distributor is considered the customer for revenue recognition purposes, and revenue is recognised when control of the product is transferred to them.

Other income

(i) Research and development tax incentive

R&D tax incentives will be recognised in profit before tax (in EBIT) during the period in which they are received from the Australian Taxation Office.

(ii) Other income

Other income is recognised when it is received or when the right to receive payment is established.

4 Revenue (continued)

Accounting Policy - Revenue recognition & other income (continued)

(iii) Interest income

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

5 Expenses

	2025	2024
(Loss) before income tax includes the following specific expenses:	$	$
Employee benefits expenses		
Salaries, wages and leave entitlements	7,509,882	9,358,082
Defined contribution superannuation expense	898,949	969,114
Employee on-costs	471,113	528,745
Employee training and development	45,387	100,780
Total employee benefits expenses	8,925,331	10,956,721
Depreciation		
Plant and equipment	9,371	36,883
Computer equipment	24,171	20,752
Leasehold improvements	59,320	60,338
Right-of-use asset	274,563	368,010
	367,425	485,984
Amortisation		
Software - including CHEF Framework	46,076	39,862
Brand Asset	350,000	-
Distribution rights	-	411,463
	396,076	451,325
Total depreciation and amortisation expense	763,501	937,309
Finance costs		
Interest expense on lease liabilities	192,737	223,231
Interest on loans and borrowing costs	862,139	482,311
Total finance costs	1,054,876	705,542
Gain on financial instruments at fair value through profit or loss		
Gain on derivatives	-	1,275
Loss on financial assets	(461,910)	(1,698,906)
	(461,910)	(1,697,631)

Notes accompanying the financial statements

for the year ended 30 June 2025

For personal use only

5 Expenses (continued)

	2025	2024
	$	$
Other expenses		
Consultancy charges	60,033	206,886
Corporate advisory transaction costs	-	3,858
Directors' fees	164,262	257,338
Insurance	249,852	235,963
IT related expenses	451,356	440,140
Legal and professional charges	276,299	249,403
Listing fees and share register maintenance	53,669	76,182
Recruitment fees	-	75,919
Regulatory and reimbursement costs	5,981	136,459
Travelling costs	141,125	255,042
Administration expenses	361,433	439,798
Total other expenses	1,764,010	2,376,988

Accounting Policy - Expenses

Amortisation

The amortisable amount of all intangible assets is amortised on a straight-line basis over the period of their expected benefit to the consolidated entity commencing from the time the asset is recognised.

Depreciation

Fixed assets are depreciated using the diminishing value method over their estimated useful lives, beginning when the asset is ready for use. This method reflects the pattern of economic benefits consumed, where assets typically provide greater utility in earlier periods. Useful lives are time-based and reviewed annually to ensure they remain appropriate.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Finance costs

All finance costs are expensed in the period in which they are incurred.

6 Income Taxes

	2025	2024
	$	$
(a) Income tax benefit		
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Loss before income tax expense	3,654,226	9,558,852
Tax at the statutory tax rate of 25% (2024: 25%)	913,556	2,389,713
Tax effect amounts which are not (deductible) / taxable in calculating taxable income:		
Temporary differences not brought to account	(131,255)	(536,030)
Share based payments	(11,855)	31,259
R&D tax incentive income - non assessable	17,965	-
Effect of impairment of distribution rights	-	(627,020)
Deferred Tax Asset (DTA) on tax losses not brought to account	(788,411)	(1,257,922)
Income tax (expense) / benefit	**-**	**-**

6 Income Taxes (continued)

	2025	2024
(b) Deferred tax assets		
The balance comprises temporary differences attributable to:	$	$
Allowance for expected credit losses	7,109	4,246
Provision for annual leave	167,278	205,166
Provision for long service leave	157,632	152,555
Financial assets at fair value through profit or loss	206,516	145,507
Lease liability	394,662	563,628
Accruals	331,100	214,694
Lease make-good provision	45,994	43,513
	1,310,291	1,329,309
(c) Deferred tax liabilities		
The balance comprises temporary differences attributable to:		
Contract assets	99,328	93,459
Intangible assets	284,000	440,141
	383,328	533,600
(d) Net deferred tax assets / (liabilities)		
Net deferred tax assets / (liabilities) not recognised	926,963	795,709
	926,963	795,709
(e) Deferred tax assets not brought to account at reporting date		
Operating losses	10,620,729	10,033,007
Capital losses	71,248	71,248
	10,691,977	10,104,255

The deferred tax asset not brought to account will only be obtained if:

(a) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;

(b) the conditions for deductibility imposed by tax legislation continue to be complied with; and

(c) the company is able to meet the continuity of business and or continuity of ownership tests

For personal use only

6 Income Taxes (continued)

Accounting Policy - Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or

- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Hydrix Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and the subsidiaries in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

7 Cash and cash equivalents

	2025	2024
	$	$
Cash at bank	297,881	914,274
	297,881	914,274

Reconciliation to cash and cash equivalents at the end of the financial year

The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

Balances as above	297,881	914,274
Balance as per statement of cash flows	297,881	914,274

Accounting Policy - Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

8 Trade and other receivables

	2025	2024
Current	$	$
Trade receivables	1,731,939	1,159,345
Less: Allowance for expected credit losses	(28,436)	(16,982)
	1,703,503	1,142,363
GST receivable	15,366	19,471
Other receivables	11,596	11,561
	1,730,465	1,173,395

Allowance for expected credit losses

The consolidated entity has recognised expense of $11,454 in profit or loss in respect of the expected credit losses for the year ended 30 June 2025 (30 June 2024: writeback of $50,283).

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss 2025	Gross carrying amount 2025	Allowance for expected credit losses 2025	Net carrying amount 2025
Consolidated	%	$	$	$
Not overdue	0.3%	854,546	2,879	851,667
0 to 3 months overdue	0.5%	334,830	1,660	333,170
3 to 6 months overdue	6.6%	45,815	3,013	42,802
Over 6 months overdue	4.2%	493,428	20,883	472,545
		1,728,619	28,436	1,700,184

Accounting Policy - Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

9 Plant and Equipment

	2025	2024
Plant and equipment	$	$
At cost	178,971	178,948
Less accumulated depreciation	(149,982)	(140,611)
	28,989	38,337
Computer equipment		
At cost	411,086	402,980
Less accumulated depreciation	(383,978)	(359,807)
	27,108	43,173
Leasehold improvements		
At cost	432,568	432,568
Less accumulated depreciation	(369,153)	(309,833)
	63,415	122,735
	119,512	204,245

For personal use only

Notes accompanying the financial statements

for the year ended 30 June 2025

9 Plant and Equipment (continued)

Reconciliations

Reconciliations of the carrying amount (CA) at the beginning and end of the current and previous financial year are set out below:

	Plant & Equipment	Computer Equipment	Leasehold Improvements	Total
	$	$	$	$
CA Balance as at 1 July 2023	92,025	33,105	183,073	308,203
Additions	3,560	10,463	-	14,022
Transfers (at CA)	(20,364)	20,364	-	-
Disposals	-	(8)	-	(8)
Depreciation expense	(36,883)	(20,752)	(60,338)	(117,973)
CA Balance as at 30 June 2024	38,337	43,173	122,735	204,245
CA Balance as at 1 July 2024	38,337	43,173	122,735	204,245
Additions	23	8,106	-	8,129
Transfers (at CA)	-	-	-	-
Disposals	-	-	-	-
Depreciation expense	(9,371)	(24,171)	(59,320)	(92,862)
CA Balance as at 30 June 2025	28,989	27,108	63,415	119,512

Accounting Policy - Plant and equipment

The useful lives adopted for each class of depreciable assets are:

Class of Fixed Asset	*Useful lives*
Plant and equipment	*2 to 5 years*
Computer equipment	*3 to 4 years*
Leasehold improvements	*Over the initial period of the lease*

Management reviews its estimate of useful lives and residual values of depreciable assets at each reporting date, based on the expected benefit from these assets.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss.

A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment). The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

10 Intangible assets

	2025	2024
	$	$
Brand name	525,000	525,000
Less: Accumulated amortisation	(350,000)	-
	175,000	525,000
Software - including CHEF Framework	3,145,079	3,099,003
Less: Accumulated amortisation	(3,145,079)	(3,099,003)
	-	-
	175,000	525,000

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Brand name	Software including CHEF	Total
	$	$	$
CA Balance as at 1 July 2023	525,000	-	525,000
Additions	-	39,862	39,862
Impairment expense	-	-	-
Amortisation expense	-	(39,862)	(39,862)
CA Balance as at 30 June 2024	525,000	-	525,000
CA Balance as at 1 July 2024	525,000	-	525,000
Additions	-	46,076	46,076
Impairment expense	-	-	-
Amortisation expense	(350,000)	(46,076)	(396,076)
CA Balance as at 30 June 2025	175,000	-	175,000

Accounting Policy - Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Brand Name
During the year ended 30 June 2025, the Group reassessed the useful life of its acquired brand name intangible asset, which had previously been classified as having an indefinite useful life.

Following a review of the Group's brand name assets, management determined that there is now a foreseeable limit to the period over which the brand is expected to generate economic benefits. As a result, the brand has been reclassified as a finite-life intangible asset with an estimated remaining useful life of two years, effective 1 July 2024.

The change has been accounted for as a change in accounting estimate in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors and applied prospectively.

	$
Amortisation expense recognised during the year	*350,000*
Carrying amount of the Brand Name at 30 June 2025	*175,000*

The remaining carrying value of approximately $175,000 is not considered material to the financial statements.

Notes accompanying the financial statements

for the year ended 30 June 2025

For personal use only

10 Intangible assets (continued)

Accounting Policy - Intangible assets (continued)

Software (including CHEF)
Significant costs associated with the Common Hydrix Embedded Framework (CHEF) software are deferred and amortised on a straight-line basis over a period of between 1 to 5 years.

11 Financial instruments at fair value through profit or loss

	2025	2024
	$	$
Listed ordinary shares	4,052	7,072
Unlisted ordinary shares	3,168,030	3,408,314
Unlisted ordinary options	-	734
	3,172,082	3,416,120

Reconciliation
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

	Unlisted ordinary shares	Unlisted ordinary options	Listed ordinary shares	Convertible Note	Total
	$	$	$	$	$
Opening fair value as at 1 July 2023	4,601,394	734	14,202	277,457	4,893,787
Additions (i)	211,185	-	-	-	211,185
Interest accrued	-	-	-	8,307	8,307
Fair value increments/(decrements)	(1,668,871)	-	(7,130)	(22,905)	(1,698,906)
Fair value increments/(decrements) due to FX	1,746	-	-	-	1,746
Transfers (ii)	262,859			(262,859)	-
Closing fair value as at 30 June 2024	3,408,314	734	7,072	-	3,416,120
Opening fair value as at 1 July 2024	3,408,314	734	7,072	-	3,416,120
Additions (iii)	216,291	-	-	-	216,291
Interest accrued	-	-	-		-
Fair value increments/(decrements)	(458,156)	(734)	(3,020)		(461,910)
Fair value increments/(decrements) due to FX	1,581	-	-	-	1,581
Closing fair value as at 30 June 2025	3,168,030	-	4,052	-	3,172,082

(i) During September 2023, exercised options for 4,446 ordinary shares in Gyder Surgical Pty Ltd valued at $211,185. The options were exercised in lieu of a trade debtor balance with Gyder Surgical Pty Ltd, and there was no cash transaction as part of the exercise.

(ii) During December 2023, convertible notes held in Gyder Surgical Pty Ltd reached maturity and were converted to 5,377 ordinary shares valued at $262,859.

(iii) During June 2025, the consolidated entity received 5,930 ordinary shares in Gyder Surgical Pty Ltd valued at $216,291.

Accounting Policy - Financial instruments at fair value through profit or loss

All assets and liabilities, measured at fair value, are classified using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective. Refer to note 1(j) for further information on fair value measurement.

For certain unlisted investments, the fair value is determined by reference to the issue price achieved in the most recent arm's length capital raising. Where the capital raise did not occur close to the reporting date, management assesses whether any significant changes in the investee's circumstances, market conditions, or other relevant factors have occurred since the capital raise. If necessary, adjustments are made to the capital raise price to reflect these changes. The adjusted price is considered an observable input to the extent it reflects actual market transactions and publicly available information, and therefore the investment is classified as Level 2 in the fair value hierarchy

11 Financial instruments at fair value through profit or loss (continued)

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 30 June 2025 and 30 June 2024.

	Level 1	Level 2	Level 3	Total
30-Jun-25	$	$	$	$
Financial assets				
Listed securities	4,052	-	-	4,052
Investment in Avertix Medical Inc	-	141,564		141,564
Investment in Wavewise Analytics Pty Ltd	-	-	375,000	375,000
Investment in Gyder Surgical Pty Ltd	-	2,651,466	-	2,651,466
Total financial assets recognised at fair value	4,052	2,793,030	375,000	3,172,082

	Level 1	Level 2	Level 3	Total
30-Jun-24	$	$	$	$
Financial assets				
Listed securities	7,072	-	-	7,072
Unlisted options in Memphasys Limited	-	734	-	734
Investment in Avertix Medical Inc	-	139,983	-	139,983
Investment in Wavewise Analytics Pty Ltd	-	950,250	-	950,250
Investment in Gyder Surgical Pty Ltd	-	2,318,082	-	2,318,082
Total financial assets recognised at fair value	7,072	3,409,048	-	3,416,120

During the year, the invesmt in Wavewise Analytics Pty Ltd transferred from level 2 to level 3, as a result of there not being sufficient observable inputs to value the financial asset, meaning an alternative valuation approach was required. The valuation techniques used for instruments categorised in Levels 2 and 3 are described below:

Investment in Memphasys Limited (Options) (Level 2)
A Black-Scholes model has been used as a valuation technique to value the unlisted options in Memphasys Limited (ASX: MEM).

Investment in Gyder Surgical Pty Ltd (Level 2)
Management determined the fair value of this investment by reference to a capital raise that commenced before 30 June 2025, and completed in August 2025

Investment in Avertix Medical, Inc. (Level 2)
Management determined the fair value of this investment by reference to the issue price achieved during its last capital raise that completed in August 2024.

Investment in Wavewise Analytics Pty Ltd (formerly known as Cyban Pty Ltd) (Level 3)
Wavewise Analytics shares are not actively traded, and there have not been recent capital raises that can be directly referenced for the purposes of valuing the financial asset. The group engaged an independent valuer to assist in determining the fair value of financial instruments classified within the Level 3 hierarchy, ensuring that valuation reflects appropriate market assumptions and methodologies

Valuation technique	Significant unobservable inputs	Range	Sensitivity of the input to fair value
Net assets method	Depreciated replacement cost of proprietary reseach and technology (R&D IP)	$8.5m to $15.1m	The fair value measurement was detemined by taking the net assets of Wavewise Pty Ltd at 30 June 2025 of $2.5m and adding the fair value of the R&D IP, which is then applied to the ownership percentage held by the Group. The fair value of the R&D IP was detemined by taking the mid point of the range of depreciated replacement cost of the R&D IP. This approach took the full spend of R&D IP over the development period, and applied a high (67%) and low (42%) level of obsolescence to this spend to determine a range. The mid-point obsolescence rate (55%) has been applied in determining the fair value of the investment held by the Group. If the obsolesence rate applied were to increase to 65%, the fair value of the asset would decrease by $97,068 If the obsolescence rate applied were to decrease to 45%, the fair value of the asset would increase by $91,963
	Obsolescene rate applied to R&D IP based on estimates of physical, technological, functional and economic obsolescence. The range is determined by assessing obsolescence across different costs and when they were incurred. More recent R&D costs are considered to have greater relevant and therefore a lower obsolescence rate, whereas older R&D costs have higher obsolesence due to changes in technical application and strategy of the	42% - 67%	

Notes accompanying the financial statements

for the year ended 30 June 2025

For personal use only

11 Financial instruments at fair value through profit or loss (continued)

The Company was not able to obtain specific confirmation of the appropriate obsolescence rates to apply from Wavewise Analytics. The rates applied were taken from the experience and judgement of the independent valuer for businesses at similar R&D development stages.

Management note that WaveWise Analytics has historically had observable inputs in the form of capital raises that would be classified as Tier 2 within the Fair Value hierarchy, these have not been used as a primary input to the valuation as the last raise was more than 12 months before the date of this report, and would not factor in recent changes in strategy and application of the technology.

The fair value of the Group's investment in Wavewise Analytics Pty Ltd was determined using a valuation performed after the reporting date. Management has assessed whether any events between 30 June 2025 and the valuation date provide evidence of conditions that existed at 30 June 2025. No such events were identified, and therefore the fair value measurement reflects management's best estimate as at 30 June 2025, based on information available at that date.

12 Trade and other payables

	2025	2024
	$	$
Trade payables	356,032	415,444
Superannuation payable	214,499	221,944
Liabilities to tax authorities	2,835,477	991,637
Other payables	39,951	41,442
Accrued liabilities	393,261	260,937
	3,839,220	1,931,404

Accounting Policy - Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 - 60 days of recognition.

13 Contract assets and contract liabilities

	2025	2024
Contract assets	$	$
Current	397,314	373,836

The value of contract assets at the end of the reporting period was $373,836 (30 June 2024: $346,161) and is expected to be invoiced in future periods as follows:

	2025	2024
Consolidated	$	$
Within 6 months	397,314	373,836
6 to 12 months	-	-
12 to 18 months	-	-
18 to 24 months	-	-
	397,314	373,836

	2025	2024
Contract liabilities	$	$
Current	398,221	499,131

Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was $398,221 (30 June 2024: $499,131 and is expected to be recognised as revenue in future periods as follows:

	2025	2024
Consolidated	$	$
Within 6 months	398,221	499,131
6 to 12 months	-	-
12 to 18 months	-	-
18 to 24 months	-	-
	398,221	499,131

13 Contract assets and contract liabilities (continued)

Accounting Policy - Contract assets and contract liabilities

Contract assets

Contract assets are recognised when the consolidated entity has transferred goods or services to the customer but where an unconditional right to consideration is yet to be established, less any allowance for expected credit losses.

Contract liabilities

Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration before the consolidated entity has transferred the goods or services to the customer.

14 Employee benefits

	2025	2024
Current	$	$
Annual leave	669,113	820,663
Long service leave	455,866	351,043
Other employee benefits	2,118	36,858
	1,127,097	1,208,564
Non - current		
Long service leave	174,661	259,176
	174,661	259,176

Accounting Policy - Employee benefits

Wages and salaries and annual leave

Liabilities for wages, salaries and annual leave are recognised as provisions for employee service up to the reporting date and measured at the amounts expected to be paid when settled. These are classified as current liabilities where the consolidated entity does not have an unconditional right to defer settlement beyond 12 months after the reporting date.

Long service leave

The liability for long service leave is recognised in the provision for long service leave and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

15 Provisions

	2025	2024
Non - current	$	$
Lease make-good provision	183,977	174,050
	183,977	174,050

Lease make-good provision

The provision represents the present value of the estimated costs to make-good the Mulgrave premises leased by the consolidated entity expiring in December 2028. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised is periodically reviewed and updated based on the facts and circumstances available at the time.

Movements in provisions

Movements in the lease make-good provision during the current financial year are set out below:

	2025	2024
Consolidated	$	$
Carrying amount at the start of the year	174,050	177,371
Adjustment on Lease Variation	-	(9,552)
Unwinding of discount	9,927	6,231
Carrying amount at the end of the year	183,977	174,050

Notes accompanying the financial statements

for the year ended 30 June 2025

For personal use only

15 Provisions (continued)

Accounting Policy - Provisions

A provision is recognised in the statement of financial position when the consolidated entity has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

16 Borrowings

	2025	2024
Current	$	$
Shareholder loans - Unsecured	1,713,984	1,302,323
TP24 CreditLine - Secured	746,266	797,996
Insurance Premium Funding	85,538	110,096
AMEX Credit Card	13,307	132,555
Convertible Notes	3,523,915	246,203
	6,083,010	2,589,173
Non-Current		
Shareholder loans - Unsecured	1,000,000	-
Convertible Notes	-	3,060,000
	1,000,000	3,060,000

TP24 CreditLine is secured against the trade receivables balance withing Hydrx Services Pty Ltd.

In the prior year, interest accrued on shareholder loans and convertible notes was incorrectly recognised as a trade and other payables. This has been reclassified to borrowings in the current year comparative. The reclassification resulted in a decrease in trade and other payables and a corresponding increase in borrowings of $298,526 as at 30 June 2024.

Total unsecured borrowings

The following unsecured borrowings from shareholders are in place at 30 June 2025

Amount	Interest Rate	Maturity Date	Undrawn amount at 30 June 2025
$			$
500,000	11%	31-Dec-24	-
500,000	10%	31-Dec-24	-
750,000	12%	31-Aug-26	150,000
100,000	12%	30-Jun-25	-
500,000	12%	31-Aug-26	100,000
100,000	12%	30-Jun-25	-
250,000	8%	30-Jun-24	-
25,000	12%	30-Jun-25	-
25,000	12%	30-Jun-25	-

Refer to note 23 for further information on financial instruments, refer note 31 for events after the reporting period affecting these borrowings, and note 25 for related party transactions

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	2025	2024
Total facilities	$	$
Shareholder loans	2,750,000	1,250,000
Convertible Notes	3,060,000	3,060,000
TP24 CreditLine	746,266	805,197
AMEX Credit Card	112,000	133,000
	6,668,266	5,248,197
Used at the reporting date		
Shareholder loans	2,500,000	1,250,000
Convertible Notes	3,060,000	3,060,000
TP24 CreditLine	746,266	797,996
AMEX Credit Card	13,307	132,555
	6,319,573	5,240,551

16 Borrowings (continued)

Unused at the reporting date		
Shareholder loans	250,000	-
TP24 CreditLine	-	7,201
AMEX Credit Card	98,693	445
	348,693	7,646

Accounting Policy - Borrowings

Borrowings are classified as current liabilities unless the consolidated entity has an unconditional right to defer settlement of the liability for at least 12 months after balance date. Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

17 Leasing

The consolidated entity leases an office building. The lease liability is secured by the related underlying right-of-use asset. The maturity analysis of lease payments at 30 June 2025 were as follows:

	Maturity analysis			
	Within one year	One to five years	After five years	Total
	$	$	$	$
Lease payments	616,157	1,244,016	-	1,860,172

	2025	2024
Lease liabilities	$	$
Current	483,841	675,864
Non-current	1,094,806	1,578,647
	1,578,647	2,254,511

During prior periods the consolidated entity and its landlord agreed to rent concessions as a direct consequence of the COVID-19 pandemic. The deferred rent arising is payable in equal monthly instalments during the period from 1 February 2022 to 31 December 2025. These have been accounted for in line with AASB 16 within the lease liability and right-of-use asset, as part of the variation.

Accounting Policy - Lease payments

An assessment is made at contract inception as to whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The consolidated entity has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

Set out below are the carrying amounts of the consolidated entity's right-of-use assets:

	Property	
	2025	2024
	$	$
Right-of-use assets	3,449,405	3,449,405
Accumulated depreciation	(2,488,405)	(2,213,842)
	961,000	1,235,563

Notes accompanying the financial statements

for the year ended 30 June 2025

For personal use only

17 Leasing (continued)

Reconciliations

Reconciliations of the written down values of right-of-use assets at the beginning and end of the current and previous financial year are set out below:

	Total
	$
Balance as at 1 July 2023	1,153,645
Increase in right-of-use asset due to lease variation	449,928
Depreciation expense	(368,010)
Balance as at 30 June 2024	1,235,563
Balance as at 1 July 2024	1,235,563
Depreciation expense	(274,563)
Balance as at 30 June 2025	961,000

18 Equity - issued capital

	Consolidated			
	2025	2024	2025	2024
	Shares	Shares	$	$
a) Ordinary shares - fully paid	272,768,847	254,218,847	102,411,434	102,126,684

Movements in ordinary share capital	Date	Shares	Issue price	$
Balance	1-Jul-24	254,218,847		102,126,684
Issue of shares under exercise of performance rights	22-Nov-24	450,000	$ 0.130	58,500
Issue of shares to KMP's	3-Dec-24	18,100,000	$ 0.013	226,250
Balance	30-Jun-25	272,768,847		102,411,434

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

b) Unlisted options issued	Options
At 1 July 2023	3,466,790
- Options which expired unexercised	(393,380)
- Options issued under the LTIP	1,373,000
- Options issued to Lead Manager on Convertible Note issue	920,000
- Options forfeited on failure to meet vesting conditions	(76,065)
At the end of the reporting period - 30 June 2024	5,290,345
At 1 July 2024	5,290,345
- Options which expired unexercised	(2,172,717)
- Options issued under the LTIP	1,574,250
- Options forfeited on failure to meet vesting conditions	(172,213)
At the end of the reporting period - 30 June 2025	4,519,665

18 Equity - issued capital (continued)

c) Performance rights issued	Performance rights
At 1 July 2023	4,500,000
- Performance rights forfeited on failure to meet vesting conditions	(4,025,000)
At the end of the reporting period - 30 June 2024	475,000
At 1 July 2024	475,000
- Performance rights exercised	(450,000)
- Performance rights forfeited on failure to meet vesting conditions	(25,000)
- Performance rights issued	10,400,000
At the end of the reporting period - 30 June 2025	10,400,000

Refer to note 30 for share based payments in the current period.

Capital risk management

The Board controls the capital of the consolidated entity in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the consolidated entity can fund its operations and continue as a going concern. The consolidated entity's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements. Management effectively manages the consolidated entity's capital by assessing the consolidated entity's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the consolidated entity since the prior year.

Accounting Policy - Issued capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

19 Equity - reserves

	Consolidated	
	2025	2024
	$	$
Share based payments reserve	126,512	386,859
Foreign currency translation reserve	(69,372)	(33,101)
	57,140	353,758

For personal use only

19 Equity - reserves (continued)

Movement in reserves

Movement in each class of reserve during the current and previous financial year are set out below:

	Share based payments reserve	Other reserves	Total Reserves
	$	$	$
Balance at 30 June 2023	687,129	(9,009)	678,120
Share based payments	(125,036)	-	(125,036)
Options which expired unexercised	(72,484)	-	(72,484)
Performance rights forfeited failing vesting conditions	(102,750)	-	(102,750)
Movement in functional currency of foreign operations	-	(24,092)	(24,092)
Balance at 30 June 2024	386,859	(33,101)	353,758
Share based payments	47,419	-	47,419
Options which expired unexercised	(246,016)	-	(246,016)
Performance rights forfeited failing vesting conditions	(61,750)	-	(61,750)
Movement in functional currency of foreign operations	-	(36,271)	(36,271)
Balance at 30 June 2025	126,512	(69,372)	57,139

Accounting Policy - Equity reserves

Share based payments reserve
The share based payments reserve records items recognised as expenses on valuation of employee share options and performance rights.

Contingent consideration equity reserve
The contingent consideration equity reserve is measured based on the share price and number of shares to be issued under the tranche payment and the probability of meeting the required milestones on acquisition date. Equity is not subsequently remeasured.

Foreign currency translation reserve
The foreign currency translation reserve is used to recognise increments and decrements in the fair value of foreign currency through other comprehensive income.

20 Equity - accumulated losses

	2025	2024
	$	$
Accumulated losses at the beginning of the financial year	(105,835,535)	(96,451,917)
Loss after income tax expense for the year	(3,654,226)	(9,558,852)
Transfer from options reserve to account for expired options	246,016	72,484
Transfer from options reserve to account for options that failed to vest	3,250	102,750
Accumulated losses at the end of the financial year	(109,240,494)	(105,835,535)

21 Reconciliation of loss after income tax to net cash used in operating activities

	2025	2024
	$	$
Total comprehensive loss for year	(3,690,497)	(9,582,944)
Adjustments for:		
Effects of exchange rate changes on cash and cash equivalents	(493)	404
Depreciation and amortisation	763,501	937,309
(Gain)/Loss on contingent consideration liability	-	-
(Gain)/Loss on financial instruments at fair value through profit or loss	461,910	1,697,631
Impairment of intangible assets	-	2,508,079
Impairment of receivables	11,454	(50,283)
(Profit)/Loss on disposal of fixed assets	-	(457)
Share based payments	47,419	(125,036)
Unrealised foreign exchange (gain)/loss	(2,213)	(1,797)
Unwinding of the discount on provisions	9,927	(3,321)
Interest on convertible note	-	(8,307)
Interest received	(21,461)	(13,958)
Interest and other finance costs paid	815,741	483,182
Changes in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(784,815)	1,094,373
Decrease/(increase) in contract assets	(23,478)	(27,675)
Decrease/(increase) in prepayments	19,568	70,817
Decrease/(increase) in inventory	-	19,753
Decrease/(increase) in right-of-use asset	-	(449,928)
Decrease/(increase) in other assets	(1,994)	6,969
Increase/(decrease) in trade and other payables	2,134,067	722,589
Increase/(decrease) in contract liabilities	(100,910)	(211,905)
Increase/(decrease) in provisions	(165,982)	375,309
Increase/(decrease) in other liabilities	1,249	667,547
Net cash used in operating activities	(527,007)	(1,891,650)

22 Financial Instruments

Financial risk management objectives

The entity's activities expose it to a variety of financial risks: market risk (consisting of interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. Receivables balances are in general unsecured and non-interest-bearing. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

For personal use only

22 Financial Instruments (continued)

Market risk

Interest rate risk

The consolidated entity's main interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the consolidated entity to interest rate risk. Borrowings obtained at fixed rates expose the consolidated entity to fair value risk. As at 30 June 2025 all shareholder loans were at fixed rates. The TP24 CreditLine facility is charged at an interest rate of 8.6% fixed plus variable equal to the 30 day BBSW rate. At 30 June 2025, the total interest rate on this facility was 12.70%.

The consolidated entity's shareholder loans outstanding, totalling $2,713,984 (2024: $1,302,323), are interest only loans. Monthly cash outlays of $22,917 (2024: $10,417) are required to service the interest payments. Refer to note 31 for events after the reporting period affecting these borrowings

Price risk

The consolidated entity is exposed to equity securities price risk arising from investments held by the consolidated entity and classified on the Statement of Financial Position as fair value through profit or loss of $3,557,002 (2024: $3,416,120).

Sensitivity Analysis

At reporting date, if equity prices had been 10% lower/higher, profit or loss before income tax of the consolidated entity would have decreased/increased by $355,700 (2024: $341,612).

The following investments constitute 100% of the consolidated entity's equity portfolio and security price risk:

Company	Fair Value ($)	Portfolio (%)
2025		
Avertix Medical Inc.	141,564	4.5%
Wavewise Analytics Pty Ltd	375,000	11.8%
Gyder Surgical Pty Ltd	2,651,466	83.6%
Other	4,052	0.1%
	3,172,082	100.0%

Company	Fair Value ($)	Portfolio (%)
2024		
Avertix Medical Inc.	139,983	4.1%
Wavewise Analytics Pty Ltd	950,250	27.8%
Gyder Surgical Pty Ltd	2,318,082	67.9%
Other	7,806	0.2%
	3,416,120	100.0%

Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Unused borrowing facilities at the reporting date:

	Consolidated	
	2025	2024
	$	$
Shareholder loans	250,000	-
TP24 CreditLine	-	7,201
AMEX Credit Card	98,693	445
	348,693	7,646

The shareholder loan facilities have been fully drawn down as at the reporting date. The TP24 CreditLine unused borrowings reflects the remaining available balance based on current eligible debtors less funds already drawn down at 30 June 2025.

22 Financial Instruments (continued)

2025	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
	%	$	$	$	$	$
Non-interest bearing						
Trade payables		356,032	-	-	-	356,032
Other payables		39,951	-	-	-	39,951
Accrued liabilities		393,261	-	-	-	393,261
Interest-bearing - fixed rate						
Shareholder loans	11.00%	1,713,984	1,000,000	-	-	2,713,984
Lease liabilities	10.00%	616,157	485,678	758,337	-	1,860,172
Interest-bearing - variable rate						
TP24 CreditLine	12.70%	746,266	-	-	-	746,266
Total		3,865,651	1,485,678	758,337	-	6,109,666

2024	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
	%	$	$	$	$	$
Non-interest bearing						
Trade payables		415,444	-	-	-	415,444
Other payables		41,442	-	-	-	41,442
Accrued liabilities		260,937	-	-	-	260,937
Interest-bearing - fixed rate						
Shareholder loans	10.00%	1,302,323	-	-	-	1,302,323
Lease liabilities	10.00%	868,601	616,157	1,244,016	-	2,728,773
Interest-bearing - variable rate						
TP24 CreditLine	12.91%	797,996	-	-	-	797,996
Total non-derivatives		3,686,743	616,157	1,244,016	-	5,546,915

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

For personal use only

22 Financial Instruments (continued)

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Accounting Policy - Financial instruments

Recognition and Initial Measurement

Financial assets and financial liabilities are recognised when the consolidated entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the consolidated entity commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The consolidated entity does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a company of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Loans and receivables are included in current assets, where they are expected to mature within 12 months after the end of the reporting period.

(iii) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

They are subsequently measured at fair value with any measurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Financial assets at fair value through other comprehensive income are classified as non-current assets when they are expected to be sold after 12 months from the end of the reporting period.

23 Key Management Personnel

Compensation

The aggregate compensation made to directors of the consolidated entity is set out below:

	Consolidated	
	2025	**2024**
	$	$
Short-term employee benefits	451,877	309,502
Fees paid to directors	152,978	246,789
Post-employment benefits	61,076	46,256
Long-term benefits	5,958	5,904
Share-based payments:		
- Expensed during the year	6,726	(147,496)
	678,615	460,955

Further information in relation to remuneration paid or payable to each member of the consolidated entity's KMP can be found in the Directors' Remuneration Report. At 30 June 2025 a total of $116,688 of Director fees had accrued but were not paid

24 Auditors remuneration

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the company, its network firms and unrelated firms:

	Consolidated	
	2025	**2024**
	$	$
Audit services - Grant Thornton Audit Pty Ltd	144,344	136,578
Audit or review of the financial statements	144,344	136,578

	Consolidated	
	2025	**2024**
	$	$
Tax Services - Grant Thornton Australia Limited	3,308	10,815
Other services	3,308	10,815

25 Related party transactions

Parent entity

Hydrix Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 27.

Key management personnel

Disclosures relating to key management personnel are set out in note 24 and the remuneration report included in the director's report.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	2025	**2024**
	$	$
Loans received from shareholders	1,250,000	1,150,000
Loans repaid to shareholders	-	150,000
Loans converted by shareholders into convertible notes	-	1,000,000
Interest expenses on loans from shareholders	161,662	71,118
Interest expenses on convertible notes issued to shareholders	306,000	265,122

Notes accompanying the financial statements

for the year ended 30 June 2025

For personal use only

25 Related party transactions (continued)

Payable to related parties:	Consolidated 2025 $	Consolidated 2024 $
Director fees payable	116,688	171,759
Interest payable to shareholders	677,900	298,526
Salary payable to Directors	-	12,055
	794,588	482,339

Loans from related parties	Consolidated 2025 $	Consolidated 2024 $
Loans from shareholders	2,500,000	1,250,000

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates. Terms of the loans are disclosed in note 16. Refer note 31 for events after the reporting period affecting related party transactions

26 Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent 2025 $	Parent 2024 $
(Loss) after income tax	(1,773,270)	(1,837,027)
Total comprehensive income	(1,773,270)	(1,837,027)

Statement of financial position

	Parent 2025 $	Parent 2024 $
Total current assets	170,172	217,820
Total assets	675,119	1,901,244
Total current liabilities	6,680,963	2,175,234
Total liabilities	6,712,069	5,256,336
Equity		
Issued Capital	102,411,434	102,126,684
Share based payments reserve	126,512	386,859
Accumulated losses	(108,574,896)	(105,868,635)
Total Equity	(6,036,950)	(3,355,092)

Set out below is a reconciliation for movements in accumulated losses of the parent entity in the year:

	2025 $	2024 $
Accumulated losses at the beginning of the financial year	(105,868,635)	(94,300,063)
Loss after income tax expense for the year	(1,773,270)	(1,837,027)
Impairment in receivable from subsidiary	(1,182,258)	(9,906,778)
Transfer from options reserve to account for expired options	246,016	72,484
Transfer from options reserve to account for options that failed to vest	3,250	102,750
Accumulated losses at the end of the financial year	(108,574,896)	(105,868,635)

26 Parent entity information (continued)

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

Under the agreement entered into between Hydrix Services and TP24, a Deed of Guarantee and Indemnity was also entered into with Hydrix Limited (the parent entity) acting as Guarantor in respect of the debt arising between Hydrix Services and TP24.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2025 (2024: nil).

Capital commitments - Plant and equipment

The parent entity had no capital commitments for plant and equipment as at 30 June 2025 and 30 June 2024.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1.

27 Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of	Ownership interest 2025 %	Ownership interest 2024 %
Hydrix Services Pty Ltd	Australia	100%	100%
Hydrix Ventures Pty Ltd	Australia	100%	100%
Hydrix Medical Pty Ltd	Australia	100%	100%
Hydrix Medical New Zealand Limited	New Zealand	100%	100%
Hydrix Medical Pte Ltd	Singapore	100%	100%
Hydrix DE LLC	United States	100%	100%

28 Earnings per share

	Consolidated 2025 $	Consolidated 2024 $
Loss after income tax attributable to the owners of Hydrix Limited	(3,654,226)	(9,558,852)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	264,181,227	254,218,847
Anti-dilutive shares excluded from weighted average number of ordinary shares:		
Convertible Notes	3,060,000	3,060,000
Options and rights over ordinary shares	13,999,665	5,765,345
Weighted average number of ordinary shares used in calculating diluted earnings per share	264,181,227	254,218,847
	Cents	**Cents**
Basic and diluted loss per share	(1.38)	(3.76)

For personal use only

28 Earnings per share (continued)

Accounting Policy - Earnings per Share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Hydrix Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

29 Share-based payments

Recognised share-based payment expenses
The expense recognised from employee services received during the year is shown in the table below:

	Consolidated	
	2025	2024
	$	$
Expenses arising from equity-settled share-based payment transactions	47,419	199,964
Performance rights that failed to vest with non-market based vesting conditions	-	(325,000)
	47,419	(125,036)

Types of share-based payment plan
Employee Share Option Plan, 'ESOP'
A Long Term Incentive Plan (LTIP) has been established and approved by shareholders where the company may, at the discretion of the Board, grant options over the ordinary shares of Hydrix Limited to Directors, Executives, contractors and employees of the consolidated entity. The exercise of the options are subject to time-based and performance-based vesting conditions. The options cannot be transferred and will not be quoted on the ASX.

The following non-quoted options were in existence during the 2025 financial year.

Grant date	Expiry date	Exercise price	Balance at the start of the year	Options granted	Options exercised	Options expired/ forfeited	Balance at the end of the year
9-Mar-20	30-Jun-25	$0.290	286,626	-	-	(286,626)	-
8-Sep-20	30-Jun-25	$0.075	322,402	-	-	(322,402)	-
2-Oct-20	30-Jun-25	$0.075	262,500	-	-	(262,500)	-
17-Jan-22	30-Jun-26	$0.100	613,425	-	-	(85,800)	527,625
30-Sep-22	30-Jun-27	$0.175	537,392	-	-	(126,352)	411,040
23-Nov-23	30-Jun-28	$0.073	1,348,016	-	-	(221,266)	1,126,750
30-Oct-24	30-Jun-29	$0.028	-	1,574,250	-	(40,000)	1,534,250
			3,370,361	1,574,250	-	(1,344,946)	3,599,665

For the options issued under the LTIP during the current financial year, the fair value at the grant date ($0.010) was calculated by applying the Black-Scholes valuation model.

The options issued under the LTIP vest subject to time-based and performance-based vesting conditions, including the employee remaining in the employ of the consolidated entity during the performance period and satisfaction of individual KPI's.

29 Share-based payments (continued)

During the 2022 financial year, 1,000,000 non-quoted options with a fair value of $52,002 were issued to the lead joint lead managers of the Placement Offer, as part consideration for services provided. These expired unexercised in the FY 2025.

Grant date	Expiry date	Exercise price	Balance at the start of the year	Options granted	Options exercised	Options expired/ forfeited	Balance at the end of the year
7-Mar-22	7-Mar-25	$0.300	1,000,000	-	-	(1,000,000)	-
			1,000,000	-	-	(1,000,000)	-

Weighted average remaining contractual life
The weighted average remaining contractual life for the share options outstanding as at 30 June 2025 is 2 years and 0 month (2024: 2 years 1 months).

Range of exercise price
The range of exercise prices for options outstanding at end of the year was $0.028 - $0.30 (2024: $0.073 - $0.30).

The following performance rights were in existence during the 2025 financial year.

Grant date	Vesting date	Exercise price	Balance at the start of the year	Performance rights granted	Performance rights exercised	Performance rights expired/ lapsed / failed to vest	Balance at the end of the year
24-Nov-21	30-Jun-23	$0.00	225,000	-	(225,000)	-	-
24-Nov-21	30-Jun-24	$0.00	250,000	-	(225,000)	(25,000)	-
20-Dec-24	1-Jul-25	$0.00	-	1,400,000	-	-	1,400,000
21-Jan-25	1-Jul-27	$0.00	-	9,000,000	-	-	9,000,000
			475,000	10,400,000	(450,000)	(25,000)	10,400,000

The performance rights vest subject to satisfaction of prescribed vesting conditions including market conditions, and financial, operational, corporate governance, strategic planning and business development objectives set by the Board.

Weighted average remaining contractual life
The weighted average remaining contractual life for the performance rights outstanding as at 30 June 2025 is 3 Years and 9 months (2024: 3 years and 6 months).

For movements in share options during the prior year, refer to note 19.

Accounting Policy - Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

For personal use only

29 Share-based payments (continued)

Accounting Policy - Share-based payments (continued)

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

30 Contingent liabilities

The consolidated entity had no contingent liabilities as at 30 June 2025 (2024: nil).

31 Events after the reporting period

After the reporting period, the following debt instruments had their maturity dates extended. All other terms of these instruments remain unchanged:

Debt instrument	Amount $	Previous maturity date	New maturity date	Date of change
Shareholder loan	500,000	31-Dec-24	1-Oct-26	23-Sep-25
Shareholder loan	500,000	31-Dec-24	1-Oct-26	23-Sep-25
Shareholder loan	750,000	31-Aug-26	1-Oct-26	23-Sep-25
Shareholder loan	100,000	30-Jun-25	1-Oct-26	23-Sep-25
Shareholder loan	500,000	31-Aug-26	1-Oct-26	23-Sep-25
Shareholder loan	100,000	30-Jun-25	1-Oct-26	23-Sep-25
Shareholder loan	25,000	30-Jun-25	1-Oct-26	23-Sep-25
Shareholder loan	25,000	30-Jun-25	1-Oct-26	23-Sep-25
Convertible Notes	2,100,000	6-Dec-25	11-Oct-26	23-Sep-25
Convertible Notes	500,000	11-Oct-25	11-Oct-26	8-Oct-25

In addition, Hydrix Services Pty Ltd's agreement with TP24 Creditline has been extended from 30 September 2025 to 30 November 2025, with option for further extension.

Consolidated entity disclosure

30 June 2025

Entity	Type of Entity	Trustee, partner or participant in joint venture	% of share capital held	Country of Incorporation	Australian resident or foreign resident (for tax purposes)	Foreign tax jurisdiction(s) of foreign residents
Hydrix Limited	Body Corporate	n/a	n/a	Australia	Australian	n/a
Hydrix Services Pty Ltd	Body Corporate	n/a	100%	Australia	Australian	n/a
Hydrix DE LLC	Body Corporate	n/a	100%	USA	Australian	n/a
Hydrix Medical Pty Ltd	Body Corporate	n/a	100%	Australia	Australian	n/a
Hydrix Medical Pte Ltd	Body Corporate	n/a	100%	Singapore	Australian	n/a
Hydrix Medical New Zealand Ltd	Body Corporate	n/a	100%	New Zealand	Australian	n/a
Hydrix Ventures Pty Ltd	Body Corporate	n/a	100%	Australia	Australian	n/a

Directors' declaration

In the directors' opinion:

- The attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- The attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- The attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;
- The consolidated entity disclosure statement is true and correct; and
- There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

Mr Gavin Coote
Executive Chairman
Dated: 10 October 2025

For personal use only

Independent auditor's report

Grant Thornton

Grant Thornton Audit Pty Ltd
Level 22 Tower 5
Collins Square
727 Collins Street
Melbourne VIC 3008
GPO Box 4736
Melbourne VIC 3001
T +61 3 8320 2222

Auditor's Report

To the Members of Hydrix Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Hydrix Limited (the Company) and its subsidiaries (the Consolidated Entity), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Consolidated Entity is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2025 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

www.grantthornton.com.au
ACN-130 913 594

Grant Thornton Audit Pty Ltd ACN 130 913 594 a subsidiary or related entity of Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389. 'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Limited is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389 and its Australian subsidiaries and related entities. Liability limited by a scheme approved under Professional Standards Legislation.

For personal use only

Material uncertainty related to going concern

We draw attention to Note 1 in the financial statements, which indicates that the Consolidated Entity incurred a net loss of $3,654,226 during the year ended 30 June 2025, and as of that date, the Consolidated Entity's current liabilities exceeded its current assets by $9,271,861. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast doubt on the Consolidated Entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition – Note 4	
For the year ended 30 June 2025, the Consolidated Entity recognised revenue from external customers of $10,091,308 from variable and fixed price service contracts. This revenue is recognised in accordance with AASB 15 *Revenue from Contracts with Customers*. Measuring the amount of revenue to recognise in the financial statements, including identifying performance obligations, evaluating stand-alone selling prices and timing of revenue recognition, involves significant management judgement. This area is a key audit matter due to the complexity and judgement associated with recognising revenue, particularly near year-end.	Our procedures included, amongst others: • Documenting and updating our understanding of the internal processes and controls around revenue recognition to ensure compliance with AASB 15; • Assessing the design and implementation of relevant controls in relation to accounting for revenue; • Testing a sample of revenue contracts to supporting documentation and assessing whether revenue has been recorded in the correct period and in compliance with AASB 15; • Reviewing the progress of fixed price contracts to critically assess management's estimates of project stage of completion and progress against budget; • Reviewing the cut-off of revenue across the year end to assess the appropriateness of management's assessment of the timing of revenue recognition in accordance with AASB 15; and • Assessing the adequacy of disclosures for compliance with the Australian Accounting Standards.
Carrying value of level 3 financial assets – Note 11	
The Group has an investment in Wavewise Analytics Pty Ltd of $375,000 (2024: $950,000). The investment is accounted for as Fair Value through the Profit and Loss and is classified as a Level 3 financial asset under the fair value hierarchy due to the absence of observable market arm's length transactions in the shares, and the reliance on significant unobservable inputs used in deriving the fair value.	Our procedures included, amongst others: • Obtaining an understanding of management's process for determining the fair value of the investment; • Assessing the competence, capabilities and objectivity of management's external valuation expert engaged to perform the fair value assessment;

To support the fair value measurement, management engaged an external valuer to perform an independent valuation of the investment. The valuation of this Level 3 investment has been identified as Key Audit Matter given the high estimation uncertainty and complexity in valuing level 3 investments.	• Engaging an internal valuation expert to assist in evaluating the appropriateness of management's valuation methodology and to challenge the reasonableness of significant assumptions, • Comparing key assumptions and inputs used in the valuation model to observable market or other data where available; • Performing sensitivity analyses to assess the impact of reasonably possible changes in key unobservable inputs; • Reviewing subsequent events; and • Assessing the adequacy of financial report disclosures required under AASB 13 *Fair Value Measurement*.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2025 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent auditor's report

For personal use only

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of:

a the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* (other than the consolidated entity disclosure statement); and

b the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the Directors determine is necessary to enable the preparation of:

i. the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Consolidated Entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 11 to 16 of the Directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Hydrix Limited, for the year ended 30 June 2025 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton Audit Pty Ltd
Chartered Accountants

B A Mackenzie
Partner – Audit & Assurance

Melbourne, 10 October 2025

Additional securities exchange information

In accordance with ASX Listing Rule 4.10, the Company provides the following information to shareholders not elsewhere disclosed in this Annual Report. The information provided is current as at 10 October 2025 (**Reporting Date**).

CORPORATE GOVERNANCE STATEMENT

The Company's Directors and management are committed to conducting the Group's business in an ethical manner and in accordance with the highest standards of corporate governance. The Company has adopted and substantially complies with the *ASX Corporate Governance Principles and Recommendations (Fourth Edition)* (**Recommendations**) to the extent appropriate to the size and nature of the Group's operations.

The Company has prepared a statement which sets out the corporate governance practices that were in operation throughout the financial year for the Company, identifies any Recommendations that have not been followed, and provides reasons for not following such Recommendations (**Corporate Governance Statement**).

In accordance with ASX Listing Rules 4.10.3 and 4.7.4, the Corporate Governance Statement will be available for review on the Company's website (https://www.hydrixltd.com/corporate-governance), and will be lodged together with an Appendix 4G with ASX at the same time that this Annual Report is lodged with ASX.

The Appendix 4G will particularise each Recommendation that needs to be reported against by the Company, and will provide shareholders with information as to where relevant governance disclosures can be found.

The Company's corporate governance policies and charters are all available on its website at https://www.hydrixltd.com/corporate-governance.

SUBSTANTIAL HOLDERS

As at the Reporting Date, the names of the substantial holders of the Company and the number of ordinary voting shares in which those substantial holders and their associates have a relevant interest (based on the Company's share register as at the Reporting Date and/or substantial holding notices given to the Company) are as follows:

Holder of Equity Securities	Class of Equity Securities	Number of Equity Securities held	% of total issued securities capital in relevant class
John W King Nominees Pty Ltd and Julie King	Ordinary shares	30,913,145	11.33%
Invia Custodian Pty Limited and Paul Lewis	Ordinary shares	20,423,334	7.49%
Citicorp Nominees Pty Limited	Ordinary shares	15,667,565	5.74%

NUMBER OF HOLDERS

As at the Reporting Date, the number of holders in each class of equity securities is as follows:

Class of Equity Securities	Number of holders
Fully paid ordinary shares	3,314
Unlisted options exercisable at $0.06 each, expiring 28 November 2025	1
Unlisted LTIP options exercisable at $0.10 each, expiring on 30 June 2026	20
Unlisted LTIP options exercisable at $0.175, expiring on 30 June 2027	22
Unlisted LTIP options exercisable at $0.0726, expiring on 30 June 2027	29
Unlisted LTIP options exercisable at $0.028, expiring 30 June 2029	41
LTIP Performance rights	7
Convertible notes	14

VOTING RIGHTS OF EQUITY SECURITIES

The only class of equity securities on issue in the Company which carries voting rights is ordinary shares.

As at the Reporting Date, there were 3,314 holders of a total of 272,768,847 ordinary shares of the Company.

At a general meeting of The Company, every holder of ordinary shares present in person or by proxy, attorney or representative has one vote on a show of hands and on a poll, one vote for each ordinary fully paid share held. On a poll, every member (or his or her proxy, attorney or representative) is entitled to vote for each fully paid share held and in respect of each partly paid share, is entitled to a fraction of a vote equivalent to the proportion which the amount paid up (not credited) on that partly paid share bears to the total amounts paid and payable (excluding amounts credited) on that share. Amounts paid in advance of a call are ignored when calculating the proportion.

DISTRIBUTION OF HOLDERS OF EQUITY SECURITIES

The distribution of holders of equity securities on issue in the Company as at the Reporting Date is as follows:

Distribution of ordinary shareholders

Holdings Ranges	Holders	Total Units	%
1 – 1,000	1,103	503,067	0.180
1,001 – 5,000	832	2,153,149	0.790
5,001 – 10,000	346	2,723,785	1.000
10,001 – 100,000	758	25,804,171	9.460
100,001 and over	275	241,584,675	88.570
Totals	3,314	272,768,847	100%

Distribution of holders of unlisted options exercisable at $0.06 each, expiring on 28 November 2025

Holdings Ranges	Holders	Total Units	%
1 – 1,000	0	0	0.000
1,001 – 5,000	0	0	0.000
5,001 – 10,000	0	0	0.000
10,001 – 100,000	0	0	0.000
100,001 and over	1	920,000	100.000
Totals	1	920,000	100%

Distribution of holders of unlisted options issued under the LTIP at $0.10 each, expiring on 30 June 2026

Holdings Ranges	Holders	Total Units	%
1 – 1,000	0	0	0.000
1,001 – 5,000	10	30,414	23.060
5,001 – 10,000	5	35,869	27.190
10,001 – 100,000	5	65,626	49.750
100,001 and over	0	0	0.000
Totals	20	131,909	100%

For personal use only

Additional securities exchange information

For personal use only

DISTRIBUTION OF HOLDERS OF EQUITY SECURITIES cont.

Distribution of holders of unlisted options issued under the LTIP at $0.175 each, expiring on 30 June 2027

Holdings Ranges	Holders	Total Units	%
1 – 1,000	0	0	0.000
1,001 – 5,000	12	41,852	39.220
5,001 – 10,000	9	53,908	50.520
10,001 – 100,000	1	10,938	10.250
100,001 and over	0	0	0.000
Totals	22	106,698	100%

Distribution of holders of unlisted options issued under the LTIP at $0.0726 each, expiring on 30 June 2027

Holdings Ranges	Holders	Total Units	%
1 – 1,000	0	0	0.000
1,001 – 5,000	5	19,689	6.800
5,001 – 10,000	15	111,063	38.360
10,001 – 100,000	9	158,752	54.840
100,001 and over	0	0	0.000
Totals	29	289,504	100%

Distribution of holders of unlisted options issued under the LTIP at $0.028 each, expiring on 30 June 2029

Holdings Ranges	Holders	Total Units	%
1 – 1,000	1	0	0.000
1,001 – 5,000	5	15,875	4.070
5,001 – 10,000	24	184,063	47.220
10,001 – 100,000	11	189,875	48.710
100,001 and over	0	0	0.000
Totals	41	389,813	100%

Distribution of holders of performance rights issued under the LTIP, expiring 31 December 2026

Holdings Ranges	Holders	Total Units	%
1 – 1,000	0	0	0.000
1,001 – 5,000	0	0	0.000
5,001 – 10,000	0	0	0.000
10,001 – 100,000	0	0	0.000
100,001 and over	7	1,400,000	100%
Totals	7	1,400,000	100%

Distribution of holders of performance rights issued under the LTIP, expiring 30 June 2029

Holdings Ranges	Holders	Total Units	%
1 – 1,000	0	0	0.000
1,001 – 5,000	0	0	0.000
5,001 – 10,000	0	0	0.000
10,001 – 100,000	0	0	0.000
100,001 and over	7	9,000,000	100%
Totals	7	9,000,000	100%

Distribution of convertible note holders

Holdings Ranges	Holders	Total Units	%
1 – 1,000	0	0	0.000
1,001 – 5,000	0	0	0.000
5,001 – 10,000	0	0	0.000
10,001 – 100,000	10	435,000	14.216
100,001 and over	4	2,625,000	85.784
Totals	14	3,060,000	100%

LESS THAN MARKETABLE PARCELS OF ORDINARY SHARES (UMP SHARES)

The number of holders of less than a marketable parcel of ordinary shares based on the closing market price at the Reporting Date is as follows:

Total Shares	UMP Shares	UMP Holders	% of issued shares held by UMP holders
272,768,847	10,723,821	2,619	3.93147

Additional securities exchange information

For personal use only

TWENTY LARGEST SHAREHOLDERS

The Company has one class of quoted securities, being ordinary shares. The names of the 20 largest holders of ordinary shares, and the number of shares and percentage of capital held by each holder is as follows:

Ordinary shares:

Shareholder Name	Balance as at Reporting Date	%
JOHN W KING NOMINEES PTY LTD	30,913,145	11.333%
CITICORP NOMINEES PTY LIMITED	15,667,565	5.744%
PUSEN MEDICAL TECHNOLOGY AUSTRALIA PTY LTD	12,000,000	4.399%
INVIA CUSTODIAN PTY LIMITED <THE PAJ A/C>	10,211,667	3.744%
INVIA CUSTODIAN PTY LIMITED <PAJ LEWIS SUPER FUND A/C>	10,211,667	3.744%
BEACHRIDGE ADVISORY SERVICES PTY LTD <THE COOTE FAMILY DISCR A/C>	10,208,502	3.743%
AUSTRALIAN PHILANTHROPIC & SERVICES FOUNDATION P/L <AUSTRALIAN PHIL SERVICE A/C>	9,623,304	3.528%
ROGER ALLEN AND MAGGIE GRAY PTY LIMITED	5,226,190	1.916%
INDIGENOUS CAPITAL LIMITED	5,226,190	1.916%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	4,398,204	1.612%
TOWNS CORPORATION PTY LTD <PAE FAMILY A/C>	3,400,000	1.246%
MR PAUL ALEXANDER EHRLICH & MRS LAUREN STACEY EHRLICH <PAE & LSE SUPER FUND A/C>	3,197,500	1.172%
JASPER CAPITAL LTD	3,000,000	1.100%
LAMPSAC PTY LTD <CENTRAL COAST SUPERFUND A/C>	2,784,619	1.021%
SUMMIT TWENTY-FIVE PTY LTD <MEGALINA SUPER FUND A/C>	2,750,000	1.008%
FLINDERS MEDICAL CENTRE FOUNDATION	2,404,819	0.882%
E L G NOMINEES PTY LTD <GUDE FAMILY NO 3 A/C>	2,362,577	0.866%
MR MARK IAN WIRRELL	2,040,238	0.748%
DR DEBBIE LEONG	2,000,000	0.733%
FALAFEL INVESTMENTS PTY LIMITED <GRANT SUPER FUND A/C>	2,000,000	0.733%
Total Securities of Top 20 Holdings	139,626,187	51.188%
Total of Securities	272,768,847	

COMPANY SECRETARY

The Company's secretary is Ms Alyn Tai.

REGISTERED OFFICE

The address and telephone number of the Company's registered office is:

30 – 32 Compark Circuit
Mulgrave Victoria 3170

Telephone: +61 (0)3 9550 8100

SHARE REGISTRY

The address and telephone number of the Company's share registry, Boardroom Pty Limited, are:

Level 8
210 George Street
Sydney NSW 2000

Telephone: 1300 737 760 / +61 (0)2 9290 9600

STOCK EXCHANGE LISTING

The Company's ordinary shares are quoted on the Australian Securities Exchange (**ASX**).

ESCROW

There are no securities on issue in the Company that are subject to voluntary escrow.

UNQUOTED EQUITY SECURITIES

The number of each class of unquoted equity securities on issue, and the number of holders in each such class, are as follows:

Class of Equity Securities	Number of unquoted Equity Securities	Number of holders
Options exercisable at $0.06 each, expiring 28 November 2025	920,000	1
LTIP options exercisable at $0.10 each, expiring on 30 June 2026	527,625	20
LTIP options exercisable at $0.175, expiring on 30 June 2027	426,792	22
LTIP options exercisable at $0.0726, expiring on 30 June 2027	1,158,016	29
LTIP options exercisable at $0.028, expiring 30 June 2029	1,559,432	41
LTIP performance rights	10,400,000	7
Convertible notes	3,060,000	14

Additional securities exchange information

The convertible notes were issued to investors under the Company's 2023 convertible note capital raising (announced to ASX on 31 July 2023).

The options exercisable at $0.06 each, expiring 28 November 2025 were issued to the lead manager of the Company's 2023 convertible note capital raising (announced to ASX on 31 July 2023), as part consideration for services provided.

All other unquoted equity securities on issue in the Company were issued to employees under the Company's Long Term Incentive Plan (LTIP).

OTHER INFORMATION

The Company is not currently conducting an on-market buy-back.

There are no issues of securities approved for the purposes of item 7 of section 611 of the Corporations Act which have not yet been completed.

No securities were purchased on-market during the reporting period under or for the purposes of an employee incentive scheme or to satisfy the entitlements of the holders of options or other rights to acquire securities granted under an employee incentive scheme.

CONVERTIBLE NOTES

As at the Reporting Date:

1. 3,060,000 convertible notes (with an aggregate face value of $3.06 million) are convertible into 61,200,000 ordinary shares, at a conversion price of $0.05.
2. Conversion may occur at the noteholder's election prior to the maturity date of 11 October 2025 (it being noted as at the Reporting Date, noteholders holding at least 2,922,000 convertible notes (aggregate face value of $2,922,000) have agreed to extend the maturity date of the convertible notes to 11 October 2026.
3. The Company's remaining liability to make payments under the notes is $3.06 million (noting that of this, the maturity date of convertible notes to the value of $2,922,000 have been extended to 11 October 2026).
4. No convertible notes have been converted during the previous 12 months.
5. Save for as otherwise disclosed, there are no other matters relating to the convertible notes that their holders would reasonably require to make an informed assessment of the Company's financial position and its prospects for future financial years.

For personal use only

al use only

hydrix

HYDRIX Limited
ABN: 84 060 369 048
30-32 Compark Circuit
Mulgrave, VIC 3170, Australia
+61 3 9550 8100 | hydrixltd.com