

1 Company Information

Name of entity:	HYDRIX LIMITED
ABN:	84 060 369 048
Reporting period:	For the half-year ended 31 December 2024
Previous period:	For the half-year ended 31 December 2023

2 Results for announcement to the market

	% Change		\$
Revenues from ordinary activities	-5.2%	to	5,595,872
(Loss) from ordinary activities after tax attributable to the owners of Hydrix Limited	83.3%	to	(635,660)
(Loss) for the half-year attributable to the owners of Hydrix Limited	82.5%	to	(668,052)

Dividends

The consolidated entity does not propose to pay a dividend.

No dividend or distribution plans are in operation.

Comments

Net cash flow from operating activities was \$558,516 per the statement of cash flows (page 13 of accounts) compared to a cash use of \$973,320 in the comparative prior year period. The loss for the consolidated entity after providing for income tax (after adjusting for impairment of non-financial assets) was \$635,660 (31 December 2023: \$2,495,571).

3 Net tangible assets / (liabilities)

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security (including right-of-use assets)	(1.58)	1.14

4 Control gained over entities

Not applicable.

5 Loss of control over entities

Not applicable.

6 Details of associates and joint venture entities

Not applicable.

7 Audit qualification or review

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


The financial statements have been subject to a review by the auditors and the review report is included in the Interim Financial Report.

8 Attachments

Details of attachments (if any):

The Interim Report of Hydrix Limited for the half-year ended 31 December 2024 is attached.

9 Signed



Mr Gavin Coote
Executive Chairman
Melbourne

Date: 28 February 2025



HYDRIX LIMITED
INTERIM REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024
ABN: 84 060 369 048

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31 December 2024

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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 half-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
30-32 Compark Circuit
Mulgrave VIC 3170

Principal place of business
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 28 February 2025. The directors have the power to amend and reissue the financial statements.

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Directors

Mr Gavin Coote
(Executive Chairman)

Ms Julie King
(Non-Executive Director)

Mr Paul Wright
(Non-Executive Director)

Mr Paul Lewis
(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
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)

Website

www.hydrix.com

Country of incorporation and domicile

Australia

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Hydrix Limited
Directors' Report
For the half-year 31 December 2024

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or 'Group') 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 half-year ended 31 December 2024.

Directors

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

Mr Gavin Coote
Executive Chairman

Ms Julie King
Non-Executive Director

Mr Paul Wright
Non-Executive Director

Mr Paul Lewis
Non-Executive Director

Principal activities

The principal activities of the consolidated entity during the half-year were providing product design, engineering, and regulatory services to customers in the medical industry, market development of disruptive cardiovascular product technologies and venture investment in high potential early-stage medtech clients.

The consolidated entity operates three businesses:

Hydrix Services delivers world first products and innovation across the medtech and cardiac market sectors. It offers a comprehensive range of engineering, development and regulatory consulting services including software, electronics, mechanical, industrial design, and general product development services. Its product development and consulting services range from applied research through all stages of engineering design, development, prototyping, manufacturer management, certification process management and supply for global markets.

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, Implicit's cloud-based AI-driven remote cardiac patient monitoring and data management solution, and Echo IQ's AI technology that automatically analyses echocardiographic measurements to improve the detection and diagnosis of patients at high risk of structural heart disease. These products are pre commercial revenue and being distributed by Hydrix under distribution 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 (formerly known as AngelMed) (implantable heart attack warning system), Memphasys Limited (bio-separation system used in IVF procedures), and Cyban Pty Ltd (non-invasive brain trauma injury monitoring device). For each of these clients, Hydrix Services provides arm's-length product design and development consulting services.

The consolidated entity has approximately 55 employees and its headquarters are located in Mulgrave, Victoria Australia.

Review of operations

The consolidated entity's revenue from contracts with customers of \$5,597,012 and \$10,301,133 for the half and calendar year ending 31 December 2024, respectively, was primarily derived from Hydrix Services.

Hydrix Services revenues for the half year were \$5,595,872 slightly down from \$5,903,204 in the prior comparative period. Operating costs for the half were reduced by approximately \$0.8 million compared to the prior comparative period. Key operational metrics for the business (billable utilisation and effective fee rate) have improved compared to prior period. Contracted sales for the 6 months ended 31 December 2024 totalled \$7.4 million, whilst sales for the calendar year were \$13.1 million, the strongest calendar year of sales in the last 5 years.

Hydrix Services continues to execute on its strategy to grow its international market presence. Approximately 61% of revenue in the half was from international clients. Hydrix Services continues to prosecute a large and growing sales opportunity pipeline, with potential revenue tied to future program stages across 15 active clients is approximately \$40 million. Sales conversions remain subject to client budget constraints and venture capital funding to support new product developments. These factors create fluidity of sales and project-based revenue generation.

Hydrix Medical continues to build its sales opportunity pipeline which currently stands at more than \$2.0m (of potential annual recurring revenue) including the software-as-a-service (SaaS) remote cardiac patient monitoring product licensed for distribution from Implicity. Sales of Implicity are dependent on department of health policy funding commitments into the public and private sector. We remain optimistic funding policies will be established and implemented this calendar year. Taking into account dependency of implementation of funding policies, Hydrix Medical reduced its operating costs compared to the prior comparative period half by \$0.7m.

Hydrix Medical is exploring opportunities to sell ambulatory ECG wearable patch devices used to diagnose and monitor patients for arrhythmias and track other cardiovascular vitals.

Hydrix Ventures' selectively invests in high potential medical device technology clients that Hydrix provides product design and development services to. This entity currently holds three investments in early stage medtech device companies, all that are either working through regulatory approval pathways or have commenced commercial sales. Fair value at 31 December 2024 is \$3.4 million.

Review of financials

Total consolidated entity made sales to external customers of \$5,597,012 for the first half ending 31 December 2024, decreasing by 5.2% over the prior year period (December 2023: \$5,904,453).

The operating loss before income tax for the consolidated entity was \$635,660 (December 2023: \$3,795,751), has improved on prior comparative period as a result of cost reduction initiatives implemented in the last 12 months, as well as no off impairment expenses in the half.

Total operating costs for the period decreased by \$2,045,410 or 24% to \$6,362,538 (2023: \$8,407,948), as a result of cost reduction initiatives aimed at reducing costs not impacting the delivery of billable work, to create efficiency without affecting the ability to grow the business.

Hydrix Limited
Directors' Report
For the half-year 31 December 2024

Cash generated in operating activities during the period to support the growth and expansion of the consolidated entity was \$558,516 (December 2023: cash used of \$973,320), due to a mix of lower operating costs and managing the working capital of the business.

The consolidated entity's cash position was \$1,117,925 at 31 December 2024, compared to \$914,274 at 30 June 2024. The main uses of cash were to support the principal activities of the business.

Outlook for full financial year 2025

The business prospects for the consolidated entity remain strong, noting that management anticipates business conditions to remain fluid. The key objective for the remainder of the financial year is to drive the consolidated entity to cash operating profit on the back of sales conversions, higher revenue, higher margins and billable utilisations, benefited by the impact of a full 12 months of reduced operating cost structures.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the half-year

On 10 February 2025, Hydrix Limited announced that Gyder Surgical, a investee company within Hydrix Ventures, had achieved FDA 510(k) clearance for its GYDER Hip System, the world's first commercially available pin-less and image-less navigation solution for accurate positioning of the acetabular cup during anterior hip arthroplasty.

As a result, under commercial terms with Gyder Surgical, this FDA clearance triggered an equity milestone payment to Hydrix Ventures. This increases Hydrix Ventures investment in Gyder Surgical by \$0.3 million, to a total book value of \$2.65 million (based on 30 June 2024 financial statement valuation assumptions).

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs.

Rounding of amounts

The company is of a kind referred to in *Corporations 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 306(3)(a) of the *Corporations Act 2001*.

On behalf of the directors



Mr Gavin Coote
Executive Chairman
28 February 2025
Melbourne

Grant Thornton Audit Pty Ltd
Level 22 Tower 5
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Melbourne VIC 3001
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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 review of Hydrix Limited for the half-year ended 31 December 2024, 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 review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



Grant Thornton Audit Pty Ltd
Chartered Accountants



B A Mackenzie
Partner – Audit & Assurance

Melbourne, 28 February 2025

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Hydrix Limited
Consolidated Statement of Profit & Loss and Other Comprehensive Income
For the half-year ended 31 December 2024

		Consolidated	
	Note	31 Dec 2024	31 Dec 2023
		\$	\$
Revenue			
Revenue from contracts with customers	3	5,597,012	5,904,453
Other Income		115,660	42,057
Interest revenue		20,536	20,090
		5,733,208	5,966,600
Operating expenses			
Employee benefits expense		(4,423,632)	(5,462,639)
Project material expenses		(259,901)	(414,911)
Cost of sales		(7,048)	(24,196)
Depreciation and amortisation expense		(210,497)	(583,129)
Finance costs	4	(395,517)	(322,436)
Rental expense		(97,172)	(88,053)
Selling, advertising and distribution expenses		(63,993)	(160,423)
Other expenses	4	(904,778)	(1,352,161)
Share based payment expenses		(8,716)	(99,677)
Impairment of distribution rights		-	(1,300,000)
Write-back / (impairment) of receivables		(11,454)	50,283
Gain on financial instruments at fair value through profit or loss	4	1,013	54,771
Unrealised foreign exchange loss		12,827	(59,600)
		(6,368,868)	(9,762,171)
Loss before income tax expense		(635,660)	(3,795,571)
Income tax expense		-	-
Loss after income tax expense		(635,660)	(3,795,571)
Other comprehensive income			
Movement in functional currency of foreign operations		(32,392)	(21,584)
Total comprehensive loss for year attributable to the Owners of Hydrix Limited		(668,052)	(3,817,155)
Loss per share		Cents	Cents
Basic and diluted loss per share (cents per share)	7	(0.23)	(1.49)

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

Hydrix Limited
Consolidated Statement of Financial Position
As at 31 December 2024

		Consolidated	
	Note	31 Dec 2024	30 June 2024
		\$	\$
Current assets			
Cash and cash equivalents		1,117,925	914,274
Trade and other receivables		1,274,412	1,173,395
Contract assets		565,996	373,836
Prepayments		390,190	258,198
Inventory		46	46
Total current assets		3,348,569	2,719,749
Non-current assets			
Plant and equipment		166,766	204,245
Intangible assets		525,000	525,000
Financial assets at fair value through profit & loss	5	3,426,298	3,416,120
Right of use assets		1,098,282	1,235,563
Other assets		103,538	98,818
Security deposits		424,980	424,980
Total non-current assets		5,744,864	5,904,726
Total assets		9,093,433	8,624,475
Current liabilities			
Trade and other payables		3,119,536	2,229,929
Contract liabilities		719,892	499,131
Other liabilities		3,557	3,558
Employee benefits		1,082,286	1,208,564
Borrowings	6	2,673,861	2,290,647
Lease liabilities		616,287	675,864
Total current liabilities		8,215,419	6,907,693
Non-current liabilities			
Employee benefits		172,059	259,176
Provisions		178,051	174,050
Borrowings	6	3,060,000	3,060,000
Lease liabilities		1,262,833	1,578,647
Total non-current liabilities		4,672,943	5,071,873
Total liabilities		12,888,362	11,979,566
Net assets		(3,794,929)	(3,355,091)
Equity			
Issued capital		102,404,684	102,126,684
Reserves		225,747	353,758
Accumulated losses		(106,425,360)	(105,835,534)
Total equity		(3,794,929)	(3,355,091)

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

Hydrix Limited
Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2024

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 half-year	-	-	(3,795,571)	(3,795,571)
Other comprehensive income, net of tax	-	(21,584)	-	(21,584)
Total comprehensive loss for the half-year	-	(21,584)	(3,795,571)	(3,817,155)
<i>Transactions with owners in their capacity as owners:</i>				
Share based payments expense	-	99,677	-	99,677
Exercised options / performance rights	-	-	-	-
Expired options / performance rights	-	(39,024)	39,024	-
Contributions of equity, net of transaction costs	-	-	-	-
Balance at 31 December 2023	102,126,684	717,189	(100,208,465)	2,635,409
	Issued capital \$	Reserves \$	Accumulated losses \$	Total \$
Balance at 1 July 2024	102,126,684	353,758	(105,835,534)	(3,355,091)
Loss after income tax expense for the half-year	-	-	(635,660)	(635,660)
Other comprehensive income, net of tax	-	(32,392)	-	(32,392)
Total comprehensive loss for the half-year	-	(32,392)	(635,660)	(668,052)
<i>Transactions with owners in their capacity as owners:</i>				
Share based payments expense	-	8,716	-	8,716
Exercised options / performance rights	58,500	(58,500)	-	-
Expired options / performance rights	-	(45,835)	45,835	-
Contributions of equity, net of transaction costs	219,499	-	-	219,499
Balance at 31 December 2024	102,404,684	225,747	(106,425,360)	(3,794,929)

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

Hydrix Limited
Consolidated Statement of Cash Flows
For the half-year ended 31 December 2024

	Note	31 Dec 2024 \$	31 Dec 2023 \$
Cash Flows from operating activities			
Receipts from customers (including GST)		5,954,886	7,096,733
Payments to suppliers and employees (including GST)		(5,396,369)	(8,070,053)
Net cash flow from / (used in) operating activities		<u>558,517</u>	<u>(973,320)</u>
Cash Flows from investing activities			
Payments for plant and equipment		(8,320)	(14,268)
Payments for intangible assets		(27,417)	(19,063)
Payments for financial assets		-	(212,902)
Net cash flow used in investing activities		<u>(35,737)</u>	<u>(246,233)</u>
Cash Flows from financing activities			
Proceeds from borrowings		1,391,895	2,428,160
Borrowing transaction costs		-	(30,360)
Repayments of borrowings		(1,008,681)	(807,559)
Interest received		20,536	11,783
Interest and other finance costs paid		(243,597)	(278,025)
Repayments of lease liabilities		(480,371)	(409,467)
Net cash flow (used in) / from financing activities		<u>(320,218)</u>	<u>914,532</u>
Net increase / (decrease) in cash and cash equivalents		202,563	(305,022)
Cash and cash equivalents at the beginning of the financial half-year		914,274	1,153,080
Effects of exchange rate changes on cash and cash equivalents		1,089	(781)
Cash and cash equivalents at end of the financial half-year		<u>1,117,926</u>	<u>847,277</u>

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

1 Material accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

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.

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.

Going concern

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

For the half year period ended 31 December 2024, the consolidated entity incurred a net loss before tax of \$635,660, reported cash generated in operations of \$558,516 and had a net current assets deficit (current assets less current liabilities) of \$4,866,850.

The above factors create business uncertainty which may cast doubt over the business continuing as a going concern and whether the consolidated entity will be able to realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the financial report.

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 had an available cash balance of \$1,117,925 at 31 December 2024.
- \$13.1m of contracted sales for the 12 months to 31 December 2024, being the strongest 12 months of sales in 5 years. The business has a strong sales opportunity pipeline to support revenue growth.
- A full business profit and loss, balance sheet and cash flow forecast for the 12-month period from the date of signing of the financial statements, which supports the directors' assertion, has been prepared based on assumptions about certain economic, operating and trading performance achievement contingent on future events and actions yet to occur, and which may not necessarily occur. The underlying year to date revenue growth in the services business is leading to an improving operating position. Whilst the directors believe the assumptions are best estimate assumptions based upon information available, the occurrence and timing of future events are not certain. The directors will continually monitor the operating performance against the budget and cash flow forecast;.
- A director has provided a Letter of Support to the business for \$2m, valid until 30 September 2025,
- Director loans of \$1.25m entered into during calendar year 2024, with an original repayment date of 31 December 2024, have been extended until 30 June 2025, and can be extended further by mutual agreement.
- The directors believe the consolidated entity would be able to raise additional capital if required to support strategic growth initiatives and working capital; and
- The directors are continuously assessing the assets available to the Group and associated liquidity strategies that would allow for the effective management of working capital and future investment in the Group, such as sale of Hydrix Ventures' assets.

Accordingly, the directors believe that the consolidated entity will continue as a going concern and that 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.

1 Material accounting policies (continued)

Critical accounting estimates, assumptions and judgements

Impairment of non-financial assets

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 group and to the particular asset that may lead to impairment. If an impairment indicator 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.

Furthermore, significant management judgement and estimate is involved in assessing the impairment of the distribution rights, taking into account the status of each regulatory application and the likelihood of successfully receiving regulatory approvals across each region under the distribution agreement.

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2 Operating Segments

Identification of reportable operating segments

The consolidated entity is organised into two 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's operations are in four geographical locations, being Australia, Singapore, New Zealand, and the USA.

<i>Operating Segment Information</i>	Hydrix Services	Hydrix Medical	Hydrix Ventures	Unallocated	Total Operations
Consolidated - 31 Dec 2024	\$	\$	\$	\$	\$
Revenue					
Revenue from contracts with customers	5,595,872	1,140	-	-	5,597,012
Total segment revenue	5,595,872	1,140	-	-	5,597,012
Other income					
Interest revenue	-	-	-	20,536	20,536
Other income	115,660	-	-	-	115,660
Total segment income	5,711,532	1,140	-	20,536	5,733,208
EBITDA	821,229	(191,960)	(181)	(652,401)	(23,313)
Finance costs	(175,904)	-	-	(219,613)	(395,517)
Depreciation and amortisation	(208,746)	(1,711)	-	(42)	(210,499)
Impairment of distribution rights	-	-	-	-	-
Write-back of receivables	(11,454)	-	-	-	(11,454)
Share based payment expenses	(6,963)	(281)	-	(1,473)	(8,717)
Unrealised foreign exchange loss	3,663	-	9,164	-	12,827
Gain on financial instruments at FVTPL	-	-	1,013	-	1,013
Profit / (Loss) before income tax expense	421,825	(193,952)	9,996	(873,529)	(635,660)
Income tax expense	-	-	-	-	-
Profit / (Loss) after income tax expense	421,825	(193,952)	9,996	(873,529)	(635,660)
Assets					
Segment assets	3,914,877	50,709	142	-	3,965,728
<i>Unallocated assets:</i>					
Cash and cash equivalents	-	-	-	1,117,925	1,117,925
Intangible assets	-	-	-	525,000	525,000
Hydrix Ventures financial assets	-	-	3,426,298	-	3,426,298
Other assets	-	-	-	58,482	58,482
Total assets	3,914,877	50,709	3,426,440	1,701,407	9,093,433
Liabilities					
Segment liabilities	7,381,138	63,766	314	-	7,445,218
<i>Unallocated liabilities:</i>					
Borrowings	-	-	-	4,595,059	4,595,059
Other liabilities	-	-	-	848,084	848,084
Total liabilities	7,381,138	63,766	314	5,443,143	12,888,361

Hydrix Limited
Notes accompanying the Financial Statements
For the half-year ended 31 December 2024

2 Operating Segments (continued)

	Hydrix Services \$	Hydrix Medical \$	Hydrix Ventures \$	Unallocated \$	Total Operations \$
Consolidated - 31 Dec 2023					
Revenue					
Revenue from contracts with customers	5,903,204	1,249	-	-	5,904,453
Total segment revenue	5,903,204	1,249	-	-	5,904,453
Other income					
Interest revenue	-	-	-	20,090	20,090
Other revenue	42,057	-	-	-	42,057
Total Segment income	5,945,261	1,249	-	20,090	5,966,600
EBITDA	241,576	(907,414)	(161)	(869,783)	(1,535,782)
Finance costs	(170,515)	(515)	-	(151,407)	(322,437)
Depreciation and amortisation	(305,824)	(277,237)	-	(68)	(583,129)
Impairment of distribution rights	-	(1,300,000)	-	-	(1,300,000)
Write-back of receivables	50,283	-	-	-	50,283
Share based payment expenses	(9,184)	(526)	-	(89,967)	(99,677)
Unrealised foreign exchange gain/(loss)	(1,716)	-	(57,884)	-	(59,600)
Gain on financial instruments at FVTPL	-	-	55,399	(628)	54,771
Profit / (Loss) before income tax expense	(195,380)	(2,485,692)	(2,646)	(1,111,853)	(3,795,571)
Income tax expense	-	-	-	-	-
Profit / (Loss) after income tax expense	(195,380)	(2,485,692)	(2,646)	(1,111,853)	(3,795,571)
Assets					
Segment assets	3,669,280	1,431,692	142	-	5,101,114
<i>Unallocated assets:</i>					
Cash and cash equivalents	-	-	-	847,277	847,277
Intangible assets	-	-	-	525,000	525,000
Hydrix Ventures financial assets	-	-	5,108,892	-	5,108,892
Other assets	-	-	-	118,480	118,480
Total assets	3,669,280	1,431,692	5,109,034	1,490,757	11,700,763
Liabilities					
Segment liabilities	4,959,408	113,738	-	-	5,073,146
<i>Unallocated liabilities:</i>					
Borrowings	-	-	-	3,310,000	3,310,000
Other liabilities	-	-	-	682,208	682,208
Total liabilities	4,959,408	113,738	-	3,992,208	9,065,354

3 Revenue

	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$	\$
Revenue from contracts with customers		
Project revenue – services	5,445,321	5,516,998
Project revenue – materials	150,551	386,206
Project revenues	5,595,872	5,903,204
Sales of Avertix Guardian Consumables	1,140	1,249
Total revenue from contracts with customers	5,597,012	5,904,453

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	1,140	1,249
Services transferred over time	5,595,872	5,903,204
	5,597,012	5,904,453

4 Expenses

	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$	\$
Loss before income tax includes the following specific expenses:		
Finance costs		
Interest expense on lease liabilities	104,981	105,782
Interest on loans	290,536	216,654
Total finance costs	395,517	322,436
Gain/(Loss) on financial instruments at fair value through profit or loss		
Gain on derivatives	-	1,275
Gain on financial assets	1,013	53,496
	1,013	54,771
Other expenses		
Consultancy charges	8,956	107,692
Corporate advisory transaction costs	1,648	3,858
Directors' fees	82,131	133,707
Insurance	127,114	110,528
Investor relations	31,955	47,933
IT related expenses	227,190	213,358
Legal and professional charges	225,641	187,763
Listing fees and share register maintenance	36,816	58,497
Recruitment fees	-	74,698
Regulatory Fees	-	123,863
Travelling costs	85,479	160,806
Administration expenses	77,848	129,458
Total other expenses	904,778	1,352,162

5 Financial assets at fair value through profit & loss

	Consolidated	
	31 Dec 2024	30 June 2024
	\$	\$
Listed ordinary shares	8,085	7,072
Unlisted ordinary shares	3,417,479	3,408,314
Unlisted options	734	734
	3,426,298	3,416,120

5 Financial assets at fair value through profit & loss (continued)

Reconciliations

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

	Unlisted ordinary shares	Unlisted options	Listed ordinary shares	Total
	\$	\$	\$	\$
Opening fair value as at 1 July 2024	3,408,314	734	7,072	3,416,120
Fair value increments / (decrements)	-	-	1,013	1,013
Fair value decrements due to FX	9,165	-	-	9,165
Closing fair value as at 31 December 2024	<u>3,417,479</u>	<u>734</u>	<u>8,085</u>	<u>3,426,298</u>

6 Borrowings

	Consolidated	
	31 Dec 2024	30 June 2024
	\$	\$
Current		
Shareholder loans - Unsecured	1,500,000	1,250,000
Insurance premium funding	215,671	110,096
TP24 CreditLine - Secured	923,131	797,996
AMEX Credit Card	35,059	132,555
	<u>2,673,861</u>	<u>2,290,647</u>

Non-current		
Convertible note	3,060,000	3,060,000
	<u>3,060,000</u>	<u>3,060,000</u>

Financing arrangements

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

	Consolidated	
	31 Dec 2024	30 June 2024
	\$	\$
Total facilities		
Shareholder loans	1,500,000	1,250,000
Convertible note	3,060,000	3,060,000
TP24 CreditLine	1,079,583	805,197
AMEX Credit Card	112,000	133,000
	<u>5,751,583</u>	<u>5,248,197</u>

Used at the reporting date

Shareholder loans	1,500,000	1,250,000
Convertible note	3,060,000	3,060,000
TP24 CreditLine	923,131	797,996
AMEX Credit Card	35,059	132,555
	<u>5,518,190</u>	<u>5,240,551</u>

Unused at the reporting date

TP24 CreditLine	156,452	7,201
AMEX Credit Card	76,941	445
	<u>233,393</u>	<u>7,646</u>

Hydrix Limited
Notes accompanying the Financial Statements
For the half-year ended 31 December 2024

7 Earnings per share

	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$	\$
Loss after income tax attributable to the owners of Hydrix Limited	(635,660)	(3,795,571)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	272,768,847	254,218,847
Anti-dilutive shares excluded from weighted average number of ordinary shares:		
Options over ordinary shares	6,387,220	38,199,611
Convertible note	3,060,000	3,060,000
Weighted average number of ordinary shares used in calculating diluted earnings per share	272,768,847	254,218,847
	Cents	Cents
Basic and diluted loss per share	(0.23)	(1.49)

8 Contingent liabilities

The consolidated entity had no contingent liabilities as at 31 December 2024 (2023: nil).

9 Events after the reporting period

On 10 February 2025, Hydrix Limited announced that Gyder Surgical, a investee company within Hydrix Ventures, had achieved FDA 510(k) clearance for its GYDER Hip System, the world's first commercially available pin-less and image-less navigation solution for accurate positioning of the acetabular cup during anterior hip arthroplasty.

As a result, under commercial terms with Gyder Surgical, this FDA clearance triggers an equity milestone payment to Hydrix Ventures. This increases Hydrix Ventures investment in Gyder Surgical by \$0.3 million, to a total book value of \$2.65 million.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs.


Hydrix Limited
Directors' Declaration
31 December 2024

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



Mr Gavin Coote
Executive Chairman
28 February 2025
Melbourne

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Independent Auditor's Review Report

To the Members of Hydrix Limited

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Hydrix Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2024 and 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 half year ended on that date, including material accounting policy information, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Hydrix Limited does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss of \$635,660 during the half year ended 31 December 2024 and, as of that date, the Group's current liabilities exceeded its current assets by \$4,866,850. 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 significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half-year financial report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Grant Thornton Audit Pty Ltd
Chartered Accountants



B A Mackenzie
Partner – Audit & Assurance
Melbourne, 28 February 2025