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HYDRIX LIMITED
ACN 060 369 048

PROSPECTUS

This Prospectus is being issued for the following Offers:

1. **Entitlement Offer** – an accelerated renounceable entitlement offer to Eligible Shareholders to raise up to approximately $8.183 million (before costs), on the basis of 6 Entitlement Shares (at an issue price of $0.005 per Entitlement Share) for every 1 Share held, together with 1 free attaching Entitlement Option (exercisable at $0.01 per Entitlement Option and expiring 30 June 2029) for every Entitlement Share issued.

2. **Shortfall Offer** – an offer of remaining Shortfall Securities (if any) not taken up under the Entitlement Offer.

3. **Note Conversion Offer** – an offer of up to 584,400,000 Note Conversion Shares (at a conversion price of $0.005 per Note Conversion Share) to the Convertible Noteholders in conversion of up to $2.922 million of Convertible Note debt, together with 1 free attaching Note Conversion Option (exercisable at $0.01 per Note Conversion Option and expiring 30 June 2029) for every Note Conversion Share issued.

4. **Director Loan Conversion Offer** – an offer of up to 502,500,000 Director Loan Conversion Shares to retire up to $2.513 million in Director Loans (at a conversion price of $0.005 per Director Loan Conversion Share) to the Director Lenders, together with 1 free attaching Director Loan Conversion Option (exercisable at $0.01 per Director Loan Conversion Option and expiring 30 June 2029) for every Director Loan Conversion Share issued.

5. **Broker Share Offer** – an offer of 25,000,000 Broker Shares to the Company's Lead Manager (and / or its nominee(s)).

6. **Broker Option Offer** – an offer of up to 150,000,000 Broker Options (exercisable at $0.01 per Broker Option and expiring 30 June 2029) to the Company's Lead Manager (and / or its nominee(s)).

The Retail Entitlement Offer closes at 5.00pm (AEST) on Friday, 5 June 2026 (unless extended).

THIS IS AN IMPORTANT DOCUMENT WHICH REQUIRES YOUR IMMEDIATE ATTENTION AND SHOULD BE READ IN ITS ENTIRETY.

AN INVESTMENT IN THE SECURITIES OFFERED BY THIS PROSPECTUS SHOULD BE CONSIDERED HIGHLY SPECULATIVE IN NATURE.

IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR STOCKBROKER, ACCOUNTANT, SOLICITOR, OR OTHER PROFESSIONAL ADVISER.

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IMPORTANT INFORMATION

This Prospectus is an important document and should be read in its entirety. You should seek professional advice if you have any questions about the Offers under this Prospectus, or any matter relating to an investment in the Company.

General	This Prospectus is dated 18 May 2026 (**Prospectus Date**) and was lodged with ASIC on that date. Neither ASIC nor ASX take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities and options to acquire continuously quoted securities (as defined in the Corporations Act). It has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering or "full form" prospectus. In preparing this Prospectus, regard has been given to the fact that the Company is a 'disclosing entity' for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers. New Securities will not be issued on the basis of this Prospectus later than 13 months after the Prospectus Date.
Exemption to disclosure and Entitlement Offer	In certain circumstances, a listed company may undertake an entitlement offer without a prospectus if it complies with the disclosure exemption in s708AA and 1012DAA of the Corporations Act and the relief in *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2026/98*. As the Company has been suspended from official quotation for more than 5 days over the preceding 12 months, section 708A(5) of the Corporations Act precludes the Company from issuing and lodging with the ASX a 'cleansing notice', being a notice that complies with s 708A(6) of the Corporations Act. Accordingly, the Company is undertaking the Offers under this Prospectus.
Electronic prospectus	This Prospectus may be viewed in electronic form at www.hydrixltd.com by Australian and New Zealand investors only. The electronic version of this Prospectus is provided for information purposes only. A paper copy of the Prospectus may be obtained free of charge on request during the Offer Period by contacting the Company. The information on the Company's website does not form part of this Prospectus.
Risk factors	Potential investors should be aware that applying for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 5 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered highly speculative. The information provided in this Prospectus is not investment advice or financial product advice and has been prepared without taking into account your investment objectives, financial situation or particular needs (including financial and taxation issues). This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser before deciding whether to apply for New Securities pursuant to this Prospectus.
Foreign jurisdictions	This Prospectus is not, and is not intended to constitute, an offer, invitation or issue of Securities in any place or jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer, invitation or issue. By applying for New Securities, including by submitting an Application Form or making a payment using BPAY® (or EFT for New Zealand Shareholders), an Applicant represents and warrants to the Company (among other representations and warranties set out in Section 3.9) that there has been no breach of such laws. The distribution of this Prospectus and accompanying Application Forms (including electronic copies) outside Australia and New Zealand may be restricted by law and persons who come into possession of these documents should observe any such restrictions.

	Any failure to comply with such restrictions may contravene applicable securities laws. The Company disclaims all liability to such persons. Please refer to Section 2.22 for further information.
Important information for New Zealand investors	**Warning Statement** The Offers to New Zealand investors are regulated offers made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the *Financial Markets Conduct Act 2013* and Part 9 of the *Financial Markets Conduct Regulations 2014*. The Offers and the content of this Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under that Act set out how the Offers must be made. There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime. The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products. Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to the Offers. If you need to make a complaint about an Offer, please contact the Financial Markets Authority, New Zealand (http://www.fma.govt.nz). The Australian and New Zealand regulators will work together to settle your complaint. The taxation treatment of Australian financial products is not the same as for New Zealand financial products. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of a financial advice provider. The Offers may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant. If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars. If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.
Notice to nominees and custodians	Shareholders resident in Australia and New Zealand holding Shares on behalf of persons who are resident in other jurisdictions are responsible for ensuring that taking up any New Securities does not breach regulations in the relevant jurisdiction.
Target market determination	In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of New Options issued under this Prospectus. The Company will only distribute this Prospectus to those investors who fall within the target market determination (**TMD**) as set out on the Company's website www.hydrixltd.com. By making an application under an Offer, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.
Publicly available information	Information about the Company is publicly available and can be obtained from ASIC and ASX (including the ASX website at www.asx.com.au). The contents of any website or ASIC or ASX filing by the Company are not incorporated into this Prospectus and do not constitute part of the Offer. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest in the Company or subscribe for the New Securities. The Company has not authorised any person to give any information or make any

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	representation in connection with an offer which is not contained in this Prospectus. Any such extraneous information or representation may not be relied upon as having been authorised by the Company in connection with this Prospectus.
Taxation implications	The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of applying for New Securities under this Prospectus. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. As a result, Shareholders should consult their professional tax adviser in connection with applying for New Securities under this Prospectus.
Forward-looking statements	This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place. Such forward-looking statements are provided as a general guide only and are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its Directors or management. Actual outcomes may differ materially from the events, intentions or results expressed or implied in any forward-looking statement in this Prospectus. The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. The Company, nor its related bodies corporate or affiliates nor their respective directors, officers, partners, employees and agents give any warranty, representation, assurance or guarantee that the occurrence of the events expressed or implied in any of the forward-looking statements in this Prospectus will actually occur. In addition, please note that past performance should not be relied upon as (and is not) an indication or guarantee of future performance. The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law. Key risks associated with an investment in the Company are detailed in Section 5. These and other factors could cause actual results to differ materially from forward-looking statements.
Disclaimer	No person is authorised to provide any information or to make any representation in connection with the Offers that is not contained in this Prospectus. Any information or representations not contained in this Prospectus may not be relied upon as having been authorised by the Company or the Lead Manager, any of their respective related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees and agents in connection with the Offers. Neither the Lead Manager, any of its related bodies corporates and affiliates, or any of their respective directors, officers, partners, employees, representatives or agents have authorised or caused the issue of this Prospectus or take any responsibility for any action taken by you on the basis of such information. To the maximum extent permitted by law, the Lead Manager, its related bodies corporate and affiliates and each of their respective directors, officers, partners, employees, representatives or agents exclude and disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Offers and this Prospectus being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. Neither the Lead Manager, any of its related bodies corporates and affiliates, or any of their respective directors, officers, partners, employees, representatives or agents make any recommendations as to whether you or your related parties should participate in the Offers, nor do they make any representations or warranties to you concerning the Offers or any information, and you represent, warrant and agree that you have not relied on any statements made by the Lead Manager, any of its related bodies corporates and affiliates or any of their respective directors, officers, partners, employees, representatives or agents in relation to the New Options or the Offer generally. The Lead Manager may also hold interests in the securities of the Company and may earn brokerage, fees or other benefits from the Company. The engagement of the Lead

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	Manager by the Company is not intended to create any agency, fiduciary or other relationship between the Lead Manager and any other investor. Determination of eligibility of investors for the purposes of the Offers is determined by reference to a number of matters, including legal requirements and regulatory requirements, logistical and registry constraints and the discretion of the Company and the Lead Manager. To the maximum extent permitted by law, the Company, the Lead Manager, their respective related bodies corporate and affiliates, and their respective directors, officers, partners, employees and agents expressly disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion. To the maximum extent permitted by law, the Lead Manager, its related bodies corporate and affiliates, and their respective directors, officers, partners, employees and agents expressly disclaim all liability in respect of, makes no representation regarding and take no responsibility for any part of this Prospectus.
Applications	Applications for New Securities offered by this Prospectus can only be made in accordance with the instructions on the accompanying Application Forms. Please read the instructions in this Prospectus and on the accompanying Application Forms regarding the acceptance of an Offer. Eligible Shareholders can accept the Entitlement Offer by submitting the Entitlement and Acceptance Form accompanying this Prospectus which can be accessed at www.hydrixltd.com. By returning an Application Form, submitting an Application Form online with the Share Registry, lodging an Application Form with a stockbroker or otherwise arranging for payment of New Securities in accordance with the instructions on the Application Form, an Applicant acknowledges that they have received and read this Prospectus, acted in accordance with the terms of the Offer to which the Application Form relates and agree to all of the terms and conditions as detailed in this Prospectus.
No trading of Entitlements	The Entitlement Offer is renounceable, however there will be no ASX trading of the rights and the rights are not transferable. Entitlements not taken up under the Institutional Entitlement Offer or Retail Entitlement Offer (as applicable) and the Entitlements of Ineligible Institutional Shareholders and Ineligible Retail Shareholders will be offered for sale through the Institutional Shortfall Bookbuild process or Retail Shortfall Bookbuild process (as applicable) managed by the Lead Manager. Any proceeds in excess of the Offer Price (net of any withholding tax and expenses) will then be distributed to those Shareholders. See section 2.1 for more details. If you are in any doubt as to these matters you should first consult with your stockbroker, solicitor, accountant, financial adviser or other professional adviser.
Meaning of terms	Capitalised terms used in this Prospectus are defined in the Glossary in Section 9.
Rounding	Any discrepancies between totals and sums and components in tables contained in this Prospectus are due to rounding.
Time	All references to time in this Prospectus are references to AEST, unless otherwise stated.

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CORPORATE DIRECTORY

Directors

Gavin Coote – Executive Chair
Paul Wright – Non-Executive Director
Julie King – Non-Executive Director
Paul Lewis – Non-Executive Director

Company Secretary

Alyn Tai

Registered Office

30-32 Compark Circuit
Mulgrave VIC 3170

Telephone: +61 3 9550 8100

Website

https://www.hydrixltd.com/

ASX Code: HYD

Share Registry*

Boardroom Pty Limited
Level 8, 210 George Street
Sydney NSW 2000

Telephone:
1300 737 760 (within Australia)
+61 2 9290 9600 (outside Australia)

Email:
corporateactions@boardroomlimited.com.au

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

Lead Manager

Peak Asset Management Pty Ltd
Level 35, 477 Collins Street
Melbourne VIC 3000

* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

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INDICATIVE TIMETABLE*

Event	Date (2026)
Back-to-Back Trading Halt Commences HYD requests and is granted a trading halt before market open	Before 10.00am (AEST) Thursday 14 May
Announcement Announcement of Entitlement Offer	Before 12.00pm (AEST) Monday 18 May
Lodgement Prospectus lodged with ASIC Prospectus and Appendix 3B lodged with ASX	Before 12.00pm (AEST) Monday 18 May
Institutional Entitlement Offer HYD conducts Institutional Entitlement Offer and (if applicable) bookbuild for shortfall from Institutional Entitlement Offer	Monday 18 May 2026 to Wednesday 20 May
Announcement of Results (Institutional Entitlement Offer) Announcement of Institutional Entitlement Offer results	Before 10.00am (AEST) Wednesday 20 May (before the resumption of trading following the trading halt)
Trading Halt Ends & Ex-date Trading resumes on an ex-entitlement basis (following the lifting of the trading halt) Ex-date (date from which Shares begin trading without the right to participate in the Retail Entitlement Offer)	Before 10.00am (AEST) Wednesday 20 May
Record Date Record Date to identify Shareholders entitled to participate in the Entitlement Offer	7.00pm (AEST) on Wednesday 20 May
Despatch of Prospectus and Entitlement and Acceptance Forms and Announcement of Despatch Prospectus and Entitlement & Acceptance Forms sent to Eligible Retail Shareholders Announcement of despatch to Eligible Retail Shareholders	Monday 25 May
Retail Entitlement Offer Opening Date Retail Entitlement Offer opens	Monday 25 May
Issue of Securities under Institutional Entitlement Offer and despatch of new holding statements Securities (Shares and attaching Options) issued under the Institutional Entitlement Offer Lodgement of Appendix 2A with ASX applying for quotation of Shares and attaching Options	Before 12.00pm (AEST) Tuesday 26 May
Retail Entitlement Offer Extension Date Last day to extend the Closing Date for Retail Entitlement Offer	Before 12.00pm (AEST) on Tuesday 2 June
Retail Entitlement Offer Closing Date Retail Entitlement Offer closes	5.00pm (AEST) on Friday 5 June
Announcement of Results (Retail Entitlement Offer) Announcement of Retail Entitlement Offer results	Wednesday 10 June
Bookbuild (if applicable) Bookbuild for any shortfall from Retail Entitlement Offer (if applicable)	Wednesday 10 June to Monday 15 June
Announcement of Results (Bookbuild) Announcement of Retail Bookbuild results	Tuesday 16 June
Issue of Securities under Retail Entitlement Offer and despatch of new holding statements Securities (Shares and attaching Options) issued under the Retail Entitlement Offer Lodgement of Appendix 2A with ASX applying for quotation of Shares and attaching Options	Before 12.00pm (AEST) on Thursday 18 June
General meeting to seek shareholder approval for issue of Conversion Securities and Broker Shares and Broker Options	July
Completion of Shortfall Offer (if any)	Friday 4 September

** The above timetable is indicative only and may change. The Company reserves the right to amend any and all of the above dates without notice (including, without limitation, subject to the Listing Rules and the Corporations Act, to close one or more of the Offers early, to extend the Closing Date of one or more of the Offers, to accept late Applications (either generally or in particular cases) or to cancel one or more of the Offers before New Securities are issued by the Company).*

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Letter to Shareholders

Dear Shareholder,

INVITATION TO PARTICIPATE IN ENTITLEMENT OFFER

On behalf of the Board of Hydrix Limited (**Hydrix** or the **Company**), I am pleased to invite Eligible Shareholders to participate in an accelerated renounceable entitlement offer.

Entitlement Offer

The Entitlement Offer is an offer to Eligible Shareholders of 6 Entitlement Shares (at an issue price of $0.005 per Entitlement Share) for every 1 Share held on the Record Date, together with 1 free attaching Entitlement Option (exercisable at $0.01 per Entitlement Option and expiring 30 June 2029) for every Entitlement Share issued. The Entitlement Offer is not underwritten.

The Offer Price represents a discount of:

- 61.54% to the closing price of $0.013 per Share on 13 May 2026 (being the last day before the Company entered into a trading halt in connection with the Entitlement Offer); and
- 18.60% to the theoretical ex-rights price (**TERP**)[1] of $0.0061.

If the maximum number of Entitlement Shares are subscribed for, the Company will raise up to approximately $8.183 million (before costs) through the issue of 1,636,613,082 Entitlement Shares. Further, if all Entitlement Options are exercised, the Company will raise up to an additional $16.367 million (before costs).

The Entitlement Offer gives Eligible Shareholders the opportunity to subscribe for Entitlement Securities without paying brokerage fees or other transaction costs. There is also an opportunity for Eligible Shareholders to apply for more than their Entitlement as outlined in Section 2.1. However, there is no guarantee that Eligible Shareholders will be allocated any additional Entitlement Securities under the Entitlement Offer.

The Entitlement Offer comprises 4 components:

- **Institutional Entitlement Offer** – Eligible Institutional Shareholders will be given the opportunity to take up all or part of their Institutional Entitlements under the Institutional Entitlement Offer. Eligible Institutional Shareholders may also apply for more than their Entitlement.

  The Institutional Entitlement Offer will open on Monday, 18 May 2026 and will close at 5.00pm on Tuesday, 19 May 2026.

- **Institutional Shortfall Bookbuild** – Institutional Entitlements not taken up under the Institutional Entitlement Offer and Institutional Entitlements that would have been issued to Ineligible Institutional Shareholders had they been entitled to participate in the Institutional Entitlement Offer will be sold through the Institutional Shortfall Bookbuild process. The Institutional Premium realised for the Institutional Entitlements forming the Institutional Shortfall, if any, will be remitted proportionally to holders of those Institutional Entitlements at the close of the Institutional Entitlement Offer.

- **Retail Entitlement Offer** – Eligible Retail Shareholders will be given the opportunity to take up all or part of their Retail Entitlements under the Retail Entitlement Offer. Eligible Retail Shareholders may also apply for more than their Entitlement.

[1] TERP is the theoretical ex-rights price at which the Company's Shares should trade immediately after the ex-date of the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which the Company's shares trade immediately after the ex-date of the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to the Company's closing price of $0.013 per Share on 13 May 2026 (being the last day before the Company entered into a trading halt in connection with the Entitlement Offer) and assumes that the Entitlement Offer is fully subscribed and no other Shares are issued. TERP does not include any impact of the Conversion Offers or Broker Offers.

The Retail Entitlement Offer will open on Monday, 25 May 2026 and will close at 5.00pm (AEST) on Friday, 5 June 2026 (unless extended).

- **Retail Shortfall Bookbuild** – Entitlements not taken up under the Retail Entitlement Offer and Retail Entitlements that would have been issued to Ineligible Retail Shareholders had they been entitled to participate in the Retail Entitlement Offer will be offered for sale through the Retail Shortfall Bookbuild. The Retail Premium realised for the Retail Entitlements forming the Retail Shortfall, if any, will be remitted proportionally to holders of those Retail Entitlements at the close of the Retail Entitlement Offer.

The Company has appointed Peak Asset Management Pty Ltd as the Lead Manager to the Entitlement Offer and Shortfall Offer.

Shortfall Offer

Any New Securities under the Entitlement Offer that are not applied for will form the Shortfall Securities. The offer to issue Shortfall Securities, being the Shortfall Offer, is a separate offer under this Prospectus. Any Shortfall Securities will be placed and issued at the discretion of the Company, in consultation with the Lead Manager.

Conversion Offers

The Company is also undertaking the Note Conversion Offer and Director Loan Conversion Offer, to further strengthen the Company's balance sheet by seeking to convert a majority of Director Loans and all Convertible Notes held by Directors and other external parties (of up to $5.435 million) into equity on the same terms as the Entitlement Offer (refer to Sections 2.3 and 2.4).

Broker Offers

This Prospectus also contains the Broker Option Offer and Broker Share Offer to the Lead Manager, as part of the fees payable pursuant to the Lead Manager Mandate, subject to a minimum amount of $8 million being raised under Entitlement Offer (and if applicable, the Shortfall Offer) (refer to Sections 7.1 and Section 7.2).

Purpose of the Offers

The purpose of the above Offers is to:

- recapitalise the Company with funds to support delivery of current programs, and general working capital including to provide flexibility for disciplined growth and investment initiatives aligned to Hydrix's increasing focus on defence technology;
- provide existing Eligible Shareholders with an opportunity to participate in the recapitalisation of the Company; and
- materially reduce the Company's debt position by raising funds to repay capital and operating liabilities, and retiring other debt by conversion into equity.

Further information

Full details of the Entitlement Offer and the Shortfall Offer are set out in this Prospectus. This Prospectus also includes details of the Note Conversion Offer, Director Loan Conversion Offer, Broker Share Offer and Broker Option Offer.

Please read this Prospectus carefully before deciding whether or not to invest. An investment in the Company contains specific risks which you should consider before making that decision. A non-exhaustive list of risk factors relevant to an investment in the Company is set out in Section 5. If there is any matter on which you require further information, you should consult your stockbroker, accountant or other professional adviser.

On behalf of the Board, I invite you to consider this investment opportunity and we thank you for your continued support.

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Yours sincerely,



Gavin Coote
Executive Chairman

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1 Investment Overview

This Section is not intended to provide full information for investors intending to apply for the New Securities offered pursuant to this Prospectus. Prospective investors should read this Prospectus in full before deciding whether to invest in the New Securities.

Topic	Summary	Further Information
Offers generally		
What are the Offers?	This Prospectus is being issued in connection with the following offers of Securities: • **Entitlement Offer** of Entitlement Shares and attaching Entitlement Options to Eligible Shareholders, and shortfall bookbuilds (as applicable); • **Shortfall Offer** of Shortfall Shares and attaching Shortfall Options; • **Note Conversion Offer** of Note Conversion Shares and attaching Note Conversion Options to the Convertible Noteholders; • **Director Loan Conversion Offer** of Director Loan Conversion Shares and attaching Director Loan Conversion Options to the Director Lenders; • **Broker Share Offer** of Broker Shares to the Lead Manager (and / or its nominee(s)); and • **Broker Option Offer** of Broker Options to the Lead Manager (and / or its nominee(s)).	Section 2
What is the purpose of the Offers?	The Board has determined to undertake the Offers in order to: • recapitalise the Company with funds to support delivery of current programs, and general working capital including to provide flexibility for disciplined growth and investment initiatives aligned to Hydrix's increasing focus on defence technology; • provide existing Eligible Shareholders with an opportunity to participate in the recapitalisation of the Company; and • materially reduce the Company's debt position by raising capital to repay capital and operating liabilities, and retiring other debt by conversion into equity. The purposes of the Offers are as follows: • the purpose of the Entitlement Offer and the Shortfall Offer is to raise up funds of up to $8.183 million (before costs), which funds are expected to be applied in the manner set out in the table below;	Section 4

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<table>
<tr><th>Topic</th><th>Summary</th><th>Further Information</th></tr>
<tr><td></td><td>

the purpose of the Note Conversion Offer and Director Loan Conversion Offer is to further strengthen the Company's balance sheet, by seeking to convert a majority of Director Loans and all Convertible Notes held by Directors and other external parties (of up to $5.435 million) into equity on the same terms as the Entitlement Offer (refer to Sections 2.3 and 2.4 for further information about the Conversion Agreements);
the Broker Option Offer and Broker Share Offer are being made to the Lead Manager as part of the fees payable pursuant to the Lead Manager Mandate, subject to a minimum amount of $8 million being raised under Entitlement Offer (and if applicable, the Shortfall Offer) (refer to Section 7.1 for further information about the Lead Manager Mandate and Section 7.2 for a summary of the Lead Manager Commitment Letter); and
the Offers are also designed to provide the Company with a potential source of ongoing additional capital of up to $28.7 million if all of the New Options are exercised.

</td><td></td></tr>
<tr><td>How will the funds raised be used?</td><td>
The Company's proposed use of net proceeds following completion of the Entitlement Offer and the Shortfall Offer is as follows (assuming those Offers are fully subscribed to raise up to $8.183 million or partially subscribed to raise $4 million):
<table>
<tr><th>Use of funds</th><th>Partial $4m subscription[1] ($m)</th><th>Full $8.183m subscription ($m)</th></tr>
<tr><td>Expenses of the Offers[2]</td><td>0.51</td><td>0.78</td></tr>
<tr><td>Retirement of debt and capital and operating liabilities[3]</td><td>1.35</td><td>4.79</td></tr>
<tr><td>Support delivery of current programs, and general working capital[4] including to provide flexibility for disciplined growth and investment initiatives aligned to Hydrix’s increasing focus on defence technology</td><td>2.14</td><td>2.61</td></tr>
<tr><td>Total</td><td>4.00</td><td>8.18</td></tr>
</table>
Notes:
1 Conversion of the Convertible Notes and Director Loans is subject to the Company raising a minimum of $4 million under
</td><td>Section 4.2</td></tr>
</table>

Topic	Summary	Further Information
	the Entitlement Offer (and if applicable, the Shortfall Offer). Refer to Sections 2.3 and 2.4 for the terms and conditions of the Conversion Agreements. *2* *Refer to Section 7.14 for details of the costs of the Offer.* *3* *Depending on the actual amount raised, it is intended that funds in this category will first be applied towards repayment of the $1 million trade finance facility with TradePlus24 which is due by 31 July 2026, then towards repaying other shareholder loan borrowings and accrued interest, and subsequently towards repaying other capital and operating liabilities.* *4* *Working capital includes the normal general and administrative costs associated with running a public company, including, but not limited to, salaries and Director fees, general operating expenses and overhead costs, legal fees, rental of office premises, investor relations and finance and accounting fees among other working capital requirements. Any surplus funds are expected to be directed towards growth and investment initiatives that are complementary to and/or leverage the design and engineering capabilities of Hydrix Services, particularly in Australian and global defence and medtech sectors.* Further, if the maximum number of New Options is issued and exercised at $0.01 per New Option, the Company will raise an additional $28.7 million (before costs). As at the date of this Prospectus, the Company intends that any funds raised progressively through the exercise of New Options will be applied towards: • general working capital requirements of the Group; • investing in and scaling the Hydrix Services mission-critical engineering capabilities strategically important to the defence technology and medtech sectors; • pursuing growth opportunities that are complementary to and/or leverage the core design and engineering capabilities of Hydrix Services; and • identifying intellectual property and technologies relevant to key priorities within the Defence sector, including by way of exclusive licencing arrangements, mergers, and acquisitions. The above proposed use of funds is a statement of the Board's current intentions as at the date of this Prospectus. It is indicative only and will be subject to modification on an ongoing basis depending on the results of the Company's activities and other factors relevant to the Board's discretion as to usage of funding. Due to market conditions and the development of new opportunities or any number of other factors (including the key risks outlined in Section 5 of this Prospectus), actual use of proceeds may differ significantly to the above estimates. In light of this, the Board reserves the right to alter the way the funds are applied.	
Entitlement Offer and Shortfall Offer		
What is the Entitlement	The Entitlement Offer is an accelerated renounceable pro-rata offer to Eligible Shareholders of 6 Entitlement Shares	Section 2.1

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Topic	Summary	Further Information
Offer?	(at an issue price of $0.005 per Entitlement Share) for every 1 Share held on the Record Date, together with 1 free attaching Entitlement Option (exercisable at $0.01 per Entitlement Option and expiring 30 June 2029) for every Entitlement Share issued. Eligible Shareholders will be given the opportunity to take up all or part of their Entitlement. Eligible Shareholders can also apply for Entitlement Securities in excess of their Entitlement. There is no guarantee that Eligible Shareholders will be allocated any additional Entitlement Securities under the Entitlement Offer.	
What is the structure of the Entitlement Offer?	The Entitlement Offer comprises 4 components: • Institutional Entitlement Offer; • Institutional Shortfall Bookbuild; • Retail Entitlement Offer; and • Retail Shortfall Bookbuild.	Section 2.1
What is the Shortfall Offer?	The Shortfall Offer is made on the same basis as the Entitlement Offer (i.e., one free attaching Shortfall Option for every one Shortfall Share applied for and issued). The allocation of additional New Securities applied for under the Shortfall Offer will be subject to the Shortfall (if any) that exists depending on the level of take up of Entitlement Securities under the Entitlement Offer (including the bookbuild processes). The Directors reserve the right to place any Shortfall Securities at their discretion within three months after the Closing Date. The Shortfall Shares and Shortfall Options will rank pari passu with the Entitlement Shares and Entitlement Options, respectively.	Section 2.2
How much will be raised from the Entitlement Offer and Shortfall Offer?	If the maximum number of New Securities are subscribed for under the Entitlement Offer, the Company will raise up to approximately $8.183 million (before costs) through the issue of 1,636,613,082 New Shares. Further, if all attaching New Options are exercised, the Company will raise up to an additional $28.7 million (before costs).	Sections 2 and 4.2
Are any Directors participating in the Entitlement Offer?	As at the date of this Prospectus, in light of Directors collectively converting a majority of Director Loans and Convertible Notes by participating in the Conversion Offers, each of the Directors intend to renounce all of their Entitlements under the Entitlement Offer, with those Entitlements to form part of the Institutional Shortfall Bookbuild or Retail Shortfall Bookbuild (as applicable). The Directors are ineligible to apply for New Securities under the Shortfall Offer as they are 'related parties' in relation to the Company (as that term is defined in the ASX Listing Rules).	Section 7.6

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Topic	Summary	Further Information
Is the Entitlement Offer underwritten?	No, the Entitlement Offer is not underwritten. However, the Lead Manager provided the Company with a Lead Manager Commitment Letter, confirming that it has received written binding commitments from professional and sophisticated investors within section 708(8) and s708(11) of the Corporations Act to subscribe for an aggregate minimum of $8 million in Shares under the Institutional Shortfall Bookbuild, Retail Shortfall Bookbuild and / or Shortfall Offer (if any and as applicable). Refer to Section 7.2 for a summary of the Lead Manager Commitment Letter.	Section 2.8 and 7.2
Who is the Lead Manager?	The Company has appointed Peak Asset Management Pty Ltd as the lead manager to the Institutional Shortfall Bookbuild, Retail Shortfall Bookbuild and Shortfall Offer, , pursuant to the Lead Manager Mandate. The terms and conditions of the Lead Manager Mandate are detailed in Section 7.1.	Section 7.1
What is the effect of the Entitlement Offer and Shortfall Offer?	The maximum number of New Shares and New Options that will be issued under the Entitlement Offer and the Shortfall Offer is 1,636,613,082 New Shares and 1,636,613,082 New Options.	Section 4
Is the Entitlement Offer subject to a minimum application?	No.	Section 2.15
What are the terms of the New Options?	The New Options have an exercise price of $0.01 each and an expiry date of 30 June 2029. The Company intends to apply for quotation of the New Options with ASX. The terms and conditions of the New Options are detailed in Section 6.2.	Section 6.2
What is my Entitlement?	Each Eligible Shareholder is entitled to apply for 6 New Shares for every 1 Share held on the Record Date of 7.00pm (AEDT) on Wednesday, 20 May 2026, together with one free attaching New Option for every 1 New Share subscribed for and issued under the Entitlement Offer.	Section 2.1
What is the Offer Price?	The offer price for New Shares applied for under the Entitlement Offer and the Shortfall Offer is $0.005 per New Share.	Sections 2.1 and 2.2
Am I an Eligible Shareholder and able to participate in the Entitlement Offer?	Eligible Shareholders are those persons who are an Eligible Institutional Shareholder or an Eligible Retail Shareholder.	Section 2.19

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Topic	Summary	Further Information

Am I an Eligible Institutional Shareholder?	Eligible Institutional Shareholders are persons who:
	• either:
	  • if in Australia, is a professional or sophisticated investors within the meaning set out in sections 708(8) or 708(11) of the Corporations Act; or
	  • if in New Zealand, is a person who:
	  • is an investment business within the meaning of clause 37 of Schedule 1 of the *Financial Markets Conduct Act 2013* (New Zealand) (the **FMC Act**);
	  • meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
	  • is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
	  • is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
	  • is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act (and, if an eligible investor, have provided the necessary certification);
	  • are registered as a holder of Shares as at the Record Date, being 7.00pm (AEST) on Wednesday, 20 May 2026;
	  • have a registered address on the Company share register in Australia or New Zealand or are, in the opinion of the Company, otherwise eligible to receive an offer of New Securities under the Entitlement Offer;
	  • are not in the United States and are not acting for the account or benefit of a person in the United States; and
	  • was invited to participate in the Institutional Entitlement Offer by the Company.
		Section 2.19

Am I an Eligible Retail Shareholder?	Eligible Retail Shareholders are persons who: • did not receive an offer (other than as nominee) under the Institutional Entitlement Offer (or if such invitation was received, it was subsequently revoked by the Company), and are not an Ineligible Institutional Shareholder; • are registered as a holder of Shares as at the Record Date, being 7.00pm (AEST) on Wednesday, 20 May 2026; • have a registered address on the Company share	Section 2.19

Topic	Summary	Further Information
	register in Australia or New Zealand or are, in the opinion of the Company, otherwise eligible to receive an offer of New Securities under the Entitlement Offer; and • are not in the United States and are not acting for the account or benefit of a person in the United States.	
How do I accept all or part of the Entitlement Offer?	An Application Form will be provided to Eligible Institutional Shareholders and Eligible Retail Shareholders (as applicable), together with a copy of this Prospectus. Please note that payment made must be received from Eligible Shareholders by no later than: • in respect of the Institutional Entitlement Offer, 5.00pm (AEST) on Tuesday, 19 May 2026; and • in respect of the Retail Entitlement Offer, 5.00pm (AEST) on Friday 5 June 2026. Shareholders should follow the instructions on their Application Form / Entitlement and Acceptance Form (as applicable).	Section 3
Can I withdraw my application?	Cooling off rights do not apply to an investment in New Securities under the Entitlement Offer. You cannot withdraw your payment once it has been accepted unless permitted to do so in accordance with the Corporations Act.	Section 2.18
Can Eligible Shareholders apply for New Securities in excess of their Entitlement?	Yes, if you take up your Entitlement in full, you can apply for additional Securities under the Institutional Entitlement Offer or Retail Entitlement Offer (as applicable). The allocation of additional New Securities applied for under the Entitlement Offer will be subject to the Institutional Shortfall or Retail Shortfall (if any and as applicable) that exists depending on the level of take up of Entitlements by Eligible Shareholders. There is no guarantee that Eligible Shareholders will be allocated any additional New Securities in excess of their Entitlement under the Entitlement Offer. The Company reserves the right to issue to an Eligible Shareholder who has applied for additional New Securities in excess of their Entitlement a lesser number of New Securities than the number applied for in excess, reject an application or not proceed with the issuing of the Institutional Shortfall or Retail Shortfall (if any and as applicable) or part thereof.	Section 2.1
What if I don't participate in the Entitlement Offer?	If you decide not to take up all or any part of your Entitlement, do not take any further action and your Entitlement will lapse and your Entitlement will be sold into a bookbuild for the Institutional Entitlement Offer or Retail Entitlement Offer (as applicable). The Institutional Premium or Retail Premium (if any and as applicable) will be paid pro rata to each Ineligible Shareholder and to each Eligible Shareholder as applicable and to the extent they did not accept their Entitlement under the	Sections 2.1 and 3.7

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Topic	Summary	Further Information
	Entitlement Offer in full. There is no guarantee that any such Shareholders will receive any proceeds as a result of the Institutional Shortfall Bookbuild or Retail Shortfall Bookbuild (as applicable). By allowing your Entitlement to be sold through the Institutional Shortfall Bookbuild or Retail Shortfall Bookbuild (as applicable), you will forgo any exposure to increases or decreases in the value of the Entitlement Securities had you taken up your Entitlement (or any value for your Entitlement which may have been achieved through its sale on ASX or otherwise). Your holding of Shares will be diluted because the issue of Shares pursuant to the Offers and on the exercise of the Entitlement Options will increase the total number of Shares on issue.	
Can I trade my Entitlement?	The Entitlement Offer is renounceable, however there will be no ASX trading of the rights and the rights are not transferable. Any rights not taken up in either the Institutional Entitlement Offer or the Retail Entitlement Offer will be sold via a bookbuild at the completion of each component of the Entitlement Offer. If the price of the rights and underlying New Shares offered for sale in the bookbuilds clears at a price above the Offer Price, the net proceeds will be remitted to ineligible and renouncing shareholders.	Section 2.14
How will Shortfall be allocated?	The Institutional Entitlements will be allocated in the following priority: • firstly, Eligible Institutional Shareholders who have subscribed with valid Applications for their all or part of their Institutional Entitlement of New Securities under the Entitlement Offer will be allocated the number of Institutional Entitlements applied for; • secondly, the Institutional Shortfall (if any) will be allocated to Eligible Institutional Shareholders (other than related parties of the Company) in such number as applied for over and above their Institutional Entitlement; and • thirdly, the remaining Institutional Shortfall (if any) will form the Institutional Shortfall Bookbuild. The Retail Entitlements will be allocated in the same priority as the Institutional Entitlements, as set out above. Any Entitlement Shares that are not applied for under the Entitlement Offer will form the Shortfall Shares. The Shortfall Securities (if any) will be allocated to persons who are invited by the Company or the Lead Manager to participate in the Shortfall Offer. The Directors reserve the right to place any Shortfall Securities at their discretion within three months after the Closing Date. The Shortfall Shares and Shortfall Options will rank pari passu with the New Shares and New Options, respectively.	Sections 2.1 and 2.2

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Topic	Summary	Further Information
Note Conversion Offer		
What is the Note Conversion Offer?	The Note Conversion Offer is an offer of up to a maximum of 584,400,000 Note Conversion Shares (at a conversion price of $0.005 per Note Conversion Share) to the Convertible Noteholders in conversion of up to $2.922 million of Convertible Note debt, together with 1 free attaching Note Conversion Option (exercisable at $0.01 per Note Conversion Option and expiring 30 June 2029) for every Note Conversion Share issued.	Section 2.3
Who is eligible to participate in the Note Conversion Offer?	Only the Convertible Noteholders are entitled to participate in the Note Conversion Offer.	Section 2.3
Is the Note Conversion Offer conditional?	Yes, the Note Conversion Offer is conditional upon: • successful completion of the Entitlement Offer and Shortfall Offer (if any); • the Company raising a minimum amount of $4 million under the Entitlement Offer and Shortfall Offer (if any), unless otherwise agreed between the Company and each Convertible Noteholder in respect of their Convertible Notes only; and • the Company having received approval from its shareholders in a general meeting under Listing Rule 7.1 or Listing Rule 10.11 (whichever applies at the relevant time) and for all other purposes in relation to the issue of the Note Conversion Securities.	Section 2.3
What are the terms of the Note Conversion Securities?	The Note Conversion Shares and Shares issued on the exercise of the Note Conversion Options under the Note Conversion Offer will have the same rights as existing fully paid ordinary Shares on issue in the Company, as detailed in Section 6.1. The Note Conversion Options issued under the Note Conversion Offer will be exercisable at $0.01 each, on or before 30 June 2029. The Note Conversion Options offered under this Prospectus will have the same terms and conditions as all other New Options issued under the Entitlement Offer, the Director Loan Conversion Offer and the Broker Option Offer. For further information regarding the terms and conditions attaching to the New Options, please see Section 6.2.	Section 2.3
When will the Note Conversion Securities be issued?	Subject to the satisfaction of the relevant conditions, the Company intends to issue the Note Conversion Securities as soon as practicable after Shareholder approval (as it relates to the Note Conversion Offer) is obtained.	Section 2.3
Will any funds be raised from the Note Conversion Offer?	No funds will be raised from the issue of the Note Conversion Securities, as they are being issued in conversion of Convertible Note debt. However, the Company will retire up to $2.922 million in debt if the Note	Section 2.3

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Topic	Summary	Further Information
	Conversion Offer is fully subscribed. Funds will be raised by the Company upon exercise of any of the Note Conversion Options. If all 584,400,000 Note Conversion Options are issued and subsequently exercised, the Company will raise approximately $5.844 million. In the event that any funds are raised through the exercise of Note Conversion Options prior to their expiry date, the Company expects that it will apply such funds in the manner set out in Section 4.2.	
Director Loan Conversion Offer		
What is the Director Loan Conversion Offer?	The Director Loan Conversion Offer is an offer of up to 502,500,000 Director Loan Shares (at a conversion price of $0.005 per Director Loan Share) to the Director Lenders to retire up to $2.513 million of Director Loans, together with 1 free attaching Director Loan Option (exercisable at $0.01 per Director Loan Option and expiring 30 June 2029) for every Director Loan Share issued.	Section 2.4
Who is eligible to participate in the Director Loan Conversion Offer?	Only the Director Lenders are entitled to participate in the Director Loan Conversion Offer.	Section 2.4
Is the Director Loan Conversion Offer conditional?	Yes, the Director Loan Conversion Offer is conditional upon: • successful completion of the Entitlement Offer and Shortfall Offer (if any); • the Company raising a minimum amount of $4 million under the Entitlement Offer and Shortfall Offer (if any), unless otherwise agreed between the Company and each Director Lender in respect of their Director Loan only; and • the Company having received approval from its shareholders in a general meeting under Listing Rule 10.11 and for all other purposes in relation to the issue of the Director Loan Conversion Securities.	Section 2.4
What are the terms of the Director Loan Conversion Securities?	The Director Loan Shares and Shares issued on the exercise of the Director Loan Options under the Director Loan Conversion Offer will have the same rights as existing fully paid ordinary Shares on issue in the Company, as detailed in Section 6.1. The Director Loan Options issued under the Director Loan Conversion Offer will be exercisable at $0.01 each, on or before 30 June 2029. The Director Loan Options offered under this Prospectus will have the same terms and conditions as all other New Options issued under the Entitlement Offer, the Note Conversion Offer and the Broker Option Offer. For further information regarding the terms and conditions attaching to the New Options, please	Section 2.4

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Topic	Summary	Further Information
	see Section 6.2.	
When will the Director Loan Conversion Securities be issued?	Subject to the satisfaction of the other conditions, the Company intends to issue the Director Loan Conversion Securities as soon as practicable after Shareholder approval (as it relates to the Director Loan Conversion Offer) is obtained.	Section 2.4
Will any funds be raised from the Director Loan Conversion Offer?	No funds will be raised from the issue of the Director Loan Conversion Securities, as they are being issued in repayment of all or part of the Director Loans. Funds will be raised by the Company upon exercise of any of the Director Loan Options. If all 502,500,000 Director Loan Options are issued and subsequently exercised, the Company will raise approximately $5.025 million. In the event that any funds are raised through the exercise of Director Loan Options prior to their expiry date, the Company expects that it will apply such funds in the manner set out in Section 4.2.	Section 2.4
Broker Share Offer		
What is the Broker Share Offer?	Under the Lead Manager Mandate, and subject to a minimum of $8 million being raised under the Entitlement Offer (and Shortfall Offer if applicable), the Company has agreed to issue 25,000,000 Broker Shares to the Lead Manager (and/or its nominee(s)).	Section 2.5
Who is eligible to participate in the Broker Share Offer?	Only the Lead Manager (and/or its nominee(s)) is entitled to participate in the Broker Share Offer.	Section 2.5
Is the Broker Share Offer conditional?	The Broker Share Offer is conditional upon: • the Company raising a minimum amount of $8 million under the Entitlement Offer and Shortfall Offer (if any); and • the Company having received approval from its Shareholders in a general meeting under Listing Rule 7.1 and for all other purposes in relation to the issue of the Broker Shares.	Section 2.5
What are the terms of the Broker Shares?	The Broker Shares issued under the Broker Offer will have the same rights as existing fully paid ordinary Shares on issue in the Company, as detailed in Section 6.1. 50% of the Broker Shares issued under the Broker Share Offer will be subject to voluntary escrow restrictions for a period of 12 months from the date of issue of those Broker Shares.	Section 2.5
When will the Broker Shares be issued?	Subject to the satisfaction of the conditions, the Company intends to issue the Broker Shares as soon as practicable after Shareholder approval (as it relates to the Broker Share Offer) is obtained.	Section 2.5

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Topic	Summary	Further Information
Will any funds be raised from the Broker Share Offer?	No funds will be raised from the issue of the Broker Shares, as they are being issued as consideration for services provided by the Lead Manager pursuant to the Lead Manager Mandate.	Section 2.5
Broker Option Offer		
What is the Broker Option Offer?	Under the Lead Manager Mandate, the Company has agreed to issue up to 150,000,000 Broker Options to the Lead Manager (and / or its nominee(s)), on the basis of 1 Broker Option for every 10.910753 New Shares (with fractional entitlements to a Broker Option rounded down to the nearest whole Broker Option) issued under the Institutional Shortfall Bookbuild, Retail Shortfall Bookbuild and Shortfall Offer. The number of Broker Options which will be issued to the Lead Manager (and / or its nominee(s)) under the Broker Option Offer is subject to an overriding cap of 150,000,000 Broker Options.	Section 2.6
Who is eligible to participate in the Broker Option Offer?	Only the Lead Manager (and/or its nominee(s)) is entitled to participate in the Broker Option Offer.	Section 2.6
Is the Broker Option Offer conditional?	The Broker Option Offer is conditional upon: • successful completion of the Entitlement Offer and Shortfall Offer (if any); • the Company raising a minimum amount of $8 million under the Entitlement Offer and Shortfall Offer (if any); and • the Company having received approval from its Shareholders in a general meeting under Listing Rule 7.1 and for all other purposes in relation to the issue of the Broker Options. In the event that a general meeting seeking Shareholder approval for the issue of the Broker Options and/or Broker Shares is not convened within six weeks of the completion of the Entitlement Offer, or if such Shareholder approval is not received, the Company shall, within seven days of (i) the expiry of the six week period; or (ii) the general meeting (as applicable), compensate the Lead Manager with the monetary equivalent of the Broker Shares and Broker Options in cash. In the case of Broker Options, the cash consideration will be calculated on the output of a Black Scholes Model, with input assumptions equivalent to the agreed terms of the Broker Options, based on the date that the Entitlement Offer completes.	Section 2.6
What are the terms of the Broker Options?	The Shares issued on the exercise of the Broker Options under the Broker Offer will have the same rights as existing fully paid ordinary Shares on issue in the Company, as detailed in Section 6.1.	Section 2.6

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Topic	Summary	Further Information
	The Broker Options issued under the Broker Offer will be exercisable at $0.01 each, on or before 30 June 2029. The Broker Options offered under this Prospectus will have the same terms and conditions as all other New Options issued under the Entitlement Offer, the Director Loan Conversion Offer and the Note Conversion Offer . For further information regarding the terms and conditions attaching to the New Options, please see Section 6.2. However, 50% of the Options issued under the Broker Option Offer will be subject to voluntary escrow restrictions for a period of 12 months from the date of issue of those Broker Options.	
When will the Broker Options be issued?	The Company intends to issue the Broker Options as soon as practicable after Shareholder approval (as it relates to the Broker Option Offer) is obtained.	Section 2.6
Will any funds be raised from the Broker Option Offer?	No funds will be raised from the issue of the Broker Options, as they are being issued as consideration for services provided by the Lead Manager pursuant to the Lead Manager Mandate. Funds will be raised by the Company upon exercise of any of the Broker Options. If all 150,000,000 Broker Options are issued and subsequently exercised, the Company will raise approximately $1.5 million. In the event that any funds are raised through the exercise of Broker Options prior to their expiry date, the Company expects that it will apply such funds in the manner set out in Section 4.2.	Section 2.6
What will be the control effect of the Offers?		
What will be the effect of the Offers on the control of the Company?	The effect of the Offers on the control of the Company will vary with the level of Entitlements taken up by Eligible Shareholders under the Entitlement Offer. The Company will manage the Offers such that none of the Applicants will obtain a relevant interest in Shares of 20% or more. No New Securities will be issued to any Shareholder or Applicant pursuant to this Prospectus if, in the view of the Directors, to do so would increase that Shareholder's or Applicant's Voting Power in the Company above 20% or otherwise result in a breach of the Listing Rules, the Corporations Act or any other applicable law. Further, the effect of the Offers on the control of the Company will depend on whether or not the New Options are exercised into Shares, and the identity of the persons who exercise their New Options into Shares. Refer to Section 4.5 for full details.	Sections 4.5 and 4.6
What are the key risks of an investment in the Company?		
Risks Specific to	Investment in the Company should be considered speculative. Some of the key risks of investing in the	Section 5

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Topic	Summary	Further Information
the Company	Company are detailed below. The list of risks is not exhaustive and further details of these risks and other risks associated with an investment in the Company are detailed in Section 5. • **Going concern risk** The Company's FY25 Financial Report (for the year ending 30 June 2025) and HY26 Financial Report (for the half year ended 31 December 2025) each included a note on the financial condition of the Company and the existence of a material uncertainty about the Company's ability to continue as a going concern. As set out in the HY26 Financial Report, as at 31 December 2025, the consolidated entity incurred a net loss before tax of $2.34 million, reported cash used in operations of $22,383 and had a net current assets deficit (current assets less current liabilities) of $12.07 million. Despite these material uncertainties, the directors were as at 31 December 2025 of the opinion the consolidated entity would continue as a going concern, taking into consideration various factors outlined in the HY26 Financial Report. Since the date of the HY26 Financial Report, the Directors have reviewed the debt levels of the Company and determined to undertake the Offers, in order to materially reduce debt levels and strengthen the financial position of the Company. Where the Offers are fully subscribed, and as set out in the pro-forma statement of financial position in Section 4.7, the Company will reduce its liabilities by $10.23 million through the conversion of $5.435 million of debt (comprising $2.922 million in Convertible Notes and $2.513 million in Director Loans) and repayment of $4.791 million of debt and operating liabilities out of funds raised, thus reducing the net current assets deficit (current assets less current liabilities) from $12.07 million (as at 31 December 2025) to a positive net current asset position of $0.766 million (assuming none of the New Options are exercised) and $29.496 million, assuming 100% of the New Options are fully exercised. Notwithstanding the 'going concern' qualification included in HY26 Financial Report, the Directors believe that upon the successful completion of the Offers, the Company will have sufficient funds to adequately meet the Company's current commitments and short term working capital requirements, although further funding may be required to meet the short to medium term working capital costs of the Company. However, where the Company raises less than $4 million, the Conversion Offers will not proceed and the $5.435 million in Convertible Note debt and Director Loans will not be converted, and will remain as current	

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Topic	Summary	Further Information
	liabilities; and the Company will not be in a position to reduce its liabilities by $4.791 million (as the Company intends where it raises the maximum subscription amount of $8.183 million). Consequently, the Company will continue to have a net current assets deficit (notwithstanding that this deficit will be smaller than the net current assets deficit position of $12.07 million as at 31 December 2025). • **Overdue PAYG obligation to ATO** As disclosed in the HY26 Financial Report, Hydrix Services Pty Ltd has a pay as your go (**PAYG**) liability of approximately $2.5 million (excluding interest) as at 31 December 2025 that remains outstanding to the Australia Tax Office (**ATO**). The PAYG liability relates to obligations that accrued between February 2024 and June 2025. Hydrix Services Pty Ltd has proactively engaged with ATO on this outstanding balance. The outstanding balance has been discussed and agreed with ATO and as such there is no remaining judgement or estimation in relation to this balance. Hydrix Services Pty Ltd has submitted a payment plan proposal to address the outstanding balance, and is awaiting formal approval of the plan by ATO. Until formal approval from ATO is received, it is not known whether any fines or penalties will be imposed or whether Hydrix's proposed payment plan will be accepted. There is a risk that ATO will not accept Hydrix Services Pty Ltd's proposed payment plan, and call upon immediate repayment of the liability owed. However, given the level of constructive engagement Hydrix Services Pty Ltd has had with ATO to date, the Directors have confidence that a manageable payment plan can be achieved, noting that Hydrix Services Pty Ltd has been operating under the proposed payment plan and reducing the outstanding debt. The Directors further believe that upon the successful completion of the Offers, the Company will have sufficient funds to meet the Company's commitments to make repayments in accordance with its proposed payment plan. • **Default risk under debt arrangements** The Company has and may continue to enter into debt facilities and agreements, under which it has and will have obligations to make payments to debt holders on relevant due dates and repay amounts advanced to the Company on the relevant due dates. Following successful completion of the Offers, the Company will have extinguished up to $10.23 million of its outstanding debt, including: • up to $2.922 million owed pursuant to the	

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Topic	Summary	Further Information

Convertible Notes which will be converted under the Note Conversion Offer; and

- up to $2.513 million owed pursuant to the Director Loans which will be converted under the Director Loan Conversion Offer; and
- $4.791 million owed to other lenders and creditors (including approximately $1 million to TP24 under the trade finance facility which is repayable by 31 July 2026).

Assuming that $10.23 million debt is extinguished in accordance with the above, the Company will have less than $100,000 in borrowings.

However, where the Company raises less than $4 million:

- the Conversion Offers will not proceed. Consequently, the $5.435 million in Convertible Note debt and Director Loans will not be converted, and will remain as current liabilities will be repayable by October 2026; and
- the Company will not be in a position to reduce its liabilities by $4.791 million (as the Company intends where it raises the maximum subscription amount of $8.183 million).

In this event, the Company would seek to comply with any existing repayment terms using the proceeds from cash flows from operations, or, if required, additional debt or equity raisings. In addition, the Company may seek amendments, or alternative borrowing arrangements. However, there is no assurance that the lenders would consent to an amendment or a waiver in the event of non-compliance, or that the lenders would not exercise rights that would be available to them, including among other things, demanding immediate payment of outstanding borrowings. If such a demand was made and appropriate forbearance or refinance arrangements could not be reached, the Company may not have sufficient funds to meet that demand.

- **Customer credit risk and customer concentration risk**

  The Group is exposed to the risk of bad debts associated with the payment obligations of its customers. Further, the Company is exposed to customer concentration risk where a relatively small number of clients make up a material portion of the Group's revenue. The risk arising from a customer with bad debts is compounded where that customer is a material contributor of revenue to the Group.

  The extent to which this risk will impact the Company's business depends on (among other things) the credit profile and funding constraints of its customers, and

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Topic	Summary	Further Information
	the customer concentration of the Group. Hydrix seeks to mitigate this risk by establishing strong credit policies, undertaking robust customer screening, diversifying its customer base, and generally requiring material upfront deposits to be paid prior to commencement of significant projects. Many clients rely on their own ongoing capital raising efforts to fund their new product development programs. From time to time, clients may be subject to their own financial distress, which has the potential to negatively impact the Company's working capital and potentially, result in the Company not being able be to recover outstanding receivable amounts leading to a bad debt write-off. The Company uses all reasonable efforts to manage these potential risks. However, a failure to adequately assess and manage credit risk may result in non-recoverable write offs, which could adversely impact the Company's cash flow, financial position, performance and reputation. • **Future capital requirements** The Company has undertaken reasonable operating cost reductions in accordance with the operating potential of its underlying business. Due to the nature of project-based consulting services engineering businesses and the requirement to maintain appropriate levels of resources and skill capabilities to service highly specialised and regulated product developments, periodic revenues and operating profits fluctuate. Coupling these periodic fluctuations with the costs of operating an ASX listed entity, the Company may generate periodic losses and as a result require additional finance in the future to sufficiently fund its operations. Further, pursuing growth and expansion opportunities will require additional capital investment. Any additional equity financing may be dilutive to shareholders (who may not have the opportunity to participate in that raising), and may be undertaken at lower prices than any prior offer prices. Should the Company require additional funding, there can be no assurance that additional financing will be available on acceptable terms or at all. Any inability to obtain additional financing, if required, would have a material adverse effect on the Company's business, financial condition and results of operations. The Company's actual cash requirements may vary from those now planned and will depend upon many factors Refer to Section 5 for an overview of further risks associated with an investment in the Company, and also risks associated in connection with the Offers.	

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Topic	Summary	Further Information
Shareholder approvals		
When will the Company seek the necessary Shareholder approvals in connection with the Offers?	The Company intends to convene a general meeting in or around July 2026, to seek the necessary Shareholder approvals to issue Securities under the Conversion Offers and the Broker Offers.	
Further Information		
How can I obtain further information?	Further information and application instructions for the Offers, as well as the risks associated with investing in an Offer are detailed in this Prospectus which you should read carefully and in its entirety. If you have any questions in respect of the Offers, please contact the Company at info@hydrix.com or the Offer Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) or via email at corporateactions@boardroomlimited.com.au. For other questions, you should consult your broker, lawyer, accountant, financial adviser, or other professional adviser.	Section 2.27

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2 Details of the Offers

2.1 Entitlement Offer

Details

By this Prospectus, the Company invites Eligible Shareholders to participate in the Entitlement Offer.

The Entitlement Offer is an accelerated renounceable pro-rata offer to Eligible Shareholders to raise up to approximately $8.183 million (before costs), on the basis of 6 Entitlement Shares (at an issue price of $0.005 per Entitlement Share) for every 1 Share held on the Record Date, together with 1 free attaching Entitlement Option (exercisable at $0.01 per Entitlement Option and expiring 30 June 2029) for every Entitlement Share issued.

The Offer Price represents a discount of:

(a) 61.54% to the closing price of $0.013 per Share on 13 May 2026 (being the last day before the Company entered into a trading halt in connection with the Entitlement Offer); and

(b) 18.60% to the theoretical ex-rights price (**TERP**)[2] of $0.0061.

Components of Entitlement Offer

The Entitlement Offer comprises 4 components:

(c) **Institutional Entitlement Offer** – Eligible Institutional Shareholders will be given the opportunity to take up all or part of their Institutional Entitlements under the Institutional Entitlement Offer. Eligible Institutional Shareholders may also apply for additional Entitlement Securities, in excess of their Institutional Entitlement, not subscribed for by other Eligible Institutional Shareholders pursuant to the Institutional Entitlement Offer.

The Institutional Entitlement Offer will open on Monday, 18 May 2026 and will close at 5.00pm on Tuesday, 19 May 2026.

The Institutional Entitlements will be allocated in the following priority:

(i) firstly, Eligible Institutional Shareholders who have subscribed with valid Applications for all or part of their Institutional Entitlement of New Securities under the Entitlement Offer will be allocated the number of Institutional Entitlements applied for;

(ii) secondly, the remaining Institutional Entitlements (if any) (**Institutional Shortfall**) will be allocated to Eligible Institutional Shareholders (other than related parties of the Company) who:

(A) have subscribed with valid Applications for their full Institutional Entitlement of New Securities under the Entitlement Offer; and

(B) have validly applied for additional Entitlement Securities under their Application,

in such number as applied for over and above their Institutional Entitlement, provided that no Eligible Institutional Shareholder will increase their Voting Power in the Company above 19.99% through the allocation of the Institutional Shortfall Securities. In the event it is necessary to scale back

[2] TERP is the theoretical ex-rights price at which the Company's Shares should trade immediately after the ex-date of the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which the Company's shares trade immediately after the ex-date of the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to the Company's closing price of $0.013 per Share on 13 May 2026 (being the last day before the Company entered into a trading halt in connection with the Entitlement Offer) and assumes that the Entitlement Offer is fully subscribed and no other Shares are issued. TERP does not include any impact of the Conversion Offers or Broker Offers.

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applications for Institutional Shortfall Securities by Eligible Institutional Shareholders, then the scale back will be at the discretion of the Directors in consultation with the Lead Manager and, in the first instance, on a pro rata basis, based on the Institutional Entitlements of Eligible Institutional Shareholders.

If the number of Institutional Shortfall Securities issued is less than the number applied for, surplus Application Monies will be refunded in full. Interest will not be paid on Application Monies refunded; and

(iii) then, the remaining Institutional Shortfall Securities (if any) will form the Institutional Shortfall Bookbuild.

The Institutional Shortfall allocation policy has been structured to allow each Eligible Institutional Shareholder to participate in priority to other investors, with the objective of reducing the number of Institutional Shortfall Securities that may be issued to third parties.

(d) **Institutional Shortfall Bookbuild** – Institutional Entitlements not taken up under the Institutional Entitlement Offer and Institutional Entitlements that would have been issued to Ineligible Institutional Shareholders had they been entitled to participate in the Institutional Entitlement Offer will be sold through the Institutional Shortfall Bookbuild process on Tuesday, 19 May 2026 and Wednesday, 20 May 2026.

The Institutional Premium realised for the Institutional Entitlements forming the Institutional Shortfall, if any, will be remitted proportionally to holders of those Institutional Entitlements at the close of the Institutional Entitlement Offer, and to Ineligible Institutional Shareholders. The Institutional Premium, if any, is expected to be paid on or around Tuesday, 26 May 2026.

(e) **Retail Entitlement Offer** – Eligible Retail Shareholders will be given the opportunity to take up all or part of their Retail Entitlements under the Retail Entitlement Offer. Eligible Retail Shareholders may also apply for additional Entitlement Securities, in excess of their Retail Entitlement, not subscribed for by other Eligible Retail Shareholders pursuant to the Retail Entitlement Offer.

Retail Entitlements cannot be traded on ASX or transferred directly to another person.

The Retail Entitlement Offer will open on Monday, 25 May 2026 and will close at 5.00pm (AEST) on Friday, 5 June 2026 (unless extended).

The Retail Entitlements will be allocated in the following priority:

(i) firstly, Eligible Retail Shareholders who have subscribed with valid Applications for their all or part of their Retail Entitlement of New Securities under the Entitlement Offer will be allocated the number of Retail Entitlements applied for;

(ii) secondly, the remaining Retail Entitlements (if any) (**Retail Shortfall**) will be allocated to Eligible Retail Shareholders (other than related parties of the Company) who:

(A) have subscribed with valid Applications for their full Retail Entitlement of New Securities under the Entitlement Offer; and

(B) have validly applied for additional Entitlement Securities under their Application,

in such number as applied for over and above their Retail Entitlement, provided that no Eligible Retail Shareholder will increase their Voting Power in the Company above 19.99% through the allocation of the Retail Shortfall Securities. In the event it is necessary to scale back applications for Retail Shortfall Securities by Eligible Retail Shareholders, then the scale back will be

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at the discretion of the Directors and, in the first instance, on a pro rata basis, based on the Retail Entitlements of Eligible Retail Shareholders.

If the number of Retail Shortfall Securities issued is less than the number applied for, surplus Application Monies will be refunded in full. Interest will not be paid on Application Monies refunded; and

(iii) then, the remaining Retail Shortfall Securities (if any) will form the Retail Shortfall Bookbuild.

The Retail Shortfall allocation policy has been structured to allow each Eligible Retail Shareholder to participate in priority to other investors with the objective of reducing the number of Retail Shortfall Securities that may be issued to third parties.

(f) **Retail Shortfall Bookbuild** – Entitlements not taken up under the Retail Entitlement Offer and Retail Entitlements that would have been issued to Ineligible Retail Shareholders had they been entitled to participate in the Retail Entitlement Offer will be offered for sale through the Retail Shortfall Bookbuild.

The Retail Premium realised for the Retail Entitlements forming the Retail Shortfall, if any, will be remitted proportionally to holders of those Retail Entitlements at the close of the Retail Entitlement Offer, and to Ineligible Retail Shareholders. The Retail Premium, if any, is expected to be paid on or around Thursday, 18 June 2026.

Shortfall bookbuild premiums

The ability to sell Entitlements under the Institutional Shortfall Bookbuild and Retail Shortfall Bookbuild, and the ability to obtain any Institutional Premium and / or Retail Premium will depend on various factors, including market conditions. If there is a Retail Premium, it may be less than, more than, or equal to the Institutional Premium, and vice-versa.

To the maximum extent permitted by law, the Company, the Lead Manager and each of their respective related bodies corporate and affiliates, and each of their respective directors, officers, partners, employees, representatives and agents, disclaim all liability, including for negligence, for any failure to procure an Institutional Premium under the Institutional Shortfall Offer and / or a Retail Premium under the Retail Shortfall Bookbuild, for any difference between the Retail Premium and Institutional Premium, and for any failure to obtain any particular exchange rate, or any movements in exchange rates, if exchanging the Institutional Premium or Retail Premium (as applicable) into an elected foreign currency. The Company reserves the right to issue Entitlements under the Institutional Shortfall Bookbuild and Retail Shortfall Bookbuild at its discretion.

You should note that if you allow all or part of your Entitlement to lapse and be sold into the Institutional Shortfall Bookbuild or Retail Shortfall Bookbuild (as applicable), then you will forgo any exposure to increases or decreases in the value of Entitlement Securities and your percentage shareholding in the Company will be diluted by non-participation in the Entitlement Offer.

Purpose

The purpose of the Entitlement Offer and the intended use of funds raised is set out in Section 4.1 of this Prospectus.

Offer not conditional

The Entitlement Offer is not conditional, and is not subject to any minimum subscription.

Rights attaching to Entitlement Securities

All Entitlement Shares and Shares issued on the exercise of the Entitlement Options under the Entitlement Offer will rank equally with the Shares on issue as at the date of this Prospectus. For further information regarding the rights and liabilities attaching to Entitlement Shares and Shares issued on the exercise of the Entitlement Options, please see Section 6.1.

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The Entitlement Options issued under the Entitlement Offer will be exercisable at $0.01 each, on or before 30 June 2029. For further information regarding the terms and conditions attaching to Entitlement Options, please see Section 6.2.

2.2 **Shortfall Offer**

Details

Any Entitlement Shares that are not applied for under the Entitlement Offer will form the Shortfall Shares. The offer to issue Shortfall Shares is a separate offer under this Prospectus (**Shortfall Offer**).

Under this Prospectus, the Company offers to issue the Shortfall Shares to investors at the same price of $0.005 per Shortfall Share as that offered under the Entitlement Offer, together with 1 free attaching Shortfall Option for each Shortfall Share applied for and issued under the offer.

Investors may apply for Shortfall Securities upon invitation from the Company by completing the Shortfall Offer Application Form provided to them by the Company (refer to Section 3.8).

Any Shortfall Securities will be placed and issued within three months after the Retail Entitlement Offer Closing Date.

Allocation policy

The Shortfall Offer will be managed by the Lead Manager. The Company shall allot and issue any Shortfall Securities under the Shortfall Offer in accordance with the allocation policy set out below:

(a) The Shortfall Securities will be issued to persons to whom a disclosure document is not required to be provided under Part 6D.2 of the Corporations Act (which includes 'sophisticated investors' within the meaning of section 708(8) of the Corporations Act and 'professional investors' within the meaning of section 708(11) of the Corporations Act), who may be introduced to the Company by the Lead Manager.

(b) To the extent that is commercially practicable and taking into account the Company's requirement for funds, the Directors (working in conjunction with the Lead Manager) will endeavour to allot the Shortfall Securities to a spread of investors, in order to mitigate any control effects which may arise from issuing the Shortfall Securities to a single or small number of investors.

(c) In any event, the allocation will be done in a manner which will ensure that no Shareholder or other investor will, as a consequence of being issued any Shortfall Shares under the Shortfall Offer, hold a relevant interest of more than 19.99% of all of the Shares in the Company after the Offers.

(d) No related party (including the Directors) will be entitled to participate in the Shortfall Offer.

(e) The Company will not allocate or issue Shares or Options under the Shortfall Offer where it is aware that to do so would result in a breach of the Corporations Act, the Listing Rules or any other relevant regulation or law. Investors wishing to apply for Shares and Options under the Shortfall Offer must consider whether or not the issue of the Shares and Options applied for would breach the Corporations Act or the ASX Listing Rules having regard to their own circumstances.

In relation to the Shortfall Offer, the Company reserves the right to issue to an Applicant a lesser number of Shortfall Securities than the number applied for, reject an Application or not proceed with the issuing of the Shortfall Securities or part thereof.

If the number of Shortfall Shares issued is less than the number applied for, surplus Application Monies will be refunded in full. Interest will not be paid on Application Monies refunded.

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Rights attaching to Shortfall Securities

The Shortfall Shares, and Shares issued on the exercise of the Shortfall Options under the Shortfall Offer, will have the same rights as existing fully paid ordinary Shares on issue in the Company, as detailed in Section 6.1.

The Shortfall Options issued under the Shortfall Offer will be exercisable at $0.01 each, on or before 30 June 2029. For further information regarding the terms and conditions attaching to Shortfall Options, please see Section 6.2.

2.3 **Note Conversion Offer**

Background

In 2023, Hydrix undertook a capital raising through the issue of Convertible Notes, under which the Company raised $3.06 million (before costs) through the issue of 3,060,000 Convertible Notes, each with a face value of $1.00. The Convertible Notes were issued under a Convertible Note Deed Poll dated 31 July 2023.

Pursuant to the Convertible Note Deed Poll:

(a) the Convertible Notes had a maturity date of 24 months from their date of issue; noteholders were entitled, no later than 8 weeks prior to the maturity date, to extend the maturity date for a period of up to 12 months (**Extension Right**);

(b) interest of 10% per annum is payable quarterly in arrears;

(c) the conversion price is the lower of:

(i) $0.05; and

(ii) the lowest issue price of Shares under any equity capital raising completed by the Company between the issue date and the maturity date (**Specified Capital Raising**),

subject to a minimum conversion price of $0.015;

(d) outstanding Convertible Notes can be redeemed for cash as follows:

(i) compulsory redemption on the maturity date (as extended, if applicable);

(ii) the Company may, during the period of 6 months prior to the maturity date, redeem some or all of the outstanding convertible notes held by a noteholder; or

(iii) a noteholder can redeem some or all of their outstanding Convertible Notes if the Company announces Specified Capital Raising (**Early Redemption Right**); if for any reason the Specified Capital Raising does not proceed, the noteholder's Early Redemption Right will be revoked.

The Convertible Notes matured on various dates between October and November 2025. Pursuant to the Extension Right, noteholders holding 2,922,000 Convertible Notes elected to extend their maturity date to 11 October 2026. The Company redeemed the balance of 138,000 Convertible Notes in cash.

The Entitlement Offer comes within the definition of "Specified Capital Raising". Accordingly, noteholders are entitled to exercise their Early Redemption Right prior to the maturity date of 11 October 2026.

Having considered the availability of funds to meet potential short term redemption requests, and the ongoing interest payment obligations of the Company during the term of the Convertible Notes, the Company determined to make an offer to the Convertible Noteholders to convert all Convertible Notes currently on issue into equity, on the same terms as the Entitlement Offer (so that the Convertible Notes convert into Shares at the Offer Price of

$0.005, with 1 free attaching New Option for each Share issued). The conversion of the Convertible Notes is subject to:

(e) Completion of the Entitlement Offer;

(f) Hydrix raising a minimum of $4.0 million under the Entitlement Offer (unless otherwise agreed between Hydrix and the Noteholder); and

(g) Hydrix obtaining any required Shareholder approval for the issue of Note Conversion Securities.

As at the date of this Prospectus, Convertible Noteholders holding an aggregate of 2,100,000 Convertible Notes (with an aggregate face value of $2.1 million), being all Directors and their associated entities who are Convertible Noteholders, have agreed in writing to the conversion of all their Convertible Notes on the above terms (each a **Note Conversion Agreement**). Subject to Shareholder approval and the other above-mentioned conditions being satisfied, the Company will issue the Conversion Securities to such Convertible Noteholders (as well as any other Convertible Noteholders who enter into a Note Conversion Agreement after the date of this Prospectus) under the Note Conversion Offer.

Details

The Note Conversion Offer is an offer of up to a maximum of 584,400,000 Note Conversion Shares (at a conversion price of $0.005 per Note Conversion Share) to the Convertible Noteholders in conversion of up to $2.922 million of Convertible Note debt, together with 1 free attaching Note Conversion Option (exercisable at $0.01 per Note Conversion Option and expiring 30 June 2029) for every Note Conversion Share issued.

For every 1 Note Conversion Share (and attaching Note Conversion Option) issued to the Convertible Noteholders, the Company's Convertible Note debt will reduce by $0.005, being the agreed conversion price per Note Conversion Share (and the same as the Offer Price pursuant to the Entitlement Offer).

Separate offer

The offer of the Note Conversion Securities is a separate offer pursuant to this Prospectus, and only the Convertible Noteholders are entitled to participate in the Note Conversion Offer.

Offer conditional

The Note Conversion Offer is conditional upon:

(h) successful completion of the Entitlement Offer and Shortfall Offer (if any);

(i) the Company raising a minimum amount of $4 million under the Entitlement Offer and Shortfall Offer (if any), unless otherwise agreed between the Company and each Convertible Noteholder in respect of their Convertible Notes only; and

(j) the Company having received approval from its shareholders in a general meeting under Listing Rule 7.1 or Listing Rule 10.11 (whichever applies at the relevant time) and for all other purposes in relation to the issue of the Note Conversion Securities.

Subject to the satisfaction of the other conditions, the Company intends to issue the Note Conversion Securities as soon as practicable after Shareholder approval (as it relates to the Note Conversion Offer) is obtained.

In the event that Shareholder approval is not obtained, the Convertible Notes will remain on issue and will continue in accordance with the terms of the Convertible Note Deed Poll.

Rights attaching to Note Conversion Securities

The Note Conversion Shares and Shares issued on the exercise of the Note Conversion Options under the Note Conversion Offer will have the same rights as existing fully paid ordinary Shares on issue in the Company, as detailed in Section 6.1.

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The Note Conversion Options issued under the Note Conversion Offer will be exercisable at $0.01 each, on or before 30 June 2029. The Note Conversion Options offered under this Prospectus will have the same terms and conditions as all other New Options issued under the Entitlement Offer, the Director Loan Conversion Offer and the Broker Option Offer. For further information regarding the terms and conditions attaching to the New Options, please see Section 6.2.

Use of funds raised

No funds will be raised from the issue of the Note Conversion Securities, as they are being issued in conversion of the Convertible Note debt pursuant to the Note Conversion Agreement. However, the Company will retire up to $2.922 million in Convertible Note debt if the Note Conversion Offer is fully subscribed.

Funds will be raised by the Company upon exercise of any of the Note Conversion Options. If all 584,400,000 Note Conversion Options are issued and subsequently exercised, the Company will raise approximately $5.844 million. In the event that any funds are raised through the exercise of Note Conversion Options prior to their expiry date, the Company expects that it will apply such funds in the manner set out in Section 4.2.

2.4 Director Loan Conversion Offer

Background

The Directors and their associated entities have provided unsecured Director Loans to the Company. The aggregate loan principal amount owing to each Director and/or their associated entities (**Director Lender**) (each a **Director Loan**) as at 30 April 2026 is set out below:

Director Lender	Associated Director	Director Loan ($)
John W King Nominees Pty Ltd	Julie King	1,950,000[3]
Beachridge Advisory Services Pty Ltd	Gavin Coote	25,000
Kim Wright ATF Chatsworth Trust and Paul Wright	Paul Wright	45,000
P.A.J. Lewis Superannuation Fund Pty Ltd ATF PAJ Lewis Super Fund, PAJ Lewis Pty Ltd ATF PAJ Trust, and PAJ Lewis Pty Ltd	Paul Lewis	1,175,000
Total Director Loan balance at 30 April 2026		**3,195,000**

The Director Loans are repayable between 1 October 2026 and 11 October 2026. Having considered the availability of funds to meet these repayment obligations, the Company determined to make an offer to the Director Lenders to convert their Director Loans into equity, on the same terms as the Entitlement Offer (so that the Director Loans convert into Shares at the Offer Price of $0.005, with 1 free attaching New Option for each Share issued). The conversion of the Director Loans is subject to:

(a) Completion of the Entitlement Offer;

(b) Hydrix raising a minimum of $4.0 million under the Entitlement Offer (unless otherwise agreed between Hydrix and the Director Lender); and

(c) Hydrix obtaining Shareholder approval for the issue of Director Loan Conversion Securities.

[3] This does not include any further loan amounts advanced by John W King Nominees Pty Ltd after 30 April 2026. John W King Nominees Pty Ltd has agreed to provide a further loan facility of $600,000, which the Company anticipates fully drawing down in May 2026. If the Entitlement Offer (and if applicable the Shortfall Offer) is fully subscribed, it is intended that amounts drawn down under this loan facility (plus interest) will be repaid out of the proceeds of the Entitlement Offer.

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All Director Lenders have agreed in writing to the conversion of all their Director Loans on the above terms (each a **Director Loan Conversion Agreement**), save that John W King Nominees Pty Ltd (an associated entity of Julie King) has agreed to cap its converted amount at $1,267,500 (which would result in a remaining Director Loan balance of $682,500, excluding interest), in order to ensure that its Voting Power does not exceed 20% as a result of the conversion. It is intended that any outstanding loan principal and interest amounts owing to John W King Nominees Pty Ltd after conversion of the Director Loans (including any amounts drawn down after 30 April 2026 by the Company under a $600,000 loan facility provided by John W King Nominees Pty Ltd) will be repaid in cash, out of the proceeds of the Entitlement Offer (assuming the Entitlement Offer is fully subscribed).

Refer to Section 4.5(j) for further information about the impact of the Offers on John W King Nominees Pty Ltd's Voting Power.

Subject to Shareholder approval and the other above-mentioned conditions being satisfied, the Company will issue the Director Loan Conversion Securities to the Director Lenders under the Director Loan Conversion Offer.

Details

The Director Loan Conversion Offer is an offer of up to 502,500,000 Director Loan Conversion Shares (at a conversion price of $0.005 per Director Loan Conversion Share) to the Director Lenders to retire up to $2.513 million of Director Loans, together with 1 free attaching Director Loan Conversion Option (exercisable at $0.01 per Director Loan Conversion Option and expiring 30 June 2029) for every Director Loan Conversion Share issued.

For every 1 Director Loan Conversion Share (and attaching Director Loan Conversion Option) issued to the Director Lenders, the Company's Director Loan Debt will reduce by $0.005, being the agreed conversion price per Director Loan Conversion Share (and the same as the Offer Price pursuant to the Entitlement Offer).

Separate offer

The offer of the Note Conversion Securities is a separate offer pursuant to this Prospectus, and only the Convertible Noteholders are entitled to participate in the Note Conversion Offer.

Offer conditional

The Director Loan Conversion Offer is conditional upon:

(d) successful completion of the Entitlement Offer and Shortfall Offer (if any);

(e) the Company raising a minimum amount of $4 million under the Entitlement Offer and Shortfall Offer (if any), unless otherwise agreed between the Company and each Director Lender in respect of their Director Loan only; and

(f) the Company having received approval from its shareholders in a general meeting under Listing Rule 10.11 and for all other purposes in relation to the issue of the Director Loan Conversion Securities.

Subject to the satisfaction of the other conditions, the Company intends to issue the Director Loan Conversion Securities as soon as practicable after Shareholder approval (as it relates to the Director Loan Conversion Offer) is obtained.

In the event that Shareholder approval is not obtained, the Director Loans will remain.

Rights attaching to Director Loan Conversion Securities

The Director Loan Conversion Shares and Shares issued on the exercise of the Director Loan Conversion Options under the Director Loan Conversion Offer will have the same rights as existing fully paid ordinary Shares on issue in the Company, as detailed in Section 6.1.

The Director Loan Conversion Options issued under the Director Loan Conversion Offer will be exercisable at $0.01 each, on or before 30 June 2029. The Director Loan Conversion

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Options offered under this Prospectus will have the same terms and conditions as all other New Options issued under the Entitlement Offer, the Note Conversion Offer and the Broker Option Offer. For further information regarding the terms and conditions attaching to the New Options, please see Section 6.2.

Use of funds raised

No funds will be raised from the issue of the Director Loan Conversion Securities, as they are being issued in repayment of all or part of the Director Loans.

Funds will be raised by the Company upon exercise of any of the Director Loan Conversion Options. If all 502,500,000 Director Loan Conversion Options are issued and subsequently exercised, the Company will raise approximately $5.025 million. In the event that any funds are raised through the exercise of Director Loan Conversion Options prior to their expiry date, the Company expects that it will apply such funds in the manner set out in Section 4.2.

2.5 **Broker Share Offer**

Details

Under the Lead Manager Mandate, and subject to a minimum of $8 million being raised under the Entitlement Offer (and Shortfall Offer if applicable), the Company has agreed to issue 25,000,000 Broker Shares to the Lead Manager (and/or its nominee(s)).

Separate offer

The offer of the Broker Shares is a separate offer pursuant to this Prospectus, and only the Lead Manager (and / or its nominee(s)) is entitled to participate in the Broker Share Offer.

Offer conditional

The Broker Share Offer is conditional upon:

(a) the Company raising a minimum amount of $8 million under the Entitlement Offer and Shortfall Offer (if any); and

(b) the Company having received approval from its Shareholders in a general meeting under Listing Rule 7.1 and for all other purposes in relation to the issue of the Broker Shares.

Subject to the satisfaction of these conditions, the Company intends to issue the Broker Shares as soon as practicable after Shareholder approval (as it relates to the Broker Share Offer) is obtained.

Rights attaching to Broker Shares

The Broker Shares issued under the Broker Offer will have the same rights as existing fully paid ordinary Shares on issue in the Company, as detailed in Section 6.1.

50% of the Broker Shares issued under the Broker Share Offer will be subject to voluntary escrow restrictions for a period of 12 months from the date of issue of those Broker Shares.

Use of funds raised

No funds will be raised from the issue of the Broker Shares, as they are being issued as consideration for services provided by the Lead Manager pursuant to the Lead Manager Mandate.

2.6 **Broker Option Offer**

Details

Under the Lead Manager Mandate, the Company has agreed to issue up to 150,000,000 Broker Options to the Lead Manager (and / or its nominee(s)), on the basis of 1 Broker Option

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for every 10.910753 New Shares (with fractional entitlements to a Broker Option rounded down to the nearest whole Broker Option) issued under the Institutional Shortfall Bookbuild, Retail Shortfall Bookbuild and Shortfall Offer.

The number of Broker Options which will be issued to the Lead Manager (and / or its nominee(s)) under the Broker Option Offer is subject to an overriding cap of 150,000,000 Broker Options.

Separate offer

The offer of the Broker Options is a separate offer pursuant to this Prospectus, and only the Lead Manager (and / or its nominee(s)) is entitled to participate in the Broker Option Offer.

Offer conditional

The Broker Option Offer is conditional upon:

(a) successful completion of the Entitlement Offer and Shortfall Offer (if any);

(b) the Company raising a minimum amount of $8 million under the Entitlement Offer and Shortfall Offer (if any); and

(c) the Company having received approval from its Shareholders in a general meeting under Listing Rule 7.1 and for all other purposes in relation to the issue of the Broker Options.

The Company intends to issue the Broker Options as soon as practicable after Shareholder approval (as it relates to the Broker Option Offer) is obtained.

In the event that a general meeting seeking Shareholder approval for the issue of the Broker Options and/or Broker Shares is not convened within six weeks of the completion of the Entitlement Offer, or if such Shareholder approval is not received, the Company shall, within seven days of (i) the expiry of the six week period; or (ii) the general meeting (as applicable), compensate the Lead Manager with the monetary equivalent of the Broker Shares and Broker Options in cash. In the case of Broker Options, the cash consideration will be calculated on the output of a Black Scholes Model, with input assumptions equivalent to the agreed terms of the Broker Options, based on the date that the Entitlement Offer completes.

Rights attaching to Broker Options

The Shares issued on the exercise of the Broker Options under the Broker Offer will have the same rights as existing fully paid ordinary Shares on issue in the Company, as detailed in Section 6.1.

The Broker Options issued under the Broker Offer will be exercisable at $0.01 each, on or before 30 June 2029. The Broker Options offered under this Prospectus will have the same terms and conditions as all other New Options issued under the Entitlement Offer, the Director Loan Conversion Offer and the Note Conversion Offer. For further information regarding the terms and conditions attaching to the New Options, please see Section 6.2.

However, 50% of the Options issued under the Broker Option Offer will be subject to voluntary escrow restrictions for a period of 12 months from the date of issue of those Broker Options.

Use of funds raised

No funds will be raised from the issue of the Broker Options, as they are being issued as consideration for services provided by the Lead Manager pursuant to the Lead Manager Mandate.

Funds will be raised by the Company upon exercise of any of the Broker Options. If all 150,000,000 Broker Options are issued and subsequently exercised, the Company will raise approximately $1.5 million. In the event that any funds are raised through the exercise of Broker Options prior to their expiry date, the Company expects that it will apply such funds in the manner set out in Section 4.2.

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2.7 Purpose of Prospectus

The purpose of this Prospectus is:

(a) to make the Offers;

(b) to enable the Securities offered under this Prospectus to be on-sold without disclosure; and

(c) to enable the Shares that are issued upon exercise of the New Options offered under this Prospectus to be on-sold without disclosure, pursuant to *ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2026/94*.

Disclosure exemption for Entitlement Offer

In certain circumstances, a listed company may undertake an entitlement offer without a prospectus if it complies with the disclosure exemption in s708AA and 1012DAA of the Corporations Act and the relief in *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2026/98*.

The Company is unable to rely on these provisions for the Entitlement Offer because the Company's Shares will have been suspended from trading for more than 5 days in the 12 months prior to the day on which the Entitlement Offer is made.

As the Entitlement Offer does not satisfy the disclosure exemption conditions in s708AA of the Corporations Act, the Company is undertaking the Entitlement Offer pursuant to this Prospectus.

On-sale of Shares

Generally, s707(3) of the Corporations Act requires that a prospectus be issued, in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act, to on-sell those securities within 12 months of the date of their issue.

The Corporations Act provides an exception to s707(3) where an entity issues a 'cleansing' notice under s708A(5) within 5 days of the date of issue of the securities. The Company is unable to issue a cleansing notice, as the Company's Shares have been suspended from trading for more than 5 days in the 12 months prior to the date of this Prospectus.

Section 708A(11) of the Corporations Act provides another exemption from the general requirement under section 707(3) where:

(d) the relevant securities are in a class of securities of the company that are already quoted on ASX; and

(e) a prospectus is lodged with ASIC either:

  (i) on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or

  (ii) before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and

(f) the prospectus is for an offer of securities issued by the company that are in the same class of securities as the relevant securities.

A purpose of this Prospectus is to comply with section 708A(11) of the Corporations Act, to remove any secondary trading restrictions that attach to any Shares issued by the Company between the date of this Prospectus and the closing date for acceptances under this Prospectus so that subscribers of those Shares may, if they choose to (subject to any applicable voluntary escrow restrictions), on-sell those Shares within 12 months from the date of their issue, without the issue of a prospectus.

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On-sale of underlying Shares for New Options

This Prospectus has also been prepared in respect of the offer of the New Options, such that the relief provided under *ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2026/94* with respect to the on-sale provisions of section 707 of the Corporations Act is available.

Pursuant to such relief, as the New Options are issued with disclosure under this Prospectus, any Shares issued upon the exercise of those New Options can be on-sold within 12 months of their issue (even if the Shares were issued without disclosure or lodgement of a cleansing notice). This is because the New Options are issued with disclosure and the exercise of those New Options does not involve any further offer.

2.8 Not underwritten

The Offers are not underwritten.

However, in respect of the Entitlement Offer, the Company has received an executed Lead Manager Commitment Letter from the Lead Manager, confirming that it has received written binding commitments from professional and sophisticated investors within section 708(8) and s708(11) of the Corporations Act to subscribe for an aggregate minimum of $8 million in Shares under the Institutional Shortfall Bookbuild, Retail Shortfall Bookbuild and / or Shortfall Offer (if any and as applicable).

The Lead Manager Commitment Letter **does not constitute**, **nor should it be construed** as, an underwriting commitment.

Refer to Section 7.2 for a summary of the Lead Manager Commitment Letter.

2.9 Risks of the Offers

As with any securities investment, there are risks associated with investing in the Company. However, having regard to the risks applicable to the Company and its business detailed in Section 5, Eligible Shareholders should be aware that an investment in the New Securities should be considered highly speculative and there exists a risk that you may, in the future, lose some or all of the value of your investment.

Before deciding to invest in the Company, investors should read this Prospectus in its entirety, in particular the specific risks associated with an investment in the Company (detailed in Section 5), and should consider all factors in light of their personal circumstances and seek appropriate professional advice.

2.10 Application Forms and BPAY® payments

(a) Entitlement Offer

Eligible Institutional Shareholders

An Application Form will be provided to the Eligible Institutional Shareholders together with a copy of this Prospectus. Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Entitlement Shares and attaching Entitlement Options accepted by the Company. The Application Form does not need to be signed to be a binding acceptance of Entitlement Shares or Entitlement Options.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision whether to treat a completed Application Form as valid and how to construe, amend or complete the Application Form is final.

Eligible Institutional Shareholders can also apply for Entitlement Securities in excess of their Entitlement under the Institutional Entitlement Offer by completing the relevant section of their Application Form. There is no guarantee that Eligible Institutional Shareholders will be allocated any additional Entitlement Securities under the Entitlement Offer.

Institutional Shortfall Bookbuild

An Application Form will be provided to certain persons invited by the Company to participate in the Institutional Shortfall Bookbuild together with a copy of the Prospectus (refer to Section 3.8). Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Entitlement Securities accepted by the Company. The Application Form does not need to be signed to be a binding acceptance of Entitlement Securities.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision whether to treat a completed Application Form as valid and how to construe, amend or complete the Application Form is final.

Eligible Retail Shareholders

A personalised Entitlement and Acceptance Form will be issued to the Eligible Retail Shareholders together with a copy of this Prospectus. Acceptance of a completed Entitlement and Acceptance Form, or alternatively, a BPAY® payment, by the Company creates a legally binding contract between the Applicant and the Company for the number of Entitlement Shares and attaching Entitlement Options accepted by the Company. The Entitlement and Acceptance Form does not need to be signed to be a binding acceptance of Entitlement Shares or Entitlement Options.

If the Entitlement and Acceptance Form is not completed correctly it may still be treated as valid. The Directors' decision whether to treat a completed Entitlement and Acceptance Form as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

Eligible Retail Shareholders can also apply for Entitlement Securities in excess of their Entitlement under the Retail Entitlement Offer by completing the relevant section of their Entitlement and Acceptance Form. There is no guarantee that Eligible Retail Shareholders will be allocated any additional Entitlement Securities under the Entitlement Offer.

Retail Shortfall Bookbuild

An Application Form will be provided to certain persons invited by the Company to participate in the Retail Shortfall Bookbuild together with a copy of the Prospectus (refer to Section 3.8). Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Entitlement Securities accepted by the Company. The Application Form does not need to be signed to be a binding acceptance of Entitlement Securities.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision whether to treat a completed Application Form as valid and how to construe, amend or complete the Application Form is final.

(b) **Shortfall Offer, Note Conversion Offer, Director Loan Conversion Offer, Broker Share Offer and Broker Option Offer**

An Application Form will be provided to certain persons invited by the Company to participate in the Shortfall Offer, Note Conversion Offer, Director Loan Conversion Offer, Broker Share Offer and Broker Option Offer together with a copy of the Prospectus (refer to Section 3.8). Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of New Securities accepted by the Company. The Application Form does not need to be signed to be a binding acceptance of New Securities.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision whether to treat a completed Application Form as valid and how to construe, amend or complete the Application Form is final.

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Completed Application Forms, together with Application Monies, must be received by the Company prior to the date advised by the Company or Joint Lead Manager. Application Forms should be delivered to the Company in accordance with the instructions on the Application Form. If you are in doubt as to the course of action, you should consult your professional advisor.

2.11 **Opening and Closing Dates**

The Institutional Entitlement Offer will open on Monday, 18 May 2026 and will close on Tuesday, 19 May 2026. The Retail Entitlement Offer will open on Monday, 25 May 2026 and will close at 5.00pm (AEST) on Friday 5 June 2026.

Please note that payment made by BPAY® must be received from Eligible Shareholders by no later than:

(a) in respect of the Institutional Entitlement Offer, 5.00pm (AEST) on Tuesday, 19 May 2026; and

(b) in respect of the Retail Entitlement Offer, 5.00pm (AEST) on Friday 5 June 2026.

It is the responsibility of all Eligible Shareholders to ensure that their BPAY® payments are received by the Company on or before the closing date of the relevant Offer.

The indicative timetable for the Entitlement Offer is set out on page 2 of this Prospectus.

The Directors reserve the right to extend the Offer Period in relation to one or more of the Offers, or to close an Offer prior to its Closing Date, subject to the requirements of the Corporations Act and the Listing Rules.

2.12 **Application Monies held on trust**

All Application Monies will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the applicable New Securities are issued. All Application Monies will be returned (without interest) if the applicable New Securities are not issued.

2.13 **Issue and dispatch**

All New Securities under the Entitlement Offer are expected to be issued on or before the relevant date(s) specified in the Indicative Timetable.

Shortfall Securities may be issued within three months after the Closing Date.

It is the responsibility of Applicants to determine their allocation prior to trading in the New Securities. Applicants who sell New Securities before they receive their holding statements will do so at their own risk.

2.14 **No rights trading**

The Entitlement Offer is renounceable, however there will be no ASX trading of the rights and the rights are not transferable.

Institutional Entitlements not taken up by Eligible Institutional Shareholders and entitlements of Ineligible Institutional Shareholders will be sold into a bookbuild for the Institutional Entitlement Offer. If the amount per Institutional Entitlement realised in the Institutional Shortfall Bookbuild exceeds the Offer Price, the excess, less expenses and any applicable withholding tax (being the Institutional Premium), will be paid pro rata to each Ineligible Institutional Shareholder and to each Eligible Institutional Shareholder to the extent they did not accept their Institutional Entitlement under the Institutional Entitlement Offer in full.

Retail Entitlements not taken up by Eligible Retail Shareholders and entitlements of Ineligible Retail Shareholders will be sold into a bookbuild for the Retail Entitlement Offer. If the amount per Retail Entitlement realised in the Retail Shortfall Bookbuild exceeds the Offer Price, the excess, less expenses and any applicable withholding tax (being the Retail Premium), will be

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paid pro rata to each Ineligible Retail Shareholder and to each Eligible Retail Shareholder to the extent they did not accept their Retail Entitlement under the Retail Entitlement Offer in full.

There is no guarantee that any such Shareholders will receive any proceeds as a result of the Institutional Shortfall Bookbuild or Retail Shortfall Bookbuild (as applicable).

Any Institutional Premium or Retail Premium (if any and as applicable) you receive in respect of the Entitlement will be remitted as a cash payment to you.

2.15 **Minimum subscription**

There is no minimum subscription in relation to the Offers.

2.16 **Oversubscriptions**

The Company will not accept any oversubscriptions in relation to the Offers.

2.17 **ASX quotation**

The Company intends to apply for Official Quotation of the New Securities offered pursuant to this Prospectus within seven days after the date of this Prospectus.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation is not to be taken in any way as an indication of the merits of the Company or the New Securities.

2.18 **Withdrawal and cooling-off rights**

Cooling off rights do not apply to an investment in New Securities under the Offers. You cannot withdraw your payment once it has been accepted unless permitted to do so in accordance with the Corporations Act.

The Directors may at any time decide to withdraw this Prospectus and the Offers, in which case, the Company will return all Application Monies (without interest) in accordance with the Corporations Act.

2.19 **Eligible Shareholders**

The Entitlement Offer is made to Eligible Shareholders only.

"Eligible Shareholders" are either Eligible Institutional Shareholders or Eligible Retail Shareholders, in each case as defined below.

(a) "**Eligible Institutional Shareholders**", are persons who:

(i) either:

(A) if in Australia, is a professional or sophisticated investors within the meaning set out in sections 708(8) or 708(11) of the Corporations Act; or

(B) if in New Zealand, is a person who:

(I) is an investment business within the meaning of clause 37 of Schedule 1 of the *Financial Markets Conduct Act 2013* (New Zealand) (the **FMC Act**);

(II) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;

(III) is large within the meaning of clause 39 of Schedule 1 of the FMC Act;

(IV) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or

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(V) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act (and, if an eligible investor, have provided the necessary certification);

(ii) are registered as a holder of Shares as at the Record Date, being 7.00pm (AEST) on Wednesday, 20 May 2026;

(iii) have a registered address on the Company share register in Australia or New Zealand or are, in the opinion of the Company, otherwise eligible to receive an offer of New Securities under the Entitlement Offer;

(iv) are not in the United States and are not acting for the account or benefit of a person in the United States; and

(v) was invited to participate in the Institutional Entitlement Offer by the Company or the Lead Manager (as determined by the Company and the Lead Manager in their discretion).

(b) "**Eligible Retail Shareholders**" are persons who:

(i) did not receive an offer (other than as nominee) under the Institutional Entitlement Offer (or if such invitation was received, it was subsequently revoked by the Company), and are not an Ineligible Institutional Shareholder;

(ii) are registered as a holder of Shares as at the Record Date, being 7.00pm (AEST) on Wednesday, 20 May 2026;

(iii) have a registered address on the Company share register in Australia or New Zealand or are, in the opinion of the Company, otherwise eligible to receive an offer of New Securities under the Entitlement Offer; and

(iv) are not in the United States and are not acting for the account or benefit of a person in the United States.

The Company reserves the right to determine whether a Shareholder is an Eligible Shareholder or an Ineligible Shareholder.

Ineligible Shareholders are not entitled to participate in the Entitlement Offer (including the Shortfall Offer).

By making a payment by BPAY®, you will be taken to have represented and warranted that you satisfy each of the criteria listed above to be either an Eligible Institutional Shareholder or an Eligible Retail Shareholder. Nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

By receiving this Prospectus, you will be taken to have acknowledged and agreed that determination of eligibility of investors for the purposes of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of the Company and each of its respective affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law.

2.20 **Ineligible Shareholders**

If you are a Shareholder who is not an Eligible Institutional Shareholder or an Eligible Retail Shareholder, you are an "**Ineligible Shareholder**". Where this Prospectus has been despatched to Ineligible Shareholders, this Prospectus is provided for information purposes only.

The Company has decided that it is unreasonable to make offers under the Entitlement Offer to Shareholders who have registered addresses outside Australia and New Zealand, having regard to:

(a) the number of such holders in those places;

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(b) the number and value of the Entitlement Securities that they would be offered; and

(c) the cost of complying with the relevant legal and regulatory requirements in those places.

The Company may (in its absolute discretion) extend the Entitlement Offer to Shareholders who have registered addresses outside Australia or New Zealand in accordance with applicable law.

Pursuant to Listing Rule 7.7, the Company has appointed the Lead Manager as nominee to sell the Entitlements to which Ineligible Shareholders are entitled. Any interest earned on the proceeds of sale of these Entitlements will, firstly, be applied against expenses of such sale, including brokerage and any balance will accrue to the relevant Ineligible Shareholders as described below.

The net proceeds of the sale of these Entitlements will then be forwarded by the Company as soon as practicable to the Ineligible Shareholders, in proportion to their share of such Entitlements (after deducting brokerage commission and other expenses). If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company. Notwithstanding that the nominee must sell Entitlements, Ineligible Shareholders may nevertheless receive no net proceeds if the costs of the sale are greater than the sale proceeds. In this regard, the nominee will not be required to sell Ineligible Shareholders' Entitlements at a particular price.

2.21 **Nominees, trustees and custodians**

The Retail Entitlement Offer is being made to all Eligible Retail Shareholders. Nominees with registered addresses in the eligible jurisdictions, irrespective of whether they participated under the Institutional Entitlement Offer, may also be able to participate in the Retail Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold existing Shares, provided that the applicable beneficiary would satisfy the criteria for an Eligible Retail Shareholder.

Nominees and custodians who hold Shares as nominees or custodians will have received, or will shortly receive, a letter from the Company. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to, and they must not purport to accept the Retail Entitlement Offer in respect of:

(a) beneficiaries on whose behalf they hold existing Shares who would not satisfy the criteria for an Eligible Retail Shareholder;

(b) Eligible Institutional Shareholders who received an offer to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not);

(c) Ineligible Institutional Shareholders who were ineligible to participate in the Institutional Entitlement Offer; or

(d) Shareholders who are not eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

In particular, persons acting as nominees for other persons may not take up Entitlements on behalf of, or send any documents relating to the Retail Entitlement Offer to, any person in the United States or other jurisdiction outside Australia or New Zealand.

The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares or Entitlements. Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is compatible with applicable foreign laws.

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2.22 Foreign jurisdictions

This Prospectus does not, and is not intended to, constitute an offer of Securities in any place or jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions (other than those mentioned above) having regard to the number of overseas Shareholders, the number and value of New Securities these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction.

No action has been taken to permit the offer of New Securities to existing Shareholders in any jurisdiction other than Australia and New Zealand. The distribution of this Prospectus in jurisdictions outside those jurisdictions is restricted by law and persons outside of those jurisdictions should observe such restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

This Prospectus may not be distributed to any person, and the New Securities may not be offered or sold, in any country outside of Australia except to the extent permitted below:

New Zealand

The New Securities are not being offered to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the mutual recognition regime established under subpart 6 of Part 9 of the *Financial Markets Conduct Act 2013* and Part 9 of the *Financial Markets Conduct Regulations 2014*.

Investors in New Zealand should refer to the warning statement on page 4 under 'Important information for New Zealand investors'.

2.23 CHESS

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASX Settlement, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of New Securities. If you are broker sponsored, ASX Settlement will send you a CHESS statement.

The CHESS statement will set out the number of New Securities issued under this Prospectus and provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the New Securities.

If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by the Share Registry and will contain the number of New Securities issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

2.24 Taxation implications

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for New Securities under the Offers.

The Company, the Lead Manager and their respective advisers and officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for New Securities under the Offers.

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2.25 Privacy

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company. Such information may be used to assess your Application, service your needs as a holder of Shares or Options, provide facilities and services that you request and carry out appropriate administration.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities, or as otherwise permitted under the *Privacy Act 1988* (Cth) (as amended).

The information may also be used from time to time by, and disclosed to, persons inspecting the register, bidders for securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Share Registry.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

Shareholders can access, correct and update the personal information that the Company holds about them by contacting the Company or the Share Registry at the relevant contact numbers detailed in this Prospectus. A fee may be charged for access. Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

2.26 Major activities and financial information

A summary of the major activities and financial information relating to the Company can be found in the Company's consolidated financial statements for the year ended 30 June 2025 lodged with ASX on 21 October 2025 (**FY25 Financial Report**) and for the half year ended 31 December 2025 lodged with ASX on 27 February 2026 (**HY26 Financial Report**). The Company has issued continuous disclosure notices (i.e., ASX announcements) since the lodgement of its FY25 Financial Report.

The Company's continuous disclosure notices (i.e. ASX announcements) since the lodgement of the FY25 Financial Report are listed in Section 7.3.

Copies of these documents are available free of charge from the Company. The Directors strongly recommend that Applicants review these and all other announcements prior to deciding whether or not to participate in the Offers.

2.27 Enquiries concerning Prospectus

Enquiries relating to this Prospectus should be directed to the Company at info@hydrix.com.

3 Action required by Offer Applicants

3.1 Eligible Institutional Shareholders

Eligible Institutional Shareholders will receive an Application Form setting out their Entitlement with a copy of this Prospectus. Shareholders, who are Ineligible Institutional Shareholders, will not receive an Application Form.

Eligible Institutional Shareholders' Entitlements under the Entitlement Offer will be shown on the Application Form accompanying a copy of this Prospectus. Before taking any action in relation to the Entitlement Offer, you should read this Prospectus in its entirety, and seek professional advice from your professional adviser.

You may:

(a) take up all of your Entitlement (see Section 3.3 below);

(b) in addition to applying for all of your Entitlement, apply for Entitlement Securities in excess of their Entitlement under the Institutional Entitlement Offer (see Section 3.4 below);

(c) take up part of your Entitlement and allow the balance to lapse, in which case you will receive no value for those lapsed Entitlements (see Section 3.5 below); or

(d) do nothing and allow all of your Entitlement to lapse, in which case you will receive no value for those lapsed Entitlements (see Section 3.7 below).

Eligible Institutional Shareholders who do not participate in the Entitlement Offer, or participate for an amount that is less than their full Entitlement, will have their percentage Shareholding in the Company reduced or diluted on the issue of the Entitlement Shares or exercise of the Entitlement Options.

Please also note that if you are an Eligible Institutional Shareholder who is a 'related party' in relation to the Company (as that term is defined in the ASX Listing Rules) or are otherwise a person to whom ASX Listing Rule 10.11 applies, you may apply to take up your Entitlement in part or in full.

3.2 Eligible Retail Shareholders

Eligible Retail Shareholders will receive a personalised Entitlement and Acceptance Form setting out their Entitlement with a copy of this Prospectus. Eligible Retail Investors can also download their Entitlement and Acceptance Form, along with a copy of the Prospectus, from www.investorserve.com.au. Shareholders, who are not Eligible Retail Shareholders, will not receive an Entitlement and Acceptance Form.

Eligible Retail Shareholders' Entitlements under the Entitlement Offer will be shown on the Entitlement and Acceptance Form accompanying a copy of this Prospectus. Before taking any action in relation to the Entitlement Offer, you should read this Prospectus in its entirety, and seek professional advice from your professional adviser.

You may:

(a) take up all of your Entitlement (see Section 3.3 below);

(b) in addition to applying for all of your Entitlement, apply for Entitlement Securities in excess of their Entitlement under the Retail Entitlement Offer (see Section 3.4 below);

(c) take up part of your Entitlement and allow the balance to lapse, in which case you will receive no value for those lapsed Entitlements (see Section 3.5 below); or

(d) do nothing and allow all of your Entitlement to lapse, in which case you will receive no value for those lapsed Entitlements (see Section 3.7 below).

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Eligible Retail Shareholders who do not participate in the Entitlement Offer, or participate for an amount that is less than their full Entitlement, will have their percentage Shareholding in the Company reduced or diluted on the issue of the Entitlement Shares or exercise of the Entitlement Options.

Please also note that if you are an Eligible Retail Shareholder who is a 'related party' in relation to the Company (as that term is defined in the ASX Listing Rules) or are otherwise a person to whom ASX Listing Rule 10.11 applies, you may apply to take up your Entitlement in part or in full.

3.3 **If you wish to take up all of your Entitlement**

If you wish to accept your Entitlement in full, you should note your Entitlement and requisite Application Amount specified in the Application Form / Entitlement and Acceptance Form (as applicable), and make a payment by BPAY® for the total Application Money in accordance with the instructions contained in this Prospectus and detailed on the Application Form / Entitlement and Acceptance Form (as applicable) (calculated at $0.005 per Entitlement Share accepted under the Entitlement Offer). New Zealand based Shareholders will not be able to pay via BPAY® and will instead need to make payment via EFT, New Zealand based Shareholders should follow the instructions on their Application Form / Entitlement and Acceptance Form (as applicable).

Please read the instructions carefully.

The Company will not allocate or issue Entitlement Securities where it is aware that to do so would result in a breach of the Corporations Act, the Listing Rules or any other relevant legislation or law.

3.4 **If you wish to apply for Entitlement Securities in excess of your Entitlement**

Eligible Institutional Shareholders who subscribe for their full Entitlement under the Institutional Entitlement Offer and Eligible Retail Shareholders who subscribe for their full Entitlement under the Retail Entitlement Offer may apply for Entitlement Securities in excess of their Entitlement under the Institutional Entitlement Offer or Retail Entitlement Offer (as applicable).

If you wish to apply for Entitlement Securities in excess of your Entitlement under the Institutional Entitlement Offer or Retail Entitlement Offer (as applicable), you should enter the number of additional Entitlements you wish to apply for in the relevant section of your Application Form / Entitlement and Acceptance Form (as applicable), and make a payment by BPAY® for the total Application Money in accordance with the instructions contained in this Prospectus and detailed on the Application Form / Entitlement and Acceptance Form (as applicable) (calculated at $0.005 per Entitlement Share accepted under the Entitlement Offer (including any additional Entitlements applied for)). New Zealand based Shareholders will not be able to pay via BPAY® and will instead need to make payment via EFT, New Zealand based Shareholders should follow the instructions on their Application Form / Entitlement and Acceptance Form (as applicable).

Please read the instructions carefully.

There is no guarantee that an Eligible Shareholder will receive additional Entitlement Securities and the Directors do not represent that any Applications for additional Entitlement Securities will be successful. By applying for additional Entitlement Securities under the Entitlement Offer, you agree to accept a lesser number of additional Entitlement Securities than that applied for in your Application Form / Entitlement and Acceptance Form (as applicable). If the number of additional Entitlement Securities allotted to an Eligible Shareholder is less than the number applied for by that Eligible Shareholder, surplus Application Monies will be refunded in full. Interest will not be paid on monies refunded.

The Company will not allocate or issue Entitlement Securities where it is aware that to do so would result in a breach of the Corporations Act, the Listing Rules or any other relevant legislation or law.

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3.5 **If you wish to take up part of your Entitlement and allow the balance to lapse**

If you wish to accept part of your Entitlement and allow the balance to lapse, you should note your Entitlement and requisite Application Amount specified in the Application Form / Entitlement and Acceptance Form (as applicable), and make a payment by BPAY® for the total Application Money relating to the portion of Entitlement Shares you do wish to apply for in accordance with the instructions contained in this Prospectus and detailed on the Application Form / Entitlement and Acceptance Form (as applicable) (calculated at $0.005 per Entitlement Share accepted under the Entitlement Offer). New Zealand based Shareholders will not be able to pay via BPAY® and will instead need to make payment via EFT, New Zealand based Shareholders should follow the instructions on their Application Form / Entitlement and Acceptance Form (as applicable).

Please read the instructions carefully.

Institutional Entitlements not taken up by Eligible Institutional Shareholders and entitlements of Ineligible Institutional Shareholders will be sold into a bookbuild for the Institutional Entitlement Offer. The Institutional Premium (if any) will be paid pro rata to each Ineligible Institutional Shareholder and to each Eligible Institutional Shareholder to the extent they did not accept their Institutional Entitlement under the Institutional Entitlement Offer in full.

Retail Entitlements not taken up by Eligible Retail Shareholders and entitlements of Ineligible Retail Shareholders will be sold into a bookbuild for the Retail Entitlement Offer. The Retail Premium (if any) will be paid pro rata to each Ineligible Retail Shareholder and to each Eligible Retail Shareholder to the extent they did not accept their Retail Entitlement under the Retail Entitlement Offer in full.

There is no guarantee that any such Shareholders will receive any proceeds as a result of the Institutional Shortfall Bookbuild or Retail Shortfall Bookbuild (as applicable).

Any Institutional Premium or Retail Premium (if any and as applicable) you receive in respect of the Entitlement will be remitted as a cash payment to you.

By allowing your Entitlement to be sold through the Institutional Shortfall Bookbuild or Retail Shortfall Bookbuild (as applicable), you will forgo any exposure to increases or decreases in the value of the Entitlement Securities had you taken up your Entitlement (or any value for your Entitlement which may have been achieved through its sale on ASX or otherwise). Your percentage shareholding in the Company will also be diluted.

3.6 **Payment by BPAY®**

Australian based Shareholders may only pay via BPAY®. New Zealand based Shareholders will not be able to pay via BPAY® and will instead need to make payment via EFT, New Zealand based Shareholders should follow the instructions on their Application Form / Entitlement and Acceptance Form (as applicable).

Eligible Shareholders should note:

(a) You should make your payment in respect of your Application Money via BPAY® (or via EFT payment as directed for New Zealand Shareholders) for the number of Entitlement Shares you wish to subscribe for (being the $0.005 multiplied by the number of Entitlement Shares you are applying for (including any additional Entitlements applied for)).

(b) Please follow the instructions on your Application Form / Entitlement and Acceptance Form (as applicable) (which includes the Biller Code and your unique Reference Number).

(c) Your BPAY® payment (or EFT payment for New Zealand based Shareholders) must be received by no later than:

(i) in respect of the Institutional Entitlement Offer, 5.00pm (AEST) on Tuesday, 19 May 2026; and

(ii) in respect of the Retail Entitlement Offer, 5.00pm (AEST) on Friday, 5 June 2026.

Applicants should be aware that their own financial institution may impose earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. It is the responsibility of the applicant to ensure that funds submitted through BPAY® (or via EFT for New Zealand based Shareholders) are received by this time.

(d) You do not need to submit your Application Form / Entitlement and Acceptance Form (as applicable) but, by making a payment through BPAY® (or via EFT for New Zealand based Shareholders), you will be taken to have applied for the entitlement Securities and made the declarations set out in the Application Form / Entitlement and Acceptance Form (as applicable).

(e) For those paying by:

(i) BPAY®, please make sure to use the specific Biller Code and unique Reference Number on your Application Form / Entitlement and Acceptance Form (as applicable); and

(ii) EFT, please make sure to use the specific Reference Number on your Application Form / Entitlement and Acceptance Form (as applicable).

Eligible Shareholders may not pay via cheque and must not forward cash by mail. Receipts for payment will not be issued.

If you have more than one holding of Shares you will be sent more than one Application Form / Entitlement and Acceptance Form (as applicable) and you will have separate Entitlements for each separate holding. If you receive more than one Application Form / Entitlement and Acceptance Form (as applicable), please only use the Reference Number specific to the Entitlement on that form. If you inadvertently use the same Reference Number for more than one of your Entitlements, you will be deemed to have applied only for your Entitlements to which that Reference Number applies.

If the amount of your BPAY® or EFT payment for Application Money is insufficient to pay in full for the number of Entitlement Securities you have applied for, you will be taken to have applied for such lower whole number of Entitlement Securities as your cleared Application Money will pay for. Alternatively, your Application may be rejected (at the discretion of the Company).

The Company will treat you as applying for as many Entitlement Securities as your payment will pay for in full, subject to any scale back it may determine to implement, in its absolute discretion.

Any Application Money received by the Company in excess of your final allocation of Entitlement Securities will be refunded by cheque to your registered address as noted on the Company's share register as soon as practicable after the close of the Entitlement Offer. It is not practical to refund any amount of less than $2.00 to Shareholders and any refunds owing for less than this amount will be retained by the Company. No interest will be paid to Applicants on any Application Money received or refunded.

If you take no action or your fail to take any action prior to the Closing Date, your Entitlement under the Entitlement Offer will lapse and your Entitlement will be sold into a bookbuild for the Institutional Entitlement Offer or Retail Entitlement Offer (as applicable). The Institutional Premium or Retail Premium (if any and as applicable) will be paid pro rata to each Ineligible Shareholder and to each Eligible Shareholder as applicable and to the extent they did not accept their Entitlement under the Entitlement Offer in full.

There is no guarantee that any such Shareholders will receive any proceeds as a result of the Institutional Shortfall Bookbuild or Retail Shortfall Bookbuild (as applicable).

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3.7 Entitlement to Entitlement Securities not taken up

If you decide not to take up all or any part of your Entitlement, do not take any further action and your Entitlement will lapse and your Entitlement will be sold into a bookbuild for the Institutional Entitlement Offer or Retail Entitlement Offer (as applicable). The Institutional Premium or Retail Premium (if any and as applicable) will be paid pro rata to each Ineligible Shareholder and to each Eligible Shareholder as applicable and to the extent they did not accept their Entitlement under the Entitlement Offer in full.

There is no guarantee that any such Shareholders will receive any proceeds as a result of the Institutional Shortfall Bookbuild or Retail Shortfall Bookbuild (as applicable).

By allowing your Entitlement to be sold through the Institutional Shortfall Bookbuild or Retail Shortfall Bookbuild (as applicable), you will forgo any exposure to increases or decreases in the value of the Entitlement Securities had you taken up your Entitlement (or any value for your Entitlement which may have been achieved through its sale on ASX or otherwise).

Your holding of Shares will be diluted because the issue of Shares pursuant to the Offers and on the exercise of the Entitlement Options will increase the total number of Shares on issue.

3.8 Applications under the Institutional Shortfall Bookbuild, or Retail Shortfall Bookbuild, Shortfall Offer, Note Conversion Offer, Director Loan Conversion Offer, Broker Share Offer and Broker Option Offer

The Institutional Shortfall Bookbuild, or Retail Shortfall Bookbuild, Shortfall Offer, Note Conversion Offer, Director Loan Conversion Offer, Broker Share Offer and Broker Option Offer are only being extended to the persons who are invited by the Company or the Lead Manager to apply under those Offers, and is not open to the general public. An Application Form will be provided to participants in those Offers upon invitation from the Company, together with a copy of the Prospectus.

Completed Application Forms, together with Application Monies, must be received by the Company prior to the date advised by the Company or Joint Lead Manager. Application Forms should be delivered to the Company in accordance with the instructions on the Application Form. If you are in doubt as to the course of action, you should consult your professional advisor.

3.9 Representations by Applicants

Payment made through BPAY® or EFT, constitutes a binding and irrevocable offer to apply for New Securities on the terms and conditions set out in this Prospectus and, once lodged or paid, cannot be withdrawn.

Your application will be considered to be for as many New Securities as your payment will cover.

By making payment by BPAY® or EFT, you will also be deemed to have acknowledged, represented and warranted on your own behalf and on behalf of each person on whose account you are acting that:

(a) if participating in the Institutional Entitlement Offer, represent to the Company that you are an Eligible Institutional Shareholder and that the Institutional Entitlement Offer can be made to you in accordance with this Prospectus, in accordance with applicable securities laws;

(b) if participating in the Retail Entitlement Offer, represent to the Company that you are an Eligible Retail Shareholder and that the Retail Entitlement Offer can be made to you in accordance with this Prospectus, in accordance with applicable securities laws;

(c) you have read and understood this Prospectus and your Application Form in their entirety and provide the authorisations contained in this Prospectus and Application Form;

(d) you agree to be bound by the terms of the Entitlement Offer or the Shortfall Offer (as applicable) and the provisions of the Prospectus and the Company's constitution;

(e) you declare that you are 18 years of age or older and have full legal capacity and power to perform all of your rights and obligations under the Application Form;

(f) all details and statements in the Application Form are complete and accurate;

(g) you authorise the Company to register you as the holder of New Securities issued to you;

(h) once the Company (or the Share Registry) receives the Application Form or any payment of Application Money via BPAY® or EFT, you may not withdraw it except as allowed by law;

(i) you agree to apply for the number of New Securities specified in the Application Form, or for which you have submitted payment of any Application Money via BPAY® or EFT, at $0.005 per New Share;

(j) you agree to be issued the number of New Securities that you apply for in the Application Form and that a lesser number of New Securities may be issued to you than that applied for;

(k) if you apply for Shortfall Securities, you declare that you are not a 'related party' (as that term is defined in the ASX Listing Rules) or a person to whom Listing Rule 10.11 applies;

(l) you authorise the Company, the Share Registry and their respective officers or agents, to do anything on your behalf necessary for the New Securities to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in the Application Form;

(m) you authorise the Company to correct any errors in your Application Form or other form provided by you;

(n) you declare that you were the current registered holder(s) on the Record Date of that number of Shares as indicated on the Application Form / Entitlement and Acceptance Form (as applicable) as being held by you on the Record Date;

(o) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of Shares on the Record Date;

(p) you acknowledge that the information contained in this Prospectus and the Application Form is not investment advice or a recommendation that New Securities are suitable for you given your investment objectives, financial situation or particular needs, and that this Prospectus, does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;

(q) you acknowledge the statement of risks in the Risk Factors detailed in Section 5 of this Prospectus, and that investments in the Company are subject to investment risk;

(r) you acknowledge that the Company, nor its related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers guarantees the performance of the Company, nor do they guarantee the repayment of capital;

(s) you acknowledge and agree that:

(i) determination of eligibility of investors for the purposes of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of the Company; and

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(ii) the Company and each of its affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law;

(t) you will also be deemed to have acknowledged, represented and warranted on your behalf and on behalf of and in relation to each person on whose account you are acting that:

(i) you are not in the United States and are not acting for the account of or benefit of a person in the United States; and

(ii) you have not, and will not, send any materials relating to the Offers to any person in the United States;

(iii) you are not otherwise a person to whom it would be illegal or unlawful to make an offer or issue of New Securities under the relevant Offer;

(iv) you have not and will not send any materials relating to the Offers to any person in the United States or any other country outside Australia or New Zealand or any jurisdiction where it is not lawful for the materials relating to the Offers to be sent; and

(v) you agree that the allotment of New Securities to you constitutes acceptance of your application.

3.10 **Nominees and custodians**

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident in other jurisdictions are responsible for ensuring that applying for New Securities does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Application Form / Entitlement and Acceptance Form (as applicable) will be taken by the Company to constitute a representation that there has been no breach of those regulations.

Nominees and custodians should note in particular that the Retail Entitlement Offer is not available to, and they must not purport to accept the Retail Entitlement Offer in respect of:

(a) beneficiaries on whose behalf they hold existing Shares who would not satisfy the criteria for an Eligible Retail Shareholder;

(b) Eligible Institutional Shareholders who received an offer to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not);

(c) Ineligible Institutional Shareholders who were ineligible to participate in the Institutional Entitlement Offer; or

(d) Shareholders who are not eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

3.11 **Brokerage and stamp duty**

No brokerage or stamp duty is payable by Eligible Shareholders who accept their Entitlement.

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4 Purpose and effect of the Offers

4.1 Background

The Company currently has high debt levels, with a low market capitalisation. As at 31 December 2025, the Company reported total current liabilities of $14.56 million, including $8.16 million in borrowings and accrued interest, including:

(a) $3.05 million in Director Loans (excluding interest) from current and former Directors;

(b) $2.92 million in Convertible Note funding (excluding interest) from current and former Directors and other investors; and

(c) approximately $1 million drawn down under a trade finance facility with TradePlus24 which is due for repayment by 31 July 2026.

The Board has been considering options to reduce debt levels and strengthen the Company's financial position such that it can be in an improved position to execute its strategy of scaling Hydrix Services' mission-critical engineering capabilities strategically important to the defence technology and medtech sectors.

Given existing levels of debt with approaching maturity dates, the Board considers that the Company's need for funding is urgent. Further, other avenues of fundraising that have been explored by the Board are limited.

Accordingly, the Board has determined to undertake the Offers in order to:

(d) recapitalise the Company with funds to meet its working capital requirements, support delivery of current programs, and provide working capital flexibility for disciplined growth and investment initiatives aligned to Hydrix's increasing focus on defence technology;

(e) provide existing Eligible Shareholders with an opportunity to participate in the recapitalisation of the Company; and

(f) materially reduce the Company's debt position by:

(i) raising capital to repay capital and operating liabilities; and

(ii) retiring other debt by conversion into equity.

4.2 Purpose of the Offers

The purposes of the Offers are as follows:

(a) the purpose of the Entitlement Offer and the Shortfall Offer is to raise up funds of up to $8.183 million (before costs), which funds are expected to be applied in the manner set out in the table below;

(b) the purpose of the Note Conversion Offer and Director Loan Conversion Offer is to further strengthen the Company's balance sheet, by seeking to convert a majority of Director Loans and all Convertible Notes held by Directors and other external parties (of up to $5.435 million) into equity on the same terms as the Entitlement Offer (refer to Sections 2.3 and 2.4 for further information about the Conversion Agreements);

(c) the Broker Option Offer and Broker Share Offer are being made to the Lead Manager as part of the fees payable pursuant to the Lead Manager Mandate, subject to a minimum amount of $8 million being raised under Entitlement Offer (and if applicable, the Shortfall Offer) (refer to Section 7.1 for further information about the Lead Manager Mandate and Section 7.2 for a summary of the Lead Manager Commitment Letter); and

(d) the Offers are also designed to provide the Company with a potential source of ongoing additional capital of up to $28.7 million if all of the New Options are exercised.

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The Company's proposed use of funds raised under the Entitlement Offer and the Shortfall Offer is as follows, assuming varying subscription amounts (before costs) of $8.183 million, being the maximum amount, $4 million, and $2 million:

Amount raised	***$8.183 million (maximum)***	***$4 million[1]***	***$2 million***
Use of funds	**Amount ($ million)**		
Expenses of the Offers[2]	0.78	0.51	0.37
Retirement of debt and capital and operating liabilities[3]	4.79	1.35	1.35
Support delivery of current programs, and general working capital[4] including to provide flexibility for disciplined growth and investment initiatives aligned to Hydrix's increasing focus on defence technology	2.61	2.14	0.28
Total	**8.18**	**4.00**	**2.00**

Notes:

1 Conversion of the Convertible Notes and Director Loans is subject to the Company raising a minimum of $4 million under the Entitlement Offer (and if applicable, the Shortfall Offer). Refer to Sections 2.3 and 2.4 for the terms and conditions of the Conversion Agreements.

2 Refer to Section 7.14 for details of the costs of the Offer.

3 Depending on the actual amount raised, it is intended that funds in this category will first be applied towards repayment of the $1 million trade finance facility with TradePlus24 which is due by 31 July 2026, then towards repaying other shareholder loan borrowings and accrued interest, and subsequently towards repaying other capital and operating liabilities.

4 Working capital includes the normal general and administrative costs associated with running a public company, including, but not limited to, salaries and Director fees, general operating expenses and overhead costs, legal fees, rental of office premises, investor relations and finance and accounting fees among other working capital requirements. Any surplus funds are expected to be directed towards growth and investment initiatives that are complementary to and/or leverage the design and engineering capabilities of Hydrix Services, particularly in Australian and global defence and medtech sectors.

Further, if the maximum number of New Options are issued and exercised at $0.01 per New Option, the Company will raise an additional $28.7 million (before costs).

As at the date of this Prospectus, the Company intends that any funds raised progressively through the exercise of New Options will be applied towards:

(e) general working capital requirements of the Group;

(f) investing in and scaling the Hydrix Services mission-critical engineering capabilities strategically important to the defence technology and medtech sectors;

(g) pursuing growth opportunities that are complementary to and/or leverage the core design and engineering capabilities of Hydrix Services; and

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(h) identifying intellectual property and technologies relevant to key priorities within the Defence sector, including by way of exclusive licencing arrangements, mergers, and acquisitions.

The above proposed use of funds is a statement of the Board's current intentions as at the date of this Prospectus. It is indicative only and will be subject to modification on an ongoing basis depending on the results of the Company's activities and other factors relevant to the Board's discretion as to usage of funding. Due to market conditions and the development of new opportunities or any number of other factors (including the key risks outlined in Section 5 of this Prospectus), actual use of proceeds may differ significantly to the above estimates. In light of this, the Board reserves the right to alter the way the funds are applied.

4.3 Effect on Capital Structure

The effect of the Offers on the capital structure of the Company, assuming the maximum number of New Shares and New Securities are issued pursuant to the Entitlement Offer and Shortfall Offer, the effect of the Offers on the Company's issued capital as at the date of this Prospectus is as shown in the following table:

	Shares	Options	Performance Rights	Convertible Notes
Securities on issue as at the date of this Prospectus	272,768,847[1]	3,599,665[2]	10,400,000[3]	2,922,000[4]
Maximum securities to be issued under Entitlement Offer and Shortfall Offer[5]	1,636,613,082	1,636,613,082	Nil	Nil
Maximum securities to be issued under Note Conversion Offer[6]	584,400,000	584,400,000	Nil	(2,922,000)[7]
Maximum securities to be issued under Director Loan Conversion Offer[6]	502,500,000	502,500,000	Nil	Nil
Maximum securities to be issued under Broker Offers[8]	25,000,000	150,000,000	Nil	Nil
Total	**3,021,281,929**	**2,877,112,747**	**10,400,000**	**0**

Notes:

1 Assuming that no further Shares are issued and none of the existing Options, Performance Rights or Convertible Notes convert or are exercised before the Record Date.

2 Options issued under the Company's Long Term Incentive Plan with various exercise prices and expiry dates.

3 Performance Rights issued under the Company's Long Term Incentive Plan.

4 Convertible Notes issued in 2023, each with a face value of $1.00, which are currently held by the Convertible Noteholders. The Company is seeking to convert all the Convertible Notes pursuant to the Note Conversion Offer, subject to Shareholder approval.

5 Represents the maximum number of securities to be issued under the Entitlement Offer, assuming the Entitlement Offer (and if applicable, the Shortfall Offer), which is not underwritten, is fully subscribed.

6 The conversion of the Convertible Notes and Director Loans is subject to the Company raising a minimum of $4 million under the Entitlement Offer (and if applicable, the Shortfall Offer). Refer to Sections 2.3 and 2.4 for the terms and conditions of the Conversion Agreements.

7 Assumes all Noteholders convert the full principal amount owing on the Convertible Notes pursuant to the Note Conversion Offer, and any required Shareholder approval is obtained for the issue of the Note Conversion Securities.

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8 Assumes that Shareholder approval is obtained for the issue of Director Loan Conversion Securities. Depending on the number of Entitlement Shares actually issued, the actual number of Director Loan Conversion Securities to be issued to Julie King's associated entity may be scaled back, to ensure that her resultant Voting Power in the Company remains below 20%.

9 The issue of the Broker Shares and Broker Options is subject to the Company raising a minimum of $8 million under the Entitlement Offer (and if applicable, the Shortfall Offer). 50% of the Broker Shares and Broker Options will be escrowed for a period of 12 months from their date of issue. Refer to Section 7.1 for the terms and conditions of the Lead Manager Mandate and Section 7.2 for a summary of the Lead Manager Commitment Letter.

4.4 Convertible Security holders

Holders of Convertible Securities will not be able to participate in the Entitlement Offer unless:

(a) those Convertible Securities are converted or exercised into Shares in accordance with their terms, so they are registered as holders of Shares prior to the Record Date; or

(b) they otherwise participate in the Entitlement Offer as a result of being a holder of Shares registered on the Share register of the Company at the Record Date.

4.5 Effect of the Offers on control of the Company

The information in this Section 4.5 is the Company's estimates only, based on the information available to it. Actual outcomes may vary.

No person to exceed 20%

No Securities will be issued to any person pursuant to this Prospectus if, in the view of the Directors, to do so would increase that person's Voting Power in the Company above 20% or otherwise result in a breach of the Listing Rules, the Corporations Act or any other applicable law.

It is a general rule under section 606 of the Corporations Act that a person cannot acquire a relevant interest in issued voting shares in a company if, because of the transaction in relation to securities, a person's Voting Power in the company increases from 20% or below to more than 20%, or from a starting point that is above 20% and below 90%.

The Company has not appointed a nominee for the purposes of section 615 of the Corporations Act in respect of the Entitlements of Ineligible Shareholders. Accordingly, the exemption to the 20% takeovers threshold under item 10 of section 611 of the Corporations Act is not available to Shareholders taking up their Entitlement under the Entitlement Offer.

The Company will manage the Offers, such that no person will obtain a relevant interest in Shares of 20% or more. No New Shares will be issued to any Applicant pursuant to this Prospectus if, in the view of the Directors, to do so would increase that Applicant's Voting Power in the Company above 20% in breach of the Corporations Act or otherwise result in a breach of the Listing Rules, the Corporations Act or any other applicable law.

Impact of Entitlement Offer and Shortfall Offer on control of Company

(a) The potential effect that the Entitlement Offer will have on the control of the Company and the consequences of that effect will depend on a number of factors, such as investor demand, existing shareholdings, the level of shortfall, and the extent to which Shortfall Shares are available and ultimately taken up by investors.

(b) If all Eligible Shareholders take up their Entitlements under the Entitlement Offer, the New Shares issued under the Entitlement Offer (but excluding the effects of the Conversion Offers and Broker Offers) will have no effect on the control of the Company and all Shareholders will hold the same percentage interest in the Company, subject only to changes resulting from Ineligible Shareholders being unable to participate in the Entitlement Offer.

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(c) If there is a Shortfall in the Entitlement Offer, Eligible Shareholders who do not subscribe for their full Entitlement of New Shares under the Entitlement Offer will be diluted relative to those Shareholders who subscribe for some or all of their Entitlement, and will be diluted by any take up of Shortfall Shares.

(d) Control will ultimately be affected by the level of applications under the Entitlement Offer, as well as the number of Shares issued under the Conversion Offers. The final percentage interests held by Shareholders of the Company are dependent on, among other things, the extent to which Eligible Shareholders take up their Entitlements, the number and identity of other investors who are allocated Shortfall Securities, and the extent of subscription under the Conversion Offers.

Impact of Conversion Offers on control of Company

(e) Conversion Securities will be issued to:

(i) those Convertible Noteholders who agree to convert their Convertible Notes (up to an aggregate face value of $2,922,000) under the Note Conversion Offer; and

(ii) the Director Lenders who have agreed to convert $2,512,500 in Director Loans under the Director Loan Conversion Offer,

subject to:

(iii) the Company raising a minimum of $4 million under the Entitlement Offer (and Shortfall Offer, if applicable); and

(iv) Shareholders approving the issue(s) of the Conversion Securities under Listing Rules 7.1, and Listing Rule 10.11 in respect of related parties.

(f) The impact of the Conversion Offers on the control of the Company will depend on whether the Company obtains requisite Shareholder approval to issue the Conversion Securities under those offers. The Company will only be able to issue the Conversion Securities to the extent that any required Shareholder approvals (including under Listing Rules 7.1 and 10.11) are obtained. If they are not obtained, no Conversion Securities will be issued, and there will be no control effect on the Company arising from the Conversion Offers.

(g) Directors Julie King and Paul Lewis are, via their associated entities, substantial shareholders of the Company. At the date of this Prospectus, Director Julie King's associated entity John W King Nominees Pty Ltd holds Voting Power of 11.33% in the Company, and Director Paul Lewis' associated entities beneficially hold an aggregate Voting Power of 7.49% in the Company.

(h) Through their associated entities, Directors Julie King and Paul Lewis have provided significant financial accommodation to the Company over a number of years, through the subscription of Convertible Notes and provision of unsecured loans (including the Director Loans). At the date of this Prospectus:

(i) Julie King's associated entity John W King Nominees Pty Ltd holds 1.5 million Convertible Notes with an aggregate face value of $1.5 million, and has provided $1.95 million of unsecured Director Loans (as at 30 April 2026) to the Company[4]; and

(ii) Paul Lewis' associated entities together hold 500,000 Convertible Notes with an aggregate face value of $0.5 million, and have provided $1.175 million of unsecured Director Loans to the Company.

[4]This does not include any further loan amounts advanced by John W King Nominees Pty Ltd after 30 April 2026. John W King Nominees Pty Ltd has agreed to provide a further loan facility of $600,000, which the Company anticipates fully drawing down in May 2026. If the Entitlement Offer (and if applicable the Shortfall Offer) is fully subscribed, it is intended that amounts drawn down under this loan facility (plus interest) will be repaid out of the proceeds of the Entitlement Offer.

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Julie King and Paul Lewis have agreed to participate in the conversion of Convertible Notes and Director Loans, to facilitate the Company in recapitalising and strengthening its balance sheet. In particular:

(iii) John W King Nominees Pty Ltd has agreed to convert all 1.5 million Convertible Notes it holds, and $1,267,500 of Director Loans (aggregate debt of $2,767,500) into Conversion Securities; and

(iv) Paul Lewis' associated entities have agreed to convert all their Convertible Notes and Director Loans (aggregate debt of $1,675,000) into Conversion Securities.

(i) The issue of securities to Julie King and Paul Lewis's associated entities under the Conversion Offers will result in their Voting Power increasing (although the Company will not issue securities to any of them if to do so would increase their Voting Power in the Company to 20% or above). Julie King and Paul Lewis have advised they do not intend to take up their Entitlements under the Entitlement Offer.

(j) As set out in the table below, the Voting Power in the Company held by substantial shareholders (being entities associated with Julie King and Paul Lewis) could increase from the current levels of 11.3% and 7.5% respectively, to up:

(i) 19.3% and 11.8% respectively, if the maximum amount of $8.183 million is raised under the Entitlement Offer; and

(ii) 19.9% and 18.1% respectively, if only $4 million is raised under the Entitlement Offer.

As Julie King and Paul Lewis do not intend to take up their Entitlements, where less than $4 million is raised under the Entitlement Offer and Shortfall Offer (in which event no Conversion Securities will be issued) their respective Voting Power will decrease from current levels.

The potential consequences of the effect which the issue of New Shares pursuant to the Conversion Offers may have on the control of the Company is that there may be an increase in Julie King and Paul Lewis's respective abilities to impact the outcome of resolutions of Shareholders, noting that both Julie King and Paul Lewis are currently Directors of the Company and consequently already have a level of influence over the Company's management and strategic direction.

	Julie King's associated entity	Paul Lewis's associated entities
At date of Prospectus		
Shares held	30,913,145	20,423,334
Voting Power	11.3%	7.5%
If all Offers are fully subscribed and maximum securities are issued		
Shares held	584,413,145	355,423,334
Voting Power	19.3%	11.8%
If $4 million is raised under Entitlement Offer		
Shares held	390,913,145	355,423,334
Voting Power	19.9%	18.1%
If $2 million is raised under Entitlement Offer		
Shares held	30,913,145	20,423,334
Voting Power	4.6%	3.0%

Notes:

The table above assumes that:

- Shareholder approval is obtained for the issue of Conversion Securities under the Conversion Offers;
- all Convertible Noteholders agree to fully convert their Convertible Notes (noting all Directors and their associated entities that hold Convertible Notes have agreed to convert);
- Julie King and Paul Lewis's respective shareholder entities do not subscribe for their Entitlements under the Entitlement Offer; and
- no Conversion Securities will be issued under the Conversion Offers if $2 million is raised under the Entitlement Offer (and Shortfall Offer, if applicable) on the basis that those the Conversion Offers are conditional upon a minimum of $4 million being raised under the Entitlement Offer and Shortfall Offer.

Impact of Broker Offers on control of Company

The issue of 25 million Broker Shares and 150 million Broker Options is subject to the Company raising a minimum of $8 million under the Entitlement Offer (and if applicable, the Shortfall Offer).

If the maximum subscription amount of $8.183 million is raised under the Entitlement Offer, and the maximum securities are issued under the Offers, the Broker Shares issued to the Lead Manager will represent 0.83% of the Company's issued Share capital on a post-Offers basis.

If the Broker Options are fully exercised by the Lead Manager (and assuming all other Options and Performance Rights on issue in the Company are also exercised), the Broker will have a Voting Power of 2.96% in the Company.

The Lead Manager is also entitled under the terms of the Lead Manager Mandate to appoint a nominee, Mr Niv Dagan, to the Board of Hydrix. Consequently, the Lead Manager may gain a level of influence over the Company's management and strategic direction.

4.6 **Potential dilution effect of Offers**

If you are an Eligible Shareholder and subscribe for your full Entitlement under the Entitlement Offer, you will not be diluted as a result of the Entitlement Offer. However, you will be diluted as a result of the Conversion Offers and the Broker Share Offer (unless you receive any Shares under those Offers).

If you are an Ineligible Shareholder, or an Eligible Shareholder who does not exercise your full Entitlement under the Entitlement Offer, your holdings will be diluted as a result of the Entitlement Offer (compared with your position before the Entitlement Offer), after the issue of New Shares under the Offers.

The table below demonstrates the dilutionary impact of the Offers on Shareholders in the following scenarios:

(a) where a Shareholder subscribes for no New Shares (including where the Shareholder is an Ineligible Shareholder);

(b) where a Shareholder subscribes for 50% of their full Entitlement; and

(c) where a Shareholder subscribes for 100% of their full Entitlement.

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Shareholding as at Record Date		Entitlement under Entitlement Offer (6-for-1) with 1-for-1 New Options		Shareholding after all Offers if 0% Entitlement accepted		Shareholding after all Offers if 50% Entitlement accepted		Shareholding after all Offers if 100% Entitlement accepted	
Number	**%**	**New Shares**	**New Options**	**Number**	**%**	**Number**	**%**	**Number**	**%**
20,000,000	7.33	120,000,000	120,000,000	20,000,000	0.66	80,000,000	2.65	140,000,000	4.63
15,000,000	5.50	90,000,000	90,000,000	15,000,000	0.50	60,000,000	1.99	105,000,000	3.48
10,000,000	3.67	60,000,000	60,000,000	10,000,000	0.33	40,000,000	1.32	70,000,000	2.32
5,000,000	1.83	30,000,000	30,000,000	5,000,000	0.17	20,000,000	0.66	35,000,000	1.16

Notes:

The table above assumes that:

- Shareholder approval is obtained for the issue of Conversion Securities under the Conversion Offers and issue of Broker Shares and Broker Options;
- the maximum securities are issued under all Offers, and the relevant Shareholders do not participate in any Offer other than the Entitlement Offer; and
- all Convertible Noteholders agree to fully convert their Convertible Notes (noting all Directors and their associated entities that hold Convertible Notes have agreed to convert).

4.7 **Financial Information**

Set out on the following pages are the Company's consolidated statutory historical financial information for the half year ended 31 December 2025 comprising the reviewed historical statement of financial position as at 31 December 2025 (**Statement**).

The Statements are presented in abbreviated form insofar as they do not include all the disclosures that are present in annual financial reports as required by Australian Accounting Standards. The significant accounting policies that underpin the Statements are the same policies as those outlined in the Company's HY26 Financial Report for the half year ended 31 December 2025.

The unaudited Pro-Forma Statement of Financial Position includes material movements in the assets and liabilities of the Company between 31 December 2025 and the completion of the Offers including:

(a) Director loans advanced to the Company after 31 December 2025;

(b) that the maximum securities are issued under the Offers, including that:

(i) the Entitlement Offer (and if applicable, the Shortfall Offer), which is not underwritten, is fully subscribed, pursuant to which the Company will raise $8.183 million (before costs);

(ii) expenses of the Offers are approximately $780,000;

(iii) all Convertible Notes are converted into Note Conversion Securities pursuant to the Note Conversion Offer and that Shareholder approval for that issue is received;

(iv) Shareholder approval is obtained for the issue of Director Loan Conversion Securities and the maximum Director Loan Conversion Securities is issued;

The Company will issue up to a maximum aggregate of 2,873,513,082 New Options under the Offers pursuant to this Prospectus at an exercise price of $0.01, exercisable on or before 30 June 2029. Total maximum proceeds of up to $28.7 million from the exercise of these New Options have been reflected in the Pro Forma Statement of Financial Position (Columns F and G). An allowance has not been made for any expenditure incurred in the normal course of business from 31 December 2025 to the completion of the Offers.

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Proforma Statement of Financial Position

Amounts in AUD$'Ms	A Statutory historical reviewed 31 Dec 2025 (1)	B Additional Director Loans since 31 Dec 2025 (2)	C Impact of Offers (3)	D Pro Forma ($8.183m raised)	E Debt and liability repayment after Offers (4)	F Impact of all New Options being exercised (5)	G Pro Forma (after debt / liability repayments and assuming all New Options exercised)
Current assets							
Cash and cash equivalents	0.584	0.995	7.403	982	(4.791)	28.730	32.921
Trade and other receivables	1.405	-	-	1.405	-	-	1.405
Contract assets	0.139	-	-	0.139	-	-	0.139
Prepayments	0.365	-	-	0.365	-	-	0.365
Total current assets	**2.493**	**0.995**	**7.403**	**10.891**	**(4.791)**	**28.730**	**34.831**
Non-current assets							
Plant and equipment	0.086	-	-	0.086	-	-	0.086
Intangible assets	0.088	-	-	0.088	-	-	0.088
Financial assets at fair value through profit &loss	2.696	-	-	2.696	-	-	2.696
Right of use Assets	0.728	-	-	0.728	-	-	0.728
Other assets	0.099	-	-	0.099	-	-	0.099
Security deposits	0.425	-	-	0.425	-	-	0.425
Total non-current assets	**4.121**	**-**	**-**	**4.121**	**-**	**-**	**4.121**
Total assets	**6.615**	**0.995**	**7.403**	**15.013**	**(4.791)**	**28.730**	**38.952**
Current liabilities							
Trade and other payables	4.099	-	-	4.099	(1.162)	-	2.937
Contract liabilities	1.021	-	-	1.021	-	-	1.021
Employee benefits	0.933	-	-	0.933	-	-	0.933
Borrowings	8.156	0.995	(5.435)	3.716	(3.629)	-	0.087
Lease liabilities	0.356	-	-	0.356	-	-	0.356
Total current liabilities	**14.565**	**0.995**	**(5.435)**	**10.125**	**(4.791)**	**-**	**5.334**
Non-current liabilities							
Employee benefits	0.158	-	-	0.158	-	-	0.158
Provisions	0.087	-	-	0.087	-	-	0.087
Lease liabilities	0.907	-	-	0.907	-	-	0.907
Total non-current liabilities	**1.152**	**-**	**-**	**1.152**	**-**	**-**	**1.152**
Total liabilities	**15.716**	**0.995**	**(5.435)**	**11.277**	**(4.791)**	**-**	**6.486**
Net assets	**(9.102)**	**-**	**12.837**	**3.736**	**-**	**28.730**	**32.466**
Equity							
Issued capital	102.411	-	13.743	116.154	-	28.735	144.889
Reserves	0.068	-	(0.905)	(0.838)	-	(0.005)	(0.843)
Accumulated losses	(111.581)	-	-	(111.581)	-	-	(111.581)
				-			-
Total equity	**(9.102)**	**-**	**12.837**	**3.735**	**-**	**28.730**	**32.466**

Notes to the pro forma consolidated statement of financial position

1. As reported in the reviewed financial statements for the half year ended 31 December 2025
2. Additional Director loans provided to the Company between 31 December 2025 and the date of this Prospectus, and also includes further amounts ($300k) expected to be drawn down after the date of the Prospectus under a loan facility from John W King Nominees Pty Ltd.
3. Reflects the gross funds of $8.183 million raised under the Entitlement Offer, less expenses of approximately $0.78m. Also assumes maximum conversion of $5.435m debt (Convertible Notes and Director Loans) into Conversion Securities, pursuant to the Conversion Offers.
4. Loan repayments and interest to be paid from proceeds for portions of debt not converted to equity under the Conversion Offers, including repayment of the TP24 trade finance facility which is due by 31 July 2026, and the payment of $0.26m of Director fees accrued during the past 18 months.
5. Impact of New Options issued under the Offers (assuming the maximum number of New Options are issued) being exercised in full.

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5 Risk Factors

The New Securities are considered highly speculative and carry no guarantee with respect to the payment of dividends or returns of capital. An investment in the Company is not risk free and the Directors strongly recommend that potential investors consult their professional advisers and consider the risks described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for New Securities.

The following list of risks ought not to be taken as exhaustive of all the risks faced by the Company or by Shareholders. The proposed future activities of the Company are subject to a number of risks and other factors which may impact its future performance. Some of these risks can be managed and mitigated by planning and the use of safeguards and appropriate controls. However, many of the risks are outside the control of the Company or the Directors and cannot be mitigated.

5.1 Risks specific to the Offers

(a) Dilution risk

Eligible Shareholders who do not participate in the Entitlement Offer, or do not take up their Entitlements under the Entitlement Offer in full, will have their percentage shareholding in the Company diluted. Such Shareholders will not be exposed to future increases or decreases in the Company's share price in respect of those New Securities which would have been issued to them had they taken up all of their Entitlements. However, Eligible Shareholders who take up all of their Entitlements under the Entitlement Offer will have the ability to apply for additional New Securities in excess of their Entitlement under the Entitlement Offer, which (for Eligible Shareholders who receive additional New Securities) will reduce the dilutionary effects of the Entitlement Offer.

(b) Control risk

On completion of the Offers, assuming the maximum number of securities are issued under all the Offers, all New Securities have been issued and ASX's quotation conditions have been satisfied, there will be up to 2,748,513,082 additional Shares and 2,873,513,082 additional quoted Options on issue.

If exercised, these New Options will be converted into Shares, thereby causing the shareholdings of Shareholders to be diluted. However, each New Option has an exercise price of $0.01, which means that the Company will receive additional funds of up to $28.7 million (before costs) upon exercise of the New Options, assuming all New Options the subject of the Offers are issued and subsequently exercised. There is no certainty that New Options, if issued, will be exercised in full, or at all.

Control will ultimately be affected by the level of applications under the Entitlement Offer. The final percentage interests held by Shareholders of the Company are dependent on, among other things, the extent to which Eligible Shareholders take up their Entitlements.

(c) Renouncement risk

Eligible Shareholders who do not take up or sell their Entitlements under the Entitlement Offer will have their entitlements treated as renounced and sold on their behalf in the Institutional Shortfall Bookbuild or Retail Shortfall Bookbuild (as applicable) and any proceeds of sale of those Entitlements in excess of the Entitlement Offer price (net of any expenses or applicable withholding tax) will be paid to such Shareholders. However, there is no guarantee that any value will be received for those renounced Entitlements through the bookbuild process. The ability to sell New Shares under the bookbuild and the ability to obtain any premium will be dependent upon various factors, including market conditions.

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In respect of the Retail Shortfall Bookbuild, if a Retail Premium is achieved, it may be less than, more than, or equal to any premium achieved on the Institutional Shortfall Bookbuild. Accordingly, it is possible that retail Shareholders who do not sell or take up their Entitlements will receive less value than their institutional counterparts, or no value at all.

The tax consequences from selling or transferring Entitlements or from doing nothing may be different. Before choosing to do nothing in respect of Entitlements, you should seek independent tax advice.

(d) **Quotation risk**

The Company intends to apply for quotation of the New Options.

The Company makes no guarantee that any such application for quotation will be successful and there is a risk that the Company will not be able to satisfy the ASX requirements for quotation. In the event that the Company is unable to satisfy the ASX requirements, the New Options will still be issued, but will be unquoted Options. If the New Options are admitted to Official Quotation, the price of the New Options is subject to uncertainty and there can be no assurance that an active market for the New Options will develop or continue after the Offers.

(e) **Option risk**

Options are, by their nature, only of value at times when the exercise price is lower than the value of the underlying Shares. There is no guarantee that the New Options offered under this Prospectus will, at any particular time, have an exercise price which is lower than the value of the Shares.

There is a risk that the New Options may expire at a time when they have little or no value.

5.2 **Risks specific to the Company**

(a) **Going concern risk**

The Company's FY25 Financial Report (for the year ending 30 June 2025) and HY26 Financial Report (for the half year ended 31 December 2025) each included a note on the financial condition of the Company and the existence of a material uncertainty about the Company's ability to continue as a going concern. As set out in the HY26 Financial Report, as at 31 December 2025, the consolidated entity incurred a net loss before tax of $2.34 million, reported cash used in operations of $22,383 and had a net current assets deficit (current assets less current liabilities) of $12.07 million.

Despite these material uncertainties, the directors were as at 31 December 2025 of the opinion the consolidated entity would continue as a going concern, taking into consideration various factors outlined in the HY26 Financial Report.

Since the date of the HY26 Financial Report, the Directors have reviewed the debt levels of the Company and determined to undertake the Offers, in order to materially reduce debt levels and strengthen the financial position of the Company. Where the Offers are fully subscribed, and as set out in the pro-forma statement of financial position in Section 4.7, the Company will reduce its liabilities by $10.23 million through the conversion of $5.435 million of debt (comprising $2.922 million in Convertible Notes and $2.513 million in Director Loans) and repayment of $4.791 million of debt and operating liabilities out of funds raised, thus reducing the net current assets deficit (current assets less current liabilities) from $12.07 million (as at 31 December 2025) to a positive net current asset position of $0.766 million (assuming none of the New Options are exercised) and $29.496 million, assuming 100% of the New Options are fully exercised.

Notwithstanding the 'going concern' qualification included in HY26 Financial Report, the Directors believe that upon the successful completion of the Offers, the Company

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will have sufficient funds to adequately meet the Company's current commitments and short term working capital requirements, although further funding may be required to meet the short to medium term working capital costs of the Company.

However, where the Company raises less than $4 million:

(i) the Conversion Offers will not proceed. Consequently, the $5.435 million in Convertible Note debt and Director Loans will not be converted; and

(ii) the Company will not be in a position to reduce its liabilities by $4.791 million (as the Company intends where it raises the maximum subscription amount of $8.183 million).

Consequently, the Company will continue to have a net current assets deficit (notwithstanding that this deficit will be smaller than the net current assets deficit position of $12.07 million as at 31 December 2025).

(b) **Overdue PAYG obligation to ATO**

As disclosed in the HY26 Financial Report, Hydrix Services Pty Ltd has a pay as your go (**PAYG**) liability of approximately $2.5 million (excluding interest) as at 31 December 2025 that remains outstanding to the Australia Tax Office (**ATO**). The PAYG liability relates to obligations that accrued between February 2024 and June 2025. Hydrix Services Pty Ltd has proactively engaged with ATO on this outstanding balance. The outstanding balance has been discussed and agreed with ATO and as such there is no remaining judgement or estimation in relation to this balance.

Hydrix Services Pty Ltd has submitted a payment plan proposal to address the outstanding balance, and is awaiting formal approval of the plan by ATO. Until formal approval from ATO is received, it is not known whether any fines or penalties will be imposed or whether Hydrix's proposed payment plan will be accepted.

There is a risk that ATO will not accept Hydrix Services Pty Ltd's proposed payment plan, and call upon immediate repayment of the liability owed. However, given the level of constructive engagement Hydrix Services Pty Ltd has had with ATO to date, the Directors have confidence that a manageable payment plan can be achieved, noting that Hydrix Services Pty Ltd has been operating under the proposed payment plan and reducing the outstanding debt.

The Directors further believe that upon the successful completion of the Offers, the Company will have sufficient funds to meet the Company's commitments to make repayments in accordance with its proposed payment plan.

(c) **Default risk under debt arrangements**

The Company has and may continue to enter into debt facilities and agreements, under which it has and will have obligations to make payments to debt holders on relevant due dates and repay amounts advanced to the Company on the relevant due dates.

Following successful completion of the Offers, the Company will have extinguished up to $10.23 million of its outstanding debt, including:

(i) up to $2.922 million owed pursuant to the Convertible Notes which will be converted under the Note Conversion Offer; and

(ii) up to $2.513 million owed pursuant to the Director Loans which will be converted under the Director Loan Conversion Offer; and

(iii) $4.791 million owed to other lenders and creditors (including approximately $1 million to TP24 under the trade finance facility which is repayable by 31 July 2026).

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Assuming that $10.23 million debt is extinguished in accordance with the above, the Company will have less than $100,000 in borrowings.

However, where the Company raises less than $4 million:

(iv) the Conversion Offers will not proceed. Consequently, the $5.435 million in Convertible Note debt and Director Loans will not be converted, and will remain as current liabilities will be repayable by October 2026; and

(v) the Company will not be in a position to reduce its liabilities by $4.791 million (as the Company intends where it raises the maximum subscription amount of $8.183 million).

In this event, the Company would seek to comply with any existing repayment terms using the proceeds from cash flows from operations, or, if required, additional debt or equity raisings. In addition, the Company may seek amendments, or alternative borrowing arrangements. However, there is no assurance that the lenders would consent to an amendment or a waiver in the event of non-compliance, or that the lenders would not exercise rights that would be available to them, including among other things, demanding immediate payment of outstanding borrowings. If such a demand was made and appropriate forbearance or refinance arrangements could not be reached, the Company may not have sufficient funds to meet that demand.

(d) **Customer credit risk and customer concentration risk**

The Group is exposed to the risk of bad debts associated with the payment obligations of its customers. Further, the Company is exposed to customer concentration risk where a relatively small number of clients make up a material portion of the Group's revenue. The risk arising from a customer with bad debts is compounded where that customer is a material contributor of revenue to the Group.

The extent to which this risk will impact the Company's business depends on (among other things) the credit profile and funding constraints of its customers, and the customer concentration of the Group.

Hydrix seeks to mitigate this risk by establishing strong credit policies, undertaking robust customer screening, diversifying its customer base, and generally requiring material upfront deposits to be paid prior to commencement of significant projects.

Many clients rely on their own ongoing capital raising efforts to fund their new product development programs. From time to time, clients may be subject to their own financial distress, which has the potential to negatively impact the Company's working capital and potentially, result in the Company not being able be to recover outstanding receivable amounts leading to a bad debt write-off.

The Company uses all reasonable efforts to manage these potential risks. However, a failure to adequately assess and manage credit risk may result in non-recoverable write offs, which could adversely impact the Company's cash flow, financial position, performance and reputation.

(e) **Future capital requirements**

The Company has undertaken reasonable operating cost reductions in accordance with the operating potential of its underlying business. Due to the nature of project-based consulting services engineering businesses and the requirement to maintain appropriate levels of resources and skill capabilities to service highly specialised and regulated product developments, periodic revenues and operating profits fluctuate.

Coupling these periodic fluctuations with the costs of operating an ASX listed entity, the Company may generate periodic losses and as a result require additional finance in the future to sufficiently fund its operations. Further, pursuing growth and expansion opportunities will require additional capital investment. Any additional equity financing may be dilutive to shareholders (who may not have the opportunity to participate in

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that raising), and may be undertaken at lower prices than any prior offer prices. Should the Company require additional funding, there can be no assurance that additional financing will be available on acceptable terms or at all. Any inability to obtain additional financing, if required, would have a material adverse effect on the Company's business, financial condition and results of operations. The Company's actual cash requirements may vary from those now planned and will depend upon many factors

(f) **Business strategy execution**

The Company's future growth, profitability and cash flows depend on the ability of its management to successfully execute its business strategy. There can be no assurance that the Company can successfully achieve its business objectives and this could have a material adverse effect on the Company's business, financial condition, and operations.

(g) **Cyber and security**

The Company's IT infrastructure and administration aligns with the 'Essential 8' cyber-security mitigation strategies recommended by Australian Signals Directorate (**ASD**) to manage and monitor its information systems against various cyberthreats. However, Company's technologies and other systems and operations could still be exposed to damage or interruption from system failures, computer viruses, cyberattacks or telecommunication provider failure. Should these not be adequately maintained, secured or updated, system failures may occur and these may have a detrimental effect on the Company.

Cyberattacks may compromise or breach the systems used by the Company to protect confidential information. Any data security breaches could result in the loss of information integrity, or breaches of company obligations under applicable laws or agreements, each of which may have a material adverse impact on the Company's results and reputation.

(h) **Confidential information and artificial intelligence**

The Company may from time to time use artificial intelligence and automation technologies (**AI Technologies**) to process, transmit or analyse confidential information, including proprietary data, intellectual property, customer information and personal data. Such information may be exposed to unauthorised access, inadvertent disclosure, or misuse as a result of system vulnerabilities, errors in implementation, misconfiguration, or malicious activity.

The Company may be subject to obligations to protect confidential information under contract, law, regulation, or industry standards (including for defence, government and critical infrastructure clients). Any breach involving AI Technologies may lead to liability, regulatory action, reputational damage or loss of business.

The Company's ability to protect confidential information in AI Technologies depends on the effectiveness of its systems, policies, training and monitoring. Failure to implement and maintain appropriate safeguards may increase the risk of unauthorised disclosure.

(i) **Ability to win and retain key customers**

The Company's business is dependent on the securing of contracts to provide product design and engineering services to customers in the medical, defence, mining, industrial and other sectors, and selling medical products under distribution agreements. The Company has no control over the timing of these opportunities or in respect of the awarding of such contracts or customer demands for its services and products. The performance of services contracts may incur additional, unexpected costs or be subject to delays and changes to budgeted scope and deliverables, which may require the Company to revise its timetable or delay development of client programs.

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If the Company fails to maintain or secure sufficient future services contracts, revenue could be adversely affected. There is also a risk that contracts it believes it may be able to enter into will not be able to be successfully negotiated or existing contracts may be terminated at short notice or not extended or replaced.

(j) **Regulated industries**

The Company's core business is in complex product design and engineering, and partners with customers in industry sectors including medical and defence, to help them design, develop and commercialise mission and safety critical technologies.

The Company's business model also includes the distribution of cardiovascular medical device products in Australia and Asia Pacific, either directly or through sub-distributors.

The industries in which the Company, its key customers and sub-distributors operate, particularly the medical device technology industry, are highly regulated in Australia, Asia Pacific, the United States, and other countries in which the Company may conduct business operations.

Whilst the Company benefits from operating in these regulated industries which have high barriers to entry, there is a risk that customer projects and / or medical product sales may be delayed or terminated due to regulatory and legal requirements, and any amendment to existing legislation or regulations in relevant countries. A loss or delay of a number of the Company's major services projects or product sales could have a material adverse impact on the Company's financial performance.

(k) **Competition**

While the Company has certain points of competitive difference, is not unique in developing and marketing many of its products and services. There is a risk that the Company's products and services may not, in the future, be able to compete with competitors' products and services on cost or technical grounds and therefore contracts may not be awarded to it. There is a risk that the cost of competing products and services may fall or that the Company's services may become too expensive to allow the Company to compete effectively. A loss of a number of the Company's major customers could have a material adverse impact on the Company's financial performance.

(l) **Reliance on suppliers**

The Company has entered into arrangements to distribute third party product technologies as part of its strategy to develop a medical products distribution business. Suppliers of these products are early-stage medical device companies. The early-stage nature of these types of companies is such that they are competing against large competitors and are yet to prove their technology and their business model. As such, their market adoption, regulatory and commercialisation risks are significant, and they remain reliant on ongoing access to capital to fund their businesses. These risk factors, among others, may have the potential to negatively and adversely impact on the Company's commercial business model.

(m) **Reliance on Key Personnel**

The Company currently employs a number of qualified key personnel, who are integral to the Company's operations. The Company's future depends on its ability to continue retaining, motivating and attracting suitably qualified personnel. The loss of key personnel, or the inability to access and retain the services of qualified staff, could adversely affect the Company and its activities. The Company has, to the extent practicable and legally possible, established contractual mechanisms through employment and consultancy contracts to limit the ability of key personnel to join a competitor, or compete directly with the Company. Despite these measures, there is no guarantee that the Company will be able to attract and retain suitably qualified personnel.

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(n) **Intellectual Property Rights**

The Company's core business creates value for clients through its engineering know-how and subject matter expertise in new product development including proprietary engineering platforms developed for commercial use. The Company relies on a combination of intellectual property laws, confidentiality procedures and contractual provisions to protect these assets. The laws of some foreign jurisdictions may provide less protection than the laws of Australia for the Company's proprietary rights. Unauthorised use of the Company's intellectual property could have a materially adverse effect on the Company and there can be no assurance that the Company's legal remedies would adequately compensate it for the damage to its business caused by such use.

The Company is not aware that any of its engineering platforms infringing upon the proprietary rights of third parties in any material respect. There can be no assurance, however, that third parties will not claim infringement by the Company with respect to current or future technologies or services. Any such claim, with or without merit, could result in substantial costs and diversion of management resources and a successful claim could effectively block the Company's ability to market its technologies and services which would have a material adverse effect on the financial and operating results of the Company.

(o) **Risks in international growth**

The Company's current business model includes offering design and engineering services to clients outside Australia, and also the distribution of medical device products in Australia and Asia Pacific, either directly or through sub-distributors. The Company may also expand its distribution model to include other international markets in the future.

Pursuit of growth opportunities internationally may require significant investment for an extended period before returns, if any, are realised, and there can be no assurance that the Company's expansion plans would be successful.

The Company's prospects in this regard could be adversely affected by factors such as delays in the opening of foreign markets, the exchange rate, a preference for the use of local suppliers, current or future legislation or regulatory or technical standards which discriminate against overseas suppliers.

In addition, Australian laws and policies affecting foreign trade, investment and taxation, as well as laws and regulations in other jurisdictions in which the Company operates, could also adversely affect the Company's Australian and international operations and growth.

(p) **Venture risks**

The Company leverages its product innovation capability to make selective investments in some customers by way of direct cash investment and/or accepting equity in-kind for services rendered by the Company. These investments are generally made in early stage pre-revenue companies, which have products under development that are intended to be sold or provided in highly regulated industries, including medical and healthcare industries. The long-term viability of these investments is subject to financial and product commercialisation risks, including commercial technology feasibility being achieved, regulatory approval being gained, competitive market forces and customers entering into commercial arrangements. There is a risk that these venture investments will not deliver a positive economic return for the Company.

5.3 **General Risks**

The following risks have been identified as being some general risks associated with an investment in the Company, noting its publicly listed status:

(a) **Economic risks**

The operating and financial performance of the Company is influenced by a variety of general economic and business conditions, including levels of consumer spending, inflation, interest rates, access to debt and capital markets, international economic conditions, significant acts of terrorism, hostilities or war or natural disasters, and government fiscal, monetary and regulatory policies. Prolonged deterioration in general economic conditions may have an adverse impact on the Company's business or financial condition. No guarantee can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.

(b) **Market conditions**

An investment in the Company's Shares has the general risks associated with any investment in the share market. Returns from an investment in Shares will depend on general stock market conditions as well as the performance of the Company. The market price of the Company's Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. The trading price of the Company's Shares may be subject to fluctuations in response to factors such as actual or anticipated variations in the Company's operating results, announcements of new contracts by the Company or its competitors, announcements by the Company or its competitors of significant acquisitions, technological developments, capital commitments, additions or departures of key personnel and other events or factors, many of which are beyond the Company's control.

Further, general share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as: general economic outlook; interest rates and inflation rates; currency fluctuations; changes in investor sentiment; the demand for, and supply of, capital; and terrorism or other hostilities. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Liquidity risk**

The market for the Company's Shares may be illiquid. As a consequence, investors may be unable to readily exit or realise their investment.

(d) **Force majeure**

The Company's contracts now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, pandemics, epidemics or quarantine restrictions.

(e) **Taxation and government regulations**

Changes in taxation and government legislation in a range of areas (for example, the Corporations Act, accounting standards, and taxation law including research and development taxation incentives) can have a significant influence on the outlook for companies and the returns to investors. The recoupment of taxation losses accrued by the Company from any future revenues is subject to the satisfaction of tests outlined in taxation legislation or regulations in the jurisdictions in which the Company operates. There is no guarantee that the Company will satisfy all of these requirements at the time it seeks to recoup its tax losses which may impact on the financial performance and cash flows of the Company.

(f) **Litigation risk**

The Company is not currently engaged in any litigation. However, the Company may face actual or threatened litigation or legal disputes in the form of customer claims, intellectual property claims, personal injury claims, employee claims and other litigation and disputes. If any claim was successfully pursued it may adversely impact

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the financial performance, financial position, cash flow, share price and/or industry standing of the Company.

(g) **Insurance risk**

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

5.4 **Investment speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company.

The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Securities offered under this Prospectus. Therefore, the New Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Securities. Potential investors should consider that the investment in the Company is highly speculative and should consult their professional adviser before deciding whether to apply for New Securities pursuant to this Prospectus.

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6 Rights and Liabilities Attaching to Securities

6.1 Rights and liabilities attaching to Shares

A summary of the rights attaching to the Shares is detailed below. The New Shares and Shares issued on the exercise of the New Options will rank *pari passu* in all respects with existing Shares. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

(a) **Voting at a general meeting:** At a general meeting of the Company, every Shareholder present in person or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each Share held.

(b) **Meetings of members:** Each Shareholder is entitled to receive notice of, attend and vote at general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, Corporations Act and Listing Rules.

(c) **Dividends:** The Board may from time to time resolve to pay dividends to Shareholders and fix the amount of the dividend, the time for determining entitlements to the dividend and the timing and method of payment

(d) **Transfer of shares:** Subject to the Constitution, Shares may be transferred by a proper transfer effected in accordance with ASX Settlement Operating Rules, by a written instrument of transfer that complies with the Constitution or by any other method permitted by the Corporations Act, Listing Rules or ASX Settlement Operating Rules. The Board may refuse to register a transfer of Shares where the transfer is not in registrable form, the Company has a lien over any of the Shares transferred, and where otherwise permitted to do so under the Corporations Act, Listing Rules or ASX Settlement Operating Rules. The Board must refuse to register a transfer of Shares when required by the Corporations Act, Listing Rules or ASX Settlement Operating Rules.

(e) **Issue of further shares:** Subject to the Corporations Act, Listing Rules and ASX Settlement Operating Rules and any rights and restrictions attached to a class of shares, the Company may issue, or grant options in respect of further Shares on such terms and conditions as the Board resolves.

(f) **Winding up:** If the Company is wound up, then subject to any rights or restrictions attached to a class of Shares, any surplus must be divided among the Company' members in proportion to the number of Shares held by them. The amount unpaid on Shares held by a member is to be deducted from the amount that would otherwise be distributed to that member.

(g) **Unmarketable parcels:** Subject to the Corporations Act, Listing Rules and ASX Settlement Operating Rules, the Company may sell the Shares of a Shareholder who holds less than a marketable parcel of Shares.

(h) **Share buy backs:** Subject to the Corporations Act, Listing Rules and ASX Settlement Operating Rules, the Company may buy back Shares in itself on terms and at times determined by the Board.

(i) **Variation of class rights:** At present, the Company's only class of shares on issue is ordinary Shares. Subject to the Corporations Act and the terms of issue of a class of shares, the rights attaching to any class of shares may be varied or cancelled:

(i) with the consent in writing of the holders of 75% of the issued shares included in that class; or

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(ii) by a special resolution passed at a separate meeting of the holders of those shares.

6.2 **Terms and conditions of New Options**

The terms and conditions of the New Options are as follows:

(a) **Entitlement**: Subject to and conditional upon any adjustment in accordance with these conditions, each of the New Options entitle the holder to apply for one Share upon payment of the Exercise Price.

(b) **Exercise Price**: The Exercise Price for each New Option is $0.01 per Share.

(c) **Expiry Date**: Each New Option will expire at 5.00pm (AEST) on 30 June 2029. A New Option not exercised before that expiry date will automatically lapse on that Expiry Date.

(d) **Exercise period**: The New Options are exercisable at any time from the date of issue until 5.00pm on the Expiry Date (AEST).

(e) **Exercise notice**: The New Options may be exercised during the exercise period specified in these conditions by forwarding to the Company the Exercise Notice together with payment (in cleared funds) of the Exercise Price for the number of Shares to which the Exercise Notice relates.

(f) **Partial exercise**: The New Options may be exercised in full or in parcels of at least 10,000 New Options (or such lesser amount in the event the holding of New Options by an optionholder is less than 10,000 New Options).

(g) **Timing of issue of Shares on exercise**: Within 15 business days after the Exercise Notice is received, the Company will allot and issue the number of Shares as specified in the Exercise Notice and for which the Exercise Price has been received by the Company in cleared funds.

(h) **Shares issued on exercise**: Shares issued as a result of the exercise of the New Options will rank equally in all respects with all other Shares then on issue.

(i) **Participation in new issues**: The New Options do not confer any right on the optionholder to participate in a new issue of securities without exercising the New Options. An optionholder will be given at least 2 business days prior to the record date for the new issue of securities, to exercise their New Options.

(j) **Change in exercise price:** A New Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the New Option can be exercised.

(k) **Reconstruction:** In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, all rights of the New Option holder shall be changed to the extent necessary to comply with the ASX Listing Rules applying at the time.

(l) **Transferability:** Except where the New Options are quoted on ASX, the New Options are non-transferable, unless the transfer is made to a related body corporate of the relevant optionholder with the Company's consent.

(m) **Quotation:** The Company intends to apply to ASX for official quotation of the New Options. If the Shares of the Company are quoted on the ASX, the Company will apply to the ASX for, and will use its best endeavours to obtain, quotation of all Shares issued on the exercise of any New Options within 5 business days of issue.

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7 Additional Information

7.1 Lead Manager Mandate

The Company has entered into a mandate agreement with Peak Asset Management Pty Ltd dated 13 May 2026, under which the Company has appointed Peak Asset Management Pty Ltd as lead manager to the Entitlement Offer and Shortfall Offer (**Lead Manager Mandate**). Pursuant to the Lead Manager Mandate, the Company has also appointed the Lead Manager as its ongoing adviser on corporate and strategic matters for a period of 12 months.

The key terms of the Lead Manager Mandate are set out below:

(a) **Lead Manager services:** In respect of the Entitlement Offer and Shortfall Offer, the Lead Manager will:

(i) assist the Company in marketing and facilitating demand for the Entitlement Offer and Shortfall Offer;

(ii) place any New Securities under the Institutional Shortfall Bookbuild, Retail Shortfall Bookbuild and / or Shortfall Offer (if any and as applicable);

(iii) provide the Company with a duly executed commitment letter prior to lodgement of the Prospectus, confirming that it has received written binding commitments from professional and sophisticated investors within section 708(8) and s708(11) of the Corporations Act to subscribe for an aggregate minimum of $8 million in Shares (at the issue price of $0.005 per Share) under the Institutional Shortfall Bookbuild, Retail Shortfall Bookbuild and / or Shortfall Offer (if any and as applicable); refer to Section 7.2 for a summary of the Lead Manager Commitment Letter; and

(iv) for the purposes of ASX Listing Rule 7.7 and section 9A(3)(c) of the Corporations Act, the Lead Manager agrees to be appointed as nominee to the Offer to arrange for the sale of the Entitlements of Ineligible Shareholders, and account to the Ineligible Shareholders the net proceeds (if any) of the sale.

The Lead Manager will also provide the Company with ongoing corporate and strategic advisory services.

(b) **Conditions:** unless otherwise agreed between the Lead Manager and the Company, the Lead Manager's placement of any New Securities under the Institutional Shortfall Bookbuild, Retail Shortfall Bookbuild and / or Shortfall Offer (if any and as applicable) is conditional upon:

(i) **Existing debt conversion** – the Company will seek to convert approximately $3,000,000 worth of its existing director loans into New Shares and attaching New Options on the same terms as the Entitlement Offer, subject to:

(A) the Company having received the requisite ASX approvals from its shareholders in a general meeting; and

(B) the Company being permitted to scale back any conversion, such that no person will increase their voting power in the Company above 19.99% or otherwise result in a breach of the Listing Rules, the Corporations Act or any other applicable law;

(ii) **Conversion of Convertible Notes** – the Company will use its reasonable endeavours to obtain agreement from Convertible Noteholders to convert, subject to any necessary shareholder approval, 100% of the existing Convertible Notes on issue (with a total face value of $2,922,000) to New Shares and attaching New Options on the same terms as the Entitlement Offer;

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(iii) **Director nominee** – Following completion of the Offers and the Company raising a minimum of $8 million under the Entitlement Offer (and Shortfall Offer, if any), Niv Dagan will join the Board as a non-executive director, subject to satisfactory background checks and Mr Dagan providing a signed consent to act as a director and otherwise being acceptable to the Nomination & Remuneration Committee and recommended to the Board; and

(iv) **Consolidation** – following the completion of the Offers, the Company intends to seek Shareholder approval for a share consolidation on a 1 for 5 basis.

(c) **Capital raising fees:**

(i) **Raise Fee:** The Company will pay the Lead Manager a capital raising fee of 6% of funds raised under the Entitlement Offer and Shortfall Offer.

(ii) **Broker Shares:** The Company has agreed to issue 25,000,000 Broker Shares to the Lead Manager (and / or its nominee(s)), subject to:

(A) the Company raising a minimum amount of $8 million under the Entitlement Offer and Shortfall Offer (if any); and

(B) the Company having received approval from its shareholders in a general meeting under Listing Rule 7.1 and for all other purposes in relation to the issue of the Broker Shares.

50% of the Shares issued under the Broker Share Offer will be subject to voluntary escrow restrictions for a period of 12 months from the date of issue of those Broker Shares.

(iii) **Broker Options:** The Company has agreed to issue up to 150,000,000 Broker Options (exercisable at $0.01 per Broker Option and expiring 30 June 2029) to the Lead Manager (and / or its nominee(s)), on the basis of 1 Broker Option for every 10.910753 New Shares (with fractional entitlements to a Broker Option rounded down to the nearest whole Broker Option) issued under the Institutional Shortfall Bookbuild, Retail Shortfall Bookbuild and Shortfall Offer, subject to:

(A) an overriding cap of 150,000,000 Broker Options;

(B) successful completion of the Entitlement Offer and Shortfall Offer (if any);

(C) the Company raising a minimum amount of $8 million under the Entitlement Offer and Shortfall Offer (if any); and

(D) the Company having received approval from its shareholders in a general meeting under Listing Rule 7.1 and for all other purposes in relation to the issue of the Broker Options.

50% of the Options issued under the Broker Option Offer will be subject to voluntary escrow restrictions for a period of 12 months from the date of issue of those Broker Options.

In the event that a general meeting seeking Shareholder approval for the issue of the Broker Options and/or Broker Shares is not convened within six weeks of the completion of the Entitlement Offer, or if such Shareholder approval is not received, the Company shall, within seven days of (i) the expiry of the six-week period; or (ii) the general meeting (as applicable), compensate the Lead Manager with the monetary equivalent of the Broker Shares and Broker Options in cash. In the case of Broker Options, the cash consideration will be calculated on the output of a Black Scholes Model, with input assumptions equivalent to the agreed terms of the Broker Options, based on the date that the Entitlement Offer completes.

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No fees will be paid or issued to the Lead Manager as a result of the conversion of any Convertible Notes pursuant to the Note Conversion Offer or the Conversion of any Director Loans pursuant to the Director Loan Conversion Offer.

(d) **Other fees – ongoing advisory role:** In connection with and in consideration for the Lead Manager's performance of its ongoing advisory role, the Company will pay the Lead Manager a monthly corporate advisory fee of $6,500 per month (commencing on the first calendar day of the month following successful completion of the Entitlement Offer and Shortfall Offer) during the term of engagement.

(e) **Termination:** Either party may terminate the Lead Manager Mandate at any time after completion of the Entitlement Offer and Shortfall Offer, without penalty, by giving 7 days' written notice.

7.2 **Lead Manager Commitment Letter**

As required by the Lead Manager Mandate, the Company has received an executed letter of commitment from the Lead Manager dated 17 May 2026, confirming it has received written binding commitments from professional and sophisticated investors within section 708(8) and s708(11) of the Corporations Act to subscribe for an aggregate minimum of $8 million in Shares under the Institutional Shortfall Bookbuild, Retail Shortfall Bookbuild and / or Shortfall Offer (if any and as applicable) (**Lead Manager Commitment Letter**).

The Lead Manager's commitment in the Lead Manager Commitment Letter is subject to and conditional upon:

(a) the Company proceeding with the Entitlement Offer substantially on the terms set out in the Prospectus;

(b) the Company obtaining all necessary corporate, regulatory and shareholder approvals required in connection with the Entitlement Offer, including approvals under the ASX Listing Rules and the Corporations Act;

(c) no material adverse change occurring in relation to the Company, its operations, financial position, capital structure or the financial markets generally prior to settlement of the Entitlement Offer;

(d) the Company issuing any prospectus, cleansing notice or other disclosure document required in connection with the Entitlement Offer which complies in all material respects with applicable laws and ASX Listing Rules;

(e) the Offer and associated securities remaining compliant with all applicable laws, regulations and ASX Listing Rules;

(f) no event occurring which would reasonably be expected to result in the withdrawal, termination or invalidity of any investor commitment; and

(g) settlement of subscriptions by participating investors in accordance with the timetable and settlement procedures established for the Entitlement Offer and institutional or retail shortfall process.

The Lead Manager Commitment Letter:

(h) serves as a statement of the Lead Manager's present intention and commitment in connection with the Entitlement Offer;

(i) does **not constitute**, and **should not be construed** as:

(i) an underwriting commitment;

(ii) a guarantee by the Lead Manager or any of its related body corporate that the Entitlement Offer will successfully complete;

(iii) a representation that all commitments will settle in full;

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(iv) financial product advice or a recommendation to any person in relation to the Offer; or

(v) an obligation of the Lead Manager to subscribe for securities itself.

The Lead Manager reserves the right to withdraw or amend the Lead Manager Commitment Letter if any of the conditions set out above are not satisfied or if the Lead Manager becomes aware of information which would reasonably affect the viability or completion of the Entitlement Offer.

7.3 Company is a disclosing entity

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act, and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all ASX-listed companies, the Company is (subject to certain exceptions) required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The Shares have been quoted on the official list of the ASX during the three months prior to the issue of this Prospectus.

This Prospectus is a 'transaction specific prospectus' to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities, or options to acquire securities, in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms 'transaction specific prospectuses' are only required to contain information in relation to the effect of the issue of new Shares on the Company and the rights and liabilities attaching to the new Shares. It is not necessary to include general information in relation to all of the assets and liabilities, the financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX, and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

(a) it is subject to regular reporting and disclosure obligations;

(b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and

(c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date (inclusive of both dates):

(i) the FY25 Financial Report being the most recent annual financial report of the Company lodged with the ASIC before the issue of this Prospectus; and

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(ii) any continuous disclosure notices announced by the Company to the ASX after the lodgement of the Annual Report referred to in paragraph (i) above and before the lodgement of this Prospectus with ASIC.

Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at an ASIC office.

The Company has lodged the following announcements with ASX since the lodgement of its FY25 Financial Report to Shareholders on 21 October 2025:

Date	Description of announcement
14/05/2026	NIOA contracts Hydrix to advance counter-drone technology
14/05/2026	Trading Halt-Accelerated Offer
30/04/2026	Quarterly Activities/Appendix 4C Cash Flow Report
27/02/2026	Trading Update and Growth Outlook
27/02/2026	Half Yearly Report and Accounts
2/02/2026	Amended Appendix 4C
30/01/2026	Quarterly Activities/Appendix 4C Cash Flow Report
7/01/2026	$2.5m contract to develop SynCardia's next generation TAH
2/12/2025	Notification of cessation of securities - HYD
27/11/2025	Results of 2025 Annual General Meeting
27/11/2025	2025 Annual General Meeting Presentation
28/10/2025	Quarterly Activities/Appendix 4C Cash Flow Report
27/10/2025	Notice of Annual General Meeting/Proxy Form
21/10/2025	Corporate Governance Statement and Appendix 4G
21/10/2025	Annual Report to shareholders

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours. The announcements are also available through the Company's website at https://www.hydrixltd.com/.

The following documents are available for inspection during normal business hours at the registered office of the Company:

(a) this Prospectus; and

(b) the Constitution.

7.4 Information excluded from continuous disclosure notices

Other than as set out below, there is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be set out in this Prospectus.

7.5 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the New Securities.

7.6 Directors' interests

Except as disclosed in this Prospectus, no Director (or entity in which they are a partner, director and/or a shareholder) has, or has had in the two years before the date of this Prospectus, any interests in:

(a) the formation or promotion of the Company;

(b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers; or

(c) the Offers,

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and no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to:

(d) any Director to induce him or her to become, or to qualify as, a Director; or

(e) any Director for services which he or she (or an entity in which they are a partner, director and/or shareholder) has provided in connection with the formation or promotion of the Company or the Offers.

7.7 Directors' interests in securities

Set out in the following table are details of the Directors' (and their respective associates') Relevant Interests in securities on issue in the Company at the date of this Prospectus:

Director	Securities as at the Prospectus Date			
	Shares	Options	Performance Rights	Convertible Notes
Gavin Coote[1]	10,680,000	Nil	Nil	Nil
Paul Lewis[2]	20,423,334	Nil	Nil	500,000
Paul Wright[3]	6,667,673	Nil	Nil	100,000
Julie King[4]	30,913,145	Nil	Nil	1,500,000

Notes:

10 10,208,502 Shares are held by Beachridge Advisory Services Pty Ltd <Coote Family Discretionary Trust>, an entity controlled by Gavin Coote. The remainder of the Shares are held by Equity Trustees Superannuation Limited as custodian, beneficially for Gavin Coote and his spouse. Refer to Appendix 3Y lodged in relation to Gavin Coote on 6 December 2024 for further information.

11 The Shares and Convertible Notes are held by Invia Custodian Pty Limited as custodian, beneficially for entities controlled by Paul Lewis. Refer to Appendix 3Y lodged in relation to Paul Lewis on 6 December 2024 for further information.

12 The Shares are held by Citicorp Nominees Pty Limited as custodian, beneficially for Paul Wright's spouse, Kim Wright, as trustee for the Chatsworth Trust. The Convertible Notes are held by P K W Holdings Pty Ltd <P K W Super Fund A/C>, an entity controlled by Paul Wright. Refer to Appendix 3Y lodged in relation to Paul Wright on 6 December 2024 for further information.

13 The Shares and Convertible Notes are held by John W King Nominees Pty Ltd, a company controlled by Julie King. Refer to Appendix 3Y lodged in relation to Julie King on 6 December 2024 for further information.

Set out in the following table are details of the potential New Securities which the Directors' (and their respective associates) may subscribe for and be issued pursuant to the Offers made under this Prospectus:

Director	Entitlements under the Entitlement Offer[1]		Max. New Securities to be issued under the Note Conversion Offer[2]		Max. New Securities to be issued under the Director Loan Conversion Offer[3]		*Max. New Securities to be issued under the Offers*	
	New Shares	New Options	New Shares	New Options	New Shares	New Options	*Max. New Shares*	*Max. New Options*
Gavin Coote	64,080,000	64,080,000	Nil	Nil	5,000,000	5,000,000	***69,080,000***	***69,080,000***
Paul Lewis	122,540,004	122,540,004	100,000,000	100,000,000	235,000,000	235,000,000	***457,540,004***	***457,540,004***
Paul Wright	40,006,038	40,006,038	20,000,000	20,000,000	9,000,000	9,000,000	***69,006,038***	***69,006,038***
Julie King	185,478,870	185,478,870	300,000,000	300,000,000	253,500,000	253,500,000	***738,978,870***	***738,978,870***

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Notes:

1 As at the date of this Prospectus, each of the Directors intend to renounce all of their Entitlements under the Entitlement Offer, with those Entitlements to form part of the Institutional Shortfall Bookbuild or Retail Shortfall Bookbuild (as applicable).

2 Assumes all of the Convertible Notes held by the Directors (and their respective associates) are converted pursuant to the Note Conversion Offer. Refer to Section 2.3 for further information.

3 Assumes all of the Director Loans owed to Gavin Coote, Paul Lewis and Paul Wright (and their respective associates) are converted pursuant to the Director Loan Conversion Offer. Assumes that a majority but not all of the Director Loan owed to Julie King (and her associates) is converted pursuant to the Director Loan Conversion Offer. Refer to Section 2.4 for further information.

4 No Director or other investor will, as a consequence of being issued any New Securities under the Offers, hold a relevant interest of more than 19.99% of all of the Shares in the Company after the Offers.

5 The Directors are ineligible to apply for New Securities under the Shortfall Offer as they are 'related parties' in relation to the Company (as that term is defined in the ASX Listing Rules).

7.8 Directors' remuneration

The remuneration of existing Directors for the past two financial years (30 June year-end) are as follows:

2025	**Short-term benefits**		**Post-employment benefits**	**Long-term benefits**	**Share-based payments**		
Director	**Salary ($)**	**Fees ($)**	**Superannuation ($)**	**Long service leave ($)**	**Equity-settled shares ($)**	**Equity-settled rights**	**Total**
Gavin Coote	320,142	-	35,357	3,075	-	-	**358,574**
Paul Lewis	-	48,000	-	-	-	-	**48,000**
Paul Wright	-	52,489	5,511	-	-	-	**58,000**
Julie King	-	52,489	5,511	-	-	-	**58,000**

Note:
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 the Company on 3 December 2024.

2024	**Short-term benefits**		**Post-employment benefits**	**Long-term benefits**	**Share-based payments**		
Director	**Salary ($)**	**Fees ($)**	**Superannuation ($)**	**Long service leave ($)**	**Equity-settled shares ($)**	**Equity-settled rights**	**Total**
Gavin Coote	309,502[1]	83,000[2]	34,045	5,904	-	(147,496)[3]	**284,955**
Paul Lewis	-	48,000	-	-	-	-	**48,000**
Paul Wright	-	52,489	5,511	-	-	-	**58,000**
Julie King	-	52,489	5,511	-	-	-	**58,000**

Notes:

1 *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.*

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

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3 *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.*

4 *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 the Company on 3 December 2024.*

7.9 Substantial shareholders

As at the date of this Prospectus, and based on the substantial holder notices that have been provided to the Company and released to the ASX, those persons which (alone or together with their associate(s)) hold more than 5% of the total issued capital of the Company are set out below:

Holder	Shares	Voting Power
John W King Nominees Pty Ltd; Julie King[1]	30,913,145	11.33%
Invia Custodian Pty Limited <PAJ Lewis Super Fund A/C>; Invia Custodian Pty Limited <The PAJ A/C>; Paul Lewis[2]	20,423,334	7.49%

Notes:

1 *As extracted from the Company's register of Shareholders as at the Prospectus Date.*

2 *Refer to Form 604 Notice of Change of Interests of Substantial Holder lodged on 6 December 2024 for further information.*

7.10 Related party participation

Except as disclosed in this Prospectus, no related parties of the Company (nor their associates) will subscribe for New Securities pursuant to the Offers.

7.11 Interests of Named Persons

Except as disclosed in this Prospectus, no promoter or other person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (or entity in which they are a partner, director and/or shareholder) holds, has, or has had in the two years before the date of this Prospectus, any interest in:

(a) the formation or promotion of the Company;

(b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers; or

(c) the Offers,

and no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to a promoter or any person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (or entity in which they are a partner, director and/or shareholder), provided in connection with the formation or promotion of the Company or the Offers, except as disclosed in this Prospectus and as follows:

(d) Peak Asset Management Pty Ltd has acted as the Lead Manager to the Entitlement Offer and the Shortfall Offer. In respect of this work the Company will pay the Lead Manager such fees and issue such New Securities as outlined in Section 7.1;

(e) Thomson Geer has acted as Australian legal adviser to the Company for the Offers. In respect of this work the Company will pay Thomson Geer approximately $165,000 (exclusive of GST and disbursements); and

(f) Boardroom Pty Limited conducts the Company's share registry functions and will provide administrative services in respect to the proposed Share applications pursuant

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to this Prospectus. Boardroom Pty Limited will be paid for these services on standard industry terms and conditions.

7.12 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding 13 May 2026, being the date the Company entered a trading halt in connection with the lodgement of this Prospectus with ASIC and most recent dates of those sales were:

Highest	$0.016 on 4 March 2026
Lowest	$0.01 on 30 March 2026
Last	$0.013 on 13 May 2026

7.13 Dividend policy

The Company does not intend to declare or pay any dividends in the immediately foreseeable future.

Any future determination as to the payment of dividends by the Company will be at the sole discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

7.14 Costs of the Offers

The estimated approximate expenses of the Offers are as follows (exclusive of GST), assuming no Eligible Shareholders subscribe for any New Securities under the Entitlement Offer and the Lead Manager places all Entitlement Securities under the Institutional Shortfall Bookbuild, Retail Shortfall Bookbuild and / or Shortfall Offer, all of the Other Offers are fully subscribed, and all New Options are quoted on ASX:

Estimated expenses of the Offer	**$**
Lead Manager fees	491,000
ASIC lodgement fee	3,206
ASX quotation fees	74,112
Legal and preparation expenses	175,000
Registry and project management fees, printing and mailing costs, and other expenses	37,000
Total	**780,318**

7.15 Taxation implications

The acquisition and disposal of Securities will have taxation consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in Company are urged to take independent financial advice about the taxation and any other consequences of acquiring and selling the Securities.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability or responsibility with respect to the taxation consequences of subscribing for New Securities.

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7.16 Litigation and claims

So far as the Directors are aware, other than as disclosed by the Company to ASX, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company.

7.17 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, persons named in this Prospectus with their consent as having made a statement in this Prospectus and persons involved in a contravention in relation to this Prospectus, with regard to misleading or deceptive statements made in this Prospectus. Although the Company bears primary responsibility for this Prospectus, other parties involved in the preparation of this Prospectus can also be responsible for certain statements made in it.

Each of the following parties:

Name	Role
Peak Asset Management Pty Ltd	Lead Manager
Thomson Geer	Australian legal adviser
Boardroom Pty Limited	Share Registry

(a) has given its consent to be named in this Prospectus as set out above and has not withdrawn its consent at the date of lodgement of this Prospectus with ASIC;

(b) makes no express or implied representation or warranty in relation to the Company, this Prospectus or the Offers;

(c) has not made or purported to have made any statement in this Prospectus or statement on which a statement in this Prospectus is based, except as described in this Section; and

(d) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for this Prospectus other than a reference to its name and any statement or report included in this Prospectus with the consent of that party as described in this Section.

None of the parties referred to in this Section 7.17 has authorised or caused the issue of this Prospectus or the making of the Offers.

Each of the Directors has given their written consent to being named in this Prospectus in the context in which they are named and have not withdrawn their consent prior to lodgement of this Prospectus with ASIC.

Each of the Directors have given their written consent to being named in this Prospectus in the form and context in which they are named and to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, them, in each case in the form and context as they appear in this Prospectus.

7.18 Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company and the Company will send to you (if the Company determines you to be

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eligible), for free, either a hard copy or a further electronic copy of this Prospectus or both. The Prospectus may be made available in electronic form only to persons in Australia.

The Corporations Act prohibits any person from passing on to another person an Application Form, unless it is attached to or accompanies a hard copy of this Prospectus or a complete and unaltered electronic copy of this Prospectus.

The Company reserves the right not to accept an Application Form from a person if (without limitation) it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application Monies received will be dealt with in accordance with section 722 of the Corporations Act.

7.19 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

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8 Authorisation

This Prospectus is authorised by the Company and lodged with ASIC pursuant to section 718 of the Corporations Act.

Each of the Directors has consented to the lodgement of this Prospectus with ASIC, in accordance with section 720 of the Corporations Act and has not withdrawn that consent.

This Prospectus is signed for and on behalf of the Company by:



Gavin Coote
Executive Chairman

18 May 2026

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9 Glossary

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

$ means Australian dollars unless otherwise specified.

AEST means Australian Eastern Standard Time.

Applicant means a person who submits an Application Form.

Application or **Entitlement and Acceptance Form** means a valid application for New Securities under the Offers, made on an Application Form.

Application Form means the application form that accompanies this Prospectus, being the Entitlement and Acceptance Form or such other applicable application form.

Application Monies means application monies to be paid to the Company by Applicants applying for New Securities pursuant to the Offers under this Prospectus.

ASIC means Australian Securities and Investments Commission.

Associate has the meaning given to that term in the Corporations Act.

ASX means ASX Limited ACN 008 624 691 or, where the context requires, the financial market operated by it.

ASX Settlement means ASX Settlement Pty Limited ACN 008 504 532.

ASX Settlement Operating Rules means the ASX Settlement Operating Rules of ASX Settlement.

Board means the board of Directors of the Company.

Broker Offers means the Broker Share Offer and the Broker Option Offer.

Broker Option means the Options, each exercisable at $0.01 and expiring on 30 June 2029 to be issued under the Broker Option Offer.

Broker Option Offer means the offer of Broker Options to the Lead Manager (and / or its nominee(s)) under this Prospectus.

Broker Share means the Shares to be issued under the Broker Share Offer.

Broker Share Offer means the offer of Broker Shares to the Lead Manager (and / or its nominee(s)) under this Prospectus.

CHESS means ASX Clearing House Electronic Subregister System.

Closing Date has the meaning given in the Indicative Timetable.

Company, Hydrix or **HYD** means Hydrix Limited ACN 060 369 048.

Constitution means the constitution of the Company as at the date of this Prospectus.

Conversion Agreements mean the Note Conversion Agreements and the Director Loan Conversion Agreements.

Convertible Note Deed Poll means the convertible note deed poll dated 31 July 2023.

Convertible Notes means the convertible notes issued by the Company in or around October 2023, pursuant to a Convertible Note Deed Poll, each with a face value of $1.00.

Conversion Securities means the Director Loan Conversion Securities and the Note Conversion Securities.

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Convertible Noteholders means the holders of Convertible Notes.

Conversion Offers means the Note Conversion Offer and the Director Loan Conversion Offer.

Convertible Security means an Option, a Performance Right or a Convertible Note on issue.

Corporations Act means *Corporations Act 2001* (Cth).

Director mean a director of the Company.

Director Lender has the meaning given by Section 2.4

Director Loan has the meaning given by Section 2.4

Director Loan Conversion Agreement has the meaning given by Section 2.4.

Director Loan Conversion Options means the Options, each exercisable at $0.01 and expiring on 30 June 2029 to be issued under the Director Loan Conversion Offer.

Director Loan Conversion Securities means the Director Loan Conversion Shares and the Director Loan Conversion Options.

Director Loan Conversion Shares means the Shares to be issued under the Director Loan Conversion Offer.

Eligible Shareholder has the meaning given to that term in Section 2.19.

Eligible Institutional Shareholder has the meaning given to that term in Section 2.19.

Eligible Retail Shareholder has the meaning given to that term in Section 2.19.

Entitlement means the pro-rata entitlement of a Shareholder to subscribe for Entitlement Shares under the Entitlement Offer, being 6 Entitlement Shares for every 1 existing Share held on the Record Date, together with 1 free Entitlement Option for every 1 Entitlement Share issued.

Entitlement Offer means the accelerated renounceable pro-rata entitlement offer under this Prospectus of up to 1,636,613,082 Entitlement Shares and up to 1,636,613,082 Entitlement Options.

Entitlement Option means the Options, each exercisable at $0.01 and expiring on 30 June 2029 to be issued under the Entitlement Offer.

Entitlement Securities means Entitlement Shares and Entitlement Options.

Entitlement Share means the Shares, at an issue price of $0.005 each to be issued under the Entitlement Offer.

Exercise Notice means a duly completed notice of exercise of Options and application for Shares executed by the Option holder specifying the number of Options exercised.

Exercise Price has the meaning given to it in the Option terms in Section 6.2.

Expiry Date has the meaning given to it in the Option terms in Section 6.2.

HY26 Financial Report has the meaning given to it in Section 2.26.

Indicative Timetable means the indicative timetable at the beginning of this Prospectus.

Ineligible Shareholder means a Shareholder who is not an Eligible Shareholder.

Ineligible Institutional Shareholder means a Shareholder who is a professional or sophisticated investor within the meaning set out in sections 708(8) or 708(11) of the

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Corporations Act (or analogous concept under the laws of any other relevant jurisdiction) that is not an Eligible Institutional Shareholder.

Ineligible Retail Shareholder means a Shareholder who is not a Eligible Institutional Shareholder, a Ineligible Institutional Shareholder or a Eligible Retail Shareholder.

Institutional Entitlement means the number of New Shares that an Eligible Institutional Shareholder is entitled to apply for under the Institutional Entitlement Offer.

Institutional Entitlement Offer means the pro rata accelerated renounceable entitlement offer to Eligible Institutional Shareholders.

Institutional Premium means the proceeds in excess of the Offer Price (if any) per underlying Share, in respect of the Institutional Entitlements sold in the Institutional Shortfall Bookbuild.

Institutional Shortfall Bookbuild means the bookbuild process associated with the Institutional Entitlement Offer to be conducted by the Lead Manager.

Issuer Sponsored means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

Lead Manager means Peak Asset Management Pty Ltd ACN 689 835 201.

Lead Manager Commitment Letter has the meaning given by Section 7.2.

Lead Manager Mandate has the meaning given by Section 7.1.

Listing Rules means the Listing Rules of ASX.

New Option means a new Option to be issued under the Offers.

New Securities means the New Shares and the New Options.

New Share means a new Share to be issued under the Offers.

Note Conversion Agreement has the meaning given by Section 2.3.

Note Conversion Options means the Options, each exercisable at $0.01 and expiring on 30 June 2029 to be issued under the Note Conversion Offer.

Note Conversion Shares means the Shares to be issued under the Note Conversion Offer.

Note Conversion Securities means the Note Conversion Shares and the Note Conversion Options.

Offers means:

(a) the Entitlement Offer;

(b) the Shortfall Offer;

(c) the Note Conversion Offer;

(d) the Director Loan Conversion Offer;

(e) the Broker Share Offer; and

(f) the Broker Option Offer,

and **Offer** means any one of them (as the context requires).

Offer Period means the period that an Offer is open, being the period between the Opening Date and the Closing Date.

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Official Quotation means official quotation by ASX in accordance with the Listing Rules.

Opening Date has the meaning given in the Indicative Timetable.

Option means an option to acquire a Share.

Performance Right means a performance right in the capital of the Company.

Prospectus means this prospectus dated 18 May 2026.

Record Date means 7.00 pm (AEST) on the date specified in the Indicative Timetable.

Related Bodies Corporate means has the meaning given to that term in the Corporations Act.

Relevant Interest has the meaning given in the Corporations Act.

Retail Entitlement means the number of New Shares that an Eligible Retail Shareholder is entitled to apply for under the Retail Entitlement Offer.

Retail Entitlement Offer means the pro rata renounceable offer to Eligible Retail Shareholders to subscribe for 6 New Shares for every 1 existing Share which the Shareholder is the registered holder of on the Record Date, at an Offer Price of $0.005 per New Share, together with 1 free attaching Entitlement Option (exercisable at $0.01 per Entitlement Option and expiring 30 June 2029) for every Share issued.

Retail Entitlement Offer Closing Date means the Retail Entitlement Offer Closing Date referred to in the Indicative Timetable.

Retail Entitlement Offer Opening Date means the Retail Entitlement Offer Opening Date referred to in the Indicative Timetable.

Retail Premium means the proceeds in excess of the Offer Price (if any) per underlying Share, in respect of Retail Entitlements sold in the Retail Shortfall Bookbuild.

Retail Shortfall Bookbuild means the bookbuild process associated with the Retail Entitlement Offer.

Section means a section of this Prospectus.

Securities means has the meaning given to that term in section 761A of the Corporations Act and includes a Share and an Option.

Share means a fully paid ordinary share in the capital of the Company.

Share Registry means Boardroom Pty Limited.

Shareholder means a holder of one or more Shares.

Shortfall or **Shortfall Securities** means the New Shares and the New Options not applied for under the Entitlement Offer.

Shortfall Application Form means the application form attached to, or accompanying this Prospectus, to be used for the purposes of applying for Shortfall Securities upon invitation from the Company.

Shortfall Offer has the meaning given to that term in Section 2.2.

Shortfall Options means the New Options constituting the Shortfall.

Shortfall Shares means the New Shares constituting the Shortfall.

Voting Power has the meaning given in the Corporations Act.

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