Announcement Summary

Entity name

HYDRIX LIMITED

Announcement Type

New announcement

Date of this announcement

Monday July 6, 2020

The Proposed issue is:

☑ A standard pro rata issue (including non-renounceable or renounceable)
☑ A placement or other type of issue

Total number of +securities proposed to be issued for a standard pro rata issue (including non-renounceable or renounceable)

ASX +Security Code	+Security Description	Maximum Number of +securities to be issued
n/a	Options to acquire fully paid ordinary shares, each exercisable at $0.12 on or before 31 July 2022.	8,846,918
HYD	ORDINARY FULLY PAID	26,540,754

Ex date

Wednesday July 8, 2020

+Record date

Thursday July 9, 2020

Offer closing date

Thursday July 23, 2020

Issue date

Thursday July 30, 2020

Total number of +securities proposed to be issued for a placement or other type of issue

ASX +Security Code	+Security Description	Maximum Number of +securities to be issued
n/a	Options to acquire fully paid ordinary shares, each exercisable at $0.12 on or before 31 July 2022.	11,846,918

Proposed +issue date

Thursday July 30, 2020

Refer to next page for full details of the announcement

Part 1 - Entity and announcement details

1.1 Name of +Entity

HYDRIX LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

1.2 Registered Number Type	**Registration Number**
ABN	84060369048

1.3 ASX issuer code

HYD

1.4 The announcement is

☑ New announcement

1.5 Date of this announcement

Monday July 6, 2020

1.6 The Proposed issue is:

☑ A standard +pro rata issue (non-renounceable or renounceable)

☑ A placement or other type of issue

1.6a The proposed standard +pro rata issue is:

☑ + Non-renounceable

Part 3 - Details of proposed entitlement offer issue

Part 3A - Conditions

3A.1 - Are any of the following approvals required for the entitlement offer to be unconditional?
- **+Security holder approval**
- **Court approval**
- **Lodgement of court order with +ASIC**
- **ACCC approval**
- **FIRB approval**
- **Another approval/condition external to the entity**

No

Part 3B - Offer details

Class or classes of +securities that will participate in the proposed issue and class or classes of +securities proposed to be issued

ASX +Security Code and Description

HYD : ORDINARY FULLY PAID

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?
Existing class

Will the proposed issue of this +security include an offer of attaching +securities?
Yes

If the entity has quoted company options, do the terms entitle option holders to participate on exercise?
No

Details of +securities proposed to be issued

ASX +Security Code and Description

HYD : ORDINARY FULLY PAID

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

Offer ratio (ratio to existing holdings at which the proposed +securities will be issued)

The quantity of additional +securities to be issued	For a given quantity of +securities held
1	3

What will be done with fractional entitlements?

Fractions rounded up to the next whole number

Maximum Number of +securities proposed to be issued

26,540,754

Purpose of the issue

The Company is undertaking an Entitlement Offer in order to raise $2 million, with the proceeds being used to reduce debt, increase the Company's financial strength, and expedite the first implants of the AngelMed Guardian System.

Offer price details for retail security holders

Issue Currency	Offer Price per +security	Estimated or Actual?
AUD - Australian Dollar	AUD 0.07500	☑ Actual

Oversubscription & Scale back details

Are +security holders allowed to oversubscribe?
☑ Yes

Provide the oversubscription details

There is a Shortfall Facility which enables Eligible Shareholders to apply for additional New Shares in excess of their Entitlements.

May a scale back be applied to this event?
☑ Yes

Provide the scale back details

Hydrix only intends to issue up to the aggregate number of New Securities that are offered under the Entitlement Offer, therefore it may be necessary to scale-back applications if they exceed this number. The Company may, in consultation with the Underwriter of the Entitlement Offer, give priority to the Underwriter and sub-underwriters in allocating any Shortfall.

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?
☑ Yes

Attaching +Security

Is the proposed attaching security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional +securities in a class that is already quoted or recorded by ASX)?
☑ New class

Attaching +Security - New class (+securities in a class that is not yet quoted or recorded by ASX)

Details of attaching +securities proposed to be issued

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?
Yes

Will the entity be seeking quotation of the 'new' class of +securities on ASX?
Yes

ASX +Security Code
New class-code to be confirmed

+Security Description
Options to acquire fully paid ordinary shares, each exercisable at $0.12 on or before 31 July 2022.

+Security Type
Options

Offer ratio (ratio of attaching securities at which the new +securities will be issued)

The quantity of attaching +securities to be issued
1

For a given quantity of the new +securities issued
3

What will be done with fractional entitlements?
Fractions rounded up to the next whole number

Maximum Number of +securities proposed to be issued
8,846,918

Offer price details for retail security holders

Issue Currency
AUD - Australian Dollar

Offer Price per +security
AUD 0.00000

Estimated or Actual?
Actual

Oversubscription & Scale back details

Are +security holders allowed to oversubscribe?
No

May a scale back be applied to this event?
No

Will all the +securities issued in this class rank equally in all respects from their issue date?
Yes

Options details

+Security Currency
AUD - Australian Dollar

Exercise Price

AUD 0.1200

Expiry date

Sunday July 31, 2022

Details of the existing class of +security that will be issued upon exercise or conversion of this new class of company option

HYD : ORDINARY FULLY PAID

Please provide any further information relating to the principal terms of the +securities

Each Option entitles the holder to subscribe for one fully paid ordinary Share in the Company upon exercise of the Option. The amount payable upon exercise of each Option will be $0.12. Each Option will expire at 5pm AEST on 31 July 2022. Further details of the Options are set out in the Prospectus lodged by the Company on 6 July 2020.

Part 3C - Timetable

3C.1 +Record date

Thursday July 9, 2020

3C.2 Ex date

Wednesday July 8, 2020

3C.4 Record date

Thursday July 9, 2020

3C.5 Date on which offer documents will be sent to +security holders entitled to participate in the +pro rata issue

Monday July 13, 2020

3C.6 Offer closing date

Thursday July 23, 2020

3C.7 Last day to extend the offer closing date

Monday July 20, 2020

3C.9 Trading in new +securities commences on a deferred settlement basis

Friday July 24, 2020

3C.10 Last day for entity to announce the results of the offer to ASX, including the number and percentage of +securities taken up by existing +security holders and any shortfall taken up by underwriters or other investors

Monday July 27, 2020

3C.11 Issue date

Thursday July 30, 2020

3C.12 Date trading starts on a normal T+2 basis

Friday July 31, 2020

3C.13 First settlement date of trades conducted on a +deferred settlement basis and on a normal T+2 basis

Tuesday August 4, 2020

Part 3E - Fees and expenses

3E.1 Will there be a lead manager or broker to the proposed offer?
☑ Yes

3E.1a Who is the lead manager/broker?

Henslow Pty Ltd

3E.1b What fee, commission or other consideration is payable to them for acting as lead manager/broker?

Under the Underwriting Agreement between Henslow Pty Ltd and the Company , the Company will pay a management fee equivalent to 2.0% of the gross proceeds of the Entitlement Offer.

3E.2 Is the proposed offer to be underwritten?
☑ Yes

3E.2a Who are the underwriter(s)?

Henslow Pty Ltd.

3E.2b What is the extent of the underwriting (ie the amount or proportion of the offer that is underwritten)?

The Entitlement Offer is fully underwritten.

3E.2c What fees, commissions or other consideration are payable to them for acting as underwriter(s)?

Under the Underwriting Agreement, the Company will also pay an underwriting fee of 2.0% of the Entitlement Offer proceeds, and an arranging fee of 2.0% of the aggregate dollar value of pre-commitments received by the Underwriter from parties who are not related parties of the Company. In addition, the Company will issue 3 million Options to the Underwriter, as well as up to 8,846,918 Options to sub-underwriters (who are not related parties of the Company) of the Entitlement Offer, on the basis of 1 Option for every 3 Shares sub-underwritten. The Options will carry the same terms as the Options issued under the Entitlement Offer.

3E.2d Please provide a summary of the significant events that could lead to the underwriting being terminated

Refer to the Company's ASX announcement dated 6 July 2020, and Section 9.4(a) of the Prospectus lodged by the Company on 6 July 2020.

3E.2e Is a party referred to in listing rule 10.11 underwriting or sub-underwriting the proposed offer?
☑ Yes

3E.2e (i) What is the name of that party?

Paul Wright

3E.2e (ii) What is the extent of their underwriting or sub-underwriting (ie the amount or proportion of the offer they have underwritten or sub-underwritten)?

Paul Wright has agreed to sub-underwrite up to 365,000 new Shares under the Entitlement Offer.

3E.2e (iii) What fee, commission or other consideration is payable to them for acting as underwriter or sub-underwriter?

As a related party sub-underwriter, Mr Wright will not be entitled to receive any Underwriter Options in respect of his sub-underwriting. In addition, Mr Wright has advised the Company and the Underwriter that he intends to waive his entitlements to receive an arranging fee in respect of his sub-underwriting.

3E.3 Will brokers who lodge acceptances or renunciations on behalf of eligible +security holders be paid a handling fee or commission?

No

3E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed offer

Approximately $110,000, comprising legal fees, ASIC and ASX fees, printing and mailing expenses, share registry fees, and other miscellaneous costs.

Part 3F - Further Information

3F.1 The purposes for which the entity intends to use the cash raised by the proposed issue

Entitlement Offer proceeds will be used to reduce debt, increase the Company's financial strength, and expedite the first implants of the AngelMed Guardian System. Further details are contained in the Prospectus lodged with the ASX on 6 July 2020.

3F.2 Will holdings on different registers or subregisters be aggregated for the purposes of determining entitlements to the issue?

No

3F.3 Will the entity be changing its dividend/distribution policy if the proposed issue is successful?

No

3F.4 Countries in which the entity has security holders who will not be eligible to participate in the proposed issue

All countries except Australia or New Zealand.

3F.5 Will the offer be made to eligible beneficiaries on whose behalf eligible nominees or custodians hold existing +securities

No

3F.6 URL on the entity's website where investors can download information about the proposed issue

https://www.hydrix.com/investors/investor-information

3F.7 Any other information the entity wishes to provide about the proposed issue

Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1 - Are any of the following approvals required for the placement or other type of issue?
- **+Security holder approval**
- **Court approval**
- **Lodgement of court order with +ASIC**
- **ACCC approval**
- **FIRB approval**
- **Another approval/condition external to the entity**

☑ No

Part 7B - Issue details

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?
☑ New class

Will the proposed issue of this +security include an offer of attaching +securities?
☑ No

Details of +securities proposed to be issued

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?
☑ Yes

Will the entity be seeking quotation of the 'new' class of +securities on ASX?
☑ Yes

ASX +Security Code

New class-code to be confirmed

+Security Description

Options to acquire fully paid ordinary shares, each exercisable at $0.12 on or before 31 July 2022.

+Security Type

Options

Maximum Number of +securities proposed to be issued

11,846,918

Purpose of the issue

The Options will be issued to the Underwriter and sub-underwriters of the Entitlement Offer. For further details, refer to the Company's Prospectus dated 6 July 2020.

Offer price details for retail security holders

In what currency is the cash consideration being paid?	**What is the issue price per +security?**

Will all the +securities issued in this class rank equally in all respects from their issue date?
☑ Yes

Oversubscription & Scale back details

May a scale back be applied to this event?
☑ No

Options details

+Security Currency	**Exercise Price**	**Expiry date**
AUD - Australian Dollar	AUD 0.1200	Sunday July 31, 2022

Details of the existing class of +security that will be issued upon exercise or conversion of this new class of company option

HYD : ORDINARY FULLY PAID

Please provide any further information relating to the principal terms of the +securities

Each Option entitles the holder to subscribe for one fully paid ordinary Share in the Company upon exercise of the Option. The amount payable upon exercise of each Option will be $0.12. Each Option will expire at 5pm AEST on 31 July 2022. Further details of the Options are set out in the Prospectus lodged by the Company on 6 July 2020.

Part 7C - Timetable

7C.1 Proposed +issue date

Thursday July 30, 2020

Part 7D - Listing Rule requirements

7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the issue under listing rule 7.1?
No

7D.1b Are any of the +securities proposed to be issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?
Yes

7D.1b (i) How many +securities are proposed to be issued without security holder approval using the entity's 15% placement capacity under listing rule 7.1?

11,846,918 Options to be issued to the Underwriter and sub-underwriters of the Entitlement Offer.

7D.1c Are any of the +securities proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?
No

7D.2 Is a party referred to in listing rule 10.11.1 participating in the proposed issue?
No

7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?
No

7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?
No

Part 7E - Fees and expenses

7E.1 Will there be a lead manager or broker to the proposed issue?
No

7E.2 Is the proposed issue to be underwritten?
No

7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue

Part 7F - Further Information

7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?
No

7F.2 Any other information the entity wishes to provide about the proposed issue