ASX Announcement **11/12/2020**

Hydrix 2020 Annual General Meeting Presentation

Hydrix Limited (**Hydrix** or the **Company**) (ASX:**HYD**) attaches a presentation which will be delivered by the Executive Chairman, Gavin Coote, at Hydrix's 2020 Annual General Meeting today.

-ENDS-

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

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About Hydrix Limited

Hydrix Limited (ASX: HYD) is a powerful product innovation company. Hydrix purpose is to enhance the health, safety, and wellbeing of one Billion lives. The company leverages its powerful product innovation capability across multiple growth platforms: **Hydrix Services** design and engineer client products which transform industries; **Hydrix Ventures** generate equity returns through investing in high potential companies; and **Hydrix Medical** bring innovative medical technologies to market.

Hydrix Limited

Hydrix brings technologies to life which enhance people's health, safety and well-being

Executive Chairman Update

AGM December 2020

Board & Senior Management Team

Hydrix's board and leadership teams have the experience and drive to ensure the success of the Company

Hydrix Board

Gavin Coote

Executive Chairman

Paul Wright

Non-Executive Director

Joanne Bryant

Non-Executive Director

Julie King

Non-Executive Director

Alyn Tai

Corporate Counsel & Company Secretary

Hydrix senior management

Mandy Kelly

Chief People Officer

Alan Morris

Group Marketing Manager

Michael Trieu

GM – Hydrix Services

Paul Kelly

GM – Hydrix Medical

Medical Advisory Board

Peter Lewis

Executive Vice President & Corporate Development

Mark Langham

Group Financial Controller

Hydrix – corporate snapshot

Major Shareholders	Shares (m)	%
John W King Nominees & Associates	18.93	12.2%
CS Third Nominees Pty Limited	11.68	7.5%
Patagorang Pty Ltd	8.45	5.4%
Invia Custodian Pty Ltd	7.92	5.1%
National Nominees Limited *	7.14	4.6%
Jasper Capital Ltd	3.00	1.9%
Flet Investments & Superannuation	2.60	1.7%
Gavin Coote (Executive Chairman)	2.44	1.6%
Joanne Bryant (Non-Executive Director)	1.35	0.9%
Paul Wright (Non-Executive Director)	0.80	0.5%
Other Top 20	12.92	8.4%
Top 20	**77.23**	**49.8%**

* A further 7.14m shares to be issued under Tranche Two of the Placement subject to shareholder approval at AGM. Pro forma ownership 14.28m shares or approximately 8.8% taking Top 20 to approximately 52% of register.

Capital Structure (as of 10th December 2020)	Ticker	HYD
Share Price		$0.28
Shares on Issue (m)		155.2
Options and Performance Rights (m)		22.3
Pure Asset Mgmt Warrants (m)		8.0
Market Capitalisation (fully diluted) (A$m)		**$52.0m**
Shareholder Loans		($2.75m)
Cash on Hand		9.75m
Enterprise Value (A$m)		**$59.0m**
Enterprise Value 31 December 2019		**$17.0m**

Executive Summary

- Powerful product innovation company = 200+ client programs over 18 years
- Strong FY20 performance = material market valuation uplift post-year end
- Innovative medtech and cardiac product focus = significant tail winds for future growth
- Strong balance sheet with $9.5m+ cash = capital to accelerate growth
- AngelMed Guardian and Phyzhon products = drive future revenue & earnings
- Hydrix Ventures high potential investments = strong potential future returns
- Well managed business = anticipate full year cash operating breakeven of core business[1]

1. Core business cash operating breakeven/profit/loss defined as Group EBITDA & share-based payments and excludes Hydrix Medical, Hydrix Ventures & other discretionary 'buy, build, invest' initiative costs

Strategy - powering growth and innovation

Leveraging powerful product innovation to create high growth businesses & transform Hydrix' valuation prospects

- ✓ Share price up >25% (v. 11/12/2019)
- ✓ Market cap up >2.0x (v. 11/12/2019)
- ✓ Enterprise value up >3.0x (v. 31/12/2019)

Modest margin, good cashflow, covers group costs, provides leads

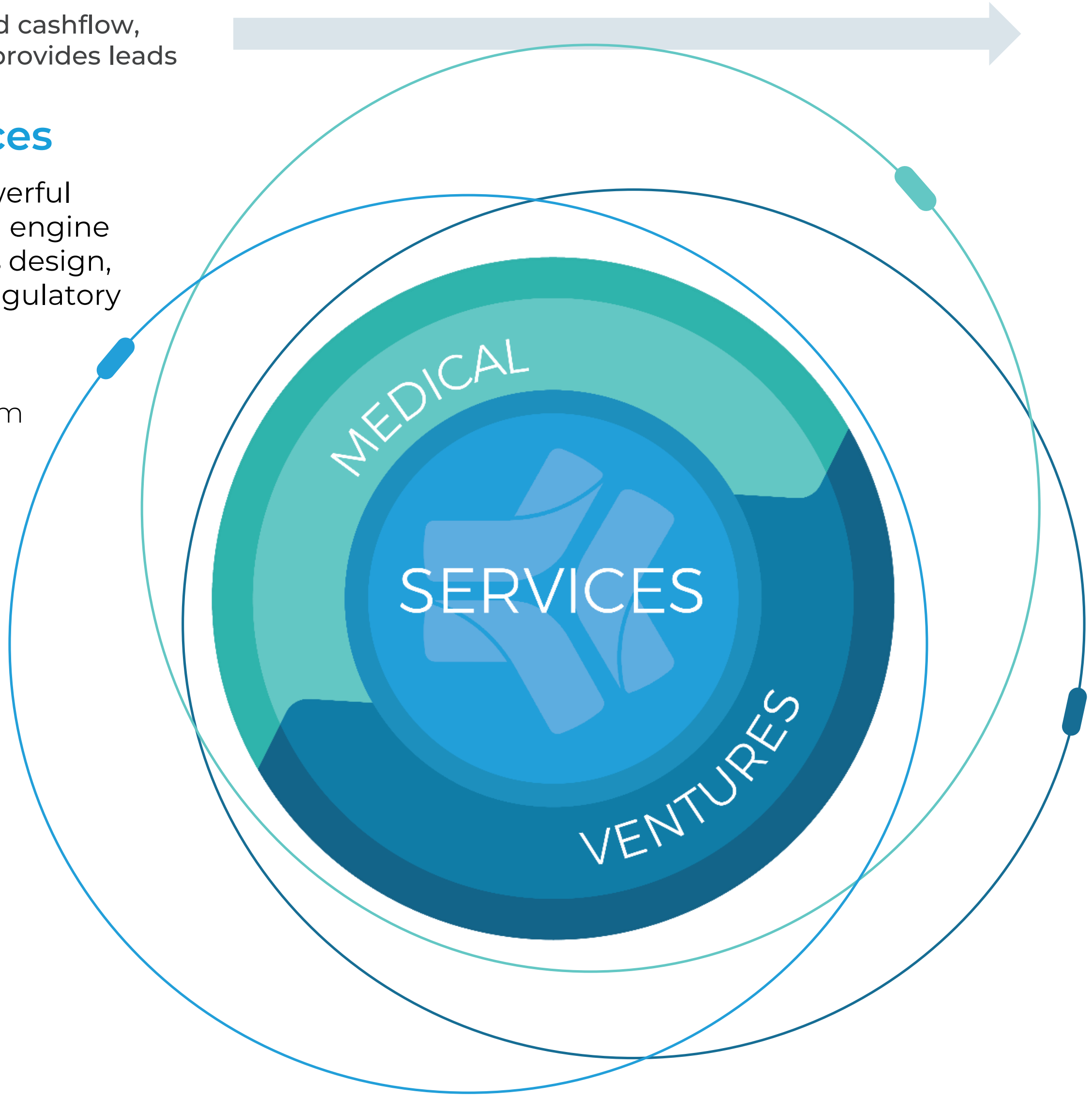
Higher margin, scalable, large market opportunity

Hydrix Services

Hydrix Group's powerful product innovation engine delivers world class design, engineering and regulatory services.

16% growth

FY20 revenue $15.7m



Hydrix Medical

Diagnostic, monitoring & interventional MedTech products which improve patient quality of life.

A$100m+ p.a.
revenue potential

Hydrix Ventures

Pick winning investments in high potential client medical technologies.

Cash & committed in-kind base

$3.0m+

Potential for

5x value uplift

FY20 Quarterly milestone achievements

Q1 FY20

AngelMed Development
Hydrix Services & Angel Medical Systems Inc. ("AngelMed") enter cardiac device development project

Senior Appointments
Two General Manager appointments:
Michael Trieu - Hydrix Services
Paul Kelly - Hydrix Medical

Q2 FY20

Distribution Agreement
Hydrix Medical enters binding agreement to secure exclusive rights to distribute the AngelMed Guardian®

Capital Raise
Hydrix Limited completes $2.6 million equity capital raise and a $5.0 million debt recapitalisation facility

Q3 FY20

Acquires Exclusive Rights
Hydrix Medical completes purchase of exclusive rights to distribute AngelMed Guardian in eight Asia Pacific countries

AngelMed Investment
Hydrix Ventures invests USD$1 million (cash and equity in-kind for services) to acquire 4.6% equity in AngelMed

COVID-19
COVID-19 impact in Singapore delays planned initial implants of AngelMed Guardian

Q4 FY20

Impact of COVID-19
COVID-19 requires work from home, leads some clients to defer/reduce budgets & incur supply chain disruptions, Hydrix undertakes cost reshaping initiatives

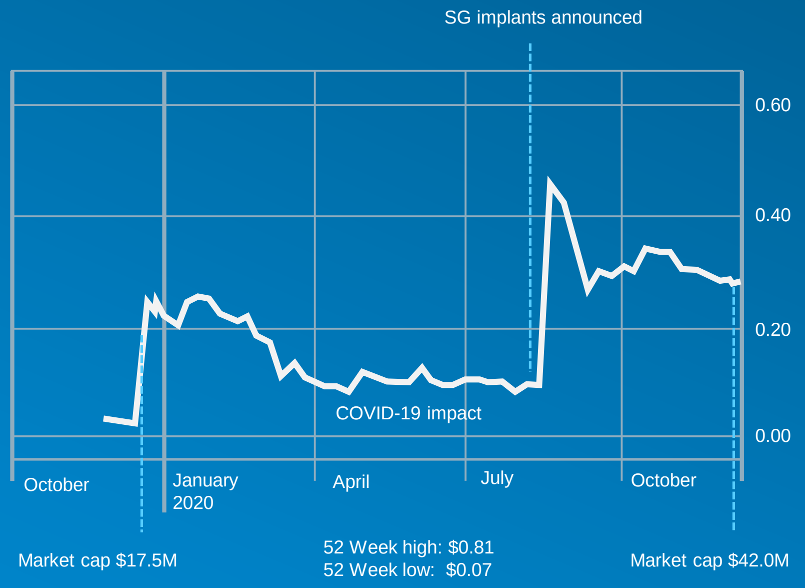
Cyban Investment
Hydrix Ventures invests to acquire 7.5% equity in Cyban, and Hydrix Services begins prototype product development

FY20 financial achievements

Strategic initiatives & strong FY20 performance setup recent share price and market valuation uplift

Significant Company performance on key metrics compared to the prior year

- Group revenues up 12% to $15.9 million (FY19 $14.2 million)
- Core business made small cash operating loss of $80,000, a significant YoY improvement down from a $1.95 million cash operating loss in FY19
- Hydrix Medical invested ~$0.7 million in regulatory, marketing, distribution, field clinical engineering, and other one-time transaction costs
- Hydrix Ventures made and committed to ~$2.0 million (cash & services in-kind) investments in high potential clients



1. Cash operating loss is combined Hydrix Services & Limited EBITDA & share-based payments for the full year which excludes 'buy, build, invest' initiatives including Hydrix Medical, Hydrix Ventures & other non-recurring discretionary costs

Hydrix Services business overview

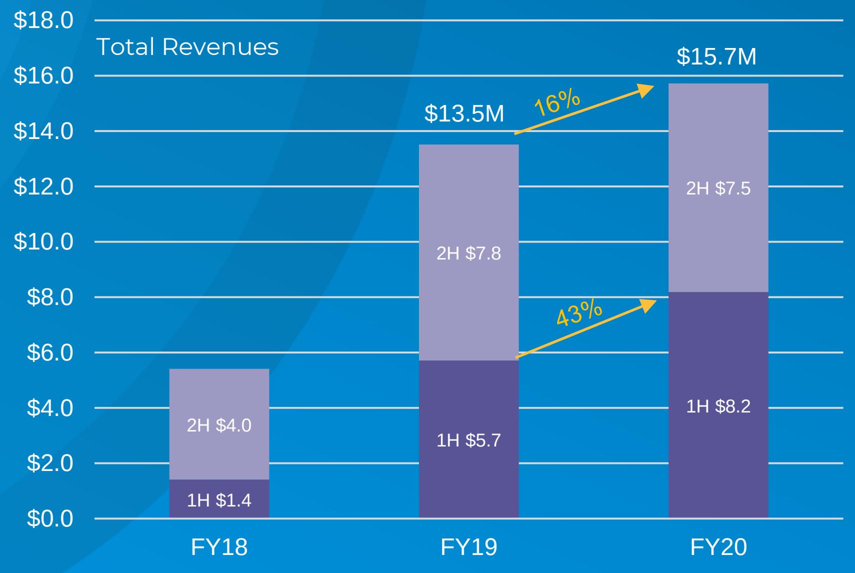
43% growth
1H20 revenue growth prior to COVID-19

$15.7 million
16% YoY Growth

$1.2M
Cash operating profit

$50M+
Opportunity pipeline

We develop products that transform industries



Unique people delivering outstanding results

~60 employees

Hydrix Services project examples

Cardiac technologies

Various early-stage cardiac technology projects to develop external controllers which clients will integrate with their total artificial heart/pump technologies to support people suffering from advanced stages of cardiovascular diseases

Life Sciences

Hydrix and our client, Memphasys, won two Good Design Awards for the FELIX, an IVF Bio-separation automation platform to improve human IVF outcomes

Industrial & Mining

We undertook new mining and industrial projects including assisting ANSTO to develop the groundbreaking CORIS360 that pinpoints the location of radiation sources, and which they recently launched

Hydrix Medical – a cardiac monitoring & intervention vision

Cardiovascular Disease (CVD); a chronic & expensive health issue

Connected Patient Monitoring

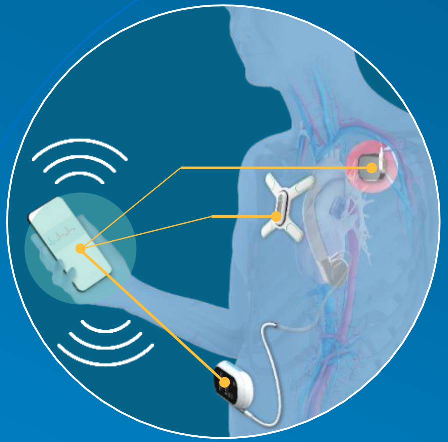
Improves Quality of Life

Globally:

- Impacts 14% of population
- Is the leading cause of death - 31%
- 17.9m people die p.a.

Australia:

- 100,000 acute coronary syndrome events p.a.
- Inc. 70,000 heart attacks, ~half of which are silent



Patient Monitoring

Cardiac monitoring devices communicate to smart phone or external device

Managed Information

Emergency tracking and alert 'data' transmitted through to managed cloud services network

Clinical Benefits

Secure data available to hospitals, GP, specialist via local login anytime, anywhere

Hydrix Medical – multiple product revenue & margin opportunities

Bringing world-first cardiac devices to the APAC market

Revenue potential
~3% market capture
= AUD$100M p.a.
Potential sales beginning late 4Q CY21

AngelMed Guardian – World First Implantable 24X7 Continuous Heart Monitor

- An implantable continuous heart monitoring device that detects cardiac events, including silent heart attacks
- Exclusive distribution rights to commercialise in 8 APAC countries
- Regulatory and reimbursement submissions for approval to begin for various jurisdictions once FDA approves new battery *(goes in for review 1QCY21)*

Revenue potential
~15% market capture
= AUD$10M p.a.
Potential sales beginning 2H CY21

Phyzhon Phyrari FFR-Wire (PHZ)

- Coronary guidewire and blood pressure measurement
- Exclusive rights to distribute in Australia & New Zealand
- First in Human (FIH) Trial approved to commence in Melbourne in March Qtr 2021
- AUS regulatory submission to get underway once PHZ receives CE Mark (potential 1H CY21)

Hydrix Ventures – picking high potential winners

Generating equity returns investing in high potential clients

AngelMed Guardian

4.6% equity

Gyder Surgical

up to 15% equity

Memphasys (ASX: MEM)

<1.0% equity

Cyban

7.5% equity

Investment considerations include: (i) Hydrix Services client, (ii) high potential disruptive medical device, (iii) attractive early-stage valuation, (iv) potential for distribution by Hydrix medical. Ownership percentage is subject to whether Hydrix Ventures participates in clients future funding events; in the event it does not, dilution will occur.

Investor Relations Programs – significant increase in market awareness

Increased media following:

- 30+ news media stories and business network interviews in past 6 months
- 2nd shareholder newsletter distributed
- 41% increase in website enquiries & leads
- 28% increase in social media followership

Increased investor interest:

- 4-fold increase in institutional investors on register (current 15% up from 4% at 30/6/2019)
- Increased liquidity (avg daily volume 2.15m shares)
- 29% increase in registered shareholders

1H FY21 to-date financial update

- Services revenue pipeline remains healthy at $50+ million, anticipate stronger 2HF21 & beyond
- Anticipate full year FY21 cash operating breakeven of core business
- Proactively managing variable and discretionary operating costs in line with revenues
- 1QFY21 revenues of $2.8 million, a decrease of ~30% due to COVID impacts
- 1QFY21 cash operating loss of $0.24 v pcp of $0.2m despite lower revenues
- Raised $13.0 million and paid down $4.0 million in secured debt
- Strong balance sheet with $9.5 million pro forma cash on hand
- Anticipate material product revenue & margin growth from AngelMed and Phyzhon sales beginning FY22

Potential news flow July 2020 through December 2021

Anticipated news events calendar

Q1 FY21 Actual

- Completed five sales (implants) of AngelMed Guardian in Singapore
- Hydrix Services wins two new cardiac device development programs
- Hydrix Services and its client Memphasys (ASX: MEM) receive two Good Design Awards for FELIX IVF technology
- Completed $3.0M capital raise priced at $0.075c

Q2 FY21 Actual

- Announced exclusive rights to distribute Phyzhon's FFR guidewire in Australia & NZ
- Announce First in Human (FIH) Trials of Phyzhon FFR Wire in Melbourne, Australia
- Completed $10.0M placement to institutional investors at a 3.75 x uplift to July capital raise
- Fully paid down secured debt finance facility of $4M

Q3 FY21

- AngelMed USA submission of battery testing results to FDA
- Potential first implants of AngelMed Guardian in Australia under Authorised Prescriber Scheme ("APS")
- Commencement of First in Human (FIH) Trials for Phyzhon in Melbourne, Australia

Q4 FY21

- Potential FDA approval of AngelMed Guardian new battery
- Potential to submit TGA (AUS & NZ) & HSA (SNG) regulatory approval for AngelMed Guardian – immediately once FDA approved
- Potential CE Mark approval of Phyzhon
- Potential sales of Phyzhon under Authorised Prescriber Scheme in Melbourne, Australia

1H FY22

- Potential AngelMed Guardian TGA regulatory approval in AUS
- Potential AngelMed Guardian health reimbursement approval in AUS
- Potential to begin appointments by Hydrix Medical of APAC sub-distributors for AngelMed Guardian
- Potential TGA regulatory approval for Phyzhon

Potential Hydrix Ventures portfolio updates & revaluation events

Ongoing evaluation of several high-growth potential 'Buy, Build, Invest' initiatives

Investor value creation – high potential from material product revenue growth

- Powerful product innovation company
- Multiple growth platforms
- Significant tail winds for innovative medtech and cardiac products
- COVID accelerating ‘real time’ monitoring and management of cardiac disease
- Well managed business - anticipate full year cash operating breakeven of core business
- Strong balance sheet with $9.5m+ cash on hand
- Capital to fund initial Hydrix Medical commercial market implementation and BBI growth initiatives
- Significant future revenue & earnings accretion from AngelMed Guardian and Phyzhon sales

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