



Hydrix Limited

ACN 060 369 048

Retail Entitlement Offer Information Booklet

Details of a 1 for 2 accelerated non-renounceable pro rata entitlement offer of fully paid ordinary shares in Hydrix Limited (**Hydrix**) at an offer price of \$0.06 per New Share.

The offer closes at 5.00pm (Melbourne time) on Thursday 6 October 2022.

This is an important document which is accompanied by a personalised Entitlement and Acceptance Form. Both should be read in their entirety. This document is not a prospectus under the Corporations Act and has not been lodged with ASIC.

If you have any questions, you should seek advice from your stockbroker, accountant or other independent professional adviser, or call the Share Registry, Boardroom Pty Limited on 1300 737 760 (from within Australia) or +61 2 9290 9600 (from outside Australia) at any time between 8:30 am and 5:30 pm (Melbourne time) on Monday to Friday during the Retail Offer Period.

Not for distribution or release in the United States

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Corporate Directory

Directors	Mr Gavin Coote (Executive Director) Ms Joanne Bryant (Non-Executive Director) Ms Julie King (Non-Executive Director) Mr Paul Lewis (Non-Executive Director) Mr Paul Wright (Non-Executive Director)
Company Secretary	Ms Alyn Tai
Company Details	Registered Office and Principal Place of Business 30-32 Compark Circuit Mulgrave VIC 3170 Telephone +61 3 9550 8100 Email info@hydrix.com Website www.hydrix.com
Stock Exchange Listing	Australian Securities Exchange ASX Code: HYD
Share Registry	Boardroom Pty Limited Level 12, 225 George Street Sydney NSW 2000 Telephone: 1300 737 760 (from within Australia) +61 2 9290 9600 (from outside Australia)
Legal Advisers	Holding Redlich Level 8, 555 Bourke Street Melbourne VIC 3000
Lead Manager	Baker Young Limited L6, 121 King William Street Adelaide SA 5000
Auditors	Grant Thornton Audit Pty Ltd Collins Square, Tower 5, 727 Collins Street Melbourne VIC 3008

Important Notices

This Information Booklet should be read in its entirety (including the accompanying Entitlement and Acceptance Form) before you decide whether to participate in the Retail Entitlement Offer. In particular, the Investor Presentation details important factors and risks that could affect the financial and operating performance of Hydrix Limited (ACN 060 369 048) (**Hydrix** or the **Company**). Please refer to the Key Risks in section 4 of this Information Booklet. When making an investment decision in connection with the Retail Entitlement Offer, it is essential that you consider these risk factors carefully in light of your individual personal circumstances, including financial and taxation issues.

NOT A PROSPECTUS, NOT INVESTMENT ADVICE OR FINANCIAL PRODUCT ADVICE

The Entitlement Offer is being made without a prospectus in accordance with section 708AA of the Corporations Act as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73. All references in this Information Booklet to the Corporations Act are references to the Corporations Act as modified by these ASIC instruments.

The information in this Information Booklet is not a prospectus, product disclosure statement, disclosure document or other offering document under the Corporations Act (or any other law) and has not been lodged with ASIC.

This Information Booklet does not contain all the information which a prospective investor may require to make an informed decision in relation to the application for New Shares, nor does it contain all the information which would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act (or any other law). It should be read in conjunction with Hydrix's other periodic statements and continuous disclosure announcements lodged with ASX.

It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Hydrix is not licensed to provide financial product advice in respect of the New Shares. Neither ASIC nor ASX takes responsibility for the contents of this Information Booklet.

FUTURE PERFORMANCE

This Information Booklet may contain certain forward looking statements and comments about future events, including of Hydrix's expectations about the performance of its business and the effect of the proceeds raised under the Entitlement Offer on that business. Forward looking statements can generally be identified by the use of forward looking words such as, "anticipate", "believe", "expect", "project", "forecast", "estimate", "outlook", "upside", "likely", "intend", "should", "could", "may", "target", "guidance", "plan", and other similar expressions, and include, but are not limited to, statements regarding the outcome and effects of the Retail Entitlement Offer. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements and include statements in this Information Booklet regarding the conduct and outcome of the Entitlement Offer and the use of proceeds.

You are cautioned not to place undue reliance on any forward looking statement. While due care and attention has been used in the preparation of forward looking statements, forward looking statements, opinions and estimates provided in this Information Booklet are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends which are based on interpretations of current market conditions. Forward looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance and may involve known and

unknown risks, uncertainties and other factors, many of which are outside the control of Hydrix, its directors and management. A number of important factors could cause Hydrix's actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements, including the risk factors set out in section 4 of this Information Booklet. Actual results, performance or achievements may vary materially from any forward looking statements and the assumptions on which statements are based. Subject to any continuing obligations under applicable law or any relevant Listing Rules, Hydrix disclaims any intent or obligation to update any forward looking statements, whether as a result of new information, future events or results or otherwise.

PAST PERFORMANCE

Investors should note that any reference to Hydrix's past performance in this Information Booklet is given for illustrative purposes only and cannot be relied upon as an indicator of (and provides no guarantee or guidance as to) Hydrix's future financial position, operating or financial performance, or share price performance. Historical information is not represented as being indicative of Hydrix's views on its future financial condition and/or performance.

DISCLAIMER OF REPRESENTATIONS

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Information Booklet. Any information or representation that is not in this Information Booklet may not be relied on as having been authorised by Hydrix, or its related bodies corporate, in connection with the Retail Entitlement Offer. Except as required by law, and only to the extent so required, none of Hydrix, or any other person, warrants or guarantees the future performance of Hydrix or any return on any investment made in connection with this Information Booklet.

FOREIGN JURISDICTIONS

This Information Booklet, including the ASX Offer Announcements reproduced in it and the Entitlement and Acceptance Form, do not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Retail Entitlement Offer, the New Shares or otherwise permit a public offering of the New Shares, in any jurisdiction outside of Australia unless otherwise specified.

The distribution of this Information Booklet (including an electronic copy) outside Australia may be restricted by law. In particular, this Information Booklet, any ASX Offer Announcements reproduced in it and the Entitlement and Acceptance Form may not be distributed in the United States or elsewhere outside of Australia or the Permitted Foreign Jurisdictions. If you come into possession of the information in this Information Booklet, you should observe such restrictions.

See section 3.9 for further information on foreign offer restrictions.

UNITED STATES

None of the information in this Information Booklet or the accompanying Entitlement and Acceptance Form constitutes an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither this Information Booklet (or any part of it), any accompanying ASX announcements, nor the accompanying Entitlement and Acceptance Form may be released or distributed, directly or indirectly, in the United States.

The New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (U.S. Securities Act) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered, or sold, directly or indirectly, in the United States, except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States. In particular, the New Shares to be offered and sold in the Retail Entitlement Offer

will only be offered and sold outside the United States in "offshore transactions", as defined in Rule 902(h) under the U.S. Securities Act in reliance on Regulation S under the U.S. Securities Act.

TAXATION

There will be tax implications associated with participating in the Retail Entitlement Offer and receiving New Shares. Eligible Retail Shareholders should seek specific advice applicable to their own particular circumstances from their own financial or tax advisers. Neither Hydrix, nor any of its officers, nor its taxation adviser, nor any other adviser to Hydrix, accepts any liability or responsibility in respect of any statement concerning the taxation consequences of the Retail Entitlement Offer.

TRADING NEW SHARES

Hydrix will have no responsibility and disclaims all liability (to the maximum extent permitted

by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by Hydrix or the Share Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

If you are in any doubt as to these matters, you should first consult with your stockbroker, solicitor, accountant or other professional adviser.

DEFINITIONS, TIME AND CURRENCY

Defined terms used in this Information Booklet are contained in the Glossary. All references to time are to Melbourne time, unless otherwise indicated.

All references to dollars (\$) or cents (¢) in this Information Booklet are to Australian currency unless otherwise indicated.

Executive Chairman's Letter

21 September 2022

Dear Shareholder,

On behalf of the Board of Hydrix Limited (ASX: HYD) (**Hydrix** or **Company**), I am pleased to invite you to participate in a non-renounceable pro-rata Entitlement Offer of New Shares, which will entitle Eligible Shareholders of Hydrix to subscribe for 1 New Share (at an Offer Price of \$0.06) for every 2 Shares held on the Record Date.

Entitlement Offer

On 15 September 2022, Hydrix announced its intention to raise approximately \$6 million (less expenses) by way of an accelerated non-renounceable entitlement offer to Eligible Institutional Investors, and a non-renounceable entitlement offer to Eligible Retail Investors. The proceeds from the Entitlement Offer will be used for the following purposes:

- Market development and expansion of cardiac devices portfolio;
- Expand global business development and marketing of product design and engineering services;
- Venture investments in high potential early stage medical technology device clients; and
- Group working capital in support of strategic initiatives.

Retail Entitlement Offer

This Information Booklet relates to the Retail Entitlement Offer. Under the Retail Entitlement Offer, Eligible Retail Shareholders can subscribe for 1 New Share for every 2 Shares held as at the Record Date, at an Offer Price of \$0.06 per New Share. The Offer Price represents a discount of approximately 34% to the closing price of Hydrix Shares on 14 September 2022, being the last trading day prior to the announcement of the Entitlement Offer.

The number of New Shares for which you are entitled to subscribe under the Retail Entitlement Offer is set out in your personalised Entitlement and Acceptance form, which will be dispatched to Eligible Retail Shareholders on Wednesday, 21 September 2022 and is available at www.investorserve.com.au. Eligible Retail Shareholders who take up their full Entitlement may also apply for Additional New Shares in excess of their Entitlement at the Offer Price, under the Retail Shortfall Facility.

The Entitlement Offer is non-renounceable and therefore your Entitlements will not be tradeable on the ASX or otherwise transferrable. If you do not participate in the Retail Entitlement Offer, your Entitlement will lapse and you will receive no value for those lapsed Entitlements.

Information Booklet

Enclosed with this letter is an Information Booklet, which contains important information including:

- Key details of the Entitlement Offer;
- Instructions on how to apply; and
- The ASX Offer Announcements and Investor Presentation.

If you decide to take this opportunity to increase your investment in Hydrix please ensure that, by **5.00pm (Melbourne time) on Thursday 6 October 2022**, you have accepted your offer and paid your Application Monies in accordance with the instructions set out in section 2 of this Information Booklet and in your personalised Entitlement and Acceptance Form.

I encourage you to read this Information Booklet carefully and in full, and to seek your own financial and taxation advice in relation to the Retail Entitlement Offer, before making a decision on whether to participate. In addition, Eligible Retail Shareholders should also carefully consider some of the key risks of an investment in Hydrix as set out in the Information Booklet.

On behalf of the Directors, I thank you for your ongoing support.

Yours sincerely,



Gavin Coote
Executive Chairman
21 September 2022

Key dates for the Entitlement Offer

Event	Date (2022)
Announcement of the Entitlement Offer and Institutional Entitlement Offer open	Thursday, 15 September
Hydrix conducts Institutional Entitlement Offer	Thursday 15 September – Friday 16 September
Announcement of results of Institutional Offer	Monday 19 September
Trading in Hydrix shares resumes on an ex-entitlement basis	Monday 19 September
Record date for determining entitlement for the Entitlement Offer	7.00pm on Monday 19 September
Dispatch of Information Booklet ¹	Wednesday 21 September
Retail Entitlement Offer opens	Wednesday 21 September
Allotment of New Shares issued under the Institutional Entitlement Offer	Friday 23 September
Last day to extend Retail Entitlement Offer close date	Monday 3 October
Retail Entitlement Offer closing date	5.00pm on Thursday 6 October
Allotment of New Shares issued under the Retail Entitlement Offer	Thursday 13 October
Normal trading of New Shares issued under the Retail Entitlement Offer	Friday 14 October

The timetable above is indicative only and may be subject to change. All times and dates refer to Melbourne time. Hydrix reserves the right to amend any or all of these dates and times without notice, subject to the Corporations Act, the Listing Rules and other applicable laws. In particular, Hydrix reserves the right to extend the closing date of the Retail Entitlement Offer, to accept late applications under the offer (either generally or in particular cases) and to withdraw the offer without prior notice. Any extension of the closing date will have a consequential effect on the issue date of New Shares.

The commencement of quotation of New Shares is subject to confirmation from ASX.

Enquiries

If you have any questions relating to your Shareholding, your Entitlement and Acceptance Form, or how to take up your Entitlement please call the Share Registry, Boardroom Pty Limited, on 1300 737 760 within Australia and +61 2 9290 9600 during the Retail Offer Period. If you have other questions in relation to the Entitlement Offer, please contact the Lead Manager, Baker Young Limited, on +61 8 8236 8899, or via email at HydrixOffer@bakeryoung.com.au.

¹ Eligible Retail Shareholders who have nominated to receive documents from Hydrix electronically will receive access to this Information Booklet and a personalised Entitlement and Acceptance Form by email. Eligible Retail Shareholders who have not elected to receive electronic communications will be posted a letter detailing how to access this Information Booklet and their personalised Entitlement and Acceptance Form online, or alternatively, how to request a paper copy.

Frequently asked questions

Question	Response	Section Reference
What is the Entitlement Offer?	The Entitlement Offer is an offer of approximately 98.8 million New Shares at the Offer Price of \$0.06 per New Share. Under the Entitlement Offer, all Eligible Shareholders are entitled to subscribe for 1 New Share for every 2 Shares held on the Record Date. The Entitlement Offer consists of an Institutional Entitlement Offer and a Retail Entitlement Offer (to which this Information Booklet relates) for Eligible Retail Shareholders.	Section 1
What is the purpose of the Entitlement Offer?	Hydrix is targeting to raise up to approximately \$6 million under the Entitlement Offer (less expenses). The net proceeds of the Entitlement Offer will be used for: ▪ Market development and expansion of Hydrix's cardiac devices portfolio; ▪ Expanding Hydrix's global business development and marketing of product design and engineering services; ▪ Venture investments in high potential early stage medical technology device clients; and ▪ Group working capital in support of strategic initiatives.	"Executive Chairman's Letter"
Who is eligible to participate in the Retail Entitlement Offer?	The Retail Entitlement Offer is open to Eligible Retail Shareholders, being any Shareholder who: ▪ is registered as a holder of a Share at the Record Date; ▪ as at the Record Date, has a registered address in Australia as recorded on Hydrix's share register, or is a Permitted Foreign Shareholder; ▪ is not in the United States and is not acting for the account or benefit of a person in the United States (to the extent they are holding Shares for the account or benefit of such person in the United States); ▪ is not an Eligible Institutional Shareholder; and ▪ is eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus, product disclosure statement or offer document to be lodged or registered.	Section 1.3
What can I do with my Entitlement?	If you are an Eligible Retail Shareholder, you may do one of the following: ▪ take up all of your Entitlement and also apply for Additional New Shares under the Retail Shortfall Facility; ▪ take up all of your Entitlement but not apply for any Additional New Shares under the Retail Shortfall Facility; ▪ take up part of your Entitlement and allow the balance to lapse, in which case you will receive no value for those lapsed Entitlements; or ▪ do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements.	Section 2

Can I apply for New Shares in excess of my Entitlement?	Yes. The allocation of any Additional New Shares will be limited to the number of New Shares for which valid applications are not received before the Retail Entitlement Offer closes. Shareholders who apply for Additional New Shares will be issued those Additional New Shares in full. If there is insufficient Retail Shortfall Shares available, then Shareholders will receive Additional New Shares in a proportionate share of the shortfall having regard to their holdings as at the Record Date (provided that no Eligible Retail Shareholder is permitted to increase its relevant interest in Hydrix Shares to more than 19.99% of the Shares on issue following the Entitlement Offer, or if it is already more than 20% then no increase is permitted).	Section 1.5
How much will I pay per New Share?	The price payable for one New Share under the Entitlement Offer is \$0.06.	Section 1.1
Can I trade my Entitlement?	No. Your Entitlement is non-renounceable, which means that Entitlements are personal to you and non-transferable and cannot be sold or traded on ASX or any other securities exchange, or assigned or otherwise dealt with.	Sections 1.1 and 2.3
How can I apply?	If you decide to take up all or part of your Entitlement, or take up all of your Entitlement and also apply for Additional New Shares in excess of your Entitlement, please: ▪ make payment for the full amount payable using BPAY®, so that it is received by the Closing Date; or ▪ complete and return the Entitlement and Acceptance Form attached to this booklet together with a cheque, bank draft or money order for the full amount payable.	Section 2
Can I withdraw my application?	Except where permitted by law, you cannot withdraw your application once it has been submitted. Cooling off rights do not apply to an investment in New Shares. Hydrix reserves the right to withdraw the Retail Entitlement Offer without prior notice.	Section 3.6
What are the tax implications?	The tax consequences of investing in New Shares will depend upon an investor's particular circumstances. Applicants should obtain their own tax and legal advice prior to deciding whether to invest in the Entitlement Offer.	Section 3.2
When will the New Shares be issued?	The New Shares under the Retail Entitlement Offer will be issued on Thursday 13 October 2022, and normal trading of New Shares is expected to commence on Friday 14 October 2022 (subject to any change in Entitlement Offer dates).	"Key dates for the Entitlement Offer"
What are the key risks?	The risks associated with the Entitlement Offer, Hydrix, and holding Hydrix Shares are set out in Section 4.	Section 4

1. Overview of Entitlement Offer

1.1 Entitlement Offer

The Entitlement Offer is an offer of approximately 98.8 million New Shares at the Offer Price of \$0.06 per New Share. Under the Entitlement Offer, all Eligible Shareholders are entitled to subscribe for 1 New Share for every 2 Shares held on the Record Date.

The Entitlement Offer is comprised of two parts, being:

- (a) **The Institutional Entitlement Offer** under which:
 - (i) Eligible Institutional Shareholders were invited to take up all or part of their Entitlement; and
 - (ii) In respect of Entitlements not taken up by Eligible Institutional Shareholders, and New Shares which could not be taken up by Ineligible Institutional Shareholders (**Institutional Shortfall Shares**), a process was undertaken to sell these Institutional Shortfall Shares to certain Institutional Investors at the Offer Price (**Institutional Shortfall Facility**); and
- (b) **The Retail Entitlement Offer** under which Eligible Retail Shareholders are now being invited to take up all or part of their Entitlements, as set out in this Information Booklet. The Retail Entitlement Offer closes at 5.00pm (Melbourne time) on Thursday 6 October 2022.

The Entitlement Offer is non-renounceable, which means that Entitlements are personal to you and non-transferable and cannot be sold or traded on ASX or any other securities exchange, or assigned or otherwise dealt with.

New Shares issued under the Entitlement Offer will, from their date of issue, rank equally with existing Shares on issue.

1.2 Underwriting

The Entitlement Offer is not underwritten.

1.3 Who is eligible to participate in the Retail Entitlement Offer?

Under the Retail Entitlement Offer, Eligible Retail Shareholders are being offered the opportunity to subscribe for 1 New Share for every 2 Shares held at the Record Date, at the Offer Price of \$0.06 per New Share.

An Eligible Retail Shareholder is a Shareholder who:

- (a) is registered as a holder of a Share at the Record Date;
- (b) as at the Record Date, has a registered address in Australia as recorded on Hydrix's share register, or is a Permitted Foreign Shareholder;
- (c) is not in the United States and is not acting for the account or benefit of a person in the United States (to the extent they are holding Shares for the account or benefit of such person in the United States);
- (d) is not an Eligible Institutional Shareholder; and

- (e) is eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus, product disclosure statement or offer document to be lodged or registered.

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 Hydrix. To the maximum extent permitted by law, Hydrix disclaims any duty or liability (including for fault or negligence) in respect of that determination and the exercise or otherwise of that discretion.

1.4 Determining your Entitlement

Your Entitlement is set out in your personalised Entitlement and Acceptance Form dispatched to Eligible Retail Shareholders on 21 September 2022 and available online at <http://www.investorserve.com.au/>, and has been calculated as 1 New Share for every 2 Shares you held at the Record Date. If the result is not a whole number, your Entitlement will be rounded up to the nearest whole number. If you have more than one registered holding of Shares, you will receive more than one personalised payment reference number and you will have separate Entitlements for each separate holding.

Note: The Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up; for example, you are not permitted to take up an Entitlement to the extent you are holding Shares for the account or benefit of a person in the United States or any other Ineligible Retail Shareholder (see definition of Eligible Retail Shareholders in section 1.3 of this Information Booklet).

1.5 Additional New Shares

Eligible Retail Shareholders who take up their Entitlement in full may also apply for additional New Shares in excess of their Entitlement (**Additional New Shares**) on the following basis (**Retail Shortfall Facility**):

- Additional New Shares will only be available to the extent there are Retail Shortfall Shares;
- Shareholders who apply for Additional New Shares will be issued those Additional New Shares in full. If there is insufficient Retail Shortfall Shares available, then Shareholders will receive Additional New Shares in a proportionate share of the shortfall having regard to their holdings as at the Record Date (provided that no Eligible Retail Shareholder is permitted to increase its relevant interest in Hydrix Shares to more than 19.99% of the Shares on issue following the Entitlement Offer, or if it is already more than 20% then no increase is permitted); and
- Any Additional New Shares will be issued at the Offer Price.

Any participation of related parties (including Directors) in the Retail Shortfall Facility will be subject to Listing Rule 10.11.

If Eligible Retail Shareholders apply for more Additional New Shares than are available for issue, Hydrix will apply a scale-back (again, in its absolute discretion). See further below.

Details on how to apply for Additional New Shares are set out in section 2.2 of this Information Booklet.

1.6 Scale-back policy

Hydrix reserves the right to scale-back applications for Additional New Shares in its absolute discretion.

In the event of a scale-back, Hydrix will refund to each Eligible Retail Shareholder to which the scale-back applies the difference between the Application Monies received by Hydrix in respect of their application, and the value of the amount of New Shares (including any Additional New Shares) which are issued to the Eligible Retail Shareholder (calculated by reference to the Offer Price). No interest will be paid on any Application Monies received and returned.

1.7 Shortfall Placement

The Directors, as permitted under ASX Listing Rule 7.2 Exception 3, reserve the right at their discretion to place any shortfall remaining (**Remaining Shortfall Shares**) after the satisfaction of applications for New Shares under the Retail Entitlement Offer and Institutional Entitlement Offer (including applications for New Shares under the Retail Shortfall Facility and Institutional Shortfall Facility) (**Shortfall Placement**).

The Shortfall Placement is a separate offer, on the same terms and conditions as the Entitlement Offer, and will remain open for up to 3 months after the Retail Closing Date. Any investor who is not an Eligible Shareholder and who the Company invites to participate in the Shortfall Placement, will need to follow the procedures advised to them by the Company for applications under the Shortfall Placement.

The allocation policy for the Shortfall Placement is as follows:

- (a) The Remaining Shortfall Shares will be issued to Institutional Investors, which may include sophisticated investors introduced to the Company by the Lead Manager.
- (b) To the extent that it is commercially practicable and taking into account the Company's requirement for funds, the Directors (working in conjunction with the Lead Manager) will endeavor to allot the Remaining Shortfall Shares to a spread of investors, in order to mitigate any control effects which may arise from issuing the Remaining Shortfall Shares 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 Remaining Shortfall Shares under the Shortfall Placement, hold a relevant interest in more than 19.99% of all of the Shares in the Company after the Entitlement Offer.
- (d) No related party (including the Directors) will be entitled to participate in the Shortfall Placement.
- (e) The Company will not allocate or issue Shares under the Shortfall Placement where it is aware that to do so would result in a breach of the Corporations Act, Listing Rules or any other relevant regulation or law. Investors wishing to subscribe for Shares under the Shortfall Placement must consider whether or not the issue of Shares applied for would breach the Corporations Act or Listing Rules having regard to their own circumstances.

1.8 Can you trade your Entitlement?

The Entitlement Offer is non-renounceable, which means that your Entitlement is personal to you, is non-transferable, and cannot be sold or traded on ASX (or any other securities exchange), or assigned or otherwise dealt with. If you do not take up your Entitlements by 5:00 pm (Melbourne time) on Thursday 6 October 2022, your Entitlement will lapse.

By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares you would have acquired had you taken up your Entitlement, and you will

not receive any value for your Entitlement. Your percentage shareholding in Hydrix will also be diluted to the extent that New Shares are issued under the Entitlement Offer.

1.9 Reconciliation

The Entitlement Offer is a complex structure and in some instances Shareholders may believe that they will own more Shares in Hydrix than they actually do on the Record Date. This results in a need for reconciliation.

If reconciliation is required, it is possible that Hydrix may need to issue a small quantity of additional New Shares (**Top Up Shares**) to ensure all Eligible Shareholders receive their full Entitlement. Any Top Up Shares will be issued at the Offer Price.

1.10 ASX quotation

Subject to approval being granted, quotation of the New Shares issued under the Retail Entitlement Offer is expected to commence on Friday 14 October 2022 (on a normal settlement basis).

Holding statements will be despatched in accordance with the Listing Rules. It is the responsibility of each applicant to confirm their holding before trading in New Shares. Any applicant who sells New Shares before receiving confirmation of their holding in the form of a holding statement will do so at their own risk.

Hydrix disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares (including Additional New Shares) before receiving their holding statements, whether on the basis of confirmation of the allocation provided by Hydrix, the Registry or otherwise.

1.11 Ineligible Retail Shareholders

All Shareholders who are not Eligible Retail Shareholders are Ineligible Retail Shareholders. Ineligible Retail Shareholders will not be entitled to participate in the Retail Entitlement Offer.

Hydrix has determined that it would be unreasonable on this occasion to extend the Retail Entitlement Offer to Ineligible Retail Shareholders (in particular those with a registered address outside Australia or the Permitted Foreign Jurisdictions), having regard to:

- the number of Shares held by Ineligible Retail Shareholders in each applicable jurisdiction;
- the number and value of New Shares that Ineligible Retail Shareholders in each applicable jurisdiction would be offered; and
- the cost of complying with the legal and regulatory requirements which would apply to an offer of Shares to Ineligible Retail Shareholders in each of those places.

1.12 Rights of Hydrix

(a) Adjusting Entitlements

Hydrix reserves the right (in its absolute sole discretion) to reduce the number of New Shares allocated to Eligible Retail Shareholders, or persons claiming to be Eligible Retail Shareholders, if their claims prove to be overstated or they fail to provide information to substantiate their claims.

(b) Acknowledgement

By taking up or exercising an Entitlement, Eligible Shareholders irrevocably acknowledge and agree that Hydrix may do anything contemplated by paragraph 1.12(a) above or otherwise in this Information Booklet. Shareholders also acknowledge that:

- there is no time limit on the ability of Hydrix to require any of the actions set out above; and
- where Hydrix exercises its right to correct a Shareholder's Entitlement, the Shareholder is treated as continuing to accept or not take up any remaining Entitlement (as the case may be).

2. How to apply

2.1 Summary of options available to you

If you are an Eligible Retail Shareholder, you may take one of the following actions:

- (a) take up all of your Entitlement and also apply for Additional New Shares under the Retail Shortfall Facility (refer to section 2.2);
- (b) take up all of your Entitlement but not apply for any Additional New Shares under the Retail Shortfall Facility (refer to section 2.2);
- (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 (refer to section 2.2); or
- (d) do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements (refer to section 2.3).

If you have any questions, you should seek advice from your stockbroker, accountant or other independent professional adviser. You should also read this Information Booklet in full, including the Key Risks in section 4.

2.2 Take up all or part of your Entitlement, or take up all of your Entitlement and apply for Additional New Shares in excess of your Entitlement

If you wish to take up your Entitlement in full or in part, or in full and apply for Additional New Shares in excess of your Entitlement, there are two different ways you can submit your Application and Application Monies.

(a) Option 1 - Payment via BPAY®

For payment via BPAY®, please follow the instructions set out on the personalised Entitlement and Acceptance Form.

If you choose to pay via BPAY® you are not required to submit the Entitlement and Acceptance Form but are taken to make the statements on that form and representations outlined below in section 2.4, including the Eligible Retail Shareholder declarations included in Appendix A.

To apply and pay via BPAY®, you should:

- Read this Information Booklet and Entitlement and Acceptance Form in their entirety and seek appropriate professional advice if necessary; and

- Make your payment in respect of the full Application Monies via BPAY® for the number of New Shares you wish to subscribe for (being the Offer Price of \$0.06 per New Share multiplied by the number of New Shares (including your Entitlement and any Additional New Shares) you are applying for), so that it is received by no later than the Retail Closing Date, being **5:00 pm (Melbourne time) on Thursday 6 October 2022**.

If you have multiple holdings and receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings, only use the Customer Reference Number (**CRN**) specific to that holding. If you do not use the correct CRN specific to that holding, your Application will not be recognised as valid and may be rejected.

If you take up all or part of your Entitlement (or all of your Entitlement and apply for Additional New Shares) and your payment of the Application Monies is received in cleared funds by the Retail Closing Date, New Shares (and any Additional New Shares) are expected to be allotted to you on Thursday 13 October 2022.

Applicants should be aware that their own financial institution may implement earlier cut off times with regard to electronic payment, and should therefore take this into consideration when making payment of Application Monies.

If the amount of Application Monies is insufficient to pay in full for the number of New Shares you applied for, you will be taken to have applied for such whole number of New Shares which is covered in full by your Application Monies. Alternatively, your application will be rejected.

Application Monies received by Hydrix in excess of the amount in respect of your Entitlement will be treated as an application to apply for as many Additional New Shares as the amount of the excess will pay for in full (priced at the Offer Price). See section 1.5 for further details of the Retail Shortfall Facility.

If you apply for Additional New Shares in excess of your Entitlement and you are not allocated all or some of the Additional New Shares applied for, the relevant Application Monies will be refunded to you after the allotment date of Thursday 13 October 2022 in accordance with the Corporations Act, without interest being payable.

(b) Option 2 - Submit your completed Entitlement and Acceptance Form together with cheque, bank draft or money order for all Application Monies

To apply and pay by cheque, bank draft or money order, you should:

- Read this Information Booklet and the Entitlement and Acceptance Form in their entirety and seek appropriate professional advice if necessary;
- Complete the personalised Entitlement and Acceptance form accompanying this Information Booklet in accordance with the instructions set out on that form, and indicate the number of New Shares you wish to subscribe for; and
- Return the completed Entitlement and Acceptance Form to the Registry (address details below) together with a cheque, bank draft or money order which must be:
 - In respect of the full Application Monies (being \$0.06 multiplied by the number of New Shares (including your Entitlement and any Additional New Shares) you wish to subscribe for);

- In Australian currency drawn on an Australian bank; and
- Made payable to “Hydrix Limited” and crossed “Not Negotiable”.

You should ensure that sufficient funds are held in the relevant account(s) to cover the full Application Monies as your cheque will be processed on the day of receipt.

Cash payment will not be accepted. Receipt for payment will not be issued.

If you apply and pay by cheque, bank draft or money order, your Entitlement and Acceptance Form and your Application Monies in cleared funds must be received by the Registry by no later than the Retail Closing Date of **5.00pm (Melbourne time) on Thursday 6 October 2022**, and New Shares (and any Additional New Shares) will be allotted to you on the allotment date, being Thursday 13 October 2022.

If the amount of Application Monies is insufficient to pay in full for the number of New Shares you applied for, you will be taken to have applied for such whole number of New Shares which is covered in full by your Application Monies. Alternatively, your application will be rejected.

If you apply for Additional New Shares in excess of your Entitlement and you are not allocated all or some of the Additional New Shares you applied for, the relevant Application Monies will be refunded to you after the allotment date of Thursday 13 October 2022 in accordance with the Corporations Act, without interest being payable.

You need to ensure that your Entitlement and Acceptance Form and cheque, bank draft or money order in respect of the full Application Monies is received by the registry at the following address:

Postal Address:

*Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001*

Entitlement and Acceptance Forms (and payments for any Application Monies) will not be accepted at Hydrix’s registered or corporate offices.

Note that if you have more than one holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding. A separate Entitlement and Acceptance Form and payment of Application Monies must be completed for each separate Entitlement you hold.

(c) Refund of Application Monies

Any Application Monies received for more than your final allocation of New Shares and Additional New Shares will be refunded as soon as practicable after allotment. No interest will be paid to applicants on any Application Monies received or refunded.

2.3 Take no action and allow all of your Entitlement to lapse

If you are an Eligible Retail Shareholder and you do nothing, the Entitlements in respect of your Shares will lapse. Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable and will not be tradeable or otherwise transferable. Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.

You should also note that, if you do not take up all or part of your Entitlement, then your percentage holding in Hydrix will be diluted to the extent that New Shares are issued to other Shareholders and Institutional Investors.

2.4 Implications of making an Application

Returning a completed Entitlement and Acceptance Form or paying any Application Monies via BPAY® will be taken to constitute a representation by the Eligible Retail Shareholder that they:

- (a) Have received a copy of this Information Booklet accompanying the Entitlement and Acceptance Form, and have read them in their entirety;
- (b) Make the Eligible Retail Shareholder declarations included in Appendix A of this Information Booklet and referred to in the Entitlement and Acceptance Form; and
- (c) Acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® payment is made in relation to any Application Monies, the Application may not be varied or withdrawn except as required by law.

2.5 Enquiries

This Information Booklet and the Entitlement and Acceptance Form that accompanies it contain important information. You should read both documents in their entirety before deciding whether or not to participate in the Retail Entitlement Offer. If you:

- (a) Have questions in relation to the existing Shares upon which your Entitlement has been calculated;
- (b) Have questions on how to complete the Entitlement and Acceptance Form or take up your Entitlement; or
- (c) You have lost your Entitlement and Acceptance Form and would like a replacement form,

please call the Share Registry, Boardroom Pty Limited, on 1300 737 760 within Australia and +61 2 9290 9600 during the Retail Offer Period.

If you have other questions in relation to the Entitlement Offer, please contact the Lead Manager, Baker Young Limited, on +61 8 8236 8899, or via email at HydrixOffer@bakeryoung.com.au.

If you have further questions you should contact your professional adviser.

3. Other important information

3.1 Control effect of the Entitlement Offer

The maximum number of New Shares to be issued pursuant to the Entitlement Offer is approximately 98,821,640 New Shares (subject to rounding and any adjustments). If each Eligible Shareholder elects to subscribe for all of the New Shares offered to them, then the issued capital of the Company following the Entitlement Offer will be approximately 296,464,920 (subject to rounding and any adjustments).

The effect of the Entitlement Offer on the control of Hydrix will depend on a number of factors including:

- (a) the level of participation by Eligible Shareholders in the Entitlement Offer and the identity of those Shareholders who participate in the Entitlement Offer;

- (b) the level of participation by Eligible Institutional Shareholders and Institutional Investors in the Institutional Shortfall Facility, and the identity those Shareholders or investors who participate in the Institutional Shortfall Facility; and
- (c) the level of participation by Eligible Retail Shareholders in the Retail Shortfall Facility, and the identity of those Shareholders who participate in the Retail Shortfall Facility;
- (d) if applicable, the level of participation by Shareholders or Institutional Investors in the Shortfall Placement, and the identity of those investors who participate in the Shortfall Placement.

The following can be said about the potential effect of the Entitlement Offer on the control of Hydrix:

- (a) if every Eligible Shareholder was to take up their full Entitlement, there would be a minimal effect on the control of Hydrix (having regard to the small shareholdings of Ineligible Shareholders), as the Entitlement Offer is made pro-rata and in that case there would not be any scope for any Shareholder (or other investor) to apply for Shares under the Institutional Shortfall Facility, Retail Shortfall Facility, or Shortfall Placement;
- (b) the effect of the Entitlement Offer on the control of Hydrix will be limited by the 20% voting threshold under the general takeovers prohibition in section 606 of the Corporations Act. The Company has not appointed a nominee for the purposes of section 615 of the Corporations Act in respect of the Entitlement Offer. Accordingly, participation in the Entitlement Offer is subject to the 20% voting threshold under the general takeovers prohibition under section 606 of the Corporations Act, and no person will be permitted to acquire entitlement Shares in reliance on the 'rights issue' exception (in item 10, section 611 of the Corporations Act) to the general takeovers prohibition set out in section 606 of the Corporations Act;
- (c) even where the Entitlement Offer is significantly undersubscribed by Eligible Shareholders, with the result that a large number of shortfall Shares revert to the Shortfall Placement, Hydrix intends to mitigate the potential control effects of any such Shortfall Placement by ensuring that its allocation policy under the Shortfall Placement facilitates the allotment of Shares to a spread of investors; and
- (d) Eligible Shareholders who subscribe for their full Entitlement under the Entitlement Offer will not be diluted as a result of the Entitlement Offer. Ineligible Shareholders, or shareholders who do not subscribe for their full Entitlement under the Entitlement Offer, will be diluted as a result of the Entitlement Offer (as compared to their holdings and number of Shares on issue at the date of this Information Booklet).

The table below demonstrates the dilutionary impact of the Entitlement Offer on Shareholders under the following scenarios:

- (a) where a Shareholder subscribes for no New Shares under the Entitlement Offer (including where the Shareholder is an Ineligible Shareholder);
- (b) where a Shareholder subscribes for 25% of its full Entitlement; and
- (c) where a Shareholder subscribes for 50% of its full Entitlement.

Shareholding as at Record Date		Entitlement under Entitlement Offer	Shareholding after Entitlement Offer if 0% entitlement accepted		Shareholding after Entitlement Offer if 25% entitlement accepted		Shareholding after Entitlement Offer if 50% entitlement accepted	
Number	%		Number	%	Number	%	Number	%
30,000,000	15.18	15,000,000	30,000,000	10.12	33,750,000	11.38	37,500,000	12.65
10,000,000	5.06	5,000,000	10,000,000	3.37	11,250,000	3.79	12,500,000	4.22
5,000,000	2.53	2,500,000	5,000,000	1.69	5,625,000	1.90	6,250,000	2.11

The table above assumes that:

- (a) the Company has 197,643,280 Shares on issue as at the Record Date (being the number of Shares on issue as at the date of this Information Booklet);
- (b) the Entitlements not taken up are issued under the Retail Shortfall Facility, Institutional Shortfall Facility or Shortfall Placement, such that the maximum number of New Shares available under the Entitlement Offer are issued; and
- (c) no further Shares (other than under the Entitlement Offer) are issued.

In the event that all Entitlements are not accepted, and some or all of the resulting shortfall was not subsequently placed under the Institutional Shortfall Facility, Retail Shortfall Facility, or Shortfall Placement, the dilution effect for each Shareholder not accepting their full Entitlement would be a lesser percentage.

3.2 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of participating in the Entitlement Offer. 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 subscribing for New Shares under the Entitlement Offer.

3.3 Responsibility for Information Booklet

This Information Booklet (including the ASX Offer Announcements and any personalised Entitlement and Acceptance Form) has been prepared by Hydrix. This Information Booklet is dated 21 September 2022 (other than the ASX Offer Announcements, which were released to the ASX and published on the ASX website on the date shown on them). Statements made in this Information Booklet are made only as at the date of this Information Booklet. The information in this Information Booklet remains subject to change without notice.

No party other than Hydrix has authorised or caused the issue of this Information Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in this Information Booklet.

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Information Booklet. Any information or representation that is not in this Information Booklet may not be relied on as having been authorised by Hydrix, or its related bodies corporate in connection with the Entitlement Offer.

3.4 Status of the Information Booklet

The Retail Entitlement Offer is being made pursuant to provisions of the Corporations Act (as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*) which allow rights issues to be conducted without a prospectus.

Neither this Information Booklet nor the Entitlement and Acceptance Form is required to be lodged or registered with ASIC. This Information Booklet is not a prospectus under the Corporations Act and no prospectus for the Entitlement Offer will be prepared or issued. These documents do not contain, or purport to contain, all of the information that a prospective investor may require in evaluating an investment in Hydrix. They do not contain all the information which would be required to be disclosed in a prospectus.

As a result, it is important for Eligible Retail Shareholders to carefully read and understand the information on Hydrix and the Entitlement Offer made publicly available, prior to accepting all or part of their Entitlement. In particular, please refer to this Information Booklet, the Investor Presentation and other announcements made available at <http://www.asx.com.au/>.

This Information Booklet does not contain financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Hydrix is not licensed to provide financial product advice in respect of the New Shares. Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the Information Booklet including the Investor Presentation, you have any questions about the Entitlement Offer, you should contact your stockbroker, accountant or other independent professional adviser.

3.5 Notice to nominees and custodians

If Hydrix believes you hold Shares as a nominee or custodian you will have received, or will shortly receive, a letter in respect of the Entitlement Offer from Hydrix.

Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to Eligible Institutional Shareholders who were invited to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not) and Ineligible Institutional Shareholders.

Persons acting as custodians and/or nominees must not take up Entitlements or apply for New Shares on behalf of, and must not send the Information Booklet or any other document relating to the Retail Entitlement Offer (including providing access to, or details of, the offer website) to any person that is in the United States or elsewhere outside Australia or the Permitted Foreign Jurisdictions.

Hydrix does not undertake to determine whether or not any registered holder is acting as a nominee or custodian or the identity or residence of any beneficial owners of Shares. Where any holder is acting as a nominee or custodian for a foreign person, that holder, in dealing with its beneficiary, will need to assess, taking into account guidance deemed provided in this Information Booklet, whether indirect participation by the beneficiary in the Retail Entitlement Offer is compatible with the terms of the Retail Entitlement Offer and all applicable foreign laws.

3.6 No cooling off

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been made.

3.7 Privacy Statement

If you complete an application for New Shares, you will be providing personal information to Hydrix (directly or through the Registry). Hydrix collects, holds and will use that information in accordance with its Privacy Policy (available online at <https://www.hydrix.com/privacy-policy>) for purposes including assessment of your application, servicing your needs as a Shareholder and facilitating distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Registry and for other purposes permitted under Hydrix's Privacy Policy.

You can access, correct and update the personal information that is held about you. If you wish to do so, please contact the Registry at the relevant contact numbers set out in the Corporate Directory of this Information Booklet.

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. You should note that if the information required on the Entitlement and Acceptance Form is not provided, Hydrix may not be able to accept or process your application.

3.8 Governing Law

This Information Booklet, the Entitlement Offer and the contracts formed on acceptance of the Entitlement Offers pursuant to the personalised Entitlement and Acceptance Forms (whether online or hard copy) are governed by the laws applicable in Victoria, Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

3.9 Foreign offer restrictions

This document has been prepared in compliance with the securities laws of Australia and has not been registered, filed with or approved by any other regulatory authority, including the United States or any Permitted Foreign Jurisdiction. This document is not a product disclosure statement under the law of any Permitted Foreign Jurisdiction and is not required to, and may not, contain all information that a product disclosure statement is required to contain under the laws of each Permitted Foreign Jurisdiction.

This Information Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Entitlement Offer, the Entitlements, the New Shares or Additional New Shares or otherwise permit the public offering of the New Shares or Additional New Shares in any jurisdiction other than Australia and the Permitted Foreign Jurisdictions.

(a) New Zealand

This Information Booklet has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares 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 Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

Other than in the Entitlement Offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of 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.

(b) Malaysia

No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to the offer of New Shares. The New Shares under the Entitlement Offer may not be offered, sold or issued in Malaysia except to existing shareholders of the Company. Any New Shares not taken up under the Entitlement Offer may not be offered, sold or issued in Malaysia except pursuant to, and to persons prescribed under, Schedules 5 and 6 of the Malaysian Capital Markets and Services Act.

(c) European Economic Area - Netherlands

An offer of New Shares to the public has not been made, and may not be made, in a Member State of the European Economic Area which has implemented a Prospectus Directive (each a “**Relevant Member State**”) except pursuant to one of the following exemptions under the Prospectus Directive as implemented in that Relevant Member State:

- (i) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (ii) at any time to fewer than 150 natural or legal persons (other than qualified investors defined in the Prospectus Directive); or
- (iii) at any time in any other circumstances falling within article 3(2) of the Prospectus Directive,

provided that no such offer of New Shares referred to in (i) – (iii) above shall require Hydrix to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of New Shares to the public” in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer the New Shares to be offered so as to enable an investor to decide to purchase or subscribe for the New Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

(d) Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of

Singapore. Accordingly, this document and any other document relating to New Shares may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are an existing holder of the Company’s shares. If you are not such a Shareholder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

(e) United Kingdom

Neither this document nor any document relating to the Entitlement Offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000 as amended (“FSMA”)) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to fewer than 150 persons who are existing shareholders of the Company. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (“FPO”), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations etc.) of the FPO, or (iii) to whom it may otherwise be lawfully communicated (together “**relevant persons**”). The investment to which this document relates is only to relevant persons. Any person who is not a relevant person should not at or rely on this document.

(f) United States

This Information Booklet does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or in any other jurisdiction in which, or to any

person to whom, such an offer would be illegal. None of this Information Booklet, any accompanying ASX announcements, the Investor Presentation reproduced in it, or the Entitlement and Acceptance Form may be distributed or released in the United States.

The New Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold, directly or indirectly, in the United States except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States. In particular, the New Shares to be offered and sold in the Retail Entitlement Offer may only be offered and sold outside the United States in "offshore transactions" as defined in Rule 902(h) in reliance on Regulation S under the U.S. Securities Act.

3.10 Disclaimer of representations

Except as required by law, and only to the extent so required, none of Hydrix or any other person, warrants or guarantees the future performance of Hydrix or any return on any investment made pursuant to this Information Booklet.

4. Key Risks

4.1 Introduction

The New Shares offered under the Entitlement Offer should be considered speculative because of the nature of the business activities of the Company. Whilst the Directors commend the Entitlement Offer, potential investors should consider whether the New Shares offered are a suitable investment having regard to their own personal investment objectives and financial circumstances and the non-exhaustive risk factors set out below.

The risk factors set out below, and others not specifically referred to below, may in the future materially affect the financial performance of the Company and the value of the New Shares offered under the Entitlement Offer. Therefore, the New Shares to be issued pursuant to Entitlement Offer carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Shares.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for New Shares pursuant to the Entitlement Offer.

4.2 Risks specific to the Entitlement Offer

(a) Future funding

The funds raised by the Entitlement Offer will be applied towards the Company's working capital requirements, and execution of its buy, build and invest growth strategy. The Company may be required to raise further funds for future operational activities. There is a risk that further raisings may not be on terms favourable to, or may dilute, existing Shareholders.

(b) Dilution

Shareholders who do not take up their Entitlement will have their holding in the Company diluted.

(c) **Control**

The Directors have taken reasonable steps through the Retail Shortfall Facility to maximise dispersion of any Shortfall under the Entitlement Offer, so as to reduce the control effects of the Entitlement Offer on the Company. However, assuming some Shareholders take up their Entitlement and others do not, there is a risk that voting power may be consolidated among fewer Shareholders and the interests of these Shareholders may not align with other Shareholders' interests.

4.3 Company and industry risks

(a) **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, mining, industrial, defence 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 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 the successful development of the business.

If the Company fails to maintain or secure 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.

(b) **Regulated industries**

Hydrix is a product design and engineering company, and partners with customers in industry sectors including medical, mining, industrial and defence, to help them design, develop and commercialise transformative technologies.

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

The industries in which Hydrix, 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 Hydrix 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 Hydrix's major services projects or product sales could have a material adverse impact on the Company's financial performance.

(c) **Regulatory approvals required to market the Guardian Device**

Hydrix Medical Pty Ltd (**Hydrix Medical**), a wholly owned subsidiary of Hydrix, owns the exclusive rights to distribute Angel Medical Systems, Inc.'s (**AngelMed**) Guardian® System (**Guardian Device**) in a number of Asia Pacific countries (each a **Relevant Jurisdiction**). The manufacture, labelling, sales and marketing of medical devices are subject to extensive regulations in each of the Relevant Jurisdictions, and Hydrix Medical will be required to obtain product clearances or approvals prior to marketing the Guardian Device in each of

those jurisdictions, and maintain an up-to-date product registration with appropriate governmental authorities and regulatory bodies.

AngelMed has received regulatory approval for the Guardian Device from the US Food and Drug Administration. In addition, Hydrix has also received regulatory approval for the Guardian Device from the Health Services Authority (**HSA**) in Singapore, the Ministry of Health in Malaysia, and it has been listed on the Medicines and Medical Devices Safety Authority in New Zealand. Hydrix Medical is currently pursuing regulatory approvals to market the Guardian Device in other Relevant Jurisdictions, including from the Therapeutic Goods Administration in Australia (**TGA**) (application submitted 26 July 2021), and the Food and Drug Administration in Thailand (**Thai FDA**) (application submitted 12 October 2021).

As regulatory approvals are subject to government regulations in all jurisdictions, Hydrix Medical cannot guarantee that it will successfully maintain the registrations and clearances it currently holds or obtain the additional registrations and clearances that it is seeking or may receive in the future. In addition, Hydrix Medical cannot accurately predict product clearance or approval timelines, cost or other requirements that may be imposed by regulators (such as clinical trials or other requirements proving the benefits of the Guardian Device). Any delay in the receipt of regulatory approval or clearance (including for example in obtaining Australian TGA or Japan's Pharmaceuticals and Medical Devices Agency (**PMDA**) approval for the Guardian Device) may result in a delay to the intended launch date of the Guardian Device in the Relevant Jurisdictions. Delays may also affect Hydrix Medical's ability to achieve its growth objectives by geographic expansion of sales of the Guardian Device into new markets. There is also no guarantee that Hydrix will be granted all necessary regulatory approvals for the Guardian Device, and the success of earlier clearance or approvals may not necessarily be indicative of the success of subsequent product clearance or approval applications.

Any delays or barriers to Hydrix Medical obtaining necessary regulatory approvals would limit the market opportunity until such time (if any) that Hydrix Medical is able to obtain such approvals for the Guardian Device. If Hydrix Medical fails to obtain regulatory approval for the Guardian Device in any of the Relevant Jurisdictions, the following risks may arise:

Failure to obtain, or a delay in obtaining, regulatory approval may adversely impact Hydrix Medical's ability to meet its minimum sales and implant conditions under its distribution agreement with AngelMed.

Hydrix Medical anticipates deriving a material proportion of its revenue in the near-term from distribution of the Guardian Device in Australia. Failure to obtain, or delays in obtaining, regulatory approval in Australia from TGA may have a material adverse impact on the Company's ability to generate this revenue.

If Hydrix Medical is unable to successfully distribute and achieve meaningful market penetration of the Guardian Device (because the necessary approvals in any particular Relevant Jurisdiction cannot be obtained), the Company's commercial strategy may be adversely impacted and Hydrix Medical may need to reconsider its business model.

Failure to obtain, or delays in obtaining, regulatory approval may impact the ability and timing of Hydrix Medical obtaining insurance reimbursement approvals in various jurisdictions, potentially adversely impacting on the commercial business model of Hydrix Medical

(d) **Competition**

Hydrix 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 Hydrix's major customers could have a material adverse impact on the Company's financial performance.

(e) Reliance on Suppliers

Hydrix has entered into exclusive arrangements to distribute third party product technologies as part of its strategy to develop a medical products distribution business. Suppliers of these products, including Angel Medical Systems, Inc., and Phyzhon Health, Inc., 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 Hydrix Medical's commercial business model.

(f) Reliance on Key Personnel

Hydrix currently employs a number of qualified key personnel, who are integral to the Company's operations. Hydrix'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 Hydrix and its activities. Hydrix 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 Hydrix. Despite these measures, there is no guarantee that Hydrix will be able to attract and retain suitably qualified personnel.

(g) Reliance on Systems

The successful operation of Hydrix's business is dependent on various technologies including the internet and dedicated servers. Any significant disruption to these systems could have a materially detrimental effect on Hydrix's business.

(h) Intellectual Property Rights

The Company's core business is to create value through technology, and one of the Company's significant assets is its intellectual property rights in products and services, which it has developed. 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 products infringe 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 products 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 products and services which would have a material adverse effect on the financial and operating results of the Company.

(i) Risks in international growth

Hydrix'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. Hydrix 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.

(j) Venture risks

Hydrix 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 Hydrix. 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 Hydrix.

(k) Debt

The Company is party to two shareholder loan agreements. Should a number of the risks outlined in this Section 4 eventuate, the Company may experience difficulty in making the repayments under those agreements as and when they fall due.

A failure to comply with any of these repayment terms may require the Company to seek amendments, or alternative borrowing arrangements. There is no assurance that the lenders would consent to such an amendment or waiver in the event of non-compliance, or that such consent would not be conditional upon the receipt of a cash payment, revised pay-out terms, increased interest rates, or that the lenders would not exercise rights that would be available to them, including among other things, calling an event of default and 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 available funds to meet that demand.

4.4 General risks

The future prospects of the Company's business may be affected by circumstances and external factors beyond the Company's control. Financial performance of the Company may be affected by a number of business risks that apply to companies generally and may include economic, financial, market or regulatory conditions.

(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 Securities 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 projects 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) 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 is exposed to the risk of 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 the financial performance, financial position, cash flow and share price 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.

Glossary

ABN means Australian Business Number.

ACN means Australian Company Number.

Additional New Shares has the meaning given in section 1.5 of the Information Booklet.

Application means an application for New Shares under the Retail Entitlement Offer.

Application Monies means the aggregate amount payable for the New Shares (including any Additional New Shares) applied for through BPAY® other payment mechanism set out in section 2.2(b), being the consideration for New Shares (including any Additional New Shares) under the Retail Entitlement Offer.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or, where the context requires, the securities exchange operated by it on which Shares are quoted.

ASX Offer Announcements means the ASX announcements reproduced in Appendix B to this Information Booklet, being the announcement to ASX on 15 September 2022 in respect of the launch of the Entitlement Offer, and the announcement to ASX on 19 September 2022 of the successful completion of the Institutional Entitlement Offer.

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

Customer Reference Number means the unique reference number stated on the Entitlement and Acceptance Form.

Eligible Institutional Shareholder means institutional shareholders who were invited to participate in the Institutional Entitlement Offer and ultimately did so.

Eligible Retail Shareholders has the meaning given in section 1.3 of the Information Booklet.

Eligible Shareholders means all Eligible Institutional Shareholders and all Eligible Retail Shareholders.

Entitlement means the number of New Shares for which an Eligible Shareholder is entitled to subscribe under the Entitlement Offer, being 1 New Share for every 2 Shares held at the Record Date.

Entitlement and Acceptance Form means the personalised entitlement and acceptance form published in connection with this Information Booklet, to be used to make an Application in accordance with the instructions set out on that form.

Entitlement Offer means the accelerated non-renounceable pro rata entitlement offer of 1 New Share for every 2 Shares held at the Record Date.

GST has the same meaning as in the A New Tax System (Goods and Services Tax) Act 1999 (Cth).

Hydrix means Hydrix Limited ACN 060 369 048.

Ineligible Institutional Shareholder means institutional shareholders who were treated as ineligible institutional shareholders under the Institutional Entitlement Offer.

Ineligible Retail Shareholders has the meaning given in section 1.11 of this Information Booklet.

Ineligible Shareholder means a Shareholder that is neither an Eligible Institutional Shareholder or an Eligible Retail Shareholder.

Information Booklet means this information booklet in relation to the Retail Entitlement Offer, including the ASX Offer Announcements reproduced in Appendix B to this Information Booklet, and the personalised Entitlement and Acceptance Form accompanying, this information booklet.

Institutional Entitlement Offer means the accelerated non-renounceable pro rata entitlement offer made to Eligible Institutional Shareholders and successfully completed on Friday, 16 September 2022.

Institutional Investor means a person:

- (a) in the case of a person with a registered address in Australia, who is an “exempt investor” as defined in ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84; or
- (b) if outside Australia, to whom offers for the issue of Shares may lawfully be made without the need for a prospectus or other disclosure document or other lodgement, registration, filing with or approval by a governmental agency (other than one with which Hydrix, is willing, in its absolute discretion, to comply).

Investor Presentation means the Investor Presentation released to ASX by Hydrix on 15 September 2022 and reproduced in Appendix C to this Information Booklet.

Listing Rules means the official listing rules of the ASX.

New Shares means the fully paid ordinary shares in Hydrix to be offered under the Entitlement Offer and includes (unless the context requires otherwise) Additional New Shares.

Offer Price means \$0.06, being the price payable per New Share under the Entitlement Offer.

Permitted Foreign Jurisdictions means New Zealand, Malaysia, Singapore, the Netherlands, and the United Kingdom.

Permitted Foreign Shareholder means a Shareholder:

- (a) with a registered address in a Permitted Foreign Jurisdiction as recorded on Hydrix’s share register on the Record Date; and
- (b) who is eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus, product disclosure statement or offer document to be lodged or registered.

Record Date means 7.00pm on Monday 19 September, being the record date for determining Eligible Shareholders' entitlement to participate in the Entitlement Offer (including in the Retail Entitlement Offer).

Registry means Boardroom Pty Limited.

Retail Closing Date means 5.00pm on Thursday 6 October 2022.

Retail Entitlement Offer means the accelerated non-renounceable pro rata entitlement offer of 1 New Share for every 2 Shares held at the Record Date at an Offer Price of \$0.06 made to Eligible Retail Shareholders.

Retail Entitlement Shares means the New Shares to be offered to Shareholders under the Retail Entitlement Offer.

Retail Offer Period means the period from the date that the Retail Entitlement Offer opens until the Retail Closing Date.

Retail Shortfall Shares means the number of:

- (a) Retail Entitlement Shares, including the Retail Entitlement Shares which would have been offered to Ineligible Retail Shareholders if they had been entitled to receive New Shares under the Retail Entitlement Offer; less
- (b) the number of Retail Entitlement Shares in respect of which Hydrix receives a valid application on or before 5.00 pm (Melbourne time) on Thursday 6 October 2022.

Retail Shortfall Facility means the opportunity for Eligible Retail Shareholders who take up all of their Entitlement to also apply for Additional New Shares in excess of their Entitlement, as detailed in section 1.5.

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

Shareholder means a holder of a Share.

U.S. Securities Act means the U.S. Securities Act of 1933 (as amended).

Appendix A – Eligible Retail Shareholder Declarations

In making your application for New Shares as part of the Retail Entitlement Offer, you:

- (a) Declare that:
 - (i) all details and statements made in the personalised Entitlement and Acceptance Form are complete and accurate;
 - (ii) you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Retail Entitlement Offer and your personalised Entitlement and Acceptance Form; and
 - (iii) you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- (b) Acknowledge that:
 - (i) once Hydrix receives your payment, you may not withdraw it except as allowed by law;
 - (ii) you have read and understood this Information Booklet and the personalised Entitlement and Acceptance Form;
 - (iii) the information contained in this Information Booklet is not investment advice or a recommendation that the New Shares are suitable for you, given your investment objectives, financial circumstances or particular needs;
 - (iv) this Information Booklet is not a prospectus, product disclosure statement or offer document, does not contain all of the information you may require in order to assess an investment in Hydrix and is given in the context of Hydrix's past and ongoing continuous disclosure announcements to ASX;
 - (v) 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 Hydrix;
 - (vi) to the maximum extent permitted by law, each of Hydrix and its directors, employees, officers, representatives, agents, partners, consultants, advisers or intermediaries disclaim any duty or liability (including for fault or negligence) in respect of that determination and the exercise or otherwise of that discretion; and
 - (vii) neither Hydrix nor any of its directors, employees, officers, representatives, agents, partners, consultants, advisers or intermediaries guarantee the performance of the New Shares or the performance of Hydrix nor do they guarantee the repayment of capital from Hydrix;
- (c) Agree to:
 - (i) apply for, and be issued with up to, the number of New Shares (including Additional New Shares) that you apply for at the Offer Price of \$0.06 per New Share; and
 - (ii) be bound by the terms of this Information Booklet and the provisions of Hydrix's constitution;

- (d) Authorise Hydrix to:
 - (i) register you as the holder of any New Shares you are allotted and authorise Hydrix and each of its respective officers or agents to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instruction of the Registry by using the contact details set out in the personalised Entitlement and Acceptance Form; and
 - (ii) correct any errors in your personalised Entitlement and Acceptance Form or other form provided to you;
- (e) Represent and warrant that:
 - (i) the law of any place does not prohibit you from:
 - (A) being given this Information Booklet (or a personalised Entitlement and Acceptance Form);
 - (B) accessing the offer website at www.investorserve.com.au; or
 - (C) making an application for New Shares (including, to avoid any doubt, making an application for any Additional New Shares); and
 - (ii) you are an Eligible Retail Shareholder.

By making a payment by BPAY® or otherwise applying to participate in the Retail Entitlement Offer you will also be treated as:

- (f) having represented and warranted that you are not engaged in the business of distributing securities;
- (g) acknowledging on your own behalf and on behalf of each person on whose account you are acting that:
 - (i) you are not in the United States and you are not acting for the account or benefit of a person in the United States;
 - (ii) the New Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States and that the New Shares may not be offered or sold, directly or indirectly, in the United States, or to persons acting for the account or benefit of persons in the United States (to the extent such persons are acting for the account or benefit of a person in the United States);
 - (iii) the New Shares in the Retail Entitlement Offer will only be offered and sold outside the United States in "offshore transactions", as defined and in compliance with Regulation S under the U.S. Securities Act;
 - (iv) if in the future you decide to sell or otherwise transfer any New Shares, you will only do so in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, including in standard brokered transactions on the ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States;

- (v) you have not and will not send this Information Booklet, the Entitlement and Acceptance Form or any other materials relating to the Retail Entitlement Offer to any person in the United States or any other country outside Australia or New Zealand; and
- (vi) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are applying for New Shares is:
 - (A) resident in Australia, or is a Permitted Foreign Shareholder; and
 - (B) is not in the United States and is not acting for the account or benefit of a person in the United States.

Appendix B - ASX Offer Announcements

Hydrix announces Entitlement Offer to raise up to \$6m

Hydrix Limited (ASX: **HYD**) (**Hydrix** or **Company**) today announces a 1-for-2 pro-rata accelerated non-renounceable entitlement offer of fully paid ordinary Hydrix shares (**New Shares**) at an offer price of 6 cents per share (**Offer Price**), to raise up to \$6 million (**Entitlement Offer**).

Use of Funds

Hydrix is undertaking the Entitlement offer to raise up to \$6 million. The funds raised, net of costs, will be primarily used to support the following business objectives:

- Market development, regulatory applications, clinical trials and to expand cardiac devices portfolio
- Expand global business development and marketing of product design and engineering services
- Venture investments in high potential early stage medtech device clients; and
- Group working capital to support the strategy to become a global medtech company.

An updated company overview can be found under Investor Information on the Hydrix [website](#).

Hydrix's Executive Chairman, Gavin Coote, commented:

"The funds from the Entitlement Offer provide additional capital to ensure we continue to support our strategic growth objectives over the next year. This is a particularly important juncture for the company as we pursue several regulatory approvals and market development activities to pave the way for us to commence sales and implants of the AngelMed Guardian. It is important we continue to build a larger and more profitable client services business with more revenues sourced from outside Australia."

Details of the Entitlement Offer

The Entitlement Offer is available to all registered shareholders who hold Hydrix shares at 7.00pm on Monday 19 September 2022 (**Record Date**) with a registered address in Australia, New Zealand, or certain other foreign jurisdictions determined by the Directors of Hydrix, as described in the Investor Presentation released to ASX today (**Eligible Shareholders**).

Under the Entitlement Offer, Eligible Shareholders will be able to subscribe for 1 New Share for every 2 existing Hydrix shares held as at the Record Date. The maximum number of New Shares to be issued pursuant to the Entitlement Offer is approximately 98,821,640 New Shares (subject to rounding for fractional entitlements). If each Eligible Shareholder elects to subscribe for all of the New Shares offered to them, then the issued capital of the Company following the Entitlement Offer will be approximately 296,464,920 (subject to rounding for fractional entitlements).

The Entitlement Offer is non-renounceable, and as such entitlements to subscribe for New Shares under the Entitlement Offer cannot be traded.

The Entitlement Offer comprises the following components:

- **Institutional Entitlement Offer** – Eligible institutional shareholders will be invited to participate in the institutional component of the Entitlement Offer (**Institutional Entitlement Offer**), which will open today and will close on Friday 16 September 2022. Eligible institutional shareholders can choose to take up all, part, or none of their entitlement.

Institutional entitlements that are not taken up by eligible institutional shareholders, and institutional entitlements that would otherwise have been offered to ineligible institutional shareholders, may be offered to eligible institutional shareholders who apply for New Shares in excess of their entitlement, as well as to certain other institutional investors, through an institutional shortfall bookbuild to be conducted concurrently with the Institutional Entitlement Offer.

- **Retail Entitlement Offer** – Eligible retail shareholders will be invited to participate in the retail component of the Entitlement Offer (**Retail Entitlement Offer**) at the same Offer price and offer ratio as under the Institutional Entitlement Offer. The Retail Entitlement Offer will open on Wednesday 21 September 2022 and will close at 5.00pm (Melbourne time) on Thursday 6 October 2022 (**Retail Offer Period**). Eligible retail shareholders who take up their full entitlement can also choose to apply for additional New Shares in excess of their entitlement under a retail shortfall facility. Further details about the Retail Entitlement Offer will be set out in a booklet (**Retail Offer Booklet**) which Hydrix will lodge with ASX by Wednesday 21 September 2022. The closing date for receipt of entitlement and acceptance forms and application payments is 5.00pm (Melbourne time) on Thursday 6 October 2022.

Eligible retail shareholders who have nominated to receive documents from Hydrix electronically will receive access via email on Wednesday 21 September 2022 to a copy of the Retail Offer Booklet and a personalised entitlement and acceptance form. Eligible retail shareholders who have not elected to receive electronic communications will be posted a letter on Wednesday 21 September 2022 detailing how to access the Retail Offer Booklet online, and their personalised entitlement and acceptance form.

As permitted under ASX Listing Rule 7.2 exception 3, the Directors reserve the right at their discretion to place any shortfall remaining after the close of the Institutional Entitlement Offer and Retail Entitlement Offer (**Shortfall Placement**). The Shortfall Placement will be on the same terms and conditions as the Entitlement Offer, and will remain open for up to 3 months after the closing date of the Retail Entitlement Offer.

Entitlement Offer Timetable

Event	Date (2022)
Announcement of the Entitlement Offer and Institutional Entitlement Offer open	Thursday, 15 September
Hydrix conducts Institutional Entitlement Offer	Thursday 15 – Friday 16 September
Announcement of results of Institutional Offer	Monday 19 September
Trading in Hydrix shares resumes on an ex-entitlement basis	Monday 19 September
Record date for determining entitlement for the Entitlement Offer	7.00pm on Monday 19 September

Dispatch of Information Booklet	Wednesday 21 September
Retail Entitlement Offer opens	Wednesday 21 September
Allotment of New Shares issued under the Institutional Entitlement Offer	Friday 23 September
Last day to extend Retail Entitlement Offer close date	Monday 3 October
Retail Entitlement Offer closing date	5.00pm on Thursday 6 October
Allotment of New Shares issued under the Retail Entitlement Offer	Thursday 13 October
Normal trading of New Shares issued under the Retail Entitlement Offer	Friday 14 October

The timetable above is indicative only and may be subject to change. All times and dates refer to Melbourne time. Hydrix reserves the right to amend any or all of these dates and times without notice, subject to the Corporations Act, the Listing Rules and other applicable laws.

Further information

Hydrix expects to announce the outcome of the Institutional Entitlement Offer to the market on Monday, 19 September 2022, and will remain in a trading halt until this time.

In conjunction with this announcement, the Company has today released to the ASX a Cleansing Notice (in accordance with section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73), an investor presentation and an Appendix 3B in connection with the Entitlement Offer. The Investor Presentation contains important information including key risks, assumptions and foreign selling restrictions with respect to the Entitlement Offer.

The Lead Manager of the Entitlement Offer is Baker Young Limited, and the Company's legal adviser to the offer is Holding Redlich.

Loyalty Options Offer - Update

The Company's Loyalty Options Offer (as announced on 8 August 2022) will open shortly after the close of the Entitlement Offer. A prospectus in relation to the Loyalty Options Offer, which will include a timetable for the offer, will be lodged by the Company in the coming weeks.

-ENDS-

Authorisation: 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 aims to enhance a billion lives' health, safety, and well-being. The company leverages its powerful product innovation capability across three complementary commercial business segments. These segments are **Hydrix Services:** design and engineer products that transform markets; **Hydrix Ventures:** invest in high potential MedTech clients; and **Hydrix Medical:** distribute disruptive cardiovascular products.

Completion of Institutional Component of Entitlement Offer

Hydrix Limited (ASX: **HYD**) (**Hydrix** or **Company**) is pleased to announce the successful completion of the institutional component (**Institutional Entitlement Offer**) of its 1-for-2 pro-rata accelerated non-renounceable entitlement offer of fully paid ordinary Hydrix shares (**New Shares**), at an offer price of 6 cents per New Share, as announced on Thursday, 15 September 2022.

Hydrix is undertaking the Entitlement offer to raise up to \$6 million, to support the following business objectives:

- Market development, regulatory applications, clinical trials and to expand cardiac devices portfolio
- Expand global business development and marketing of product design and engineering services
- Venture investments in high potential early stage medtech device clients; and
- Group working capital to support the strategy to become a global medtech company.

The Institutional Entitlement Offer raised approximately \$2.07 million at an offer price of 6 cents per New Share, and was fully subscribed by eligible institutional and sophisticated shareholders as well as several high-quality new investors.

Hydrix's Executive Chairman, Gavin Coote, commented "The Institutional Entitlement Offer has raised more than a third of our targeted capital raising amount of \$6 million, and we are pleased by the level of support from our existing institutional shareholders and new investors."

Hydrix expects its trading halt to be lifted and Hydrix shares to recommence trading on an "ex-entitlement" basis from market open on Monday, 19 September 2022.

New Shares issued under the Institutional Entitlement Offer will rank equally with existing Hydrix shares on issue, with settlement anticipated on Thursday 22 September 2022. All New Shares subscribed for under the Institutional Entitlement Offer, with the exception of 1,708,334 New Shares subscribed for by entities related to Director Paul Lewis under the institutional shortfall bookbuild,¹ will be allotted on Friday 23 September 2022 and will commence trading on a normal settlement basis on the ASX on the same day. Hydrix intends to seek shareholder approval for the issue of the 1,708,334 New Shares to Director Paul Lewis' related entities at its upcoming annual general meeting.

¹ Director Paul Lewis' related entities subscribed for their full pro-rata entitlements under the Institutional Entitlement Offer, and will receive those New Shares on Friday 23 September 2022, pursuant to ASX Listing Rule 10.12 (Exception 1). As set out in in Hydrix's ASX announcement dated 15 September 2022, institutional entitlements that were not taken up by eligible institutional shareholders, and institutional entitlements that would otherwise have been offered to ineligible institutional shareholders, were offered to eligible institutional shareholders who applied for New Shares in excess of their entitlement, as well as to certain other institutional investors, through an institutional shortfall bookbuild conducted concurrently with the Institutional Entitlement Offer. Mr Lewis' related entities subscribed for 1,708,334 additional New Shares in excess of their pro-rata entitlements under the institutional shortfall bookbuild. As ASX Listing Rule 10.12 (Exception 1) does not apply to the issue of shortfall shares to related parties under an entitlement offer, the Company intends to seek shareholder approval for the issue of the 1,708,334 additional New Shares to Mr Lewis' related entities at its upcoming AGM.

Commencement of Retail Entitlement Offer

Eligible retail shareholders will be invited to participate in the retail component of the Entitlement Offer (**Retail Entitlement Offer**) at the same offer price and offer ratio as under the Institutional Entitlement Offer. The Retail Entitlement Offer will open on Wednesday 21 September 2022 and will close at 5.00pm (Melbourne time) on Thursday 6 October 2022 (**Retail Offer Period**).

The Retail Entitlement Offer is available to all registered shareholders who hold Hydrix shares at 7.00pm on Monday 19 September 2022 (**Record Date**) with a registered address in Australia, New Zealand, or certain other foreign jurisdictions determined by the Directors of Hydrix, as described in the Investor Presentation released to ASX on Thursday 15 September 2022 (**Eligible Shareholders**).

Eligible retail shareholders who take up their full entitlement can also choose to apply for additional New Shares in excess of their entitlement under a retail shortfall facility.

Further details about the Retail Entitlement Offer will be set out in a booklet (**Retail Offer Booklet**) which Hydrix will lodge with ASX by Wednesday 21 September 2022. The closing date for receipt of entitlement and acceptance forms and application payments is 5.00pm (Melbourne time) on Thursday 6 October 2022.

Entitlement Offer Timetable

Event	Date (2022)
Announcement of the Entitlement Offer and Institutional Entitlement Offer open	Thursday, 15 September
Hydrix conducts Institutional Entitlement Offer	Thursday 15 – Friday 16 September
Announcement of results of Institutional Offer	Monday 19 September
Trading in Hydrix shares resumes on an ex-entitlement basis	Monday 19 September
Record date for determining entitlement for the Entitlement Offer	7.00pm on Monday 19 September
Dispatch of Information Booklet	Wednesday 21 September
Retail Entitlement Offer opens	Wednesday 21 September
Allotment of New Shares issued under the Institutional Entitlement Offer	Friday 23 September
Last day to extend Retail Entitlement Offer close date	Monday 3 October
Retail Entitlement Offer closing date	5.00pm on Thursday 6 October
Allotment of New Shares issued under the Retail Entitlement Offer	Thursday 13 October
Normal trading of New Shares issued under the Retail Entitlement Offer	Friday 14 October

The timetable above is indicative only and may be subject to change. All times and dates refer to Melbourne time. Hydrix reserves the right to amend any or all of these dates and times without notice, subject to the Corporations Act, the Listing Rules and other applicable laws.

Further information

Additional information regarding the Entitlement Offer is contained in the investor presentation released to the ASX on Thursday 15 September 2022. The Retail Offer Booklet will be released separately and dispatched to eligible retail shareholders.

Baker Young Limited acted as Lead Manager and Holding Redlich acted as legal adviser in relation to the Entitlement Offer.

-ENDS-

Authorisation: 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's purpose is to enhance the health, safety, and wellbeing of a billion lives. The company leverages its powerful product innovation capability across three complimentary commercial business segments. These segments are **Hydrix Services:** design and engineer products that transform markets; **Hydrix Ventures:** invest in high potential medtech clients; and **Hydrix Medical:** distribute disruptive cardiovascular products.

Appendix C – Investor Presentation



Realising our vision to

**improve a
billion lives**

through disruptive medical devices



Hydrix Commercial Model

Hydrix is a fast emerging global diversified medical technology company.

Our vision is to improve a **billion** lives

To create long-term value for our stakeholders, the commercial model builds on a rich 20 year new product engineering history, to also now, make Venture investments and bring to market disruptive cardiovascular devices.

A core focus is the Cardiovascular Disease (CVD) devices market.



Hydrix Medical

Bringing to market disruptive cardiovascular products that solve unmet needs



Hydrix Ventures

Investing in early stage, high potential, medical device companies



Hydrix Services

Transforming disruptive new medical technology ideas of our global clients into commercial products

Providing product development & regulatory services to our Venture portfolio companies

Providing technical & regulatory guidance to our Medical Products distribution business



Hydrix at a glance – a diversified, global medtech company

Hydrix Services

Strong year-on-year growth, profitability ahead

- FY22 revenue **\$10.3m up 40% YoY**, ~60 employees
- FY22 revenue source: **+50%** international, **+40%** cardiovascular technology clients
- **+\$60m** sales pipeline, order book value at start of year **\$12m** (~2x pcpr)
- Trend revenue growth outlook for FY23 is **+20%**
- Sales growth & improving margins returning business to profitability in FY23

Hydrix Medical

The GUARDIAN: US FDA approved, TGA pending

- Two pre-revenue products under exclusive distribution rights (The GUARDIAN & Phyzhon FFR)
- The GUARDIAN heart attack alert device **2%-5%** uptake initial markets **\$25m-\$60m** p.a.
- Products progressing through regulatory reviews & clinical trials
- Leadership team (3) has over 80 years cardiovascular experience

Hydrix Ventures

Potential 5x – 10x uplift on cash invested

- Four venture investments in Hydrix Services clients, 2 have commenced sales, 2 are being developed by Hydrix Services and are pre-revenue
- Book value **\$3.65m**, cash invested ~\$2.0m

Hydrix Limited

Attractive value entry point

- Market Capitalisation A\$17.0m (@ 8.6 cents per share)(4/9/2022)
- **\$1.94m** in the bank 30 June 2022 plus potential cash inflows under the Loyalty Option Program announced 8 August 2022
- ASX: HYD...2 year High **\$0.46c** (First Guardian Implants August 2020) | Low **\$0.07c** (July 2022)

Hydrix Limited - News flow next 12 months

Hydrix Services

- Revenue growth & improving margins trending to profitability in FY23

Hydrix Medical

- **Q3 CY22: Finalised Australia clinical trial registry Site Initiation**
 - National cardiology group has commenced screening suitable patients for first Australian implants to support commercial market launch
- **Pending: Australian TGA regulatory approval of The GUARDIAN (lodged 26 July 2021)**
 - Commence marketing awareness campaigns & commercial sales in Public hospitals in Australia
 - Advance MSAC application for an MBS Item Code to reimburse surgical procedure
 - Pending MSAC outcome, lodge PLAC application for Guardian device private insurance reimbursement
 - Pending PLAC outcome, commence private insured patient implants
- **Q4 CY22: Pending shipment of trial Phyzhon FFR Wires & Catheter Lab consoles**
 - Commence Phyzhon FFR Wire first in human (FIH) trial in Melbourne
- **Singapore HSA regulatory approval received and announced August 2022**
 - Singapore Cardiologist to lodge application for inclusion on the Table of Surgical Procedures for insurance reimbursement – next listing update is CY2024
 - Commence sales & marketing awareness campaigns – patient implants on a ‘patient-pay / non-reimbursed’ basis
- **Malaysia regulatory approval received and announced June 2022**
 - Commence discussions with potential sub-distribution partners

Hydrix Ventures

Value in Investment

- Ramp-up by Angel Medical sales of The GUARDIAN and potential IPO CY23
- Gyder Surgical submissions to FDA and TGA for regulatory approval

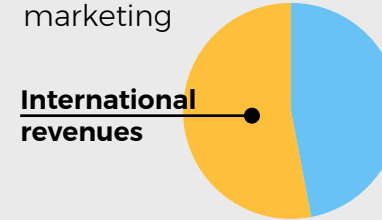
Hydrix Services – Concept to market

Targets the \$2.1B global outsourced medtech product development sector

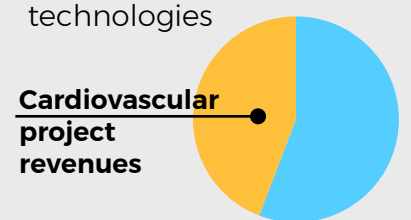
Sustained significant growth for FY23 to follow FY22 YoY revenue growth of ~40%

- Qualified sales pipeline +\$60m
- FY23 trend revenue +20%
- Trend gross margins on direct labour costs +65%
- 60-person team, trend billable resources utilisation >55% provides capacity to grow
- Improving sales and margins trending to FY23 profitability

International revenues over 50% as a result of increased sales & marketing



More than 40% of revenues relate to cardiovascular technologies



Why companies choose Hydrix

- Unique platform technology to expedite development of artificial hearts and ventricular assist cardiovascular technologies
- Proven Critical Systems development expertise that is applicable across multiple industries
- An impressive medical device development track record
- Our team includes diverse medical and scientific professionals whose insights are highly valued in our target markets
- De-risk & accelerate novel breakthrough product development programs

Recipient of FOUR International Good Design Awards in past year



Hydrix Ventures – Investing with product development expertise

Hydrix selectively makes early-stage venture investments in high potential clients who leverage our breakthrough product development, regulatory and project management expertise

Angel Medical Systems USA



Manufacturer of The GUARDIAN, the world's only FDA approved implantable continuous cardiac monitor with ACS detection technology.

Investment:

1,000,000 shares ~3% ownership, carrying value \$1.45m

Status: commenced sales

- FDA approved device in June 2021 and company commenced commercial sales 1/1/2022 under a USA Medicare TPT Code for US\$10,250 per device
- Anticipate a major revaluation funding event in the December 2022 half year followed by potential IPO in CY23

Market size:

- 10m USA heart attack survivors, 800k heart attacks p.a. ~25% are high risk, >USD\$2B p.a.

Cyder Surgical Limited



Developing an intra-operative surgical navigation system to assist surgeons position implants with greater accuracy during total hip arthroplasty.

Investment:

Equity-in-kind for contract R&D services, ownership ~7.5% (as milestones complete), carrying value \$1.1m

Status: pre-revenue

- Product development near completion, cadaver trials in progress to compile performance data for FDA and TGA submissions December half 2022
- Future product applications planned
- Anticipate a revaluation funding event in the December 2022 half year followed by potential IPO in CY23

Market size:

- ~2.5m hip replacements p.a. in USA, EUR, China. USA spend USD\$40b p.a.

Cyban Limited



Developing a non-invasive continuous tissue oxygen monitor measuring brain oxygen levels for patients in intensive care unit.

Investment:

\$0.5 million, ~6.0% ownership, carrying value is \$0.95m

Status: pre-revenue

- Recently completed a \$5.25m fund raising at a post-money valuation of \$16.25m
- Featured in The Australian 24/6/2022
- Finalising product development program with Hydrix to develop first commercial devices, with target FDA application in 2HCY23

Market size:

- 27m traumatic brain injuries p.a., target population ~3.7m

Memphasys Limited



Developing novel medical devices, diagnostics, and media with application to assisted reproduction technologies, including IVF in humans and artificial insemination in animals.

Investment:

500,001 shares, carrying value ~\$20,000 plus 3,000,000 unlisted \$0.10c Options expiring August 2023

Status: (ASX: MEM) commenced sales

- Commenced commercial sales, with product placed into India and Australia for use in human IVF programs
- Developing future products from base fluid bio-separation technology

Market size:

- Human IVF market expected to grow to USD \$26.4b in 2026, animal artificial insemination estimate US\$2.5b by 2026

Hydrix Medical – disruptive CVD products at a glance

The World Health Organisation (WHO) identifies Cardiovascular Diseases (CVDs) as the **leading cause of death** globally at 32%.

There is strong market demand for new technologies that can help identify, manage and lessen the impact of CVD.

Product	Application	Problem addressed	Status	Potential future market uptake & revenue p.a.
AngelMed - The GUARDIAN 	Cardiac Monitoring	The GUARDIAN is a heart attack warning system that reduces the stresses of living in fear of your next coronary event. The GUARDIAN constantly monitors your heart and alerts you to see a doctor or seek emergency intervention, including when experiencing atypical heart attack symptoms (refer p.11-12)	Exclusive rights to distribute (8 countries). Progressing through regulatory approvals in multiple jurisdictions including Australia & Singapore (refer p.13)	2% \$25m 5% \$60m <i>Initial markets only (refer p.14)</i>
Phyzhon PHYRARI FFR-Wire 	Cardiac Intervention	Ground-breaking technology enabling cardiologists to combine coronary artery assessment and diagnosis procedures with delivery of therapy including stents (refer p.15)	Exclusive rights to distribute in A&NZ. Waiting on final product delivery for Hydrix to commence first-in-human trials in Australia on behalf of Phyzhon	10% \$7.5m 20% \$15.0m <i>No-revenue for FY23</i>
Future products	Stated objective is to have at least three products in market producing revenues by 2025 We continue to evaluate additional CVD diagnostic, intervention and monitoring products for distribution and/or acquisition			

Hydrix Medical: The GUARDIAN – addressing an unmet patient need

The AngelMed GUARDIAN is at the forefront of real-time emergency cardiac event monitoring.

It is the world's only FDA approved implantable cardiac monitor with Acute Coronary Syndrome (ACS) detection technology.

It is implanted in a manner similar to that of a pacemaker. Unlike a pacemaker which helps pace the heart rhythm, the GUARDIAN monitors the heart 24 hours a day, 7 days a week to detect an emerging blood flow 'plumbing' problem in real-time.

The GUARDIAN continuously examines the heart signal for changes relative to a patients normal heart rhythm, which may indicate the heart muscle is not getting enough oxygen. If it detects such a change, it alerts the patient to immediately seek assistance.

The GUARDIAN can also detect events when a person has no symptoms or has symptoms that are not typical, and alert them to seek emergency medical attention.



The GUARDIAN®

Real-time heart attack monitoring and detection



The GUARDIAN value proposition

Patient

- **Real-time** detection of ACS events
- **91%** more predictive than symptoms alone for real ACS events & **8x faster time-to-door medical attention**
- Better outcomes - **reduce heart muscle damage & improve** quality of life

Payer

- **Costs savings** by reduction in false positives to Emergency Departments
- **Faster treatment** improves outcomes, and reduces costs with reduced heart muscle damage (shorter hospital stay, less drug costs etc)

Cardiologist / EP

- Continuous monitoring & alerting is adjunct to current practice
- Simple, known implant procedure
- Paradigm shift in secondary prevention of myocardial damaging ACS events

Provider

- Reduction in false positive rate: **26% reduction** in unnecessary ED visits (with no real ACS event) compared to symptoms alone
- Reduces ED overcrowding caused by unnecessary presentations

Hydrix Medical: The GUARDIAN – regulatory & insurance reimbursement status

Hydrix is actively working with the Australian Therapeutic Goods Administration (TGA) and other regulatory bodies to finalise approvals and reimbursement pathways to commence commercial implant journey.

Key priorities towards commercial market launch in Australia & Asia Pacific*

- Completed 8 sales and implants in Singapore since August 2020 under pre-Regulatory approved access schemes (SGD\$10,000/unit)
- Established a clinical Registry to track patients implanted with The GUARDIAN in Australia
- Completed first Australian private hospital medical advisory committee approval in preparation to commence implants
- Working with a large Australian cardiology group to recruit patients for initial implants under clinical Registry
- Expanding GUARDIAN key stakeholder insights and market analysis in support of refining go-to market strategies in S.E. Asia
- Regulatory applications pending approval in Australia and Thailand
- Regulatory approvals granted in Singapore, New Zealand and Malaysia
- Regulatory & market entry strategies for Japan, Hong Kong and Indonesia are work in progress



Process target timelines are estimates only, are subject to change and dependent on regulatory bodies and insurance reimbursement scheme timelines and processes

* Hydrix has exclusive rights to distribute The Guardian in 8 APAC jurisdictions

Hydrix Medical: The GUARDIAN – Australian Market Potential

Australian Addressable Market

Acute Coronary Syndrome - any condition brought on by a sudden reduction or blockage of blood flow to the heart. Capture rate estimates based on targeting 'high risk' patients with co-morbidities such as diabetes, renal insufficiency and obesity and prior ACS episode

Acute Coronary Syndrome Incidences p.a. 75,000

5%

5% market penetration
~\$38m in sales

2%

2% market penetration
~\$15m in sales

The GUARDIAN

The world's only FDA approved implantable cardiac monitor with Acute Coronary Syndrome (ACS) detection technology

Australian Market

Coronary Heart Disease is Australia's leading cause of death (17,700). Key data:

- 430,000 Australians have had a heart attack
- 75,000 ACS incidences p.a.
- 25% of ACS patients are high-risk (including those with co-morbidities)
- 180 heart attacks each day & 20 daily deaths
- 1/3rd of heart attacks are recurrent events
- 30%-50% of patients have no symptoms or no recognisable symptoms, i.e., a silent heart attack

Technical Maturity

A GUARDIAN implant procedure is like a single chamber pacemaker implant

Profitability

- Sales price target A\$10,000 per unit
- Gross profit margin target 40% per unit
- EBITDA target +18%

Sales value estimates for illustration purposes only, pricing remains subject to health scheme price agreements.

Data sources included: Australian Institute of Health & Welfare, Heart Research Institute, The Heart Foundation, ABS

Hydrix Medical: The GUARDIAN – APAC region market potential

GUARDIAN® market penetration leverages >5-decades of pacemaker surgery know-how and existing catheter laboratory infrastructure

Potential Market Size (illustration only)			Annual Sales Volume (units)		Annual Sales Value (A\$) ²	
Region	Population (M)	ACS Incidences p.a. ¹	2.0%	5.0%	2.0%	5.0%
Australia	25.8	75,000	1,500	3,750	\$15.0m	\$37.5m
Singapore	5.7	30,000	600	1,500	\$6.0m	\$15.0m
New Zealand	5.1	18,000	360	900	\$3.6m	\$9.0m
Direct to market	36.6	123,000	2,460	6,150	\$24.6m	\$61.5m
Malaysia	32.7	85,000	1,700	4,250		
Japan	125.8	289,000	5,780	14,450		
Hong Kong	7.5	12,500	250	625		
Indirect to market ³	166	386,500	7,730	19,325		

1. ACS = Acute Coronary Syndrome - any condition brought on by a sudden reduction or blockage of blood flow to the heart. Capture rate estimates based on targeting 'high risk' patients with co-morbidities such as diabetes, renal insufficiency and obesity and prior ACS episode
2. Sales value estimates for illustration purposes only, pricing remains subject to health scheme price agreements for each jurisdiction. Sales price target is A\$10,000 per device direct to market in Australia, Singapore & New Zealand. Estimated gross profit margins ~40%
3. Pricing not yet set in markets anticipated to be entered via sub-distribution arrangements: Malaysia, Hong Kong, Japan, Thailand & Indonesia which are included under exclusive distribution rights

Entitlement Offer Details

Entitlement Offer size and structure	▪ 1 for 2 pro-rata accelerated non-renounceable entitlement offer to raise approximately A\$6.0 million (Entitlement Offer). ▪ Approximately 98.8 million fully paid ordinary Hydrix shares (New Shares) to be issued under the Entitlement Offer. ▪ Baker Young is acting as Lead Manager to the Offer.
Offer price	The Entitlement Offer will be conducted at \$0.06 per New Share (Offer Price), which represents: ▪ 34% discount to the Offeror's last closing price of \$0.091 on Wednesday, 14 September 2022; and ▪ 41% discount to the 30 day Volume Weighted Average Hydrix Share Price of \$0.102.
Use of proceeds	Proceeds from the Entitlement Offer will be used to fund: ▪ Market development, regulatory applications, clinical trials and to expand cardiac devices portfolio ▪ Expand global business development and marketing of product design and engineering services ▪ Venture investments in high potential early stage medtech device clients; and ▪ Group working capital to support the strategy to become a global medtech company
Institutional investors	▪ The Institutional Entitlement Offer will be conducted from Thursday 15 September – Friday 16 September 2022. ▪ Any Entitlements not taken up, and the Entitlements of Ineligible Institutional Shareholders, will be sold in the Institutional Shortfall Facility.
Retail investors	▪ The Retail Entitlement Offer be made to existing Eligible Retail Shareholders. ▪ The Retail Entitlement Offer will open on Wednesday 21 September 2022, and close on Thursday 6 October 2022. ▪ Under the Retail Entitlement Offer, Eligible Retail Shareholders who take up their full Entitlement may also apply for Additional New Shares in excess of their Entitlement, under the Retail Shortfall Facility.
Ranking	▪ New Shares will rank equally with existing fully paid ordinary shares from their time of issue.
Record Date	▪ 7.00pm (Melbourne time) on Monday 19 September 2022.

Entitlement Offer Timetable

Event	Date (2022)
Announcement of the Entitlement Offer and Institutional Entitlement Offer open	Thursday, 15 September
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Key Risks

Risks specific to the Entitlement Offer

Future funding	The funds raised by the Entitlement Offer will be applied towards the Company's working capital requirements, and execution of its buy, build and invest growth strategy. The Company may be required to raise further funds for future operational activities. There is a risk that further raisings may not be on terms favourable to, or may dilute, existing Shareholders.
Dilution	Shareholders who do not take up their Entitlement will have their holding in the Company diluted.
Control	The Directors have taken reasonable steps through the Retail Shortfall Facility to maximise dispersion of any Shortfall under the Entitlement Offer, so as to reduce the control effects of the Entitlement Offer on the Company. However, assuming some Shareholders take up their Entitlement and others do not, there is a risk that voting power may be consolidated among fewer Shareholders and the interests of these Shareholders may not align with other Shareholders' interests.

Company and industry risks

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, mining, industrial, defence and other sectors, investing in early-stage medtech client ventures 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 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 the successful development of the business. - If the Company fails to maintain or secure 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.
Regulated industries	- Hydrix is a product design and engineering company, and partners with customers in industry sectors including medical, mining, industrial and defence, to help them design, develop and commercialise transformative technologies. - Hydrix's business model includes the distribution of medical device products in Australia and Asia Pacific, either directly or through sub-distributors. - The industries in which Hydrix, 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 Hydrix 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 Hydrix's major services projects or product sales could have a material adverse impact on the Company's financial performance.
Competition	Hydrix 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 Hydrix's major customers could have a material adverse impact on the Company's financial performance.

Key Risks (continued)

Regulatory approvals required to market the Guardian Device	▪ Hydrix Medical Pty Ltd (Hydrix Medical) owns the exclusive rights to distribute Angel Medical Systems, Inc.'s (AngelMed) Guardian® System (Guardian Device) in a number of Asia Pacific countries (each a Relevant Jurisdiction). The manufacture, labelling, sales and marketing of medical devices are subject to extensive regulations in each of the Relevant Jurisdictions, and Hydrix Medical will be required to obtain product clearances or approvals prior to marketing the Guardian Device in each of those jurisdictions, and maintain an up-to-date product registration with appropriate governmental authorities and regulatory bodies. ▪ AngelMed has received regulatory approval for the Guardian Device from the US Food and Drug Administration. In addition, Hydrix has also received regulatory approval for the Guardian Device from the Health Services Authority (HSA) in Singapore, the Ministry of Health in Malaysia, and it has been listed on the Medicines and Medical Devices Safety Authority in New Zealand. Hydrix Medical is currently pursuing regulatory approvals to market the Guardian Device in other Relevant Jurisdictions, including from the Therapeutic Goods Administration in Australia (TGA) (application submitted 26 July 2021), and the Food and Drug Administration in Thailand (Thai FDA) (application submitted 12 October 2021). ▪ As regulatory approvals are subject to government regulations in all jurisdictions, Hydrix Medical cannot guarantee that it will successfully maintain the registrations and clearances it currently holds or obtain the additional registrations and clearances that it is seeking or may receive in the future. In addition, Hydrix Medical cannot accurately predict product clearance or approval timelines, cost or other requirements that may be imposed by regulators (such as clinical trials or other requirements proving the benefits of the Guardian Device). Any delay in the receipt of regulatory approval or clearance (including for example in obtaining Australian TGA or Japan's Pharmaceuticals and Medical Devices Agency (PMDA) approval for the Guardian Device) may result in a delay to the intended launch date of the Guardian Device in the Relevant Jurisdictions. Delays may also affect Hydrix Medical's ability to achieve its growth objectives by geographic expansion of sales of the Guardian Device into new markets. There is also no guarantee that Hydrix will be granted all necessary regulatory and insurance reimbursement scheme approvals for the Guardian Device, and the success of earlier clearance or approvals may not necessarily be indicative of the success of subsequent product clearance or approval applications. ▪ Any delays or barriers to Hydrix Medical obtaining necessary regulatory approvals would limit the market opportunity until such time (if any) that Hydrix Medical is able to obtain such approvals for the Guardian Device. If Hydrix Medical fails to obtain regulatory approval for the Guardian Device in any of the Relevant Jurisdictions, the following risks may arise: ○ Failure to obtain or delays in obtaining regulatory approval may adversely impact Hydrix Medical's ability to meet its minimum sales and implant conditions under its distribution agreement with AngelMed. ○ Hydrix Medical anticipates deriving a material proportion of its revenue in the near-term from distribution of the Guardian Device in Australia. Failure to obtain or delays in obtaining regulatory approval in Australia from TGA may have a material adverse impact on the Company's ability to generate this revenue. ○ If Hydrix Medical is unable to successfully distribute and achieve meaningful market penetration of the Guardian Device (because the necessary approvals and/or insurance reimbursement schemes in any particular Relevant Jurisdiction cannot be obtained), the Company's commercial strategy may be adversely impacted and Hydrix Medical may need to reconsider its business model. ○ Failure to obtain or delays in obtaining regulatory approval may impact the ability and timing of Hydrix Medical obtaining insurance reimbursement approvals in various jurisdictions, potentially adversely impacting on the commercial business model of Hydrix Medical.
Reliance on Key Personnel	▪ Hydrix currently employs a number of qualified key personnel, who are integral to the Company's operations. Hydrix'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 Hydrix and its activities. Hydrix 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 Hydrix. Despite these measures, there is no guarantee that Hydrix will be able to attract and retain suitably qualified personnel.

Key Risks (continued)

Reliance on Systems	▪ The successful operation of Hydrix's business is dependent on various technologies including the internet and dedicated servers. Any significant disruption to these systems could have a materially detrimental effect on Hydrix's business.
Intellectual Property Rights	▪ The Company's core business is to create value through technology, and one of the Company's significant assets is its intellectual property rights in products and services, which it has developed. 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 products infringe 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 products 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 products and services which would have a material adverse effect on the financial and operating results of the Company.
Risks in international growth	▪ Hydrix's current business model includes offering design and engineering services to clients outside Australia, early-stage venture investing, and also the distribution of medical device products in Australia and Asia Pacific, either directly or through sub-distributors. Hydrix 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.
Venture risks	▪ Hydrix 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 Hydrix. 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 Hydrix.
Debt	▪ The Company is party to two shareholder loan agreements. Should a number of the risks outlined in this presentation eventuate, the Company may experience difficulty in making the repayments under those agreements as and when they fall due. ▪ A failure to comply with any of these repayment terms may require the Company to seek amendments, or alternative borrowing arrangements. There is no assurance that the lenders would consent to such an amendment or waiver in the event of non-compliance, or that such consent would not be conditional upon the receipt of a cash payment, revised pay-out terms, increased interest rates, or that the lenders would not exercise rights that would be available to them, including among other things, calling an event of default and 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 available funds to meet that demand.

Key Risks (continued)

General risks	
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.
Market conditions	- An investment in the Company's Securities 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.
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.
Force majeure	The Company's projects 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.
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) 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.
Litigation risk	The Company is not currently engaged in any litigation. However, the Company is exposed to the risk of 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 the financial performance, financial position, cash flow and share price of the Company.
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.

International Offer Restrictions

New Zealand	This Information Booklet has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act"). The New Shares 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 Financial Markets Conduct (Incidental Offers) Exemption Notice 2021. Other than in the Entitlement Offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who: ▪ is an investment business within the meaning of clause 37 of Schedule 1 of 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.
Malaysia	No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to the offer of New Shares. The New Shares under the Entitlement Offer may not be offered, sold or issued in Malaysia except to existing shareholders of the Company. Any New Shares not taken up under the Entitlement Offer may not be offered, sold or issued in Malaysia except pursuant to, and to persons prescribed under, Schedules 5 and 6 of the Malaysian Capital Markets and Services Act
Singapore	This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document relating to New Shares may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA. This document has been given to you on the basis that you are an existing holder of the Company's shares. If you are not such a Shareholder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore. Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

International Offer Restrictions (continued)

United Kingdom

Neither this document nor any document relating to the Entitlement Offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000 as amended (“**FSMA**”)) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to fewer than 150 persons who are existing shareholders of the Company. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (“FPO”), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations etc.) of the FPO, or (iii) to whom it may otherwise be lawfully communicated (together “relevant persons”). The investment to which this document relates is only to relevant persons. Any person who is not a relevant person should not at or rely on this document.

European Economic Area - Netherlands

An offer of New Shares to the public has not been made, and may not be made, in a Member State of the European Economic Area which has implemented a Prospectus Directive (each a “**Relevant Member State**”) except pursuant to one of the following exemptions under the Prospectus Directive as implemented in that Relevant Member State:

- at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- at any time to fewer than 150 natural or legal persons (other than qualified investors defined in the Prospectus Directive); or
- at any time in any other circumstances falling within article 3(2) of the Prospectus Directive,

provided that no such offer of New Shares referred to in (i) – (iii) above shall require Hydrix to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of New Shares to the public” in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer the New Shares to be offered so as to enable an investor to decide to purchase or subscribe for the New Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

Hydrix Limited - Board of Directors



Mr Gavin Coote
Executive Chairman

Gavin has extensive executive and board leadership experience, gained in the USA and Australia, working at companies with revenues of up to \$1 billion across diverse industries. It includes years with PricewaterhouseCoopers, a decade in technology mergers & acquisitions, corporate development, and venture investing in the United States, and fifteen years in Australian-based SME private equity at Imperium Capital Group across healthcare, industrial and residential construction materials, leisure and hospitality, and sports and entertainment.



Mr Paul Wright
Non-Executive Director

Paul has spent the last 18 years as CEO of three of Australia's leading international technology and biomedical companies, specifically ASX listed Universal Biosensors (UBI), Invetech and Vision Biosystems. At Universal Biosensors, Paul built long term partnerships with global diagnostics leaders Siemens Healthcare and Johnson & Johnson and led the company through a period of strong growth and new product development. Other past roles included 8 years with Bain & Company, and GM Corporate Development at TNT Logistics.



Mr Paul Lewis
Non-Executive Director

Paul started his career in technology leadership for companies including Mobil Oil Corporation, ICL and as Managing Partner for PA Consulting, Asia. Over the past 15+ years he has held a variety of Non-Executive Director and Advisory roles for companies including Volt Bank, Grassrootz, the Australian British Chamber of Commerce and Chair of ipSCAPE. Paul recently retired from the Board of the Magellan Financial Group after 15 years where he had served as Director from its inception.



Ms Julie King
Non-Executive Director

Julie has more than 40 years' experience in commercial and property negotiations, corporate communications, people and change management. She has held senior roles in maritime, airline, banking and FMCG industries. Julie is also a Director of a number of privately-owned businesses and the King Family Foundation. Julie and her husband manage property and share market portfolio investments.



Ms Joanne Bryant
Non-Executive Director

Joanne has more than 40 years of experience as an occupational therapist. She also has extensive experience in forensic occupational therapy and vocational counselling and is an expert witness in various medico-legal matters within the multi-tiered Victorian court system. She has worked with numerous organisations in both the public and private sectors to enhance individual workplace performance. Joanne is actively involved in the not-for-profit sector and is a Board member of "Outside the Locker Room".



Ms Alyn Tai
Corporate Counsel

Alyn is a practising lawyer who specialises in the areas of corporate and commercial law, and the provision of company secretarial, corporate governance and legal counsel services to entities listed on the Australian Securities Exchange. Alyn holds a Bachelor of Laws from the University of Exeter, and was called to the Bar of England and Wales before being admitted to the Supreme Court of Victoria as an Australian lawyer.

Hydrix – Senior Leadership



Vickie Edwards

*Director Sales & Operations,
Hydrix Medical*

Vickie has more than 25 years' of health technology industry expertise. She brings cardiothoracic clinical experience and a deep commercial capability and understanding of how to successfully bring new interventional cardiac devices to market. Her broad capabilities across sales, marketing, field operations, patient care and regulatory affairs further strengthen our senior leadership as we progress towards launch of a portfolio of cardiac products and technologies, initially in Asia-Pacific markets.



Paul Kelly

*General Manager,
Hydrix Medical*

Vickie has more than 25 years' of health technology industry expertise. She brings cardiothoracic clinical experience and a deep commercial capability and understanding of how to successfully bring new interventional cardiac devices to market. Her broad capabilities across sales, marketing, field operations, patient care and regulatory affairs further strengthen our senior leadership as we progress towards launch of a portfolio of cardiac products and technologies, initially in Asia-Pacific markets.



Robert Brierly

*Global Director,
Human Resources*

A passionate, strategic thinking, people and culture leader and consultant, with a proven track record in handling complexity, adapting to rapid and ambiguous change and advising staff and leaders to achieve organisational capability and agility. Applying composure under pressure, leveraging analytics and data to create sustained culture change. Optimising best practice governance through proven robust policies and procedures, protecting brand and reputation through collaborative business partnerships.



Alan Morris

Group Marketing Director

Alan has 30 years' experience in new product development consulting, with expertise in disruptive innovation, new and emerging technologies, and driving marketing strategies for the MedTech and biomedical consulting markets. His experience includes marketing and development roles for more than 20 years with Invetech, a global leader in IVD and Cell Therapy product innovation



Mark Langham

Group Financial Controller

Mark is a versatile accounting executive with experience in multiple industry sectors gained through his work in public practice, SME private equity, and professional service firms over the past 15+ years'. Mark is a Registered Tax Agent and Financial Advisor, and a Member of the Institute of Chartered Accountants in Australia and New Zealand

Hydrix – Senior Leadership (cont'd)



Michael Trieu
*General Manager
Hydrix Services*

Michael is an R&D innovation leader with 20 years of hands-on system innovation, research, design, development and delivery experience in the field of military underwater sonar, active implantable medical devices, medical device infection control and medical device engineering consulting. He has held senior roles at both Cochlear and Nanosonics.



Peter Riddell
*Director Business Development
Hydrix Services*

Peter is an accomplished business development professional with experience growing international consultancy businesses. He has 30+ years of experience in medical device, diagnostics and point-of-care markets together with driving growth across emerging markets including Cell Therapy Platforms. Peter's role at Hydrix is to drive strategy and direct the business development function, as they identify and pursue new market opportunities.



Graeme Robertson
*Project Management Office
Director
Hydrix Services*
Graeme has been a consultant and Project Manager for over 20 years in the development of a broad range of medical, diagnostic and health care instruments, including the past three years devoted to MCS systems development. Graeme has also worked as a Digital Electronics Design Engineer and Project Manager in the design and manufacturing of Atomic Absorption, UV-Visible, and ICP spectrometers (Varian), and high-speed communication test equipment (Hewlett Packard).



Andrew Beal
*Engineering Manager
Hydrix Services*

Andrew has more than 16 years experience in the development of complex electronic systems. His role today at Hydrix has him responsible for building and maintaining our world class engineering team of passionate professionals, delivering exceptional products for our clients. Andrew brings a unique insight to this critical people management role providing mentorship, training and career development opportunities. His project experience includes FDA Class II & III medical devices, rail, automotive and industrial products



Peter Lewis, AM
*EVP Business Development
Hydrix Services*

Peter is an accomplished executive with 30 years' experience of international business development having lived and worked in markets across Asia, the USA, and Europe. During his career, Peter has had a variety of roles across R&D, finance, M&A, international trade and sales & marketing generating over \$1 billion in new business value in medical and advanced technologies.

Hydrix Limited – Corporate snapshot

Major Shareholders

	Shares (m)	%
John W. King Nominees	21.4	10.8
Patagorang & related entities (Roger Allen)	10.4	5.3
Invia Custodian (Paul Lewis)	9.9	5.0
Pusen Medical Technology Australia Pty Ltd	6.6	3.3
Gavin Coote & related entities	3.9	2.0
BNP Paribas Nominees	3.6	1.8
Jasper Capital Ltd	3.0	1.5
Top 20	84.1	42.6

Board

Gavin Coote (GAICD)	Executive Chairman
Paul Wright	Non-Executive Director
Julie King (GAICD)	Non-Executive Director
Paul Lewis (FAICD)	Non-Executive Director
Joanne Bryant	Non-Executive Director
Alyn Tai	Corporate Counsel and Company Secretary

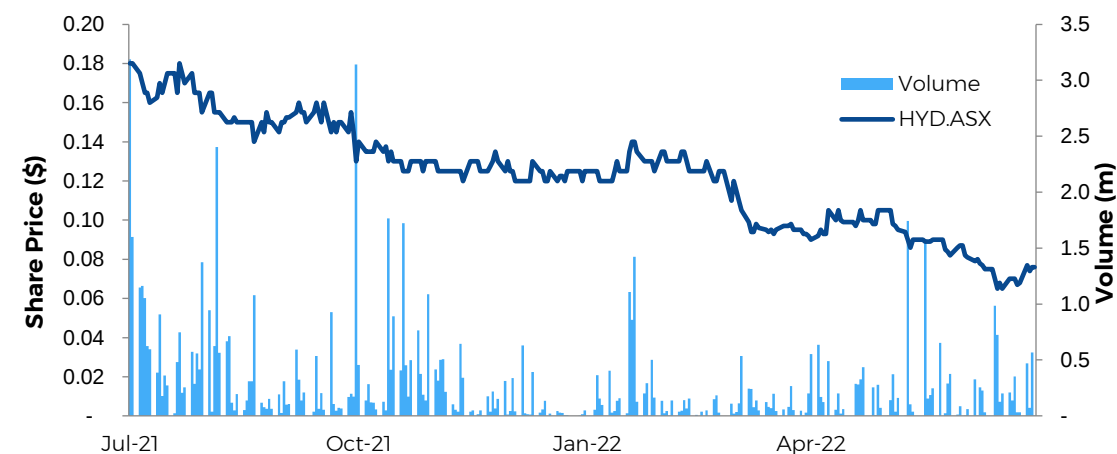
Capital Structure

(as of 4 September 2022)

Ticker	HYD
Share Price	\$0.091
Shares on Issue (m)	197.6
Options and Performance Rights (m)	36.1
Warrants*	1
Market Capitalisation (undiluted) (A\$m)	\$18.0m

*On issue to a previous lender, exercisable into 8 million shares.

Share Price History



Executive summary

- Diversified global medtech company – 20 year history in breakthrough product development, Melbourne-based, 70 employees
- Commercial model consists of **three** complementary business segments:
 - **Services:** Internationally recognised and awarded fee-for-service product design and engineering business
 - FY22 revenues **\$10.3m** up **40% YoY**
 - FY23 outlook is for **+20%** revenue growth, improving gross profit margins & resource utilisation, profitability
 - **Medical Products:** Two pre-revenue stage disruptive cardiovascular products under exclusive APAC distribution rights, including
 - The GUARDIAN, only FDA approved, implanted heart attack alert device, significant product revenue potential (~\$10s of millions)
 - Significant **key** catalyst milestones and **news flow** over the next 12 months commencing 2HCY22
 - Exploring complimentary cardiovascular products to add scale and product portfolio revenues and profitability
 - **Ventures:** selectively invest in high potential medtech Services clients
 - Four early stage medtech investments, book value **\$3.65m**, 2 are pre-revenue, 2 have commenced commercialisation
 - Valuation outlook next 12-to-24 months ~5x to 10x the cash cost base of **~\$2.0m**
- Cash on hand **\$1.94m** (30/6/22) plus potential cash inflows under the Loyalty Option Program announced 8 August 2022
- Attractive market value entry point with key near-term milestone growth catalysts

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Disclaimer

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This presentation is dated 15 September 2022 and has been prepared and authorised by Hydrix Limited (ACN 060 369 048) (“**Hydrix**”) in connection with an accelerated pro-rata non-renounceable entitlement offer of fully paid ordinary shares (**New Shares**) to eligible shareholders (**Offer**).

NOT AN OFFER DOCUMENT

This presentation is not a prospectus, product disclosure statement or other disclosure document under Australian law (and will not be lodged with the Australian Securities and Investments Commission (“**ASIC**”)) or any other law. This presentation is for information purposes only and is not an offer or an invitation to acquire New Shares or any other financial products in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer or invitation. This presentation does not constitute investment or financial advice (nor tax, accounting or legal advice) or any recommendation to acquire New Shares and does not and will not form any part of any contract for the acquisition of New Shares.

This presentation may not be distributed or released in the United States. This presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. The New Shares to be offered and sold under the Offer have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares in the Offer may not be offered or sold, directly or indirectly, to any person in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable U.S. state securities laws. Each person that is in the United States that reviews the information contained in this presentation in connection with the Offer will be deemed to (A) represent that it is either (1) a “qualified institutional buyer” within the meaning of Rule 144A under the U.S. Securities Act or (2) a dealer or other professional fiduciary organised or incorporated in the United States that is acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not “U.S. persons” (as defined in Rule 902(k) under the US Securities Act) for which it has, and is exercising, investment discretion, within the meaning of Rule 902(k)(i) under the U.S. Securities Act and (B) agree that it will not forward or deliver this presentation, electronically or otherwise, to any other person.

By accepting this presentation you represent and warrant that you are entitled to receive such presentation in accordance with the above restrictions and agree to be bound by the limitations contained herein. The distribution of this presentation (including an electronic copy) may be restricted by law in certain other countries. You should read the important information set out in the ‘International Offer Restrictions’ section of this presentation. Failure to comply with these restrictions may constitute a violation of applicable securities laws.

Each recipient of this presentation should make their own enquiries and investigations regarding all information included in this presentation including the assumptions, uncertainties and contingencies which may affect Hydrix’s future operations and the values and the impact that future outcomes may have on Hydrix

SUMMARY INFORMATION

This presentation contains summary information about Hydrix and its activities which is current only as at the date of this presentation (unless otherwise stated). The information in this presentation is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in Hydrix or that would be required to be included in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act.

Hydrix’s historical information in this presentation is, or is based upon, information that has been released to the Australian Securities Exchange (“**ASX**”). This Presentation should be read in conjunction with Hydrix’s other periodic and continuous disclosure announcements lodged with the ASX, which are available at www.asx.com.au

NOT FINANCIAL PRODUCT ADVICE

This presentation is for information purposes only and is not financial product advice or investment advice, nor a recommendation to acquire New Shares, will not form part of any contract for the acquisition of New Shares and has been prepared with out taking into account the objectives, financial situation and needs of individuals. Before making an investment decision, prospective investor s should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek appropriate advice, including financial, legal and taxation advice appropriate to their jurisdiction.

PAST PERFORMANCE

Past performance and pro forma historical financial information in this presentation is given for illustrative purposes only and should not be relied upon and is not an indication of future performance, including future share price information. Historical information in this presentation relating to Hydrix is information that has previously been released to the market. For further details on that historical information, please see past announcements released to the ASX.

KEY RISKS

An investment in Hydrix is subject to investment risks including possible loss of income and principal invested. Hydrix does not guarantee any particular rate of return or the performance of Hydrix . Recipients should read the ‘Key Risks’ section of this presentation for a non exhaustive summary of the key risks that may affect Hydrix and its financial and operating performance.

WITHDRAWAL AND COOLING OFF

Hydrix reserves the right to withdraw, or vary the timetable for the Offer without notice. Cooling off rights do not apply to the acquisition of New Shares.

Disclaimer (contd.)

FORWARD LOOKING STATEMENTS

The information in this presentation is subject to change without notice and Hydrix is not obliged to update or correct it. This presentation contains statements that constitute "forward looking statements". The forward looking statements include statements regarding Hydrix's intent, belief or current expectations with respect to the timetable, conduct and outcome of the Offer and the use of proceeds therefore, statements about the plans, objectives and strategies of the management of Hydrix, statements about the industry and markets in which Hydrix operates, statements about the future performance of Hydrix's business and its financial condition, indicative drivers, forecasted economic indicators and the outcome of the Offer and the use of proceeds. Words such as "will", "may", "expect", "indicative", "intent", "seek", "would", "should", "could", "continue", "plan", "probability", "risk", "forecast", "likely", "estimate", "anticipate", "believe", "aim" or similar words are used to identify forward looking statements.

You are strongly cautioned not to place undue reliance on forward looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the COVID 19 pandemic. Any such statements, opinions and estimates in this presentation speak only as of the date hereof and are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates. Forward looking statements are provided as a general guide only. The forward looking statements contained in this presentation are not indications, guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Hydrix, its officers, employees, agents and advisers, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Forward looking statements may also assume the success of Hydrix's business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond Hydrix's control, and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward looking statements may have been prepared or otherwise. Refer to the 'Key Risks' section in this presentation for a non exhaustive summary of certain key business, offer and general risk factors that may affect Hydrix.

There can be no assurance that actual outcomes will not differ materially from these statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements, including (without limitation) the risks and uncertainties associated with the ongoing impacts of COVID 19, the Australian and global economic environment and capital market conditions and other risk factors set out in this presentation. Investors should consider the forward looking statements contained in this presentation in light of those risks and disclosures. The forward looking statements are based on information available to Hydrix as at the date of this presentation.

To the maximum extent permitted by law, responsibility for the accuracy or completeness of any forward looking statements whether as a result of new information, future events or results or otherwise is disclaimed. Hydrix disclaims any responsibility to update or revise any forward looking statement to reflect any change in Hydrix's financial condition, status or affairs or any change in the events, conditions or circumstances on which a statement is based, except as required by law.

DISCLAIMER

While the information in this presentation has been prepared in good faith and with reasonable care, no representation or warranty, express or implied, is made as to the accuracy, adequacy or reliability of any statements, estimate, opinions or other information contained in the presentation.

Neither the lead manager of the Offer ("Lead Manager"), nor any of the Lead Manager's or Hydrix's respective advisers or any of their respective affiliates, related bodies corporate, directors, officers, partners, employees and agents, have authorised, permitted or caused the issue, lodgement, submission, dispatch or provision of this presentation and none of them makes or purports to make any statement in this presentation and there is no statement in this presentation which is based on any statement by any of them. To the maximum extent permitted by law, Hydrix, the Lead Manager and its respective advisers, affiliates, related bodies corporate, directors, officers, employees and agents:

- exclude and disclaim all liability (including, without limitation, for negligence) for any direct or indirect expenses, losses, damages or costs incurred as a result of participation in the Offer or the information in this presentation being inaccurate or incomplete in any way for any reason; and
- make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of information in this presentation and take no responsibility for any part of this presentation.

The Lead Manager and their respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents ("Lead Manager Parties") take no responsibility for the Offer and make no representations or warranties concerning the Offer, and they disclaim (and by accepting this presentation you disclaim) any fiduciary relationship between them and the recipients of this presentation, or any duty to the recipients of this presentation or participants in the Offer. Determination of eligibility of investors for the purposes of the Offer is determined by reference to a number of matters, including at discretion of Hydrix or the Lead Manager. Hydrix and the Lead Manager Parties disclaim any liability in respect of the exercise of that discretion, to the maximum extent permitted by law.

FINANCIAL INFORMATION AND REFERENCES TO HYDRIX

In this presentation, unless otherwise stated or the context requires otherwise, references to 'dollar amounts', '\$', 'AUD' or 'A\$' are to Australian dollars.

This Presentation includes certain historical financial information extracted from Hydrix's audit reviewed consolidated financial statements for the 6 months ended 31 December 2021 (collectively, the "Historical Financial Information"). The Historical Financial Information is presented in an abbreviated form insofar as it does not include all the presentation and disclosures, statements or comparative information as required by the Australian Accounting Standards (AAS) and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act. The Historical Financial Information provided in this Presentation is for illustrative purposes only and is not represented as being indicative of the Hydrix's views on its future financial condition and/or performance.

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