

HYDRIX SUCCESSFULLY RAISES A\$2.5 MILLION

- Successfully completed a A\$2.5 million equity raising at 2.9 cents per share
- Share Purchase Plan (SPP) offer to eligible shareholders at the placement price, capped at A\$1.0m
- Proceeds from Placement and SPP fund acquisition of exclusive distribution rights of the Guardian® System and working capital to underpin continued growth of the services business

Hydrix Limited ('**Hydrix**' or 'the **Company**') is pleased to announce the successful completion of a placement of 86,000,000 fully paid ordinary shares at 2.9 cents per new share, raising a total of A\$2.5 million.

The funds will be used to continue the implementation of the Company's strategy to leverage the services business to generate long term, annuity revenue streams through ownership of product and/or technology (IP). In addition, the funds provide working capital to acquire the exclusive distribution rights of the Guardian System in Asia Pacific, undertake the regulatory and reimbursement approval in Australia and Singapore, and the commercialisation launch.

Hydrix's Chairman, Gavin Coote, commented: "We are pleased with the support for this capital raising from both our existing shareholders and new shareholders who we welcome to the register."

"The funds raised from the Placement and SPP, along with the recent A\$5 million debt facility with PURE Asset Management, provide working capital to support the continued revenue growth of the services business, implementation of our 'buy, build, invest' strategy, minimise shareholder dilution and repay the majority of existing shareholder loans. The new capital will enable us to execute several new growth opportunities while also achieving the Company's first full year cash operating profit⁽¹⁾ which is anticipated for this financial year."

Placement

The Company has received firm commitments from sophisticated and professional investors to subscribe for 86,000,000 new fully paid ordinary shares (**Shares**) at an issue price of 2.9 cents per Share (**Placement**), raising \$2.5 million before costs. The Placement price represents a 10% discount to the last closing price of 3.2 cents prior to the date of this announcement.

The Placement subscribers include Directors Gavin Coote and Paul Wright, who have each subscribed for Shares to the value of A\$50,000. The participation of Mr Coote and Mr Wright in the Placement will be subject to shareholder approval, which will be sought by the Company at its forthcoming annual general meeting. The Company is pleased with the continuing support demonstrated by the Board and all longstanding shareholders.

Settlement of the Placement is expected to occur on or around Thursday 7 November 2019, and save for the Directors' participation which will be subject to shareholder approval as described above, the new shares under the Placement are expected to be issued shortly after settlement under the Company's existing placement capacity pursuant to ASX Listing Rule 7.1.

The new Shares issued under the Placement will rank equally with existing Hydrix shares, and the Company will apply for quotation of the new Shares on ASX.

Henslow Pty Ltd acted as Lead Manager to the Placement.

Share Purchase Plan

The Company intends to offer all eligible shareholders the ability to participate in a Share Purchase Plan (**SPP**) to acquire up to A\$30,000 worth of Shares at an issue price of 2.9 cents per Share, without any additional brokerage or other transaction costs. The SPP is not underwritten and the amount raised will be capped at A\$1.0 million. Subscriptions may be subject to a scale-back at the discretion of Hydrix' directors.

Participation in the SPP will be entirely optional and will be available exclusively to shareholders who were registered as holders of Shares at 5.00pm (Melbourne time) on 1 November 2019, and whose registered address is in Australia or New Zealand (**Eligible Shareholders**).

Further details of the SPP, including terms and conditions, will be outlined in a separate SPP offer document which will be despatched to Eligible Shareholders within the next 10 business days.

Any Shares not subscribed for by Eligible Shareholders under the SPP (**Shortfall Shares**) may be offered to institutional and sophisticated investors as a separate placement at the discretion of the directors. Any placement of the Shortfall Shares will be undertaken in accordance with the ASX Listing Rules.

(1) Cash operating profit is Earnings before Interest, Tax, Depreciation, Amortisation (EBITDA) and Share-based payments for a full year and may vary on a quarterly basis

-ENDS-

For more information, contact: info@hydrix.com

About Hydrix Limited

*Hydrix (**ASX: HYD**) is a product design and engineering company, specialising in complex, regulated and safety-critical projects. We partner with clients to help design, develop and commercialize transformative medical device, consumer, industrial, defence and aerospace products.*

For more information, please visit: www.hydrix.com