

Hydrix Trading Update

Hydrix Limited (**Hydrix** or the **Company**) (ASX: **HYD**) is pleased to report that the financial year ending 30 June 2019 marked an extremely successful period for the Company, where it both met and exceeded all its guided expectations by some margin. During the 2019 financial year, Hydrix:

- achieved substantial growth in revenue, with a record total revenue;
- reported a maiden cash operating profit for the fourth quarter in FY19;
- finished the year well placed to deliver continued revenue growth in FY20; and
- commenced the Company's Buy, Build, Invest strategy with some initial investments in clients of Hydrix services.

At the end of FY19, Hydrix set out key milestone targets for the 2020 financial year (**FY20**), which it reaffirms today, being:

- Revenue growth to exceed 15% year on year;
- Deliver a full year cash operating profit ⁽¹⁾;
- Implement one 'buy, build, invest' initiative.

As the Company approaches the end of the first half of the financial year, it continues to make excellent progress in achieving these targets.

In October, Hydrix announced that it had entered into a conditional agreement to secure the exclusive rights to distribute Angel Medical Systems Guardian in eight Asia Pacific countries, fulfilling its guidance target of implementing a buy, build, invest initiative. The Guardian System is the world's first FDA approved implantable heart attack alerting system.

In November, Hydrix completed a capital raising of equity and debt for an aggregate of \$7.6 million, which allowed the Company to repay existing debt as well as ensuring the business is well funded going forward.

The principal operating division, Hydrix Services continues to perform well with its profitable trajectory. At the half year end, the Company expects to be able to report strong revenue growth, and significantly ahead of the same period last year (H1 FY19) by at least 30%. With a healthy pipeline of potential revenue from potential projects, which currently exceeds \$50 million, the Company anticipates continued revenue growth from Hydrix Services.

Hydrix is therefore confident to re-affirm its guidance for FY20, and enters the new year with a platform for growth, world class talent, a strengthened balance sheet and significant opportunities for growth via its buy, build, invest strategies, in line with the vision of becoming a leading global technology and engineering company, bringing ground breaking technologies to life.

Note (1) Cash operating profit is Earnings before Interest, Tax, Depreciation, Amortisation (EBITDA) and Share-based payments for a full year (excluding 'buy, build' invest' initiatives) and may vary on a quarterly basis.

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Authorisation: This announcement has been authorised by the Board of Hydrix Limited.

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About Hydrix Limited

Hydrix Limited (ASX: HYD) is a product design and engineering company, specializing in complex, regulated and safety-critical projects. We partner with clients to help design, develop and commercialize transformative technologies in sectors including medical, mining, industrial and defence.