

Entitlement Offer – Letter to Optionholders

Hydrix Limited (ASX: **HYD**) (**Hydrix** or **Company**) today announced a non-renounceable pro-rata entitlement offer of new fully paid ordinary shares in Hydrix (**Shares**), which entitles eligible shareholders to subscribe for 1 new Share for every 3 Shares held on the record date of 7.00pm (AEST) on Thursday, 9 July 2020, at an issue price of 7.5 cents per Share (**Entitlement Offer**).

Attached is a letter despatched by Hydrix today to all Option and Warrant holders of the Company, in relation to the Entitlement Offer.

-ENDS-

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

Contact details: For more information, please contact:

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About Hydrix Limited

Hydrix Limited (ASX: HYD) is a powerful product innovation company. We leverage our product innovation capability across multiple growth platforms. These platforms include Hydrix Services design and engineering to create products which transform markets; Hydrix Ventures to pick winning investments in high potential innovative products; and Hydrix Medical to create new product revenue streams bringing cardiovascular technologies to market.



6 July 2020

Dear Security holder,

**Hydrix Limited - Pro-rata non-renounceable Entitlement Offer
Notification to Option and Warrant holders**

On 6 July 2020, Hydrix Limited (**Hydrix** or the **Company**) announced that it is undertaking a non-renounceable pro-rata entitlement offer of new fully paid ordinary shares (**Shares**) to raise approximately \$2 million (before costs), under which eligible shareholders are entitled to subscribe for 1 new Share for every 3 Shares held on the record date of 7.00pm (AEST) on Thursday, 9 July 2020 (**Record Date**), at an issue price of 7.5 cents per Share (**Entitlement Offer**).

For every 3 new Shares validly subscribed for under the Entitlement Offer, eligible shareholders will also receive 1 free option to acquire a Share, exercisable at 12 cents on or before 31 July 2022 (**Entitlement Option**). The Entitlement Offer is fully underwritten by Henslow Pty Ltd.

The Entitlement Offer is only made to eligible shareholders of Hydrix, being shareholders who:

- (a) are registered as a holder of Shares as at the Record Date of 7.00pm (AEST) on 9 July 2020; and
- (b) have a registered address in Australia or New Zealand.

On 6 July 2020, Hydrix also announced that it has received binding commitments from sophisticated investors to subscribe for 13.3 million new Shares, at the same issue price under the Entitlement Offer of 7.5 cents per Share (**Placement**). For every 3 new Shares subscribed for under the Placement, investors will receive 1 free option to acquire a Share, on the same terms as the Entitlement Options issued under the Entitlement Offer.

Completion of the Placement is subject to shareholder approval under ASX Listing Rule 7.1, which the Company intends to seek at a general meeting to be convened shortly. The Company will raise approximately \$1 million (before costs) under the Placement.

The Entitlement Offer and Placement offer are being made pursuant to a prospectus, a copy of which was lodged by Hydrix with ASX on 6 July 2020, and available on the Company's website.

You are receiving this letter as you hold options over unissued shares in Hydrix. The purpose of this letter is to give you notice that if you wish to participate in the Entitlement Offer with respect to your options (assuming you have a registered address in Australia or New Zealand), you must exercise your options before the Record Date of 7.00pm (AEST) on Thursday, 9 July 2020.

To ensure that your new Shares are allotted before the Record Date, your option exercise notice together with the correct monies (in cleared funds) must be received by the Company or its share registry, Boardroom Pty Limited, no later than 8 July 2020. Any notice of exercise of option received after this date cannot be assured of allotment before the Record Date.

If you do not wish to participate in the Entitlement Offer (in respect of your options), you do not need to take any action.



Before deciding whether to exercise all or any of your options, you should consider the terms of the Entitlement Offer carefully and if in any doubt, consult with your professional advisor. You should also consider the exercise price of your options, which may be above the current ASX price for Hydrix Shares, and above the issue price of 7.5 cents under the Entitlement Offer.

Hydrix also encourages you to read its Prospectus and announcements lodged by Hydrix with ASX on 6 July 2020, containing the terms of the Entitlement Offer.

If you have any queries in relation to:

- your options – please contact Hydrix’s Company Secretary, Ms Alyn Tai, on Alyn.Tai@hydrix.com.
- the Entitlement Offer or your option holding in the Company – please contact Hydrix’s share registry, Boardroom Pty Limited, on 1300 737 760 within Australia and +61 2 9290 9600 outside Australia.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Gavin Coote", is written over a light blue circular line.

Gavin Coote
Executive Chairman