



FY20 Results

Investor Presentation

26 August 2020

FY20 Results

- Total revenue of \$15.9m, up 12% on pcp (FY19: \$14.2m)
- Services revenue of \$14.9m¹, up 12% on pcp (FY19: \$13.3m)
- Cash operating loss² of \$79k, a significant improvement on \$1.95m loss in FY19
- Cost reduction initiatives within the core business, implemented due to COVID-19, have resulted in monthly cost reductions of ~20% and sustainable in FY21

Hydrix Medical

- In March 2020, signed exclusive distribution agreement (including 5% equity stake in AngelMed) to distribute the AngelMed Guardian device, world's first FDA approved implantable heart attack warning system
- In August 2020, 1st implants in APAC were carried out in 4 patients under guidance of Cardiologist Dr Leslie Lam in Singapore
 - All patients have since been discharged from hospital, with follow up appointments scheduled for this week
- Significant milestone providing a foundation for future implants under early access schemes in Singapore & Australia
- Distribution rights cover 8 APAC countries in which over 500,000 people suffer annually an acute coronary syndrome event
- Opportunity represents a large addressable market with a 1.0% market share in the top four Asia Pacific countries initially being targeted potentially translating into \$35m+ in annual Guardian revenue

Outlook & Strategy

- Progressing discussions in Australia for implants under TGA's Special Access Scheme, with potential for first implants in Q2 FY21, subject to reaching commercial, medical, and regulatory arrangements and COVID-19 disruptions
- Strong pro forma cash of \$4.2m, includes raise of \$2.75m (net) from entitlement offer & placement + \$0.75m debt reduction
- Given cost saving initiatives already in place, anticipate to generate a positive cash operating profit² in FY21

1. Excludes JobKeeper, ATO Cash Flow Boost, and R&D rebate income

2. Cash operating profit is Earnings before Interest, Tax, Depreciation, Amortisation (EBITDA) excluding share-based payments and 'buy, build, invest' initiatives and may vary on a quarterly basis



Hydrix – Business Overview

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Hydrix is leveraging its powerful product innovation capability to capture more of the value it creates across multiple growth platforms

Hydrix Services

Product Design & Engineering Services

- Deliver world class product design, engineering & regulatory services to create market leading solutions which improve lives
- We apply years of know-how to:
 - (i) de-risk product development,
 - (ii) create market-leading solutions, and
 - (iii) accelerate go to market strategies
- Driven by our clients to be “match-fit” in product development, creating a powerful innovation capability for the Hydrix Group

Hydrix Ventures

Direct & ‘Equity for Service’ Investments

Leveraging deep commercial market insights and technical expertise to “*pick winning investments*” in high-potential medical technologies from large deal-flow

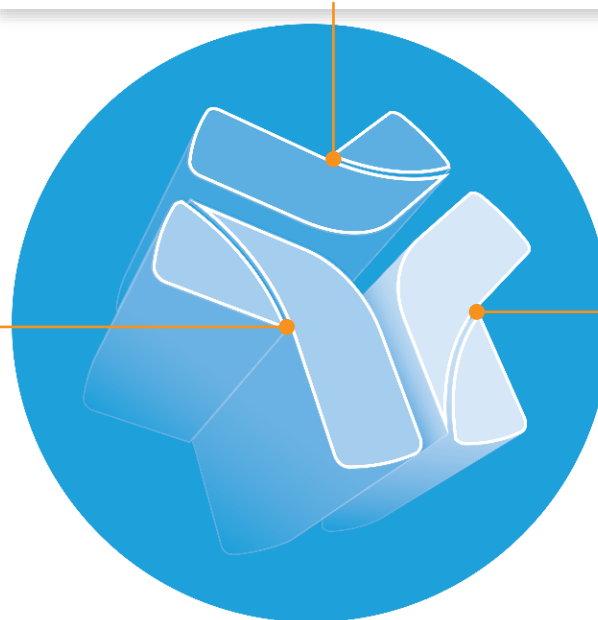
Hydrix Medical

Tech-rich Cardiovascular Products, Technologies & Services

Cardiovascular disease afflicts 14% of the global population, cause of 31% of deaths

Hydrix Medical's mission is to identify and distribute technology-rich cardiovascular products, technologies and services in Asia-Pacific markets that:

- Improve patient quality of life and well-being
- Provide a greater sense of freedom and mobility
- Potential to transform Hydrix through strong recurring product and monitoring services revenue growth



Continuing to deliver revenue growth in a challenging environment whilst diligently managing expenses

Profit & Loss

Profit & Loss \$000's	Hydrix Services	Hydrix Ventures	Hydrix Medical	Hydrix Limited ¹	FY20 Total	FY19 Total
External Customer Revenue	14,950	-	-	-	14,950	13,321
Other Revenue	770	-	-	179	950	845
Total Revenue	15,720	-	-	179	15,900	14,165
Employee Expenses	(10,955)	-	(160)	(503)	(11,618)	(10,284)
Project Materials Expenses	(1,577)	-	-	-	(1,577)	(2,378)
Other Expenses	(1,416)	(3)	(503)	(1,005)	(2,927)	(4,276)
Total Expenses	(13,948)	(3)	(663)	(1,508)	(16,121)	(16,938)
EBITDA	1,772	(3)	(663)	(1,329)	(222)	(2,772)
Depreciation & Amortisation	(1,147)	-	(2)	(12)	(1,160)	(692)
Finance Costs	(434)	-	-	(871)	(1,305)	(466)
Other Non-Cash Items	(208)	-	195	(173)	(186)	(64)
NPBT	(16)	(3)	(470)	(2,385)	(2,873)	(3,994)
(add) Hydrix Medical	-	-	663	-	663	210
(add) Share Based Payments	-	-	-	183	183	613
(add) Depreciation & Amortisation	1,147	-	2	12	1,160	692
(add) Finance Costs	434	-	-	871	1,305	466
(add) Other Non-Cash Items	208	-	(195)	173	186	64
(less) Straight-Line Rent Adj.	(604)	-	-	(100)	(704)	0
Cash Operating Profit	1,169	(3)	(0)	(1,245)	(79)	(1,950)

1. Hydrix Limited is listed holding company – costs associated with Board, Snr Management, group accounting, governance and ASX listing fees are all allocated to Hydrix Limited

Key Insights

- FY20 Services revenue of \$14.9m, up 12% on pcp (FY19: \$13.3m)
 - Other revenue includes JobKeeper, ATO Cash Flow Boost & R&D grant
- Due to COVID-19, there was a slowing and deferral in timing of some contract conversions, highlighted by Q4'20 revenue of \$3.0m
- Swift cost saving initiatives have resulted in monthly cost reductions of ~20%, sustainable during FY21
- Other expenses in Hydrix Limited include: Board and senior management fees, audit and accounting, relevant portion of rent and other overheads and governance and ASX listing fees
- Services business profitable, helping drive investment in other divisions
- Overall cash operating loss of \$79k, a significant improvement on \$1.95m loss in FY19
- Strong pro forma cash of \$4.2m, includes capital raise of \$2.75m (net) from entitlement offer & placement + \$0.75m debt reduction



Hydrix Services: Global Expertise In Large & Growing Sectors

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Creating leading products & innovations that transform markets

Medical Technologies

Portable X-Ray Machine

Hydrix was the primary development partner of the first carbon nanotube mobile x-ray platform.

Unique ultra-lightweight, mobile x-ray imaging systems for medical applications.

Guided client from 'concept' to 'commercialisation'.



Bio-separation Device

Hydrix developed a Bio-separation device for first application use in human invitro fertilization (IVF).



Industrial & Mining

Mining

Hydrix is driving technology innovation initiatives across the industry including new mechanisms to capture more detailed blast hole data.

These analytics help improve efficiencies in the use of explosives and operator safety.



Water & Sewer Management

Hydrix created a connected technology that revolutionises sewer system management from a desktop or remote device.



Defence & Rail

Defence Training

Hydrix is providing integration and engineering development services for the development of hardware and software elements of the airborne JTAC training system.

Hydrix is supporting algorithm development, AI & software development for the project



Mobile Jamming System

Hydrix developed an electro magnetic pulse electronics disabling system ('jamming')

Portable, ruggedized, low power, low noise, natural cooling, lightweight pack.



Hydrix Medical - Overview

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Hydrix Medical's mission is to identify and distribute technology-rich cardiovascular products in Asia-Pacific markets that will:

- **Improve patient quality of life and well-being**
- **Provide a greater sense of freedom & mobility**

Our commitment is to ensure we exceed our customers' expectations of product technology, training and in-field support.



1st Portfolio Product -> AngelMed Guardian

An implantable monitoring device that can detect Acute Coronary Syndrome (ACS) events, including silent heart attacks.

A world 'first of kind' device, approved by the FDA who concluded the Guardian **"satisfies an unmet need."**

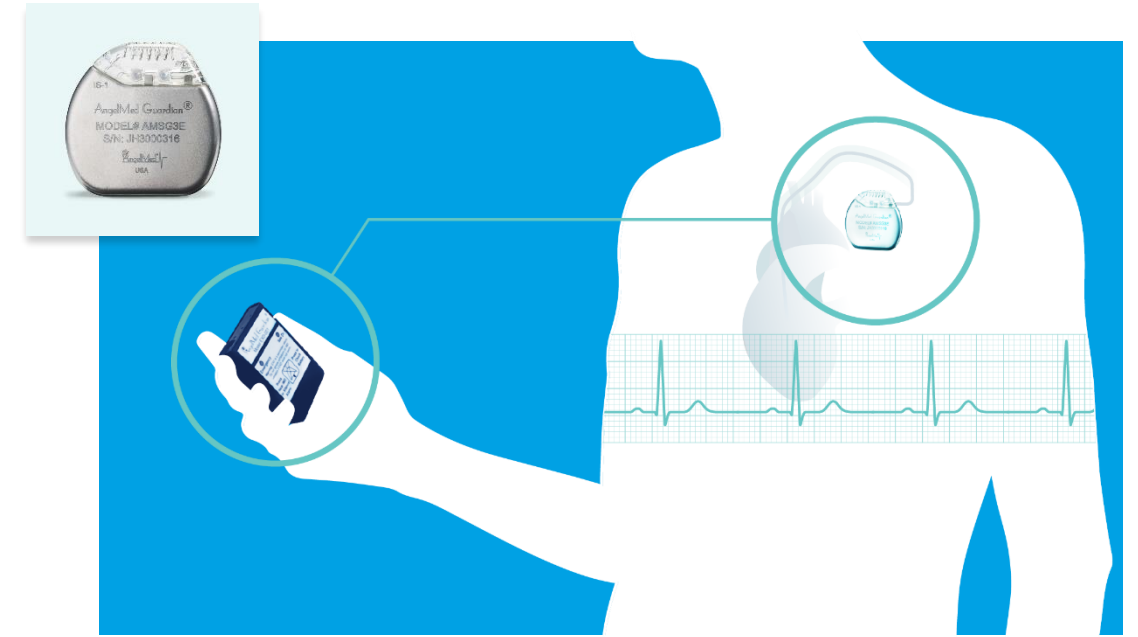


Hydrix Medical - 1st Portfolio Product: The AngelMed Guardian®

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World's first FDA approved **implantable heart attack alert system** using patented AI & Machine Learning algorithms

- FDA approved 1st generation device in April 2018
- Undertaking FDA approval for upgraded longer-life battery (2x) for *commercial* device roll-out
- Device monitors heart 24X7 - detects heart-beat changes indicative of a potential heart attack, angina attack and arrhythmias
- Cardiovascular diseases affects ~14% of population, est. for 31% of all deaths worldwide, of these 85% are due to heart attack and stroke...45% of heart attacks are "Silent"



Indicative Progress Milestones

Singapore

- ✓ In August 2020, 1st implants and sales in APAC were carried out in 4 patients under guidance of Cardiologist Dr Leslie Lam in Singapore
- ✓ All patients have since been discharged from hospital
- ✓ Further procedures planned prior to CY 20 end

USA

- FDA approval under IDE program, starting implants in clinical trial patients in H2 CY20
- 1st reference for 'paid implants' supporting FDA approval process (with new battery)
- FDA battery approval estimated in 1QCY21
- Hydrix not entitled to US implant revenue

Australia

- Progressing "pre-TGA Approval" implants under Authorised Prescriber Scheme ("APS")
- Potential for implants late Q4CY20
- Full TGA regulatory approval process starts on FDA approving new battery
- TGA approval process c. 9-12 months





Dr Leslie Lam and his surgical team, together with Hydrix Medical Field Clinical Engineer, Ng Ai Wee, gather on completion of the successful implants.

AngelMed Guardian – All four patients have now successfully been discharged

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4 implants approved under
GN26 'special access' scheme
in Singapore have now been
accomplished

Ng Ai Wee, Hydrix Medical Field Clinical
Engineer, with one of the first recipients
of an AngelMed Guardian in Singapore



Large Market Opportunity for the AngelMed Guardian®

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			Potential Market Penetration				Initial Target Markets
Region ¹	Population (m)	ACS Incidences p.a. ²	Annual Sales Volume (units)		Annual Sales Value (A\$) ³		
			1.0%	5.0%	1.0%	5.0%	
Australia	25.1	75,000	750	3,750	\$5.6m	\$28.1m	
Singapore	5.7	30,000	300	1,500	\$2.2m	\$11.3m	
Japan	126.9	300,000	3,000	15,000	\$22.5m	\$112.5m	
Malaysia	32.4	85,000	850	4,250	\$6.3m	\$31.9m	
New Zealand	4.8	18,000	180	900	\$1.4m	\$6.8m	
Hong Kong	7.4	12,000	120	600	\$0.9m	\$4.5m	
202.3		520,000	5,200	26,000	\$38.9m	\$195.1m	

AngelMed Guardian® market penetration can be achieved by leveraging pacemaker surgery know-how and existing infrastructure:

Efficacy / Risks

- Provides a diagnostic alert tool that is needed but not currently available

Addressable market

- Larger addressable market when compared to pacemaker / ICDs (est. 2x-3x)

Technical maturity:

- Pacemaker device implant risks are well known & accepted, & pacemaker lead surgical implant procedures well-practiced

Economics:

- USA pricing USD\$9k+. Pricing lower than double chamber pacemaker & ICDs. For 50%+ patients, the device cost is expected to be covered by private health insurance. Government medical device & surgical reimbursement schemes applications are underway
- Process underway to identify sub-distributors in markets including Japan

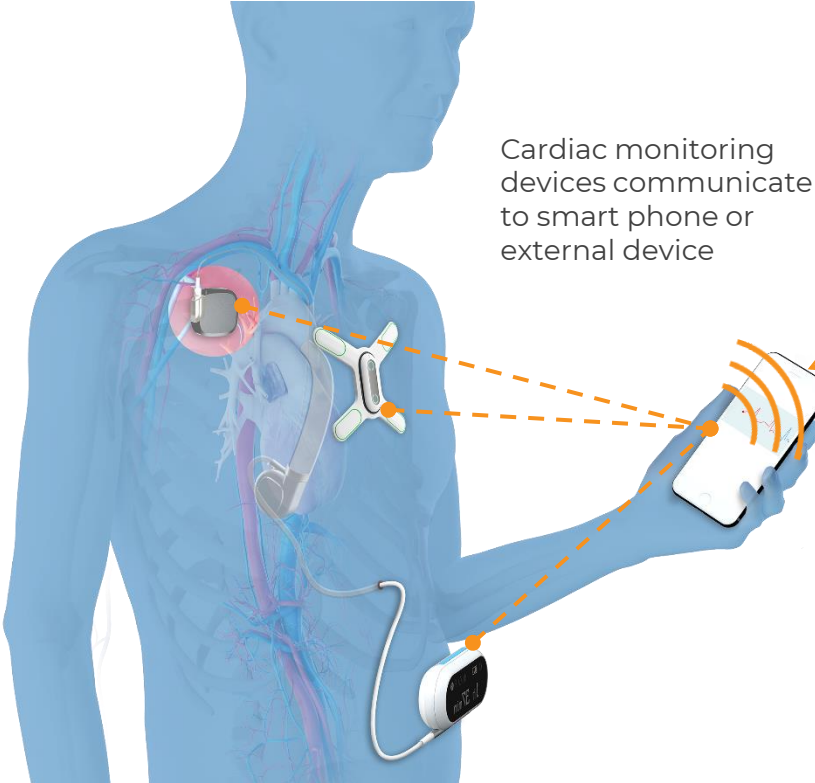
1. Distribution rights also include Thailand and Indonesia.

2. ACS (acute coronary syndrome)

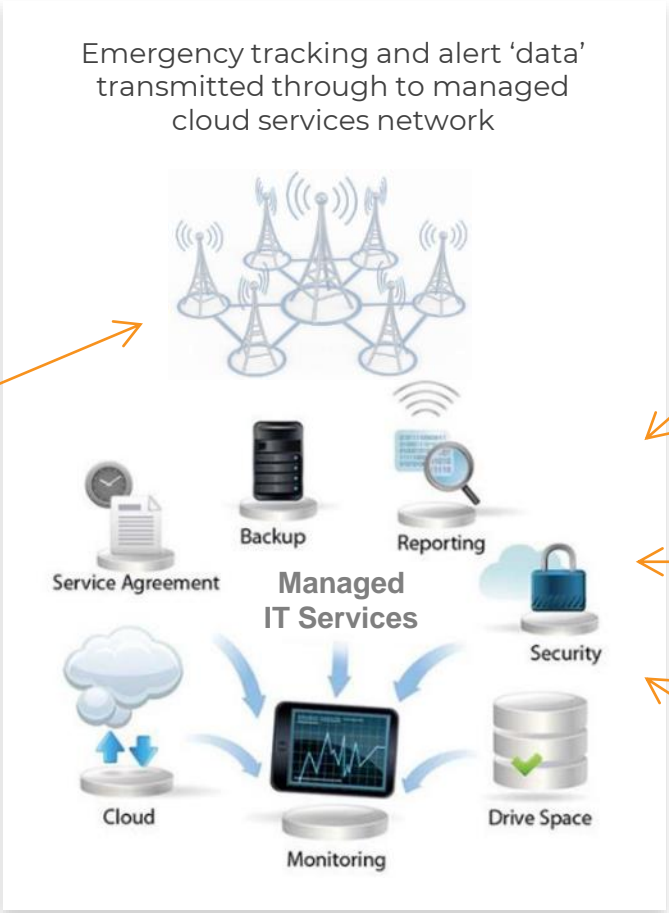
3. Based on A\$7,500 device average sale price



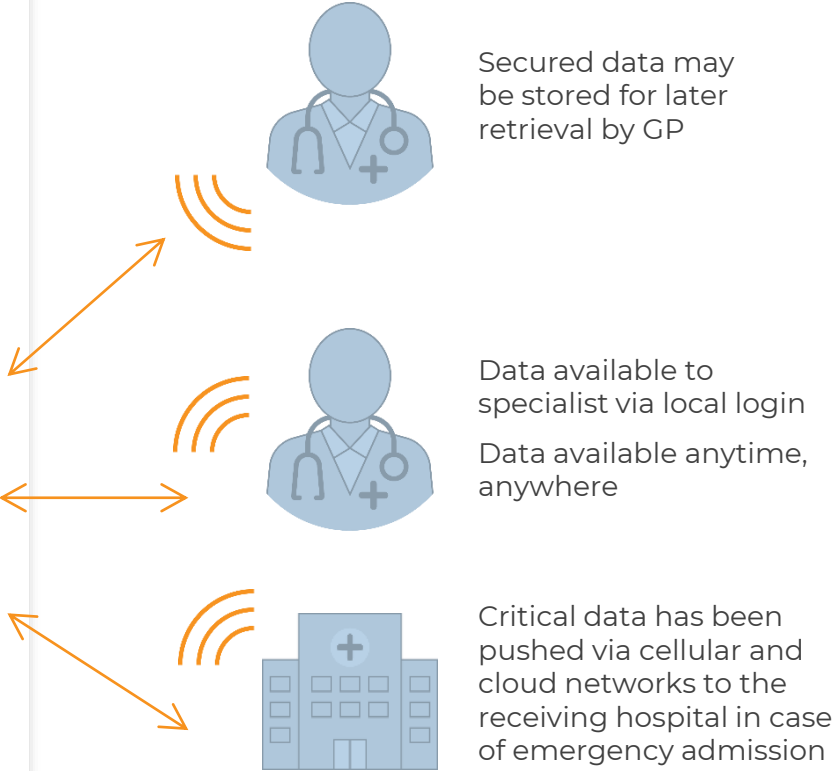
Patient monitoring



Managed Information



Clinical Benefits



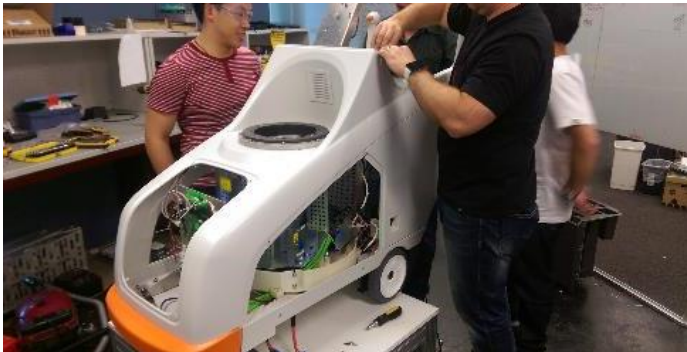
Hydrix Group – growth leveraged from multiple core platforms

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Significant upside value potential in each of Hydrix's key growth platforms, each complementing one another

Hydrix Services

Product Design & Engineering Services



- FY20 revenue ~\$15.9m (\$14.2m FY19)
- Cost saving initiatives have resulted in monthly cost reductions of ~20%+, sustainable in FY21 at current revenue levels
- \$50m+ opportunity pipeline
- Weighted with overseas medtech clients

Hydrix Ventures

Direct & 'Equity for Service' Investments



- Cash & committed in-kind cost base \$3.0m+
- Potential for 5x – 10x value uplift
- Key investments include:
 - ~15% equity: Cyder Surgical (orthopedic tool)
 - 7.5% equity: Cyban (brain trauma monitoring)
 - 4.6% equity: AngelMed (heart monitoring)
 - <1.0% equity: Memphisys (asx:mem) (bio-separation)

Hydrix Medical

Cardiovascular Products, Technologies & Services



- 1st portfolio product: AngelMed Guardian® device, world's 1st implantable heart attack alert device
- In August 2020, 1st implants were carried out in four patients under guidance of leading Cardiologist Dr. Leslie Lam in Singapore
- \$8m/yr. sales if only 1% sales penetration of initial target markets Singapore & Australia, these account for <20% of total territory market potential
- Approx. 50% GP margin



Appendices



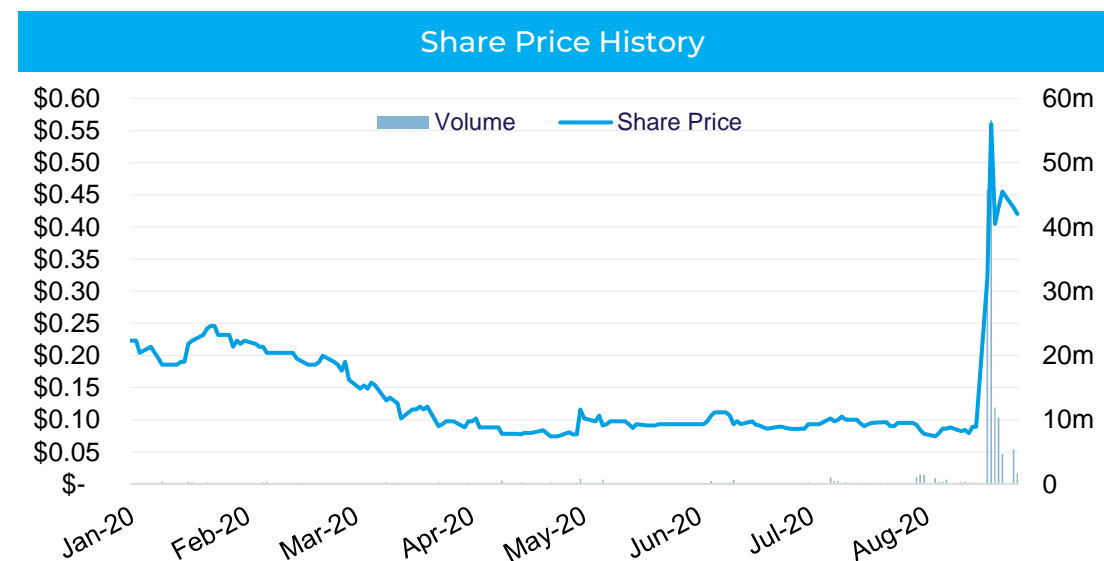
Hydrix – a corporate snapshot

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Major Shareholders	Shares (m)	%
John W King Nominees & Associates	18.9	17.8%
Jasper Capital P/L (incl. Directors individually)	3.9	3.7%
CS Third Nominees (Regal)	3.4	3.2%
Flet Investments & Associates	2.6	3.5%
Beachridge Advisory (Gavin Coote)	2.2	2.1%
Top 20	46.9	44%

Board & Senior Management	
Gavin Coote (GAICD)	Executive Chairman
Joanne Bryant	Non-Executive Director
Julie King (GAICD)	Non-Executive Director
Paul Wright (FAICD)	Non-Executive Director

Capital Structure (as of 25 August 2020)	
Ticker	HYD
Share Price	\$0.42
Shares on Issue (m)	106.2
Options and Performance Rights (m)	22.3
Pure Asset Mgmt Warrants (m)	8.0
Market Capitalisation (diluted) (A\$m)	\$57.3m



Board & Senior Management Team

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

Hydrix Board



Gavin Coote
Executive Chairman



Paul Wright
Non-Executive Director



Joanne Bryant
Non-Executive Director



Julie King
Non-Executive Director



Alyn Tai
*Corporate Counsel &
Company Secretary*

Hydrix senior management



Mandy Kelly
Chief People Officer



Alan Morris
*Group Marketing
Manager*



Michael Trieu
GM – Hydrix Services



Paul Kelly
*GM – Hydrix Medical
Medical Advisory Board*



Peter Lewis
*Executive Vice President &
Corporate Development*



Mark Langham
Group Financial Controller



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A photograph of a modern, multi-story office building with large glass windows and balconies. The entire image is overlaid with a semi-transparent blue filter. In the foreground, there is a large sign with the Hydrix logo and tagline. A smaller sign on the building also displays the logo and address.

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