

## Hydrix Loyalty Options Offer

Hydrix Limited (ASX:HYD) (**Hydrix** or the **Company**) is pleased to announce that it has today lodged a prospectus dated 28 October 2022 (**Prospectus**) with ASIC, in connection with a Loyalty Options Offer to Hydrix security holders.

The Loyalty Options Offer comprises:

1. **HYDO Optionholder Offer:** An offer of Loyalty Options to eligible HYDO Optionholders, being those holders of HYDO Options (Hydrix's class of listed '**HYDO**' options exercisable at \$0.12 that expired at 5.00pm (Melbourne time) on 31 July 2022), and with an address in Australia or New Zealand, and who held HYDO Options at the record date of 4.59pm (Melbourne time) on 31 July 2022, at a ratio of one (1) Loyalty Option for every one (1) HYDO Option held as at 4.59pm (Melbourne time) on 31 July 2022; and
2. **Shareholder Offer:** A pro-rata non-renounceable entitlement offer to eligible Shareholders, of one (1) Loyalty Option for every eight (8) Shares held on the record date of 7.00pm (Melbourne time) on Wednesday 2 November 2022,

(**Loyalty Options Offer** or **Offer**).

The offer of Loyalty Options is intended to reward loyal security holders who have supported Hydrix, by giving them an opportunity to participate in Hydrix's growth strategy to become a globally diversified med-tech company, whilst simultaneously assisting Hydrix with funding its growth objectives during 2022 and 2023.

The Loyalty Options Offer is fully underwritten by Baker Young Limited (**Underwriter**). Details of the underwriting agreement between Hydrix and the Underwriter are set out in the Annexure to this announcement.

Baker Young Limited acted as Lead Manager, and Holding Redlich acted as legal adviser to Hydrix for the Loyalty Options Offer.

### Details of the Loyalty Options Offer

#### *Shareholder Offer*

Under the Shareholder Offer component of the Loyalty Options Offer, eligible shareholders are entitled to subscribe for one (1) Loyalty Option for every eight (8) Shares held on the Record Date.

The Shareholder Offer is only made to eligible shareholders of Hydrix (**Eligible Shareholders**), being shareholders who:

1. are registered as a holder of Shares as at the Record Date of 7.00pm (Melbourne time) on Wednesday 2 November 2022; and
2. as at the Record Date, have a registered address in Australia or New Zealand (or any jurisdiction that the Company determines, in its sole discretion, it is reasonable to make the offer of Loyalty Options having regard to applicable laws) (**Permitted Foreign Jurisdiction**).

### *HYDO Optionholder Offer*

Under the HYDO Optionholder Offer component of the Loyalty Options Offer, Eligible HYDO Optionholders will (subject to shareholder approval) be entitled to subscribe for one (1) Loyalty Option for every one (1) HYDO Option held as at 4.59pm (Melbourne time) on 31 July 2022.

The HYDO Optionholder Offer is being made to all registered holders of HYDO Options on the record date of 4.59pm (Melbourne time) on 31 July 2022, with a registered address in Australia or New Zealand (**Eligible HYDO Optionholders**).

### **Terms of Loyalty Options**

The Loyalty Options have an issue price of \$0.005 per option. The Loyalty Options are options to acquire Shares in the Company, exercisable at \$0.12 per Loyalty Option, on or before 31 December 2023. Each Loyalty Option will, upon exercise, entitle its holder to subscribe for, and be issued with, one (1) Share. The Company intends to apply to ASX for quotation of the Loyalty Options.

In addition, for every two (2) Loyalty Options exercised by a holder on or before 5.00pm (Melbourne time) on 30 April 2023 (**Early Exercise Date**), the Company will issue one (1) Piggyback Option to the holder for nil consideration. To receive Piggyback Options, a person must be a registered holder of Loyalty Options with an address in Australia, New Zealand or a Permitted Foreign Jurisdiction, and must exercise their Loyalty Options before the Early Exercise Date.

The Piggyback Options (if any are issued) will have an exercise price of \$0.28, and will expire at 5.00pm (Melbourne time) on 30 April 2025.

### **Use of funds**

Under the fully underwritten Loyalty Options Offer, Hydrix will raise approximately \$252,000 (before costs) through the issue of Loyalty Options at \$0.005 each, comprising \$158,000 under the Shareholder Offer, and \$94,000 under the HYDO Optionholder Offer.

Hydrix may also raise, in connection with the Loyalty Options Offer, an additional \$6.06 million if all Loyalty Options are exercised by their expiry date of 5.00pm (Melbourne time) on 31 December 2023; and a further \$7.07 million, if the maximum number of Piggyback Options is issued and exercised prior to their expiry date of 5.00pm (Melbourne time) on 30 April 2025.

The funds raised through the issue and exercise (if any) of the Loyalty Options will be used to:

- pay for the costs of the Loyalty Options Offer;
- fund the general working capital requirements of the Company;
- progress and facilitate the achievement of the Company's milestone growth initiatives, including in relation to:
  - market development and expansion of cardiac devices portfolio;
  - expanding 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 in support of strategic objectives

## Shareholder approval

The Shareholder Offer, being a pro-rata entitlement offer of securities to shareholders, does not require shareholder approval pursuant to Listing Rules 7.1 and 10.11, due to the application of ASX Listing Rule 7.2 (Exception 1) and ASX Listing Rule 10.12 (Exception 1), respectively.

The issue of Loyalty Options offered under the HYDO Optionholder Offer is subject to shareholder approvals under Listing Rule 7.1 or 10.11 (as applicable), which the Company intends to seek at its upcoming Annual General Meeting on 30 November 2022.

Further details of the shareholder approvals being sought are set out in the Company's Notice of Annual General Meeting, which was lodged with ASX on 28 October 2022.

## Indicative timetable

An indicative timetable of the Loyalty Options Offer is set out below:

Event	Date
Lodgement of Prospectus with ASIC	Fri 28 Oct 2022
Lodgement of Prospectus and Appendix 3B with ASX	Fri 28 Oct 2022
Notice of Loyalty Options Offer to Eligible Shareholders	Fri 28 Oct 2022
Dispatch of Notice of Annual General Meeting, to seek (amongst other things) approval under Listing Rules 7.1 and 10.11 for issue of Loyalty Options (under HYDO Optionholder Offer component of the Loyalty Options Offer)	Fri 28 Oct 2022
"Ex" Date (date from which Shares commence trading with the entitlement to participate in the Shareholder Offer component of the Loyalty Options Offer)	Tue 1 Nov 2022
Record Date (date for determining shareholder entitlements to participate in the Shareholder Offer component of the Loyalty Options Offer)	7.00pm (Melbourne time) Wed 2 Nov 2022
Prospectus and personalised Entitlement and Acceptance Forms sent to eligible securityholders. Company announces that dispatch has been completed	Mon 7 Nov 2022
Opening Date of Loyalty Options Offer (comprising the Shareholder Offer and HYDO Optionholder Offer)	Mon 7 Nov 2022
Last date to extend Closing Date of Shareholder Offer	Fri 25 Nov 2022
Hold AGM	Wed 30 Nov 2022
Closing Date of Loyalty Options Offer	5.00pm (Melbourne time) on Wed 30 Nov 2022
Securities are quoted on a deferred settlement basis	Thu 1 Dec 2022
Announcement of results of Loyalty Options Offer	Mon 5 Dec 2022
Issue of Loyalty Options (subject to AGM shareholder approval) and lodgement of Appendix 2A applying for quotation of Loyalty Options.	Wed 7 Dec 2022
Issue of Piggyback Options to any holders of Loyalty Options who have exercised them before the Early Exercise Date of 30 April 2023	After 30 Apr 2023

*The key dates above are indicative only and may change without notice. The Company reserves the right to vary the dates set out above, including by extending the Closing Date, accepting late applications or withdrawing the offers at any time before the options are issued, subject to the Corporations Act and other applicable law.*

**-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 1 billion lives. The company leverages its powerful product innovation capability across multiple growth platforms. These platforms include **Hydrix Services** design and engineering to create products that transform markets, **Hydrix Ventures** to pick winning investments in high potential innovative products, and **Hydrix Medical** to develop new product revenue streams bringing cardiovascular technologies to market, which improve patient mobility and quality of life.

## Annexure – Summary of Underwriting Agreement

The Company and Baker Young have entered into the Underwriting Agreement, dated 28 October 2022. Pursuant to the Underwriting Agreement, Baker Young has agreed to act as lead manager and to fully underwrite the Loyalty Options Offer. The key terms of the Underwriting Agreement are set out below.

### 1. Fees and expenses

On the “**Settlement Date**” under the Offer, which is expected to occur on Tuesday, 6 December 2022, the Company must pay the Underwriter:

- a. a management and selling fee equal to 3.0% of the funds raised under the Offer, less funds raised from subscriptions of Loyalty Options by directors, senior management or related parties of the Company, or any person with which any of the Company’s directors, related parties or senior management has a relationship, which was established independent of the Underwriter’s involvement or engagement (**Offer Proceeds**); and
- b. an underwriting fee equal to 3.0% of the Offer Proceeds.

### 2. Termination events not subject to materiality

The Underwriter may terminate the Underwriting Agreement (without any cost or liability to the Underwriter) by notice to the Company, if any of the events set out below occur before the allotment date:

- a. the Company is removed from the official list of the ASX;
- b. the Company or any of its subsidiaries becomes or is likely to become insolvent;
- c. the Company withdraws the Offer;
- d. it becomes illegal for the Underwriter to satisfy a material obligation of this agreement, or to market, promote or settle the Offer;
- e. any person (other than the Underwriter) whose consent to the issue of this Prospectus is required under the Corporations Act, does not provide or withdraws that consent;
- f. the Company is unable to issue or prevented from issuing Loyalty Options;
- g. ASIC:
  - i. applies for an order under Part 9.5 of the Corporations Act;
  - ii. holds, or gives notice of intention to hold, a hearing, inquiry or investigation; or
  - iii. prosecutes or gives notice of an intention to prosecute the Company or any of its officers, employees or agents, in relation to the Offer, the issue of the Loyalty Options or any the documents issued or published by or on behalf of the Company in respect of or relating to the Offer on ASX (each an **Information Document**) under the Corporations Act or the ASIC Act;
- h. ASIC makes a determination under section 713(6) of the Corporations Act;
- i. approval is refused or not granted, or approval is granted subject to conditions other than customary conditions, to the quotation of the Loyalty Options on ASX or for the Loyalty Options to be traded through CHESS (on a deferred settlement basis) on or before the

allotment date, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld;

- j. a person other than the Underwriter gives a notice to the Company under section 730 of the Corporations Act that is, in the reasonable opinion of the Underwriter, materially adverse from the point of view of an investor; or
- k. any statement in an Information Document is or becomes false, misleading or deceptive or likely to mislead or deceive, does not contain all information required to comply with all applicable laws or is withdrawn.

### **3. Termination events subject to materiality**

The Underwriter may terminate the Underwriting Agreement by notice to the Company at any time up until the Settlement Date, if any of the events set out below occur and the Underwriter believes, acting reasonably, that the occurrence of the event has or is likely to have a material adverse effect on the Company, the success or outcome of the Offer, a decision of an investor to invest in Loyalty Options, or could reasonably be expected to give rise to a contravention by, or a liability of, the Underwriter under any applicable law or regulation.

- a. the Company commits a breach of an applicable law, or has failed to comply with its continuous disclosure obligations or its Constitution.
- b. the Company fails to perform or observe any of its obligations under the Underwriting Agreement;
- c. any of the documents required to be provided during the due diligence process is withdrawn;
- d. information provided by or on behalf of the Company to the Underwriter during the due diligence process, the Information Documents or the Entitlement Offer, is false, misleading or deceptive or likely to mislead or deceive (including by omission); or
- e. a representation or warranty made or given by the Company under the Underwriting Agreement is breached or becomes, untrue or incorrect or misleading or deceptive.

### **4. Representations, warranties and undertakings**

The Underwriting Agreement contains various representations, warranties and undertakings between the parties in respect of their powers and capacities, their conduct, Information Documents issued by the Company, the information provided (including financial information), insolvency, the conduct of the Offer, litigation and insurance.

### **5. Indemnity**

The Company also agrees to keep the Underwriter and certain of its affiliated parties indemnified from losses suffered in connection with the Offer, subject to customary exclusions (including fraud, wilful misconduct, recklessness and gross negligence), and subject to a liability cap of an amount equal to the Offer Proceeds.