

## Hydrix raises A\$10m Via Placement to Key Institutional Investors

### Highlights

- Completes A\$10 million placement to leading institutional investors at \$0.28 cents per share
- Cornerstoned by Perennial Value Management and Regal Funds Management who will become substantial shareholders
- Proceeds from the Placement support rollout of AngelMed Guardian® System in Asia Pacific and Phyzhon Health's PHYRARI FFR-WIRE product in Australia and New Zealand, pay down all outstanding secured debt (\$3.25m), and general working capital to facilitate growth

**Hydrix Limited (ASX: HYD)** ('Hydrix' or 'the Company') is pleased to announce the successful completion of a A\$10 million Placement offer to sophisticated and institutional investors at a price of \$0.28 per share.

Of the A\$10 million in funds raised, approximately \$6 million will be used to support the Group's 'Buy, Build, Invest' strategic growth initiatives. A further \$3.25 million will be used to extinguish secured debt under the Company's debt facility with Pure Asset Management Pty Ltd.

Pro forma cash on hand at 30 September 2020 is approximately \$9.75 million, after taking into account existing cash on hand, additional funds from this capital raising net of transaction costs, and after debt and interest paydown.

### Hydrix's Executive Chairman, Gavin Coote, commented:

"This placement to leading Australian institutional investors comes at a very opportune time for Hydrix as the Company enters into a transformational growth phase, driven by an excellent business base and new momentum created with the AngelMed exclusive distribution rights in the Asia Pacific Region.

"The Company anticipates other important announcements on products pivotal in the next stage of the Company's vision to build out a suite of cardiac products".

### Use of Funds

Hydrix's significantly strengthened capital position will support implementation of key market development initiatives to distribute the AngelMed Guardian® System, the Phyzhon Health PHYRARI FFR-WIRE product, and other Hydrix Medical initiatives. Market development costs include marketing, field engineering, regulatory and reimbursement programs, evaluating sub-distributors, and initiatives to expand the number of early access schemes for patient implants ahead of the business securing full regulatory and reimbursement approvals.

The AngelMed Guardian® System, from Angel Medical Systems Inc., USA, is the world's first FDA approved implantable heart attack alert device. Hydrix Medical has exclusive rights to distribute the cardiac device in 8 countries in Asia Pacific including Australia, Singapore, Japan, Malaysia, and Hong Kong.

The additional working capital will also support Hydrix Services' growth initiatives intended to drive revenue pipeline conversions and new product design and engineering development projects with Australian and overseas clients.

The Company is evaluating several other distribution and product acquisition opportunities.

The above initiatives are consistent with the Company's stated 'Buy, Build, Invest' strategy, and further empower the Company's powerful product innovation capability to transform itself into a high growth product and services revenue Company.

### **Placement details**

The Placement will be conducted in two tranches:

- **Tranche 1:** 28,571,429 Shares will be issued to raise \$8 million, utilising the Company's available placement capacities pursuant to ASX Listing Rules 7.1 and 7.1A. Specifically, 18,617,575 Shares will be issued under the Company's Listing Rule 7.1 capacity, and 9,953,854 Shares will be issued under its Listing Rule 7.1A capacity. Settlement of Tranche 1 is expected to occur on Thursday 5 November 2020, with allotment to occur on Friday 6 November 2020.
- **Tranche 2:** 7,142,857 Shares will be issued to raise \$2 million. The Company intends to seek shareholder approval under ASX Listing Rule 7.1 for the issue of the Tranche 2 Shares at its 2020 Annual General Meeting. Settlement of Tranche 2 will occur after the Annual General Meeting on Wednesday 16 December 2020, with allotment to occur on Thursday 17 December 2020.

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

The Placement price of \$0.28 cents represents a 13.9% discount to the last closing price of Hydrix shares.

Bell Potter Securities Limited acted as Lead Manager to the Placement, and Henslow Pty Ltd acted as Co-Manager. Holding Redlich acted as legal adviser to the Placement.

### **2020 Annual General Meeting**

In order for the Company to seek the necessary shareholder approvals for the Placement, the Hydrix 2020 Annual General Meeting has been rescheduled to **Friday, 11 December 2020**.

The meeting will be held via virtual technology, and the Company will dispatch a notice of meeting to shareholders shortly.

**-ENDS-**

This announcement was 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 purpose is to enhance the health, safety, and wellbeing of one Billion lives. The company leverages its powerful product innovation capability across multiple growth platforms: **Hydrix Services** design and engineer client products which transform industries; **Hydrix Ventures** generate equity returns through investing in high potential companies; and **Hydrix Medical** bring innovative medical technologies to market.