

Hydrix Venture Capital: Avertix Medical NASDAQ Listing Update

(Avertix Medical f/k/a Angel Medical Systems)

Hydrix Limited ('Hydrix' or 'the **Company**') (ASX: **HYD**) advises that Avertix Medical, Inc. (formerly Angel Medical Systems Inc. ("**Avertix**") has confirmed lodgement of a Registration Statement on Form S-4 with the US Securities Exchange Commission. The filing seeks approval for Avertix to trade as a public company on the NASDAQ once the recently announced business combination with BIOS Acquisition Corp ("**BIOS**") is approved by those shareholders.

Highlights

- Hydrix Ventures portfolio asset value increases approximately A\$1.15m to A\$6.0m upon an Avertix NASDAQ listing share price of US\$10.00
- Hydrix Ventures is eligible for additional deferred consideration if Avertix share price performance satisfies trigger events, with potential for a further \$2.5m increase to the portfolio asset value
- Hydrix Ventures indicative cash multiple return on investment from the Avertix investment is 4.0x-to-7.5x on initial cash invested
- Hydrix Medical has an exclusive distribution agreement of the Guardian heart device, with a term that has now been extended to 30 June 2029, with an option to renew for a further two-year period

Avertix transaction background

Avertix Medical, Inc. ("**Avertix**" or the "**Company**"), formerly known as Angel Medical Systems, Inc., a company focused on improving long-term management and outcomes of high-risk coronary disease in patients who have survived one or more heart attacks, filed a Registration Statement with the US SEC to seek approval for Avertix to trade as a public company on the NASDAQ, following on from its recently announced business combination with BIOS (subject to shareholder approval).

After the merger and subject to Securities Exchange Commission ("**SEC**") regulatory filings and other customary terms and conditions for transactions of this nature, the merged entity will trade as Avertix Medical, Inc and be listed on NASDAQ. The merger transaction is expected to close in the second half of 2023.

Hydrix Executive Chairman Gavin Coote commented:

"The potential Avertix revaluation to between A\$3.0m to A\$5.5m would be an excellent result on cash invested of US\$0.5m in 2020. This liquidity event will create flexibility for Hydrix as we could realise the market value of the investment in the future as non-dilutive cash to support the Group's growth strategy.

"The indicative US\$195m enterprise value of Avertix, in part, reflects the potential that Hydrix can help unlock through its exclusive distribution arrangements for the Guardian in the Asia Pacific region."

Impact to Hydrix

Hydrix reported a net tangible asset (“NTA”) value on the investment in Avertix Medical of A\$1.85m on 31 March 2023 (unaudited). Subject to the business combination being approved by shareholders and a successful NASDAQ listing, the NTA value would increase by A\$1.15m to approximately A\$3.0m, excluding a deferred compensation part of the transaction. In the event the deferred compensation trigger event occurs, the NTA would increase by a further A\$2.5m to approximately A\$5.5m at prevailing foreign currency rates (AUD/USD \$0.66).

Hydrix Medical announced on 13 March 2020 that it acquired rights to distribute the AngelMed Guardian heart attack warning device exclusively in eight Asia Pacific countries. The initial term of that agreement has now been extended such that it expires seven years from 1 July 2022, with an option to renew for a further two-year period by mutual consent of the parties. The BIOS and Avertix business combination and expected NASDAQ listing does not affect Hydrix Medical’s distribution agreement.

The deferred consideration share price performance trigger events are specifically two separate 20-day VWAP (volume weighted average price) share price calculations: (i) tranche 1 is US\$12.50 per share, and (ii) tranche 2 is US\$15.00 per share. All investors are subject to lock-up arrangements disclosed in the Avertix transaction documents, under which a portion of shares subject to lock-up restrictions are released upon each trigger event.

The valuation outlook is not a financial forecast and does not represent forecast guidance. Share trading in Avertix will be subject to risk factors specific to the business and included in the Form S4 Registration Statement filed with the US SEC, foreign exchange currency movements, and public equity market and macroeconomic volatility factors.

For more details regarding Avertix Medical’s Registration Statement, please click the link below to be redirected to the US SEC’s Edgar database for a copy of the filing.

https://www.sec.gov/ix?doc=/Archives/edgar/data/0001856653/000119312523143754/d417669ds4.htm#rom417669_21

To learn more about Avertix Medical, please click the link below to be redirected to their website.

<https://avertix.com/>

-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 well-being of a billion lives. The company leverages its powerful product innovation capability across three business segments: Services: design, engineer and deliver world first products and innovation; Ventures: invest in high potential MedTech clients; and Medical: distribute disruptive cardiovascular products.

About Avertix Medical, Inc

Avertix, is a cutting-edge medical device company offering the world's first and only FDA-approved Class III implantable device for detecting ACS (Acute Coronary Syndrome) events, including silent and atypical symptomatic heart attacks, in real time. Avertix maintains a robust portfolio of U.S. patents pertaining to the detection of Acute Coronary Syndrome (ACS) events.

About The Guardian™ System

The Guardian device is implanted subcutaneously by a cardiologist or electrophysiologist during a low-risk, outpatient surgical procedure. The Guardian's proprietary algorithm uses machine learning to establish a patient's baseline, then continuously records the heart's electrical activity, 24/7, detecting and alerting for shifts in the ST segment, indicative of heart attacks. The Guardian device provides a more effective diagnosis of a life-threatening event when compared to patient symptoms alone.

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