

28 October 2020

ASX ANNOUNCEMENT

Chairman's and CEO's Address to Shareholders

Address by Chairman – Mr. David Williams

The share price of MVP is up circa 10% from this time last year, but in the interim the shareholders have had a roller coaster ride with the price trading as high as nearly \$11 per share and as low as nearly \$4 per share.

I can't explain this, but my guess is that the market was impatient for a faster roll-out in Europe and for results from the process we are going through with both the FDA and the Chinese regulator.

Of course, we also were frustrated, but this is the nature of the pharmaceutical industry. There are no shortcuts and we are confident we are doing the right things.

In June we lost our Chief Executive Officer and this gave us the opportunity to search for a new leader that better matched where the Company is in its lifecycle. The search took six months and in the end we have appointed Brent MacGregor who was most recently commercial lead at Seqirus for CSL. The success of Seqirus in three short years was breathtaking and Brent played a big role in that success. It is very exciting to have Brent on board as his achievements in international markets is exactly what MVP needs. Better still he has worked and lived in Australia before so gets our culture and work ethic.

During the search we also discovered Gordon Naylor who coincidentally was Brent's boss at Seqirus. He was also CFO at CSL for a period of time. Gordon has agreed to join the Board as a Non-executive Director. As one analyst quipped, 'hiring Brent and Gordon is like getting the band back together'. It is certainly an advantage to have them together on our team.

Brent is inheriting :a drug approved in over 40 countries globally;

- a direct sales model in the EU, Australia and NZ;
- more than 1,000 customers that have bought Pentrox in Europe. Supported by published clinical studies noting Pentrox as superior to IV opioids. Pentrox has also been included and is recommended as the "First Line" trauma medication throughout Europe in a new standard of care paper which could prove a cornerstone to building the global acceptance of Pentrox;
- a process started with the FDA to register Pentrox for sale in the United States;
- Marketing Authorisations being considered in:
 - China
 - Russia
 - Taiwan
 - Vietnam
- continued expansion in the USA of our Respiratory devices business, now in over 20,000 pharmacies; and
- further progress with our Continuous Flow manufacturing technology and close to seeing new products come from that technology.

By anybody's standards, he has plenty to work with over the next year

I am very optimistic and excited about the future and for the contribution Brent will make. I will now ask Max Johnston to report in more detail on the year just passed and the year ahead and then I will ask Brent MacGregor to say a few words. Max is a Director of the company but also an ex MD of Johnson & Johnson who has been acting CEO while we searched for a new CEO. He has done a superb job and will spend the next couple of months on the handover to Brent.

Address by Acting CEO – Mr. Max Johnston

2020 has been a year like no other with challenges not seen before by the community at large and certainly the business community has not been immune. The reduction in people movements, sporting events and ambulance call outs has reduced the number of trauma events, whilst COVID-19 has impacted capacity within Emergency Wards and placed enormous strain on healthcare systems around the world.

I am pleased to report your company during the COVID crisis has not missed a beat. As an essential provider we have remained open and operating throughout the crisis and lockdowns and continued to serve uninterrupted our patients and customers. I especially want to thank our staff who have adapted, rallied and gone above and beyond in supporting our company.

Like all years at Medical Developments it has been busy, productive and a year of progress in becoming a significant player in the global healthcare market.

We added a further four geographic territories to our global footprint and made good progress on the last three significant white spaces China, USA and Russia.

In China we successfully opened our IND and are progressing well towards our planned launch date in 2022.

In the US we have completed a “ Full Response “ for submission to the FDA’s questions which will be lodged during November with a meeting scheduled for January 2021. The process with the FDA has been long but in meeting their requirements we have strengthened the already strong body of evidence that supports Pentrox as the superior solution for trauma pain in emergency situations with better pain relief in half the time of Entonox or even IV Morphine. This further assists us in establishing Pentrox as the standard of care in new and existing markets.

In Russia we have lodged our application and will continue to progress towards market acceptance.

Around the world our Pentrox sales continue to grow strongly.

Despite the headwinds faced by our European partner Mundipharma, in-market European sales grew last year by 15%. As previously announced we have been fortunate in reclaiming the marketing and distribution rights in all 27 EU countries allowing us to both capture the full margin and give the required focus to our brand to rapidly roll out new markets and grow its presence as the preferred solution for patient trauma pain. We have already appointed our European President, commenced the setting up of our European infrastructure and will commence our in-market sales activities in November in readiness for a full handover from Mundipharma on the 28th February. It is rare that such opportunities present themselves and we intend to fully capitalise on this piece of very good fortune.



Galen have proven to be an excellent partner growing the Business last year by 23% and in the Republic of Ireland, their initial test market achieving penetration levels similar to our home market of Australia.

Our global footprint of where patients have access to Pentrox continues to grow in Latin America, most recently Mexico and in Asia with Thailand being added to the list.

Our respiratory business has also had a very strong year with sales in Australia for the FY 19/20 increasing 43% and global sales 61% for FY19/20.

We delivered our first private label spacer order for Walmart in August which is being rolled out in approximately 4,600 pharmacies. Our US footprint now totals in excess of 20,000 pharmacies. In addition to the USA, we also commenced expanding our footprint into Europe. By continuously improving the quality and efficacy of our devices whilst expanding our geographic footprint we remain confident in the long-term potential of this business.

The development of our Continuous Flow manufacturing technology remains on track with 2 API's now at stage 3 development and several other candidates at stage 2. Our partnership with CSIRO remains very strong and what started as a successful program for ourselves is now showing great potential for advanced manufacturing across many industries especially in a new COVID effected world of decentralised manufacturing.

The current global Pandemic has not been without its challenges, but healthcare is probably the best place to be. It has been a great privilege to be acting CEO for the past months and certainly worthwhile in enabling us to secure Brent for the future leadership of your company. I can confidently say the transformational opportunities ahead for Medical Developments have never been greater and I believe we have put in place the leadership to execute on those opportunities.