

27 October 2022

The Companies Office
Australian Securities Exchange
20 Bridge St SYDNEY NSW 2000

MVP: Chair and CEO Address to Shareholders at Annual General Meeting held on 27 October 2022

Chair

I would like to reflect briefly on the Company's performance over the last year. I will then invite the CEO to provide an overview of the Company's operations.

I have been pleased with how the company has responded to the challenges of the last year.

Even though sales continued to be difficult, especially in our key European markets, underlying revenue growth was still very strong.

The company also advanced its strategic agenda. The focus is now on the core pain and respiratory franchises, removing the distraction of activities that were unlikely to generate long term shareholder value.

We successfully established direct sales capability in Western Europe to accelerate the penetration of Pentrox, with encouraging early results in France.

We achieved a significant milestone in the United States, with the FDA lifting the clinical hold on Pentrox in March 2022, allowing a Phase III clinical trial to commence. This opens the door for the next phase of growth beyond Western Europe and represents a truly transformational opportunity for the Company. Planning for the trial and our US market entry is underway.

During the year, Brent made substantial changes to his leadership team, readying the company to realise its international potential.

To help ensure that the new talent is highly aligned with the interests of shareholders, Brent and the newly revamped Human Resources Committee are overhauling the executive compensation system. From FY23, Brent's senior leadership team will have equity components included in both short and long-term remuneration arrangements.

In addition, short term incentives are explicitly linked to the financial performance of the business as well as functional business objectives.

In August 2022, we successfully completed a \$30 million capital raising. I was very encouraged by the support we received from the financial market under difficult circumstances. This funding will allow us to aggressively pursue our international growth aspirations and build out our capability to do so.

The Company is building a foundation for successful strategy execution as a global healthcare company. We are acutely aware that the business is unprofitable and consuming cash – but it's now



very clear that the core commercial execution strategy is feasible and delivering good revenue growth – which we expect to continue.

I will now hand over to our CEO, Brent MacGregor, to provide you a more granular view of the business and its growth strategy.

CEO

Thank you, Gordon, and good afternoon. I am delighted to be presenting to you today as the Chief Executive Officer of your Company. Today I will provide you with an update on MVP's performance over the last year and the progress we are making in executing our strategy.

FY22 was an encouraging year for our business, despite significant disruptions arising from COVID. These disruptions included restrictions to hospitals, labour and supply chain disruption, and community lockdowns.

Against this backdrop we performed very well. Underlying revenue was up 37%, growing to \$22.4 million.

Our Pain Management segment performed well, delivering growth of 29%. Direct sales in Australia and France grew strongly, and our distribution partner in the UK and Ireland, Galen, delivered record results. A very encouraging outcome.

Our respiratory business grew more than 50% over last year, with much of this growth coming from the US. A great result for the team with its focus on that critical market.

Reported EBIT was a loss of \$15.9 million, reflecting our continued investment in building the business. Cash at \$20 million was vastly enhanced off the back of our recent successful capital raise.

In the near term, our strategic focus is to accelerate the penetration of Pentrox in select European markets, and in Australia, primarily through direct in-market capability to penetrate the hospital emergency departments, and to grow our Respiratory segment through market share gains, particularly in the US. In the longer-term, we aspire to deliver the next wave of growth through Pentrox entry into the US.

We have plans in place that we expect will grow our sales volumes significantly over time and that will transform us from an Aussie company selling its products overseas, into a global healthcare Company, based in Melbourne.

So, let's look at the achievements we made last year toward this goal.

- In FY22, we successfully established a European regional platform, and deployed a sales team in France. This follows the reclamation of the Pentrox distribution rights in Europe from Mundipharma in FY21, and our decision to pursue a direct sales approach in these markets. We believe a direct sales approach will speed our effort to realise the full potential of Pentrox. Our success in France in FY22 affirms our approach.
- I have transformed my leadership team and enhanced functional capability across the company. Having the right leadership and capability in place is critical to the delivery of our strategy. With new appointments in the areas of finance, commercial, HR, medical affairs, quality and operations, and legal, I now have a vastly more capable team, with rich global experience and a

track record of performance. We will harness the experience and capabilities they bring to the Company to drive a performance driven culture that is collaborative and transparent.

- We simplified our portfolio. We exited the Veterinary segment and concluded the Continuous Flow API Program. We are now fully focused on the growth segments of Pentrox and Respiratory, where we believe we can deliver significant value.
- We strengthened our balance sheet. Our recent capital raise will increase our cash reserves by around \$28.5 million, providing us with nearly \$50 million to execute our growth plans.
- And finally, as we reported in March, we gained approval to commence our Phase III clinical trial for Pentrox in the US.

So overall, a very encouraging year. We are building a solid foundation for continued growth.

We will continue to progress our growth strategy in FY23. Our key priorities are included here.

Firstly, continue to drive forward in France. We are intensely focused on growing our position in this market, as we leverage the sales and European regional capability established in FY22.

We expect growth to accelerate as we broaden penetration in our existing customer base, and benefit from new customer wins. These include large hospitals in key cities like Lyon, Marseille and Toulouse, where the team have recently succeeded in getting Pentrox onto their protocols.

Beyond our core activities in France, we intend our European regional team to support commercialisation in Germany, Italy and Spain as our next markets. Alongside France, they constitute a population of around 260 million people, or 10 times the population of Australia. The market potential here is large. We will take learnings from France to improve the speed of entry and ensure we use our resources most efficiently. We hope to launch in these key markets in FY24.

Our other key focus is Australia. Australia is already our most profitable and highly penetrated market. Yet, there are large parts of the addressable market we have yet to touch. Our priority here is expansion into hospital emergency departments.

The Australian market for Pentrox has historically been focused on the ambulance services. 75% of our volumes today are into this segment, despite this segment being only 30% of the addressable market. Our focus in FY23 in Australia is to drive our commercial effort into the hospital and procedural segments. These segments represent around 60% of the addressable market, twice that of ambulance.

To support penetration here, we are investing in a field team to target the hospitals, and have already hired a sales manager, a brand manager, and we expect to have 6 key account managers appointed by the end of the first half, with 4 already on board.

We will continue to grow market share in our Respiratory segment. Our focus here is primarily to continue our growth in the US market. We have already made good progress here, and with the support of 2 in-market field resources, year we expect this progress to continue.

Finally, we will begin to lay the foundation for our growth beyond Australia and Europe, being Pentrox entry into the US. The door to the US has now opened for us following the lift in the clinical hold, and we are committed to realizing the value of this important market.



We have commenced planning for our Phase III Pentrox study and ultimate commercialization in this market. We expect first patient enrolment to occur by the end of calendar year 2023. This is a very exciting opportunity for the Company. Entry into the US will be transformational, and we are ensuring we give appropriate focus and discipline to the execution of our plans here.

So, as you can see, we have no shortage of growth opportunities. I am excited about our future, and I look forward to updating you on further progress at the half year.

Now, briefly looking to FY23.

We remain optimistic of the Company's ability to deliver solid revenue growth this year.

In Australia, as I mentioned, we continue to build out the structures to support our direct sales strategy in hospital emergency departments. We expect to see progress in the second half.

Challenging economic conditions in France and more broadly in Europe, are adversely impacting penetration rates, but we are highly focussed on overcoming these near-term challenges. That said, our first quarter volumes were in-line with the improved performance we delivered in Q4 of FY22 and ahead of the same period last year.

Our Rest of World markets are tracking well. We have delivered our first shipment to Canada, being the first to our new partner, Paladin, in that market.

In our Respiratory segment, trading in the first quarter was strong. Volumes have been supported by the prevalence of respiratory conditions during the winter months in Australia, and continued growth in the US.

We will provide a further update on trading at our first half results in February.

I'd like to take this opportunity to thank our talented and committed team across the organisation for their contribution in FY22. I would also like to thank the Board for their support and guidance and you, our shareholders, for your ongoing support.

Authorised for release by the Chief Executive Officer and Board of Directors.

Brent MacGregor
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Gordon Naylor
Company Chair
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About Pentrox

Pentrox is a fast onset, non-opioid analgesic indicated for pain relief by self-administration in patients with trauma and those requiring analgesia for surgical procedures. Pentrox is now approved for sale in more than 40 countries and has been used safely and effectively for more than 40 years in Australia with more than 7 million units sold.



About Medical Developments International Ltd

MVP is an Australian company delivering emergency medical solutions dedicated to improving patient outcomes. MVP is a leader in emergency pain relief and respiratory products. The Company manufactures Pentrox[®], a fast acting trauma & emergency pain relief product. It is used in Australian Hospitals including Emergency Departments, Australian Ambulance Services, the Australian Defence Force, Sports Medicine and for analgesia during short surgical procedures such as Dental and Cosmetic surgery as well as in other medical applications. MVP is expanding internationally and manufactures a range of world-leading Asthma respiratory devices.