

4 August 2022

ASX ANNOUNCEMENT

Fully underwritten \$30m capital raise to fund growth

Highlights:

- MVP today announces a fully underwritten capital raising of \$30m, comprising a \$15m placement and a \$15m pro rata accelerated non renounceable entitlement offer.
- Post transaction MVP's cash balance will be A\$49m which will fund:
 - continuing execution of the Company's direct sales strategy in the large European market
 - expansion of the Australian business into the emergency sector and further growth in the ambulance sector
 - further investment in business capability to enable global growth
- FY22 unaudited underlying revenue of \$22.4m, representing strong growth of 37%.
- Strong revenue growth trajectory is expected to continue into FY23, driven by continued execution of MVP's European and Australian growth strategy.
- MVP's directors, including substantial shareholder David Williams, intend to take up their entitlements in full, and in aggregate sub-underwrite up to \$1.2 million of the Retail Entitlement Offer.

MVP Chair Gordon Naylor said: "We are pleased with our strong revenue growth in FY22 and expect this to continue into FY23. We believe that there are multiple significant near term opportunities to grow Pentrox in Europe and Australia, as well as Respiratory. With a strong funding position following the capital raising, we look forward to investing to continue to deliver on our growth strategy. I would like to thank my fellow board members for their support in this capital raising and our Chief Executive Officer Brent MacGregor who, with his team, have shown us that our aspirations for the Company are founded in reality."

1. Capital raising overview

Medical Developments International Limited (ASX: MVP) (**MVP** or the **Company**) is pleased to announce the launch of a capital raising comprising a fully underwritten:

- 1 for 9.5 pro-rata accelerated non-renounceable entitlement offer of new fully paid ordinary shares in MVP (**New Shares**) to certain eligible shareholders (**Entitlement Offer**) together with 1 attaching option to acquire 1 fully paid ordinary share in MVP (**Option**) for every 2.5 New Shares issued under the Entitlement Offer, to raise approximately A\$15.0 million; and
- placement of New Shares to certain institutional and sophisticated investors (**Placement**) together with 1 Option for every 2.5 New Shares issued under the Placement, to raise approximately A\$15.0 million,

(collectively, the **Offer** or **Capital Raising**).

Medical Developments International Limited ABN 14 106 340 667

4 Caribbean Drive Scoresby Victoria 3179 Australia **Postal Address** PO Box 9004 Scoresby Victoria 3179 Australia

Telephone +61 3 9547 1888 **Fax** +61 3 9547 0262 **Web** www.medicaldev.com

The offer price for the Placement and Entitlement Offer will be A\$2.00 per New Share (**Offer Price**), representing a discount of:

- 16.7% to the last closing price on Wednesday, 3 August 2022 of A\$2.40 per share; and
- 16.4% to the 10 day volume-weighted average price of A\$2.39 per share.

Each New Share issued under the Capital Raising will rank equally with existing fully paid ordinary shares in MVP from the date of issue.

Bell Potter will act as underwriter and sole lead manager to the Offer.

2. Capital Raising Details

Placement

The fully underwritten Placement will raise approximately A\$15.0 million and is being undertaken utilising the Company's existing placement capacity under ASX Listing Rule 7.1.

Entitlement Offer

The fully underwritten Entitlement Offer of A\$15.0 million will consist of a 1 for 9.5 pro-rata accelerated non-renounceable entitlement offer.

The Entitlement Offer is open to eligible shareholders as at 7:00pm (Sydney time) on Monday, 8 August 2022 (**Record Date**).

All New Shares issued under the Entitlement Offer will be issued at the Offer Price.

The Entitlement Offer is non-renounceable and accordingly entitlements will not be tradeable on the ASX or be otherwise transferable. Shareholders who do not take up their full entitlement will not receive any payment in respect of the entitlements they do not take up and their percentage equity interest in MVP will be diluted.

MVP shares will remain in a trading halt pending completion and announcement of the Placement and the institutional component of the Entitlement Offer (**Institutional Entitlement Offer**).

Institutional Entitlement Offer

Eligible institutional and sophisticated shareholders will be invited to participate in the Institutional Entitlement Offer which will commence on Thursday, 4 August 2022. Eligible Institutional shareholders may opt to take up all, part or none of their entitlements.

Retail Entitlement Offer

Retail shareholders who have a registered address in Australia or New Zealand as at 7:00pm (Sydney time) on Monday, 8 August 2022 will be invited to participate in the retail component of the Entitlement Offer at the same Offer Price and offer ratio as under the Institutional Entitlement Offer (**Retail Entitlement Offer**).

The Retail Entitlement Offer is expected to open on Thursday, 11 August 2022 and close at 5:00pm (Sydney time) on Thursday, 25 August 2022.

The Retail Entitlement Offer will be made under a transaction specific prospectus issued under section 713 of the *Corporations Act 2011* (Cth) (**Prospectus**). The Prospectus was lodged with ASIC and the ASX on Thursday, 4 August 2022 and will be dispatched to eligible retail shareholders, along with personalised acceptance forms, on Friday, 12 August 2022. The Prospectus will provide details of how to participate in the Retail Entitlement Offer. Eligible retail shareholders may opt to take up all, part or none of their entitlement.

MVP may (in its absolute discretion) extend the Retail Entitlement Offer to any institutional shareholder that was eligible to, but was not invited to participate in, the Institutional Entitlement Offer (subject to compliance with relevant laws).

New Options

Participants in the Placement and Entitlement Offer will also be offered 1 attaching option, each exercisable at A\$2.80 per option (**New Options**), for every 2.5 New Shares issued under the Placement and Entitlement Offer. The offer of New Options is required to be made under the Prospectus.

A total of approximately 6 million New Options are expected to be issued in connection with the Placement and the Entitlement Offer. The New Options will expire on 30 September 2024.

The Company intends to apply to the ASX for quotation of the New Options.

The full terms and conditions of the New Options will be set out in the Prospectus. Copies of the Prospectus will be available on the ASX website and at <https://medicaldev.com/>.

Director and CEO Participation

Eligible directors propose to take up their entitlements in full under the Entitlement Offer, and directors also intend to sub-underwrite in aggregate up to \$1.2 million of the Retail Entitlement Offer. Terms of the director sub-underwriting will be in line with other sub-underwriters. Brent MacGregor, CEO, has committed to participate in the offer via the placement.

3. Use of Funds

The funds raised in Capital Raising will be primarily used to drive MVP's Australian business expansion,

European growth strategy and invest in capability to continue delivery of the Company's growth strategy.

Purpose	\$ million
Operating activities, including growth in Europe and Australia and enhanced organisational capability	15.3
Capital expenditure programs	11.2
Working Capital	2.0
Capital Raising Costs	1.5
Total funds raised	30.0

4. Indicative timetable

The timetable below is indicative only and subject to change. The Company reserves the right to alter the dates below in its full discretion and without prior notice, subject to the ASX Listing Rules and the Corporations Act.

Event	Date
Trading halt	Thursday, 4 August 2022
Announcement of completion of Placement and Institutional Entitlement Offer and recommencement of trading	Monday, 8 August 2022
Record date for Entitlement Offer	7:00pm, Monday, 8 August 2022
Retail Entitlement Offer prospectus dispatched and Retail Entitlement Offer opening date	Thursday, 11 August 2022
Settlement of New Shares issued under the Placement and Institutional Entitlement Offer	Friday, 12 August 2022
Allotment and normal trading of New Shares under the Placement and Institutional Entitlement Offer	Monday, 15 August 2022
Retail Entitlement Offer closing date (5:00pm, Sydney time)	Thursday, 25 August 2022
Announcement of results of Retail Entitlement Offer	Tuesday, 30 August 2022
Settlement of New Shares under the Retail Entitlement Offer	Wednesday, 31 August 2022
Allotment of New Shares under the Retail Entitlement Offer	Thursday, 1 September 2022
Allotment of New Options under the Placement and Entitlement Offer	Thursday, 1 September 2022
Normal trading of Retail Entitlement Offer shares and New Options	Friday, 2 September 2022

5. FY22 financial guidance and FY23 outlook

MVP is pleased to provide an update on its strong growth during FY22, providing momentum into FY23.

Throughout FY22, MVP has continued building a platform for global growth and now has the infrastructure in place to support growth in Europe, particularly in France which has seen strong momentum in volume. Additionally, the Food and Drug Administration in the US (**FDA**) pathway has been cleared with the clinical hold lifted unconditionally and commercialisation planning for the US market currently underway. The preliminary and unaudited FY22 financial highlights include:

- revenue: A\$22.4m; +37% on prior corresponding period (**PCP**)
 - Pentrox revenue: A\$13.7m; +29% on PCP
 - Respiratory revenue: A\$8.2m +53% on PCP
- underlying EBIT¹: A\$(14.7m)
- EBIT: A\$(15.9m)
- cash at bank: A\$20.4m

MVP's strong revenue growth trajectory is expected to continue into FY23, driven by:

- significant growth in France
- penetration in Australian hospital emergency departments
- continued growth in Australian ambulance market
- further market share gains in Respiratory segment, primarily in the US
- volume growth in distributor markets driven by enhanced distributor engagement
- higher average selling prices driven by growth in direct sales

The Company expects to announce its audited FY22 results to the ASX on 26 August 2022.

6. Further Information

Further details are contained in the Prospectus and MVP investor presentation released to the ASX today (**Investor Presentation**). This announcement, the Prospectus and the Investor Presentation should be read together. The Prospectus and the Investor Presentation contain important information including key risks of MVP's business and foreign selling restrictions.

If you have any questions in relation to the Placement and/or the Entitlement Offer, please contact the Offer Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside of Australia) between 8.30am and 5.00pm Monday to Friday. Please consult with your broker, solicitor, accountant, financial adviser or other professional if you have any questions in relation to this announcement or the Placement and/or Entitlement Offer.

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

Brent MacGregor
Chief Executive Officer
Medical Developments International Ltd
03 9547 1888

Gordon Naylor
Company Chair
Medical Developments International Ltd
03 9547 1888

¹ Excludes underlying adjustments of (\$1.2m) in FY22 relating to impairments in the Veterinary segment (\$600k) and the CSIRO program (\$600k)

About Pentrox

Penthrox 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. Penthrox 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. There is growing interest in Penthrox being used in patients undergoing investigatory procedures, as well as operational procedures such as colonoscopy.

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 Penthrox®, 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.

Disclaimer

The information in this announcement does not constitute investment or financial product advice or any recommendation to acquire Shares. It does not take into account any individual's investment objectives, financial situation or particular needs. Before making an investment decision, prospective investors should consider the appropriateness of the information from their individual perspective and, if in doubt, seek professional financial, legal or taxation advice. This announcement is not an offer or an invitation to acquire Shares or any other financial products and is not a prospectus, product disclosure statement or other offering document under Australian law or any other law. It is for information purposes only.

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Forward looking statements

This announcement may contain forward-looking statements about the Company. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance", or other similar words. To the extent that this announcement contains forward-looking information, the forward-looking information is subject to a number of risk factors, including those generally associated with the industry in which the Company operates and the specific, key risks set out in the Prospectus and the investor presentation released by the Company on Thursday, 4 August 2022. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance and achievements or industry results to differ materially from any future results, performance or achievements, or industry results, expressed or implied by these



forward-looking statements. Forward-looking statements are based upon management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company's business and operations in the future. The Company cannot give any assurance that the assumptions upon which management based its forward-looking statements will prove to be correct, or that the Company's business and operations will not be affected in any substantial manner by other factors not currently foreseeable by management or beyond its control. Any forward-looking statements contained in this announcement are based on information available to the Company as at the date of this announcement. Except as required by law or regulation (including the ASX Listing Rules), the Company undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, and guidance on, future earnings or financial position or performance are also forward-looking statements. To the maximum extent permitted by law, the Company and its directors, officers, employees, advisers, agents and intermediaries and the other parties disclaim any obligation or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions. Neither the Company, nor any other party, makes any representation or warranty as to the accuracy of any forward looking statements contained in this announcement.