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ASX ANNOUNCEMENT

Medical Developments International Limited 2023 Annual General Meeting

Chair & CEO Address

Speeches by Gordon Naylor, Chair, and Brent MacGregor, Chief Executive Officer

Gordon Naylor, Chair

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

The Company made solid progress over the last financial year. The benefits of focussing on the core pain and respiratory franchises are becoming evident. Following the successful capital raise a year ago and completion of the primary investment phase, we're managing the cash resources of the company very closely.

The Company continues to deliver strong revenue growth, with good momentum in underlying demand in all key markets. Following careful assessments, we have altered course in France and in China to reflect on-ground realities. We believe that both changes will support our pathway to operating cash flow break-even.

To complement our growing strength in international markets, the US market entry planning is progressing well. The prize is substantial, but careful navigation is needed.

The Board has worked hard with management to strengthen our corporate governance systems over the year. We have implemented substantial changes to our remuneration arrangements to help drive the delivery of strategy and shareholder value. This includes changes to the remuneration arrangements for the CEO (subject to, in part, shareholder approval which I will touch on in more detail later when speaking about two of the resolutions before you today). Our senior executive team now all have an equity component in their short-term incentive arrangements and have transitioned to new long term incentive arrangements which more strongly align to shareholder interests. Again, I will touch on this again when talking about the resolutions before you.

Dr Russell Bassar was appointed to the Board on 1 September 2023. Dr Bassar is a qualified physician, with over 30 years of international medical and biopharmaceutical experience. He also has substantial expertise in international drug and vaccine development, having held multiple global executive roles in medical and clinical fields at CSL, including several years based in the US. On behalf of the Board, I welcome Russell and the experience he brings to the Company.

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



Brent MacGregor, Chief Executive Officer

Thank you, Gordon, and good morning. I am delighted to be presenting to you today as the Chief Executive Officer of our 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.

FY23 was an encouraging year, with continued momentum in our Pain Management and Respiratory segments. Improved volumes and pricing in both segments delivered strong revenue and margin growth. We have a strong leadership team in place to help execute our growth strategy and to continue to build a positive culture. I am proud of our achievements and look forward to continued success in FY24.

Turning to FY23 in more detail now, group revenue was up 47% on the prior period at \$32.3 million.

The Pain Management segment delivered revenue growth of 54%, with higher volumes and improved pricing. In Australia, volumes were up 6%, with solid demand from the ambulance sector, and growing penetration in hospital emergency departments and procedural segments. In Europe, overall demand was stronger despite a challenging economic backdrop. Volumes in France were up 33%, the UK and Ireland were up 34%, while the Nordics, Central Europe, Switzerland and Belgium all delivered encouraging growth. Volumes into other markets were up almost three-fold, driven primarily by inventory stocking for the relaunch of Pentrox in Canada.

Revenue in the Respiratory segment was up 43%, a strong result that reflected continued market share growth, particularly in the US, and solid underlying demand.

Gross margin was improved by \$5.4 million driven by volume growth and higher pricing.

Underlying EBIT for the period was a loss of \$18.3 million, \$3.6 million unfavourable to the prior year, driven by higher costs associated with the Company's capability build. This included investment in the Australian Pentrox field team, increased commercial resources in Respiratory, and enhanced leadership and functional capability. The Company's primary investment phase is now complete and will continue to drive volume and margin growth in future periods.

The Company's near-term strategic focus is to increase the penetration of Pentrox in existing markets, and to continue to grow its Respiratory segment through market share gains, particularly in the US. Longer term, the Company seeks to enter new and attractive markets for Pentrox, with particular focus on the US.

Our key priorities for the year ahead are included here.

Firstly, we will improve margins through pricing and operational efficiencies.

We will implement further price changes in Australia following encouraging progress in FY23, and we are actively working on new pricing arrangements with partners in several of our global markets that more accurately reflect the value of Pentrox to patients and healthcare practitioners alike. We expect to see incremental price improvements of around \$2 million in FY24.

Operational efficiencies will reduce costs by around \$4 million in FY24. This includes cost savings in Europe following a scale-down of direct promotional activity in France and European regional management costs.

Improved processes and capability throughout our supply chain will deliver savings in production labour and freight.

These savings will deliver a step change in earnings and improve our gross margins.

We will increase penetration of Pentrox in Australian hospital emergency departments.

During FY23, foundations were established to support the penetration of Pentrox into Australian hospital emergency departments. This included a field sales team, medical scientific liaison support, and the launch of a new marketing campaign to support the positioning of Pentrox in the emergency department setting which accounts for 45% of the addressable market in Australia. In this setting, Pentrox offers compelling advantages.

The team has made progress in working with hospitals and buying groups to list Pentrox on hospital protocols and formularies in all states. While we still have much work to do, I am encouraged by the uptake we have already observed in several hospitals. We expect volume to grow in the months ahead.

We will review our go-to-market model in Europe.

While challenging operating conditions and slower than planned growth during FY23 has caused us to reassess our go-to-market approach in France, we continue to believe Europe can deliver solid growth over the longer term.

We have been progressing with urgency our assessment of alternative, more cost-effective operating models. Our preferred approach is a partner model similar to that which is delivering encouraging growth in the UK, Ireland, the Nordics and Austria.

We have identified several partners that could meet our strict assessment criteria, and I look forward to updating you at our first half results in February.

We will progress US market entry planning.

Entry into the US will be transformational for MVP and is a primary strategic focus for the business.

One of our key priorities for FY24 is to finalise the clinical pathway for market entry. We recently met with the FDA to clarify requirements for the pre-clinical program that will enable an effective and efficient Phase III clinical trial. We also sought support for the use of Selfie, our next generation device, in the clinical trial.

Although we are yet to receive formal documentation the FDA did provide greater clarity on the pre-clinical work required to include women of childbearing potential in the clinical trial population, and pleasingly, the FDA are open to using Selfie. We are progressing to the next stage of detailed program planning and costing.



While we believe that the pre-clinical program will lead to the broadening of our trial population, other restrictions to that trial protocol advised by the FDA will remain. A key priority for us is to understand what this could mean for an initial launch label.

I look forward to updating you further in February as we continue to progress this complex project.

Finally, we will continue to grow our respiratory business with particular focus on the US market.

Overall, I am very encouraged by our progress and look forward to the next stage of our Company's growth.

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Authorised for release by the Board of Directors.

Enquiries:

Tara Eaton
Company Secretary
+61 (3) 9547 1888

Anita James
Chief Financial Officer
+61 (3) 9547 1888

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 non-opioid pain relief product. It is used in Australian Hospitals including Emergency Departments, Australian Ambulance Services, the Australian Defence Forces, Sports Medicine and for analgesia during short surgical procedures such as change of burns dressings, biopsies and dental procedures, as well as in other medical applications.