



19 August 2020

ASX ANNOUNCEMENT

Medical Developments to take control of EU markets

Medical Developments International (ASX: MVP) today announced it has reached in principle agreement to enter into a contract with the Mundipharma network in Europe to take back the distribution rights for its pain relief drug, Pentrox® in all 27 member states in the European Union (EU). The Company said it had already set up a European office and appointed a Head of Europe. The plan is to have a hybrid model selling direct in some countries and using distributors in others.

MVP will be able to buy back the EU rights because of a significant reorganisation of Mundipharma's business in Europe. Mundipharma has significantly scaled back its EU staff and presence. As a consequence, MVP will be able to buyback the EU rights for an amount 3 million euro payable in staged instalments over the period of transition plus a 5% royalty on sales capped at a maximum of 5 million Euro commencing from 1st September when MVP starts booking the sales revenue.

MVP Chairman, David Williams said "This buyback is a turning point in the history of MVP. We are the beneficiaries of the enormous effort and expense Mundipharma has invested in pre-marketing activities, marketing approvals, patient trials, clinical data and initial market launches. Mundipharma is going through a significant reorganisation. As a result of these unusual circumstances we are able to access the local European experience of well-qualified staff and all of the work and materials relating to our business."

To date the emphasis of MVP has been on clinical trials and on expanding its regulatory approvals. The deal with Mundipharma will now add to its focus, driving commercialisation and product innovation in the EU. This deal provides more control over speed to market, in-market presence, pricing, margins and a direct interface with the health care professionals.

MVP Acting CEO Max Johnston said "Mundipharma has expended a very significant amount of funds in the pre-marketing phase and initial market entries and have done an excellent job on the preparing and seeding of the market. The separation of the MVP business from Mundipharma is collegial and friendly. Both companies are focused on building on the enormous amount of work already done and serving the needs of patients and customers.



MVP and Mundipharma are working on an orderly six-month handover and transition period commencing 1st September with Mundipharma providing all logistics, sales/marketing and regulatory services on behalf of MVP. During the transition period all materials, relationships, developed intellectual property, clinical trials data, marketing authorisations and market intelligence relating to Pentrox will be shared with and transferred to MVP, which significantly de-risks the Company's direct entry into the EU. We will place a priority on transitioning and serving our existing 568 customers in the EU already buying Pentrox® but expect post transition to be able to grow this number strongly."

Authorised for release by MVP Company Secretary, Mark Edwards.

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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. There is growing interest in Pentrox 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 Pentrox®, a fast-acting trauma and emergency 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 Dental and Cosmetic surgery as well as in other medical applications. MVP is expanding internationally and also manufactures a range of world-leading Asthma respiratory devices.