Medical Developments International

ASX:MVP

FY23 Full Year Results

31 August 2023

IMPORTANT NOTICE AND DISCLAIMER

This presentation contains summary information about Medical Developments International Limited (ACN 108340667) and its related bodies corporate (together, MDI) and MDI's activities as at the date of this presentation. It is information given in summary form only and does not purport to be complete. It should be read in conjunction with MDI's other periodic corporate reports and continuous disclosure announcements filed with the Australian Securities Exchange (ASX), available at www.asx.com.au.

This presentation is for information purposes only and is not a prospectus or product disclosure statement, financial product or investment advice or a recommendation to acquire MDI shares or other securities. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, none of MDI or its directors, employees or agents, nor any other person, accepts liability for any loss arising from the use of this presentation or its contents or otherwise arising in connection with it, including, without limitation, any liability from fault or negligence on the part of MDI or its directors, employees, contractors or agents.

This presentation contains forward-looking statements in relation to MDI, including statements regarding MDI's intent, belief, goals, objectives, initiatives, commitments or current expectations with respect to MDI's business and operations, market conditions, results of operations and financial conditions, products in research and risk management practices. Forward-looking statements can generally be identified by the use of words such as "forecast", "estimate", "plan", "will", "anticipate", "may", "believe", "should", "expect", "project," "intend", "outlook", "target", "assume" and "guidance" and other similar expressions. The forward-looking statements are based on MDI's good faith assumptions as to the financial, market, risk, regulatory and other relevant environments that will exist and affect MDI's business and operations in the future. MDI does not give any assurance that the assumptions will prove to be correct. The forward-looking statements involve known and unknown risks, uncertainties and assumptions and other important factors, many of which are beyond the control of MDI, that could cause the actual results, performances or achievements of MDI to be materially different to future results, performances or achievements expressed or implied by the statements.

Factors that could cause actual results to differ materially include:

- the success of research and development activities (including clinical trials);
- decisions by regulatory authorities regarding approval of our products as well as their decisions regarding label claims;
- competitive developments affecting our products;
- the ability to successfully market new and existing products;
- difficulties or delays in manufacturing;
- trade buying patterns and fluctuations in interest and currency exchange rates / general market conditions;
- legislation or regulations, particularly that affect product production, distribution, pricing, reimbursement, access or tax;
- litigation or government investigations; and
- MDI's ability to protect its patents and other intellectual property.

Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as at the date of the presentation. Except as required by applicable laws or regulations, MDI does not undertake any obligation to publicly update or revise any of the forward-looking statements or to advise of any change in assumptions on which any such statement is based.

For marketed products discussed in this presentation, please see full prescribing information on our website at www.medicaldev.com

Non-IFRS Financial Information

This presentation uses non-IFRS information including underlying revenue, underlying EBIT and underlying adjustments.These measures are key performance measures used by MDI, the investment community, and peers with similar business portfolios. MDI uses these measures for its internal management reporting as it better reflects what MDI considers to be its underlying performance. Underlying revenue and EBIT are used to measure segment performance and have been extracted from the segment information disclosed in the Consolidated Full Year Financial Report.

FY23 Full Year

Key messages

Robust growth for Penthrox and Respiratory in all markets
group revenue up 47%

Gross margin improved
$5.4 million delivered from pricing and volume growth in FY23

Primary investment phase complete
driving delivery of growth strategy

Strong momentum toward positive operating cashflow in FY25
continued growth in key segments and $6 million from pricing and efficiency expected in FY24

US market entry advancing
commercial opportunity for Penthrox of US$300-$400 million identified through market assessment; partner search commenced

FY23 Full Year

Financial highlights

Revenue
$32.3m[1]
+47%

Pain Management Revenue
$20.4m[1]
+54%

Respiratory Revenue
$11.7m
+43%

Underlying EBIT
$18.3m (loss)
(pcp $14.7m loss)

Underlying Adjustments
$10.3m[2] (gain)
(pcp $1.2m loss before tax)

NPAT
$5.6m (loss)
(pcp $12.4m loss)

1. Excludes Contract termination revenue of $18.9 million (refer to the Full Year Consolidated Financial Report)
2. Refer to page 22 in the Appendix for a summary of Underlying Adjustments.

FY23 Full Year

Operational highlights

Commercial milestones

- Expansion of Penthrox into Australian hospital emergency departments
- Strong growth for Penthrox in key partner markets
- Spend in France scaled back in light of market conditions
- Market share gains in the Respiratory segment

Market registrations and product development

- Clinical trial in China discontinued
- UK paediatric trial closed; submission expected Q3 FY24
- Funding award of $1.5 million to support development of next generation inhaler
- US partner search underway; commercial market assessment complete

FINANCIAL PERFORMANCE

Medical Developments International

Earnings summary

FY23 full year results

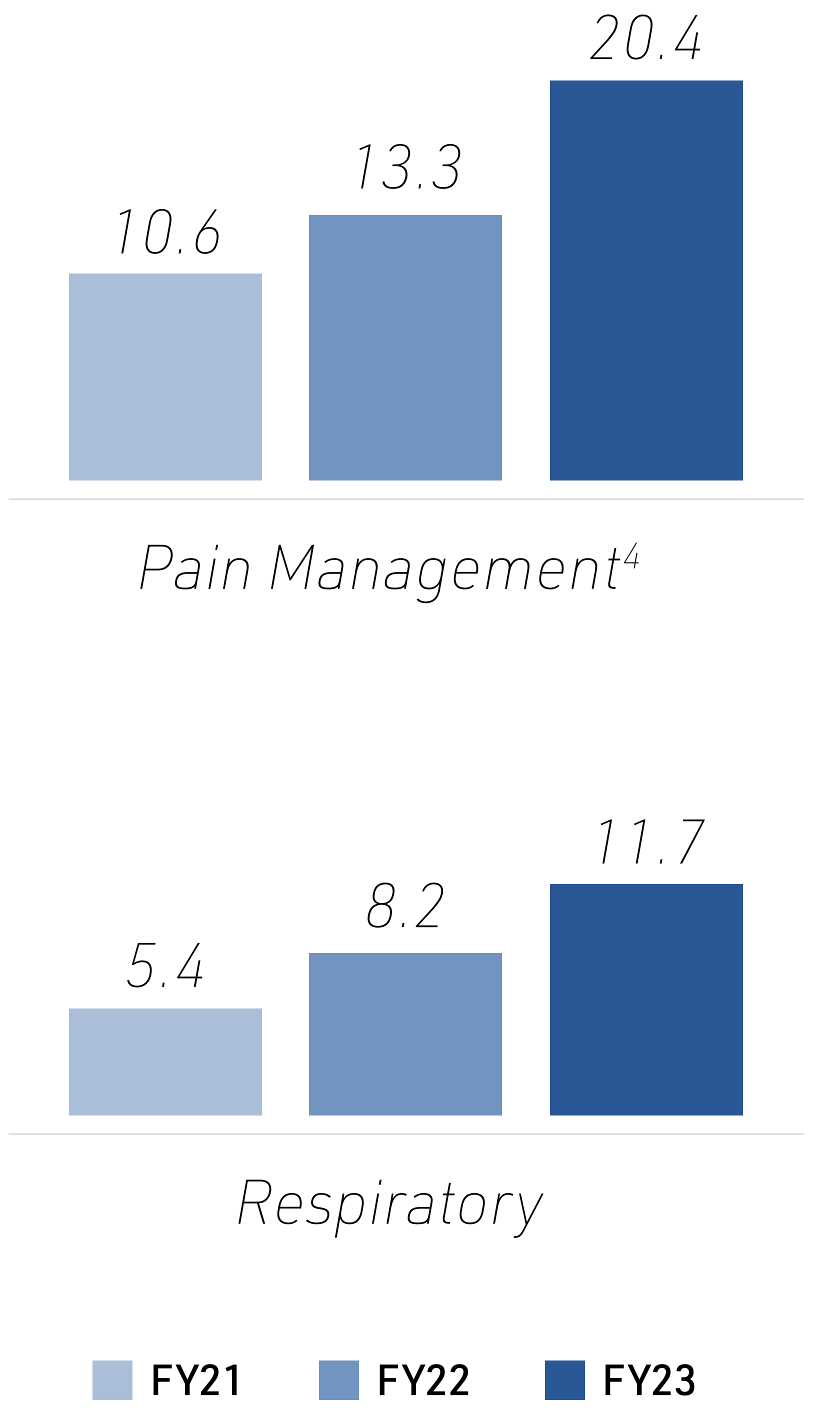
$million	FY22	FY23	Change $m
Revenue[1]	21.9	32.3	10.4
Underlying EBIT	(14.7)	(18.3)	(3.6)
Underlying Adjustments (before tax)[2]	(1.2)	10.3	11.5
Reported EBIT	(15.9)	(8.0)	7.9
NPAT	(12.4)	(5.6)	6.8

Commentary

- Group revenue up 47%
- Higher volumes in key markets
- Higher prices
- Underlying EBIT lower, with higher costs from capability build
- Capability build complete, efficiencies to be delivered in future periods
- Non-cash Underlying Adjustments of $10.3 million (gain before tax), mostly arising from cessation of clinical trial preparations in China, drive improvement in Reported EBIT and NPAT

Segment Revenue[3]

($million)



1. Excludes Contract termination revenue of $18.9 million (refer to the Full Year Consolidated Financial Report).
2. Underlying adjustments are detailed on page 22 in the Appendix.
3. Excludes other segment revenues relating to discontinued businesses (FY23: $0.2 million; FY22: $0.4 million; FY21: $0.4 million).

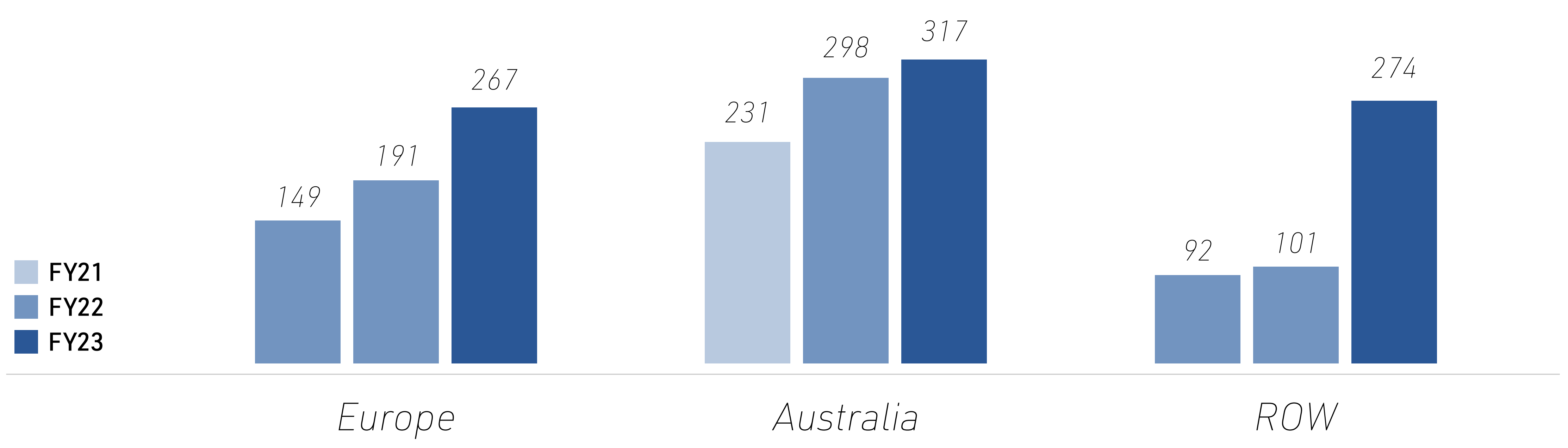
Medical Developments International

Pain Management segment revenue

Revenue up 54%, higher volumes and pricing

$million	FY22	FY23	Change %
Europe	4.0	5.5	39%
Australia	7.4	9.6	30%
Rest of World	1.9	4.6	141%
Product revenue	**13.3**	**19.7**	**49%**
Milestone and other revenue[1]	-	0.7	-
Pain Management	13.3	20.4	54%

Penthrox units[2] 000s



Commentary

Europe

- In-market volumes up 39% with growth in all countries
- UK and Ireland in-market volumes up 34% with encouraging momentum
- France up 33% against a challenging backdrop
- 1H23 deferred deliveries recovered in 2H23

Australia

- Volumes up 6% with solid demand from ambulance
- Growing penetration in emergency departments
- Growth in procedural segments
- Prices increased from November 2022

Rest of World (ROW)

- Significant uplift from inventory stocking for relaunch of Penthrox in Canada
- Growth in Middle East, South Africa and Asia

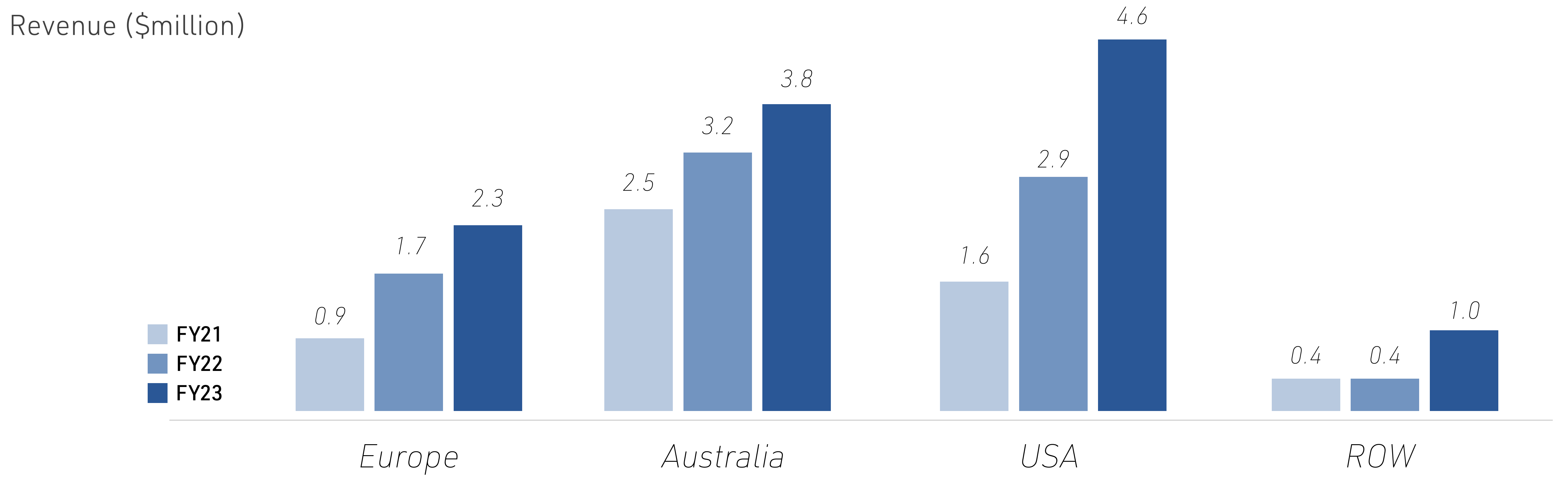
1. Excludes Contract termination revenue of $18.9 million (refer to the Full Year Consolidated Financial Report).
2. European volumes reflect "in-market" sales units, which may differ from units sold to distribution partners in the period (and recognised in revenue). The Company believes this measure improves the transparency of underlying demand.

Medical Developments International

Respiratory segment revenue

Share gains drive revenues 43% higher

$million	FY22	FY23	Change %
Europe	1.7	2.3	40%
Australia	3.2	3.8	19%
USA	2.9	4.6	59%
Rest of World	0.4	1.0	150%
Respiratory	8.2	11.7	43%



Commentary

Europe and Rest of World

- Strong underlying demand
- Increased engagement with partners
- Prices increased

Australia

- Strong underlying demand
- Increased engagement with direct banner groups
- Penetration into hospital channel
- Prices increased

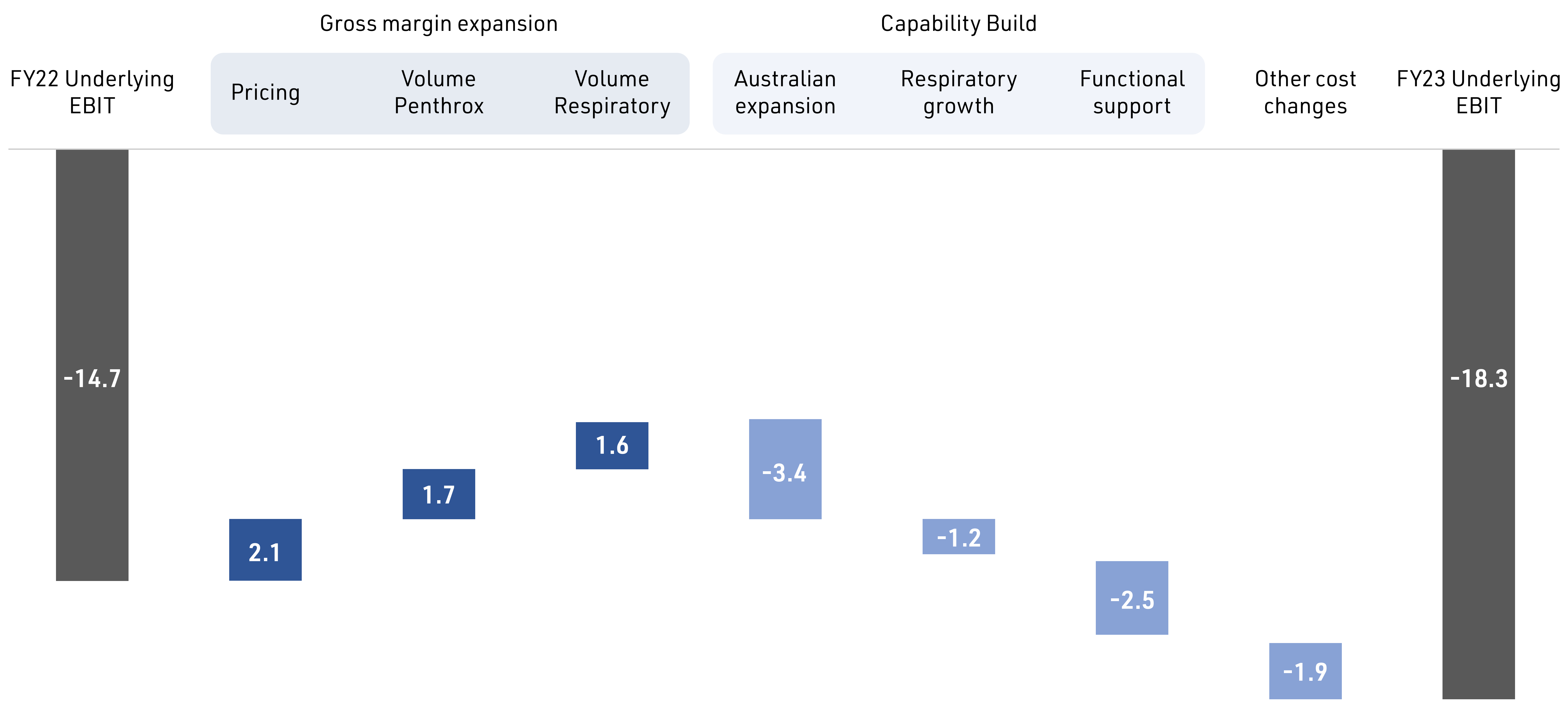
USA

- Market share growth driven by investment in third party infield resources and strong partner engagement
- Continued expansion into pharmacy banner/ wholesaler groups

EBIT bridge

Volume and pricing drive margin expansion

Underlying EBIT bridge ($millions)



Commentary

Pricing

- Stronger pricing in Pain Management and Respiratory segments, particularly for Penthrox in Australia

Volumes

- Growth in Penthrox volumes in all markets
- Share gains and strong underlying demand in Respiratory

Capability build

- Investment in Australian Penthrox field team
- Increased commercial resources in Respiratory
- Leadership and functional capability

Other costs

- Inflationary impacts
- Contract termination costs relating to scale down in France

Medical Developments International

Balance sheet and cashflow

Primary investment phase complete, improved cashflows expected

$'000	FY22	FY23	Change $m
Underlying EBITDA	(11.7)	(15.1)	(3.4)
Non-cash items	1.0	0.7	(0.3)
Change in working capital	(2.4)	(1.8)	0.6
Change in other assets and liabilities	0.1	(0.8)	(0.9)
Income tax received	2.3	-	(2.3)
Interest paid	(0.1)	(0.1)	0.0
Operating cash flow	**(10.8)**	**(17.1)**	**(6.3)**
Working capital / sales %	**17%**	**17%**	**-**
Capital expenditure	**(5.2)**	**(7.7)**	**(2.5)**
Cash	**20.4**	**24.7**	**4.3**

Commentary

Change in working capital

- Investment to support sales growth in both Pain Management and Respiratory segments
- Working capital to sales % in line with prior year

Capital expenditure

- Plant and equipment ($1.8m), mostly relating to manufacturing projects
- Intangible assets ($5.9m), mostly relating to development of the next generation inhaler ("Selfie"), the UK paediatric trial, and registration activities for US and China (China now discontinued)
- Capital expenditure in FY24 (including spend on trials and market registration activity) is expected to be approximately $5 million

Cash

- Closing cash balance of $24.7 million

Medical Developments International

FY24 PRIORITIES

Medical Developments International

FY24 priorities

Deliver improved earnings and cashflow and advance US market entry

1. Improve margins through pricing and operational efficiency
2. Increase penetration of Penthrox in Australian hospital emergency departments (EDs)
3. Review go-to-market model for Europe
4. Progress partner search and finalise pathway for US market entry
5. Drive continued growth in Respiratory

FY24 priorities

Improve margins through pricing and efficiency

Incremental benefits of $6 million expected in FY24

Pricing benefits

- Higher pricing in Australia
- Opportunity to reset commercial arrangements in other markets

Cost efficiencies

- European restructuring
- Supply chain efficiency
- Scale efficiencies

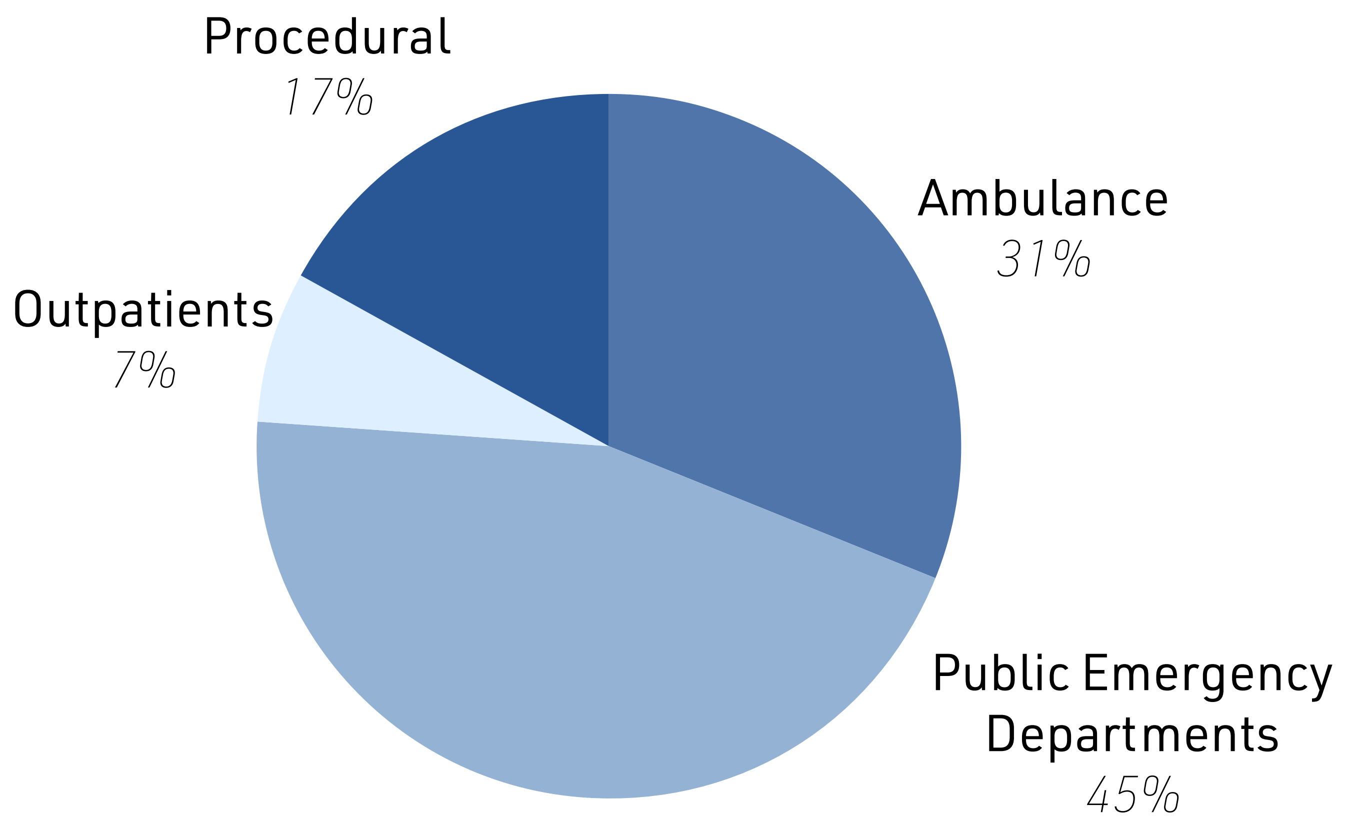
FY24 priorities

Increase penetration of Penthrox in Australian hospital emergency departments

National Account Management Team delivering encouraging progress

- Volume in Australia up 6% in FY23
- Progressing inclusion of Penthrox on public hospital formularies
- Expanded use of Penthrox in private hospitals
- Growth in procedural segment being realised

Attractive market opportunity[1]



Percentage services by segment

Opportunity to broaden market penetration

- ~75% of Penthrox volumes currently from Ambulance segment
- Significant opportunity to grow in emergency departments and procedural

1. Productivity Commission 2021, AIHW 2021, AIHW 2020, Services Australia Medicare Item Reports 2021, PENTHROX Qualitative Research 2021. Paramedics/Ambulance Officers & Emergency Physicians; PENTHROX Quantitative Market Research 2022.

Medical Developments International

FY24 priorities

Review go-to-market model for Europe

Realise potential of Penthrox in key European markets through a more cost-effective approach

- In-market field team in France scaled back, service to existing customers remains a priority
- Leverage attractive position established in France (annual demand ~65,000 units, >300 customers)
- Progress update to be provided at the AGM in October 2023

FY24 priorities

Progress US partner search and finalise pathway for market entry

Commencement of clinical pathway expected in FY25

Funding strategy

US adviser appointed to support search for partner(s)

Clinical pathway

Development of clinical pathway advancing

Commercialisation

Development of next generation device ("Selfie") on track, expected to be used in clinical trial and commercial launch

USA market entry

Commercial market assessment

Annual in-market revenue potential for Penthrox of US$300-US$400 million[1]

Large addressable market

- 20 million adult patients[2] in acute pain and trauma, 75% in emergency departments (ED) and emergency medical services (EMS) segments
- Further 10 million adult patients[2] in outpatient procedures, reached with label expansion
- Paediatric opportunity with label expansion

Attractive pricing potential

- Estimated in-market pricing between US$35-US$75 per unit
- Urgent care centres most price sensitive, ED least price sensitive

1. 5 years post launch. Base case for opportunity in acute pain and trauma.
2. All adults, including women of child bearing potential.

FY24 OUTLOOK

Medical Developments International

FY24 outlook

The Company expects underlying EBIT in FY24 to improve on the prior year, driven by:

- Higher Penthrox volumes in Australian hospital emergency departments;
- Share growth in the Respiratory segment; and
- Incremental margin improvements of $6 million from pricing and efficiency.

Capital expenditure in FY24 (including spend on trials and market registration activity) is expected to be approximately $5 million.

Appendix

Reconciliation between underlying EBITDA and net loss after tax

$million	FY22	FY23
Underlying EBITDA	**(11.7)**	**(15.1)**
Depreciation and amortisation expense	(3.0)	(3.2)
Underlying EBIT	**(14.7)**	**(18.3)**
Contract termination revenue - Pain Management segment[1]	-	18.9
Impairment losses - Capitalised Registration Costs[2]	-	(6.7)
Commercial Market Assessment Costs[3]	-	(1.9)
Impairment losses - Veterinary segment[4]	(0.6)	-
Finalisation of costs for the CSIRO Continuous Flow technology program[5]	(0.6)	-
Total underlying adjustments	**(1.2)**	**10.3**
Reported EBIT	**(15.9)**	**(8.0)**
Net interest	-	0.5
Net loss before tax	**(15.9)**	**(7.5)**
Income tax benefit	3.5	1.9
Net loss after tax	**(12.4)**	**(5.6)**

Notes

FY23

1. Contract termination revenue arising from the termination of agreements for the distribution of Penthrox in China ($18.5 million), and other countries where revenue opportunities are not being pursued ($0.4 million).
2. Impairment of capitalised registration costs following the cessation of market activities in China of $5.7 million, and an additional $0.9 million in other countries where revenue opportunities are not being pursued. There was also a $0.1 million impairment in relation to patents and trademarks.
3. Costs to complete a comprehensive assessment of the commercial potential for Penthrox in the US ($1.9 million) which are not of a capital nature.

FY22

4. Impairment losses recognised following the Group's decision to discontinue the Veterinary business ($0.6 million).
5. Finalisation costs for the CSIRO Continuous Flow technology program ($0.6 million).

Medical Developments International

Company overview

- Medical Developments International Limited (ASX:MVP) is an Australian based pain management and respiratory company
- The Company's lead product, Penthrox (The Green Whistle®), an inhaled, needle-free, non opioid analgesic, is manufactured in Australia and sold globally
- The Company also has a portfolio of respiratory products for sufferers of asthma and COPD[1]
- The Company's strategic focus is to accelerate penetration of Penthrox through direct in-market capability in Australia and Western Europe, and to grow its Respiratory segment through market share gains
- Longer term growth for Penthrox will be underpinned by entry into the USA market

1. Chronic Obstructive Pulmonary Disease

Penthrox

Over 8 million used worldwide

The superior efficacy, safety and administration benefits of Penthrox deliver improved patient outcomes and lower overall costs

- Inhaled **needle-free** analgesic[1]
- **Non-opioid**[1]
- **Portable**, self administered device[1]
- **Effective** pain relief within **6–10 breaths**[1-4] and **rapid offset**
- Established safety profile with over **8 million uses**
- **Well tolerated**, with the majority of adverse events mild and transient[1,2]
- Approved for use in **children** in Australia[1]
- **Efficiency benefits of Penthrox** in hospital emergency departments illustrated in British study[5]

The iconic ***Green Whistle***

1. Penthrox® (methoxyflurane) Approved Product Information 13 December 2019. 2. Coffey F, et al. Emerg Med J 2014;31:613-618. 3. Grindlay J, Babl FE. Emerg Med Australasia 2009;21:4-11. 4. Penthrox® (methoxyflurane) Consumer Medicine Information February 2020. 5. Craigavon, N.I., An inhaled analgesic 31 March 2020

Respiratory

Helping patients manage asthma and COPD[1]

Providing pharmacies, medical clinics and hospitals with a range of respiratory devices which are designed to assist patients to manage asthma and COPD[1]

- Space chambers
- Portable nebulisers
- Silicon Face Masks

1. Chronic Obstructive Pulmonary Disease

Medical Developments International

ASX:MVP

FY23 Full Year Results

31 August 2023