

SDI Limited
Chairman's Address
Annual General Meeting
November 13, 2020

Over the years, SDI has faced many challenges in its global business, such as currency fluctuations, volatile commodity prices and changing economic environments in many of the countries it operates in, and now the COVID-19 pandemic has presented additional challenges. I believe the Company has managed this pandemic extremely well, ensuring the health and safety of its employees, and has taken the necessary steps to manage the financial impact.

The COVID-19 pandemic has had a significant adverse impact on the Company's results particularly in the 4th quarter of the financial year, which is traditionally the Company's strongest quarter. In most countries dental procedures were restricted to emergency treatment only. We are now starting to see dental practices returning to 'normal' in many countries. Prior to the pandemic, the Company was on track to achieve a very strong result, as shown by a record first half year result.

As Chairman, I am pleased with the commitment shown by all employees to help the Company navigate through this very challenging period. It is evident that SDI has a very strong and experienced management team driven by the Company's values, which underpins the future success of the Company.

The pandemic has highlighted the strong fundamentals of SDI. The Company continued to generate good cash flow, has minimal debt, and continued to invest in product research and development.

SDI is an Australian manufacturer which has built a strong global distribution network embracing over 100 countries. It exports over 90% of its products and has approximately 300 employees globally. It continually invests in the development of contemporary dental products and is recognised in the industry as an innovative and quality manufacturer.

The Board, with its continued confidence in the underlying strength of the business, declared a final dividend of 0.5 cents per share, paid in September, which is in addition to the interim dividend of 1.35 cents per share paid in April this year.

In closing, I wish to acknowledge the contribution made by the Board of Directors who have served with distinction by advising, encouraging, and assisting Management. Additionally, I wish to express my appreciation to the managers and all the staff for their tremendous efforts. SDI is a great Australian manufacturing and exporting company, and we are very confident of continued growth in the business and rewards for shareholders.

Thank you for your ongoing support.

A handwritten signature in black ink, appearing to read 'J. Cheetham', written in a cursive style.

Jeffery Cheetham, OAM
Chairman
SDI Limited