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SDI LIMITED ACN 008 075 581 | ABN 27 008 075 581

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**SDI Limited
Chairman's Address
Annual General Meeting
November 24, 2023**

Over the 2023 financial year we have made solid progress, focusing on successfully growing our key product categories. We achieved record sales of \$107.9 million, a fantastic result and I would like to take this opportunity to acknowledge and thank all SDI's teams for their dedication. We worked closely together to get orders out in the manufacturing and warehousing spaces in Bayswater. With production and warehousing capacity tight at Bayswater, we have now relocated our warehousing to the existing warehouse in Montrose, which we renovated throughout FY23 to meet our warehousing needs. .

As we progress beyond the pandemic years and the challenges COVID presented, we are confident that our pandemic strategy to keep our global warehouses full has seen us increase market share, contributing to the strong sales growth of 13.4%.

The continued focus on aesthetic and whitening products is a solid strategy for the future direction of our portfolio. We continued to benefit from two of the main amalgam competitors leaving the category, with dentists switching to our brand. Whilst amalgam was a strong category of growth in FY23, we do expect the amalgam category moving forward to revert to longer term softening trend.

Product launches included our new innovative product Stela, a new posterior restorative product, that will serve as an amalgam replacement. We released Stela in April this year into Australia, and many other markets except Europe. Riva Cem Automix, a resin-based glass ionomer cement is also being rolled out globally. Both Stela and Riva Cem Automix have received excellent early feedback and we look forward to building on our marketing and education efforts to drive sales growth.

The new European Union Medical Device Regulation (MDR) has been a major focus for our teams over the last twelve month. The teams have committed substantial time on this important project and expect to meet the May 2024 application deadline, by which time our key products will qualify for the EU MDR extension out to December 2028. Globally, product registration is becoming more difficult to achieve, adding a significant barrier to entry in our markets. We welcome stringent regulations and are confident we are well equipped to sell all our products in all major markets around the world.

Our new 24,000sqm property in Montrose will ensure production and warehousing are far more efficient than at the current Bayswater location. A new larger warehouse will be built, starting 2024, followed by all manufacturing in Bayswater moving in 2027. The full project is currently being refined by consultants.

The 2024 financial year will be focused on changing our amalgam customers to Stela, starting the build of our new warehouse, and ensuring our European MDR registration is achieved.

These are great goals for the year to ensure the Company is well placed to achieve increased market share for the future.



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In closing, I would like to thank again the SDI team and our Distributors both in Australia and all over the world for their hard work to SDI's global success. I wish to acknowledge the contribution made by the Board of Directors who have served with distinction by advising, encouraging, and assisting Management. Lastly, I would like to thank our Shareholders for their ongoing support and investment in SDI.

Jeffery Cheetham OAM

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

Chairman

SDI Limited