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**SDI Limited
Chairman's Address
Annual General Meeting
November 19, 2021**

The 2021 financial year started with continued challenges of the pandemic causing uncertainty in the markets. The dental industry in many countries began to reopen resulting in a strong rebound in demand. The Company continued to manage its costs and the health and safety of its employees.

This year's record sales and profit reflects the solid fundamentals of SDI and places the Company in a strong position to manage future challenges in its global markets.

SDI exported approximately 88% of its products to over 100 countries, and being based in Australia, the global logistics were challenging. With the limited flights and ships in and out of Australia, it was often difficult to get stock to SDI's distributors and to its overseas warehouses located in the USA, Germany, and Brazil. When product was able to be shipped, seaports and airports globally were either congested, sometimes for months and additional stock needed to be sent by air, or rerouted causing freight costs to be materially higher.

The Company continued to invest in research and development for the future. Despite a year of lockdowns, there were several new products launched in the Whitening and Glass Ionomer range.

Dental products are medical devices and there are strict regulations in most countries. Compliance and registration processes have become more complex adding to the timeline of product releases and costs. The Company has spent considerable time and resources addressing the UK withdrawal from the EU, and the EU's change to their Medical Device Directive. Despite these challenges SDI believes it is well positioned to continue to supply into these markets.

The future is looking positive, and with the Board's continued confidence in the underlying strength of the business, the Directors declared a final dividend of 1.65 cents per share, which is in addition to the interim dividend of 1.50 cents per share representing a 70.3% increase in total dividends.

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.

Jeffery Cheetham

Chairman

SDI Limited