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**SDI Limited
Chairman's Address
Annual General Meeting
November 24, 2022**

Financial year 2022 has been a significant year for SDI, and despite ongoing challenges relating to freight costs and supply chain disruptions, we were thrilled to have achieved another year of record sales.

During the year management remained committed to our customer service strategy to ensure orders were shipped to meet customer demand. While having to carry extra inventory for this period, the success of our strategy to grow our key categories of aesthetics and tooth whitening was evident. We also benefited from the amalgam sales boost due to key competitors exiting the market.

Product margins were impacted by the elevated logistics costs, as well as product and regional sales mix. Operating expenses were up as conditions normalized to pre-pandemic levels and the absence of government assistance.

As you know the Company is committed to research and development. During the year, we launched two new composite products in this very large and competitive market. The pipeline of new products is strong with the expected release of more new products in the next six months, including our amalgam alternative product, "Stela".

We continue to invest in new production machinery and equipment to continuously improve production efficiencies. Further, as recently announced, we purchased a 24,000sqm property with an established warehouse on site and we expect this will fulfil our expanding warehousing requirements. Longer term, the site will be a much larger home for SDI's future operations.

Financial year 2023 is an exciting year for SDI with the continued celebration of our 50-year anniversary, plus the International Dental Show product launches in Germany in March 2023.

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. Lastly, I would like to thank our shareholders for their ongoing support and investment in SDI. SDI is a great Australian manufacturing and exporting company, and we are confident of continued growth in the business and rewards for shareholders.

Thank you for your ongoing support.

Jeffery Cheetham

Chairman

SDI Limited