

14 December 2020

ASX ANNOUNCEMENT

Medical Developments completes a A\$25 million placement to accelerate the commercialisation of Pentrox in European Markets

Key Highlights

- Medical Developments International Limited (MVP) has successfully raised approximately A\$25 million via a placement supported by new and existing investors in Australia and offshore
- Proceeds will be used primarily to accelerate commercialisation of Pentrox in the EU, to strengthen the depth and breadth of the MVP team and to complete clinical and other studies
- MVP's commercialisation strategy will be led by former CSL and Seqirus executives Gordon Naylor (incoming Chairman) and Brent MacGregor (CEO)
- The Placement will strengthen MVP's balance sheet. Following the Offer, MVP will have pro-forma net cash of approximately \$44.9 million.¹

Incoming MVP Chairman and former CSL Chief Financial Officer Gordon Naylor stated: "There are parallels between MVP and my former employer CSL in two ways; firstly around Seqirus and what we achieved there in a short period of time. That business was driven from generating an annual loss of \$250m to being a profitable high growth market leader within 3 years. Secondly, I am proud to have been part of the internationalisation of CSL from domestic roots to the global leader that the company is today."

Mr. Naylor continued: "For businesses like MVP which have experienced success in the local and relatively small Australian marketplace there is transition risk when expanding abroad into diverse international markets. The experience that MVP's new CEO Brent MacGregor and I bring to the table is relevant to making that transition a successful one and executing on the international stage."

The opportunity for the success of Pentrox in Australia to be replicated in Europe is immense and both Brent and I are excited by this challenge and look forward to executing on our strategy."

Outgoing Chairman, major shareholder and ongoing Non-Executive Director, David Williams stated: "The exciting part is that both Gordon and Brent together have a vision for MVP to take it to a level that we have not so far got to ourselves. The reason for the fund-raising is to allow them to do that, and to have a small war chest over the next 12 to 24 months."

I take this opportunity to thank both existing and new shareholders for their support in this transaction and throughout what has been a challenging year. I warmly welcome Gordon to the role of Chairman and assure shareholders that from a leadership perspective the company is now in the very best of hands with Gordon and Brent at the helm."

¹ Pro-forma as at 30 June 2020. Assuming full take up on the SPP

1. Placement

Medical Developments International (ASX: MVP) (**MVP** or the **Company**) is pleased to advise that it has successfully raised approximately \$25m (before costs) through the placement of 3,846,154 ordinary shares in the Company (**Shares**) to a number of institutions and sophisticated and professional investors at a price of \$6.50 per Share (**Placement Price**) (**Placement**).

The issue price of \$6.50 per Share represents a:

- a) 5.2% discount to the volume-weighted average price of MVP shares traded on ASX over the 5 trading days up to, and including, Wednesday 9 December 2020 of \$6.86 per share; and
- b) 8.5% discount to the last closing price of A\$7.10 per MVP share as at Wednesday 9 December 2020.

The Shares to be issued under the Placement (**Placement Shares**) will rank equally with existing MVP Shares on issue. The Placement Shares are being issued in reliance on the Company's available placement capacity under ASX Listing Rules 7.1 and 7.1A.

The Placement Shares are expected to be issued and commence trading on the ASX on Friday, 18 December 2020.

Non-Executive Director, Christine Emmanuel, has been allocated approximately \$100,000 (15,385 of Placement Shares) through participating in the Placement. The issue of Placement Shares allocated to Christine Emmanuel is subject to MVP shareholder approval at MVP's next general meeting. Accordingly, this portion of the placement will not settle until that time.

Bell Potter Securities Limited acted as sole lead manager to the Placement.

The Placement is not underwritten.

2. Non-underwritten Share Purchase Plan

Following completion of the Placement, MVP will conduct an offer of new Shares under a share purchase plan (**SPP**) to existing shareholders in the Company with a registered address in Australia or New Zealand as at 7.00pm (Sydney, Australia time) on Friday, 11 December 2020, and who are not in the United States or acting for the account or benefit of a person in the United States (**Eligible Shareholders**).

The SPP will provide each Eligible Shareholder with the opportunity to apply for up to \$30,000 worth of new Shares at an issue price of A\$6.50 per Share, being the Placement Price.

The SPP will initially be capped at \$5,000,000. MVP reserves the right to increase or decrease this amount and to scale back applications under the SPP in its absolute discretion. In the event of a scale back occurring, Eligible Shareholders may not receive the full number of Shares applied for under the SPP and the difference in any application monies will be refunded to them (without interest) following the issue of Shares under the SPP. The SPP is not underwritten.

Full details of the SPP will be set out in the SPP booklet (**SPP Offer Booklet**), which is expected to be released to the ASX and dispatched to eligible shareholders on or before Friday, 18 December 2020. The SPP is scheduled to open on Friday, 18 December 2020 and close on Monday, 18 January 2021.

MVP will seek quotation of the new Shares issued under the SPP on ASX and expects these shares to commence trading on Thursday, 28 January 2021.

Each new Share issued under the SPP will rank equally with existing Shares then on issue with effect from their date of issue.

3. Indicative timetable

The timetable below is indicative only and subject to change. The Company reserves the right to alter the below dates at its full discretion and without prior notice, subject to the ASX Listing Rules and the Corporations Act. The commencement of trading of new Shares is subject to confirmation from ASX.

Event	Date
Record date for Eligible Shareholders to subscribe for new Shares via the SPP	7.00pm (Sydney, Australia time) on Friday, 11 December 2020
Announcement date of Placement and SPP	Monday, 14 December 2020
Settlement of Placement Shares	Thursday, 17 December 2020
Expected date of issue of the Placement Shares and commence trading on ASX	Friday, 18 December 2020
Dispatch of the SPP Offer Booklet	Friday, 18 December 2020
SPP opening date	Friday, 18 December 2020
SPP closing Date	Monday, 18 January 2021
Settlement of shares under SPP	Monday, 25 January 2021
Issue of shares under SPP	Wednesday, 27 January 2021
SPP shares commence trading on the ASX	Thursday, 28 January 2021

4. Use of funds

Funds raised from the Placement and SPP will be primarily used to:

- Accelerate Pentrox EU commercial expansion through operational investments in the EU and Australia
- Completion of clinical studies; and
- General corporate purposes.



5. Director purchase and sale

In conjunction with the capital raising, incoming Non-Executive Chairman Gordon Naylor will purchase \$1.0 million of MVP shares from current Non-Executive Chairman, David Williams, at the Placement Price.

As a result of this announcement, MVP will resume trading from the commencement of trading today, Monday, 14 December 2020.

Authorised for release by the Board of Directors.

Enquiries:

David Williams
Chairman
Medical Developments International Ltd
0414 383 593

Gordon Naylor
Non-executive Director
Medical Developments International Ltd
0429 421 835

Brent MacGregor
Chief Executive Officer
Medical Developments International Ltd
03 9547 1888



About Pentrox®

Penthrox is a fast onset, non-opioid analgesic indicated for pain relief by self-administration in patients with trauma and those requiring analgesia for surgical procedures. Penthrox is now approved for sale in more than 40 countries and has been used safely and effectively for more than 40 years in Australia with more than 7 million units sold. There is growing interest in Penthrox being used in patients undergoing investigatory procedures, as well as operational procedures such as colonoscopy.

About Medical Developments International Ltd

MVP is an Australian company delivering emergency medical solutions dedicated to improving patient outcomes. MVP is a leader in emergency pain relief and respiratory products. The Company manufactures Penthrox®, a fast-acting trauma and emergency pain relief product. It is used in Australian Hospitals including Emergency Departments, Australian Ambulance Services, the Australian Defence Forces, Sports Medicine and for analgesia during short surgical procedures such as Dental and Cosmetic surgery as well as in other medical applications. MVP is expanding internationally and also manufactures a range of world-leading Asthma respiratory devices.

Disclaimer

The information in this announcement does not constitute investment or financial product advice or any recommendation to acquire Shares. It does not take into account any individual's investment objectives, financial situation or particular needs. Before making an investment decision, prospective investors should consider the appropriateness of the information from their individual perspective and, if in doubt, seek professional financial, legal or taxation advice. This announcement is not an offer or an invitation to acquire Shares or any other financial products and is not a prospectus, product disclosure statement or other offering document under Australian law or any other law. It is for information purposes only.

Not for release or distribution in the United States

This announcement has been prepared for publication in Australia and may not be released or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the U.S. Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration of the U.S. Securities Act and applicable U.S. state securities laws.

Forward looking statements

This announcement may contain forward-looking statements about the Company. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance", or other similar words. To the extent that this announcement contains forward-looking information, the forward-looking information is subject to a number of risk factors, including those generally associated with the industry in which the Company operates and the specific, key risks set out in the investor presentation released by the Company on Monday, 14 December 2020. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance and achievements or industry results to differ materially from any future results, performance or achievements, or industry results, expressed or implied by these forward-looking statements. Forward-looking statements are based upon management's good faith assumptions

relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company's business and operations in the future. The Company cannot give any assurance that the assumptions upon which management based its forward-looking statements will prove to be correct, or that the Company's business and operations will not be affected in any substantial manner by other factors not currently foreseeable by management or beyond its control. Any forward-looking statements contained in this announcement are based on information available to the Company as at the date of this announcement. Except as required by law or regulation (including the ASX Listing Rules), the Company undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, and guidance on, future earnings or financial position or performance are also forward-looking statements. To the maximum extent permitted by law, the Company and its directors, officers, employees, advisers, agents and intermediaries and the other parties disclaim any obligation or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions. Neither the Company, nor any other party, makes any representation or warranty as to the accuracy of any forward-looking statements contained in this announcement.