26 July 2024

ASX ANNOUNCEMENT

FULLY UNDERWRITTEN $10.0 MILLION CAPITAL RAISING AND FY24 UNAUDITED RESULTS

HIGHLIGHTS

- MVP today announces a fully underwritten capital raising of $10.0 million, comprising a $5.5 million placement to institutional investors and a $4.5 million pro rata accelerated non-renounceable entitlement offer.
- Proceeds will be used primarily to fund targeted investment in growth initiatives to accelerate penetration of Penthrox in Australian and international markets.
- Unaudited results for FY24 in line with expectations. Gross margin up 5ppt, operating costs down ~$5.0 million, Underlying EBIT and Free Cashflow strongly improved.
- Positive momentum in margins and earnings to continue, with positive operating cashflow expected by the end of FY25.

MVP Chair Gordon Naylor said, *"The business remains on a path to positive operating cash flow. Performance over the last year has demonstrated strong strategic momentum. Penthrox demand continues to be strong with encouraging lead indicators for future growth. This modest raise will support investment to accelerate our progress. I thank my fellow Board members and our Chief Executive Officer Brent MacGregor for their support in this raise."*

1. Capital raising overview

Medical Developments International Limited (ASX:MVP or the Company), a leading company in emergency pain relief and respiratory products, is pleased to announce the launch of a fully underwritten equity raising (the "**Offer**") through a placement to institutional investors ("**Placement**") and a pro rata accelerated non-renounceable entitlement offer ("**Entitlement Offer**") to raise gross proceeds of $10.0 million (before costs). Proceeds will be used to fund targeted investment in growth initiatives to accelerate Penthrox growth in Australia and global markets.

The Entitlement Offer and Placement are expected to result in the issue of approximately 26.3 million new fully paid ordinary shares in MVP ("**New Shares**"), representing approximately 30.5% of MVP's existing fully paid ordinary shares on issue in total (with the Placement component comprising approximately 17.0% of MVP's existing fully paid ordinary shares on issue and which will be made utilising the company's existing ASX Listing Rule 7.1 capacity and waiver pursuant to ASX Guidance Note 17). Each New Share issued under the Entitlement Offer and Placement will rank equally with existing shares in the Company on issue.

2. Capital raising details

Placement

The Placement will comprise an institutional placement of 14.6 million New Shares to raise approximately A$5.5 million under the Company's existing placement capacity under ASX Listing Rule 7.1 capacity as modified by "super-size" waiver pursuant to ASX Guidance Note 17 (and therefore will not require shareholder approval).

New Shares under the Placement will be issued at the same price as New Shares issued under the Entitlement Offer, namely A$0.38 per New Share.

The Entitlement Offer

The Entitlement Offer of approximately A$4.5 million will consist of a 1 for 7.35 accelerated pro-rata non-renounceable entitlement offer of New Shares. As the Entitlement Offer is accelerated, it will be divided into 2 components, namely the Institutional Entitlement Offer and Retail Entitlement Offer, both of which are described below.

All New Shares in the Entitlement Offer will be issued at a price of A$0.38 per New Share (**Offer Price**) which represents:

- 21.6% discount to the last close price of $0.485 on 25 July 2024
- 20.9% discount to the 5-day VWAP of $0.481 up to and including 25 July 2024
- 17.5% discount to TERP of $0.46

The Offer Price will be the same as the issue price under the Placement.

Under the Entitlement Offer, eligible shareholders will be able to subscribe for 1 New Share for every 7.35 existing shares held at 7.00pm (Melbourne Time) on Tuesday, 30 July 2024 (**Record Date**) at the Offer Price, with any fractions of a New Share resulting from calculation of the Entitlement rounded up to the next whole number of New Shares.

The Entitlement Offers are non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up their Entitlement Offer will not receive any value for those entitlements that they do not take up and their percentage equity interest in the Company (not the number of Shares they own) will be diluted following the issue of the New Shares under the Placement and the Entitlement Offers.

It is expected that approximately 11.7 million New Shares will be issued under the Entitlement Offer. New Shares issued under the Entitlement Offer will rank equally with existing MVP shares.

Institutional Entitlement Offer

Eligible institutional shareholders will be invited to participate in the Institutional Entitlement Offer which will take place from today, Friday, 26 July 2024. Eligible institutional shareholders may opt to take up all, part or none of their Entitlement.

Entitlements not taken up by eligible institutional Shareholders, and institutional entitlements that would otherwise have been offered to ineligible institutional Shareholders, will be offered to new institutional investors and existing institutional Shareholders concurrently with the Institutional Entitlement Offer.

Any residual shortfall shares not taken-up by eligible institutional shareholders during the bookbuild process will be allocated by, or taken up by, the Underwriter under the terms of the underwriting agreement (Underwriting Agreement). If for any reason the underwriting agreement has been terminated, the Directors have reserved the right to place these residual shortfall shares to eligible institutional investors (who may also be institutional shareholders).

MVP shares are in trading halt as from today and will remain in a trading halt (for 2 trading days, as indicated in the below Timetable) pending completion of the Institutional Entitlement Offer.

Retail Entitlement Offer

Eligible retail shareholders will be invited to participate in the Retail Entitlement Offer, which will open on Friday, 2 August 2024 and will close at 5.00pm (Melbourne Time) on Thursday, 22 August 2024. Retail shareholders will be notified by the Company as to their eligibility to participate in the Retail Entitlement Offer via a letter (email or hard copy) explaining how to access the retail offer booklet (**Retail Offer Booklet**) along with a personalised Entitlement and Acceptance Form on Friday, 2 August 2024.

The Retail Offer Booklet will provide the details of how to participate in the Retail Entitlement Offer. A copy of the Retail Offer Booklet will also be lodged with the ASX on Friday, 2 August 2024.

Any shortfall shares not taken-up by eligible retail shareholders will be allocated by, or taken up by, the Underwriter under the terms of the Underwriting Agreement. If for any reason the Underwriting Agreement has been terminated, the Directors have reserved the right to place the Shortfall Shares to eligible investors.

Further details about the Retail Entitlement Offer will be set out in the Retail Offer Booklet. For eligible retail shareholders who wish to take up all or part of their Entitlement, payment must be made via BPAY® (in the case of eligible Australian shareholders) or electronic funds transmission (**EFT**) (in the case New Zealand eligible shareholders) by following the instructions set out on the personalised Entitlement and Acceptance Form. Eligible shareholders based in New Zealand who do not have an Australian bank account will be able to pay by EFT in Australian currency. Payment is due by no later than 5.00pm (Melbourne time) on Thursday, 22 August 2024.

3. Use of proceeds received under the Offer

The funds raised under the Offer are expected to be used as follows:

Purpose	**A$m**
Targeted investment in growth initiatives including: • Evidence generation • Support local and international knowledge exchange • Expansion of commercial investment in Australia as strategy is progressed	A$6.5m
Working capital and Offer costs:	A$3.5m
Total uses of funds	$10.0m

4. Indicative offer timetable

Event	**Date / Time**
Trading halt	Friday, 26 July 2024
Announcement results of the completion of Placement and Institutional Entitlement Offer and recommencement of trading	Tuesday, 30 July 2024
Record date for Entitlement Offer	Tuesday, 30 July 2024
Retail Offer Booklet despatched and made available electronically Retail Entitlement Offer opening date	Friday, 2 August 2024
Settlement of New Shares issued under the Placement and Institutional Entitlement Offer	Monday, 5 August 2024
Allotment and normal trading of New Shares under the Placement and Institutional Entitlement Offer	Tuesday, 6 August 2024

Retail Entitlement Offer closing date (5:00pm, Melbourne time)	Thursday, 22 August 2024
Announcement of results of Retail Entitlement Offer	Tuesday, 27 August 2024
Issue of New Shares under the Retail Entitlement Offer	Wednesday, 28 August 2024

5. FY24 preliminary unaudited results and FY25 outlook

The Group has reported preliminary unaudited results for FY24, with Group revenue up 3% to $33.2 million, and Underlying EBIT in line with expectations at $11.6 million (loss), $6.6 million improved on FY23, driven by higher average Penthrox prices and lower costs. Free Cashflow was $10.2 million improved.

The Group expects positive momentum in margins and earnings to continue in F25, with underlying EBIT to be strongly improved on FY24, driven by higher average Penthrox prices and operational efficiencies of ~$3-4 million. Positive operating cashflow is expected to be achieved by the end of FY25.

6. Further information

Further details of the Offer are set out in the Investor Presentation provided to the ASX today ("Investor Presentation"). It contains important information including key risks and foreign selling restrictions with respect to the Placement and the Entitlement Offer a well as a summary of the key terms of the Underwriting Agreement.

If you have any questions in relation to the Placement and/or the Entitlement Offer, please contact the Offer Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia). Please consult with your broker, solicitor, accountant, financial adviser or other professional if you have any questions in relation to this announcement, or the Placement and/or the Entitlement Offer.

Advisers

Bell Potter Securities Limited is acting as sole lead manager and underwriter of the Capital Raising (**Underwriter**). A summary of the major significant termination events is contained in the Annexure.

K&L Gates is acting as legal adviser to MVP in relation to the Entitlement Offer.

~END~

Authorised for release by the Board of Directors.

For further information please contact

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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 non-opioid trauma & 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 as well as in other medical applications.

Annexure – summary of key termination events under the Underwriting Agreement

Pursuant to the Underwriting Agreement the Underwriter has agreed to fully underwrite the Placement and the Entitlement Offers, subject to the terms of the Underwriting Agreement.

The Underwriting Agreement contains customary representations, warranties and undertakings in favour of the Underwriter. The Company has also agreed to indemnify the Underwriter, its officers, employees, and agents and advisers against losses incurred in connection with the Offer, the Offer Document and the performance of the Underwriting Agreement other than where the losses have resulted from the fraud, wilful default, breach of contract or negligence of the indemnified person or in certain other circumstances.

The Underwriter may by notice to the Company and without costs to the Underwriter terminate its obligations to underwrite the Offer under the Underwriting Agreement with the Company in circumstances typically found in agreements of this nature (in certain of these circumstances including having regard to the materiality of certain events) if the circumstances arise in relation to the Offers, as described below

The Underwriter may immediately terminate the Underwriting Agreement on the occurrence of events listed in the Underwriting Agreement, including:

(a) the Underwriter believes that a statement contained in the Offer Booklet is or becomes misleading or deceptive or likely to mislead or deceive (including by omission) in either case, in any material respect, or a matter required by the Corporations Act is omitted from the Offer Booklet or the issue of the Offer Documents becomes misleading or deceptive or likely to mislead or deceive in a material respect;

(b) the Company ceases to be admitted to the official list of ASX or the Shares are suspended from trading on the ASX other than in connection with the Offer

(c) certain Certificates required to be provided by the Company under the underwriting agreement are not furnished in accordance with the Underwriting Agreement;

(d) any material or adverse change occurs in the assets, liabilities, the equity of any Company Group member, financial position or performance, profits, losses or prospects of the Company or any Group member, from the position previously disclosed;

(e) any of the Company's clinical trials or products being discontinued or placed on clinical hold by the applicable Government Agency;

(f) There is a material change in the major or controlling shareholdings of the Company or any its subsidiaries or a takeover offer (which has become unconditional) or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced;

(g) any member of the Company Group is Insolvent or is reasonably likely to become Insolvent;

(h) the Company is prevented from issuing the Offer Shares within the time required by applicable laws;

(i) a director or officer of the Company is charged with an indictable offence, engages in any fraudulent conduct, or disqualified from managing a corporation under the Corporations Act;

(j) the Company is required to give or gives a correcting notice or additional cleansing notice under the Corporations Act;

(k) a Group Member breaches a material debt or financing arrangement which has or is likely to have a material adverse effect on the Group;

(l) unconditional approval (or conditional approval, provided such condition would not have a material adverse effect on the success or settlement of the Offer) by ASX for official quotation of the Placement Shares or the Entitlement Offer Shares is refused, is not granted or is withdrawn by certain dates,

(m) the S&P/ASX 300 index falls by 10% or more below the level of the S&P ASX 300 index on the Business Day before signing the Underwriting Agreement

(n) any event set out in the Timetable is delayed for more than 1 Business Days without the prior written consent of the Underwriter.

The Underwriter may terminate the Underwriting Agreement on the occurrence of events listed in the Underwriting Agreement, provided the occurrence has a material adverse effect (as defined in the Underwriting Agreement) on the Company. These events include:

(a) any information supplied by or on behalf of the Company to the Underwriter is or becomes misleading or deceptive, including by way of omission or is withdrawn or varied;

(b) litigation, arbitration, administrative or industrial proceedings of any nature is commenced against any Group Member or director (in such capacity)

(c) a contravention by a Group Member of any provision of its constitution or any applicable law;

(d) the Company changes its issued capital or capital structure or disposes, attempts or agrees to dispose of a substantial part of the business or property of the Company without the prior written consent of the Underwriter;

(e) there is a force majeure event or occurrence which makes it illegal or commercially impractical for the Underwriter to satisfy any obligation under the Agreement, or to market, promote or settle the Offer, or delays the Underwriter from doing any of the foregoing;

(f) any contract, deed or other agreement of the Company which is material to the making of an informed investment decision in relation to the Offer is terminated, rescinded, altered or amended without the prior written consent of the Underwriter

(g) there is introduced or proposed to be introduced, a new law, or the Reserve Bank of Australia, or any Commonwealth or State, adopts or announces a proposal to adopt a new policy, any of which does or is likely to prohibit or restrict the Offer, capital issues or stock markets or materially adversely affects the Group;

(h) the occurrence of either :

    (1) trading in all securities quoted or listed on ASX, the London Stock Exchange, the Hong Kong Stock Exchange, the Tokyo Stock Exchange, the Singapore Stock Exchange or the New York Stock Exchange is suspended or limited for more than 1 trading day;

    (2) a general moratorium on commercial banking activities in Australia, the United States of America, Canada, the United Kingdom, Hong Kong, Singapore or the People's Republic of China is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries; or;

(i) a pandemic, epidemic or large-scale outbreak of a disease (including without limitation SARS, swine or avian flu, H5N1, H7N9, COVID-19 or a related or mutated form of these) impacting a significant human population (i.e. not a pandemic, epidemic or large-scale outbreak of a disease just affecting animals) not presently existing occurs or in respect of which there is a major escalation, involving any one or more of Australia, New Zealand, the United States, Canada, Japan, the United Kingdom, China, Hong Kong, Singapore, France, Germany, Italy, Spain, Ireland, Slovenia, Norway, Switzerland, Finland, Sweden, Denmark, Netherlands, Luxembourg, Belgium, Slovakia, Austria, Croatia, Portugal, Iceland and Czechia

(j) Major hostilities not existing at the date of this agreement commence (whether war has been declared or not) or an escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Russia, Ukraine, Israel, Palestine, Iran, Australia, New Zealand, the United States, the United Kingdom, China, Hong Kong, France, Germany, Italy, Spain, Ireland, Slovenia, Norway, Switzerland, Finland, Sweden, Denmark, Netherlands, Luxembourg, Belgium, Slovakia, Austria, Croatia, Portugal, Iceland and Czechia or a national emergency is declared by any of those countries, or a major terrorist act is perpetrated anywhere in the world;

(k) the occurrence of any adverse change or disruption to financial, political or economic conditions, or controls or financial markets in Australia, New Zealand, Hong Kong, Singapore, the United States of America, the United Kingdom, China, Russia, Ukraine, Israel, Palestine or Iran or any change or development involving a prospective adverse change in any of those conditions or markets