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**SDI Limited
Chairman's Address
Annual General Meeting
November 27, 2025**

The 2025 financial year presented us with challenges with continued changes to the European product registration requirements, instability in some Middle East markets and underperforming Asian markets. Despite this, product margins increased, and operating expenses were well managed, giving a solid normalized after-tax profit of \$10.5 million, up 0.1% on last year.

Our sales of \$110.4 million were led by growth in Aesthetic products, improvement in Whitening products and strong growth in the European market. The ongoing focus on aesthetic and whitening products continues to be our strategy for the future direction of our portfolio.

We continued to see declining sales of Amalgam products, which were offset by other products and in particular our newest product Stela. Stela, our exciting amalgam and restorative replacement, was released in most key markets during the year, showing good sales growth and positive market feedback.

The new European Union Medical Device Regulation (MDR) continues to be a major emphasis for our teams, and they have secured the registration. As a consequence much of our research and development resources have been allocated to achieve registration for our legacy products. However we still aim to release one to two new products every year. Globally, product registration is becoming more difficult to achieve. SDI is well equipped to sell all products in all major markets around the world.

Our planned new 6,500sqm factory in Montrose is an exciting project which will increase production capacity and efficiency. We expect construction to commence in early 2026 and move our manufacturing plant in 2027.

In the 2026 financial year we will continue to focus on changing our amalgam customers to Stela, the building of our new manufacturing plant, and ensuring our MDR registration is fully complied with. These are great goals for the year to ensure the Company is well placed to achieve increased market share for the future.

Additionally, we believe in managing our environmental, social and governance risks position for sustainable growth at both a corporate and product level. While these factors have always been a focus for SDI, we are continuing to follow our ESG roadmap which is in line with our overarching corporate strategy.

I would like to thank the Board, management and staff of SDI and our distributors both in Australia and all over the world for their hard work and total dedication to SDI's global success. Lastly, I would like to thank our shareholders for their ongoing support and investment in SDI.

Jeffery Cheetham OAM

Chairman

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