

COMMONWEALTH SCIENTIFIC AND INDUSTRIAL RESEARCH ORGANISATION
(CSIRO)

MS22-001434

CSIRO Reference C2022/3129

To: Minister for Industry and Science (For Decision)

NOTIFICATION OF ACTIVITY WITH MEDICAL DEVELOPMENTS INTERNATIONAL LTD

Timing: Routine

Recommendations: That you

1. **Sign** and **date** the notification at Attachment B, pursuant to section 72 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and section 26 of the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule).

Signed / Not signed

2. **Agree** to the tabling in Parliament of the notification at Attachment B.

Agreed / Not agreed

Minister:

Date:

Comments:

25/10/22

Clearing Officer: Sent 6/9/2022	Tom Munyard	Chief Operating Officer, CSIRO	Ph: 02 6276 6356 Mob: 0475 966 623
Contact Officer:	Laura Methorst	A/g Manager, Ministerial Liaison Office, CSIRO	Ph: 02 6276 6231 Mob: 0476 841 475

Key Points:

1. Under section 72 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and section 26 of the PGPA Rule, responsible Ministers are required to inform Parliament of certain events relating to the involvement in a company by non-corporate or corporate Commonwealth entities.
2. This section 72 notification is to report CSIRO's receipt in January 2022 of 9,972 unlisted equity options (options) in Medical Developments International Ltd (MDI) in one parcel.
3. The options were received in exchange for services provided to the company under existing contractual arrangements to the value of \$43,029. This is a 'research for equity' agreement. Further background on this transaction is included in Attachment A.

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4. MDI is a Melbourne-based, ASX-listed biotech company that has conducted a successful development and licence with CSIRO to manufacture Pentrox (Methoxyflurane, Green Whistle). CSIRO has worked to support MDI and its development for more than 18 years.
5. The PGPA Act requires that CSIRO report this activity to you as Minister, and that you table a notification of this activity in Parliament. CSIRO has prepared the form (see Attachment B) related to this activity for tabling. Subject to your agreement, CSIRO will work with your office to arrange tabling of this notification.

Data referenced:

6. Section 72 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and section 26 of the PGPA Rule.
7. Department of Finance, Duties of Accountable Authorities, Resource Management Guide (RMG) 200.

Consultation: NIL

ATTACHMENTS

- A: Background – Transaction Details
- B: Section 72 notification - Medical Developments International Ltd

Background – Transaction Details**Medical Developments International Ltd**

- Medical Developments International Ltd (MDI) is a specialised healthcare company. It manufactures and distributes pharmaceutical drugs and medical and veterinary equipment.
- The company provides a range of products in the areas of pain management, asthma and resuscitation, plus veterinary equipment. It is organised into three business units: Pharmaceuticals, Medical Devices, and Veterinary products. The majority of MDI's revenue is derived from sales of Pentrox (Methoxyflurane, Green Whistle).
- Pentrox is an analgesic used by medical practitioners, the defence forces, ambulance paramedics, sports clubs and surf lifesavers to administer emergency pain relief. It's non-addictive and simple to administer, making it an excellent choice for situations where fast-acting and uncomplicated relief is needed.
- With plans to export overseas, MDI needed a smarter, more efficient and cost-effective way to manufacture Methoxyflurane, and it has achieved this through collaboration with CSIRO.

CSIRO Research for Equity Agreement

- In 2017, CSIRO entered a \$3 million, 3-year Technology Development Services Agreement (TDSA) with the company focused on drug production research and development targeting a range of generic pharmaceutical compounds using CSIRO flow chemistry process.
- Under the terms of the TDSA, 40 per cent of the invoiced fees due to CSIRO over the 3-year-term (\$1.2 million) were to be satisfied via the issuance to CSIRO of unlisted options (at a 10 per cent discount to the market price of MVP shares). These options would later convert to the Company's ASX-listed shares upon the successful commercialisation of any technologies from the project.
- In July 2019, the agreement was extended out to 2025, with a further \$5 million of services to be provided with 40 per cent of this amount to be paid via unlisted options under the same terms.

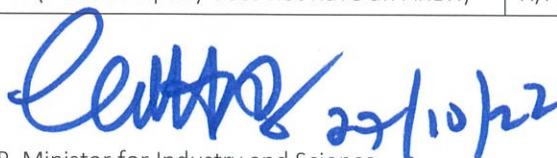
Latest Transaction Considerations

- Under the terms of the TDSA, MDI issued to CSIRO a further 9,972 unlisted equity options in January 2022, as consideration for providing \$43,029 worth of research and development services.
- To date, MDI have made \$1,728,411 in option allocations to CSIRO (inclusive of the allocation that is being reported in this memo). Overall, CSIRO now holds 359,752 unexercised, unlisted MDI options.

NOTICE UNDER SECTION 72 OF THE PUBLIC GOVERNANCE, PERFORMANCE AND ACCOUNTABILITY ACT 2013

I, Ed Husic, Minister for Industry and Science:

- (a) give notice of an event as required under section 72 of the *Public Governance, Performance and Accountability Act 2013*; and
- (b) provide particulars of the event and a short statement about the event as required under section 26 of the *Public Governance, Performance and Accountability Rule 2014*.

Nature of, and reasons for, the event	
Corporate Commonwealth Entity (CSIRO) acquires shares in a company (s72(1)(d)) - acquisition of 9,972 unlisted equity options in Medical Developments International Ltd	
Consequences of the event:	
Dollar value of any consideration paid or received by the Commonwealth or corporate Commonwealth entity	\$43,029
Obligations or liabilities or duties (whether actual, contingent, or prospective) placed on the Commonwealth or corporate Commonwealth entity	N/A
Particulars about the effect on the Commonwealth's or corporate Commonwealth entity's control of a company:	
has control or	N/A
no longer has control	N/A
Details of other interests of the Commonwealth's or a corporate Commonwealth entity's interests that are affected by the event	N/A
Event relating to a company:	
Name of the company	Medical Developments International Ltd
Within the meaning of section 9 of the <i>Corporations Act 2001</i> :	
the company's ACN	106 340 667
whether the company is a public company	Yes, however CSIRO holds unlisted equity options.
Event relating to a foreign company: (To be included where the event relates to a foreign company within the meaning of section 9 of the <i>Corporations Act 2001</i>)	
Jurisdiction of incorporation	N/A
Company's ARBN (within meaning of section 9 of the <i>Corporations Act 2001</i>)	N/A
Incorporation identifier (if the company does not have an ARBN)	N/A
Date	
 27/10/22 The Hon Ed Husic MP, Minister for Industry and Science	