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ASX Announcement Chairman's address Annual General Meeting 13 November 2019

As I mentioned in the Annual Report, over the past year Medigard has been progressing through a number of issues, all directed at restoring the company as an innovator in the medical field. While it has been another challenging year, the Board remains enthusiastic about Medigard's prospects.

As previously announced, the Board of Medigard reached an agreement with Sol Millennium to cancel their convertible notes, in the amount of \$615,000, thus removing that debt from the balance sheet. Medigard and Sol-Millennium agreed to extinguish the Notes by the transfer of IP covered by the existing License Agreement – for the blood collection device and blood flash needle - and the issue of 5 million fully paid ordinary Medigard shares to Sol-Millennium. Those transactions have been completed.

As well as the cancellation of this debt, the transaction provides Medigard relief from the ongoing cost of maintaining the family of patents covering the blood collection device and blood flash needle. Over the past years, for a number of reasons, sales projections of the blood collection device and blood flash needle have not been realised and royalties from Sol-Millennium have not covered Medigard's costs to maintain the associated IP. This transaction will remove those costs from Medigard and allow Sol-Millennium to inject the capital required to reduce the manufacturing cost of the blood collection device and blood flash needle, to more successfully compete in a very cost-conscious medical market.

Medigard's only other significant liability is loans from Directors which that have enabled the company to continue operating in recent times. Directors of Medigard have agreed, subject to your approval today, to reverse loan interest of \$95,700 and convert loans of approximately \$450,000 into shares.

The agreement with Sol-Millennium, and the conversion of director's loans, represents a substantial improvement to Medigard's balance sheet and, together with the relief from the ongoing cost of maintaining patents in respect of the Licence Agreement with Sol-Millennium, places Medigard in a significantly better position to engage with brokers towards a capital raising and seek reinstatement to trading by ASX.

Medigard has a long history of developing and commercialising biotechnology, and we intend to maintain our focus on this. While the development of new ways to treat people is challenging, it is also potentially very rewarding. The future for Medigard remains the same - to develop new medical technologies toward commercialisation and, consequently, improve shareholder value.

Thank you.

Chris Bishop
Chairman