

MediPurpose™

20

Letter From the Chairman

15

Introduction From the Chairman

As MediPurpose™ ends its 17th year in business, I am pleased to present my annual MediPurpose report for fiscal year 2015, ended 30 June 2015.

The company's Annual General Meeting will be held in the United States on 29 December 2015. I encourage all interested shareholders to attend.

Patrick Yi, MediPurpose™ Founder and CEO

SurgiLance™ Safety Lancets

First introduced in 1999, the SurgiLance™ Safety Lancet remains MediPurpose's flagship product.

The safety lancet market remains highly competitive worldwide. Therefore, we introduced our SurgiLance Lite™ product—an expanded line of 28-gauge lancets at a more competitive price.

The safety lancet is now a commodity product in many countries. To compete in this mature market, we are discussing with our contract manufacturers on ways to lower the cost of manufacturing our safety lancet without sacrificing quality. Despite the need to contain costs, we continue to keep a diligent, careful eye on the quality of our SurgiLance safety lancet.

I am very pleased to report that, for the last nine years, we have met our target of less than one complaint per three million safety lancets sold.



Our all-new SurgiLance™ Lite 28-gauge safety lancets.



Our flagship SurgiLance™ safety lancets.

babyLance™ Safety Heelsticks

We launched the all-new babyLance™ Safety Heelstick in August 2012. With the expansion of our U.S. distribution channels, we have gained traction in the market and we are now fourth in market share.

During the year, we expanded the babyLance product line with a heelstick for micropreemie babies, the BLM. In 2016 we will expand it further with a toddler model, the BLT.

Our exclusive distributors in Austria and Netherlands have also converted a large number of hospitals in their countries where we are now the dominant supplier. Their users are very happy with the new babyLance.

Sales of babyLance increased by 96% in FY2015 over sales in FY2014.



Our babyLance™ safety heelsticks.

MediPlus™ Advanced Wound Care

Through our MediPlus™ Advanced Wound Care products brand, we are now able to offer our customers a high-quality, cost-effective and comprehensive portfolio of advanced wound care dressings—including thin films, hydrocolloids, foams and alginates as well as a range of antimicrobial silver foam products.

Our new MediPlus™ Silicone Foam products, introduced in early 2014, have gained considerable interest.



One of our MediPlus™ Advanced Wound Care silicone foam dressings.

New Business Development (NBD)

Following the launch of our babyLance™ safety heelsticks, we started development on another safety medical device. Manufacturing setup is almost completed.

We have decided to expand our user validation studies to include both simulated use and clinical evaluations. After making the necessary tweaks based on the user studies, we hope to launch the new product in the first half of 2016.

Marketing and Sales

In 2014, we merged the Customer Service and Sales teams to provide better service to our customers.

Headed by our VP of Sales Reggie Carr, the reorganized team members—which includes three Key Account Managers (KAMs): Cheryl Channell, Kevin Jonas and Mindy Rodriguez—have now settled into their new roles.

We are now reviewing our customer service procedures to improve the quality of our services.

Operations

We have refined our inventory management procedure to optimize the inventory levels in our warehouses in the United States and Europe.

Looking to the Future

We are committed to developing innovative and safe medical products and bringing quality products to the world healthcare market. However, our end users have many competitive choices. We therefore need to better understand our loyal customers so that we can anticipate and meet their needs.