



## MAYNE PHARMA ANNOUNCES SALE OF US RETAIL GENERIC PORTFOLIO TO DR. REDDY'S FOR US\$90 MILLION

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- Streamlines Company to focus on branded verticals in US women's health and dermatology
- Transaction creates leaner organisation and frees up working capital to focus on core areas of business growth/value drivers

**27 February 2023, Adelaide, Australia:** Mayne Pharma Group Limited (ASX: MYX) today announced that it has entered into an agreement with Dr. Reddy's Laboratories SA, a subsidiary of Dr. Reddy's Laboratories, Ltd. (collectively, Dr. Reddy's) (BSE: 500124, NSE: DRREDDY, NYSE: RDY, NSEIFSC: DRREDDY) to sell its US retail generics portfolio for upfront cash consideration of up to US\$90 million (~A\$133 million), up to US\$15 million in contingent milestone payments and an amount for working capital. Following the transaction, Mayne Pharma's commercial activities will be solely focused on its US women's health portfolio, (including the recent exclusive licence of three branded women's health products and a portfolio of prenatal vitamins from TherapeuticsMD, Inc), US dermatology products and its International business.

The sale includes all assets of the US retail generics business unit, comprising a portfolio of 85 generic products and 4 generic pipeline products. For fiscal year ending June 2022, this portfolio generated US\$111 million in revenues. Under the terms of the agreement, Dr. Reddy's will acquire the portfolio for an upfront payment of approximately US\$90 million in cash, contingent payments of up to US\$15 million plus consideration towards inventory and credits for certain accrued channel liabilities to be determined on the closing date. Mayne Pharma expects to incur up to US\$2 million in transaction costs and estimated US\$10 million in one-time restructuring costs. The divestiture supports Mayne Pharma's efforts to accelerate its transformation into a specialty pharmaceutical company with leading positions in women's health and dermatology.

At the closing of the sale, Mayne Pharma and Dr. Reddy's will enter into a 10-year supply agreement on arm's length terms for certain products that are manufactured at Mayne Pharma's facility in Salisbury, South Australia.

Mayne Pharma's CEO Mr. Shawn Patrick O'Brien said: "Divesting the retail generics portfolio is an important step forward for the Company as we continue to rationalise our portfolio. With this transaction, we free up working capital, allowing us to more exclusively focus resources on core areas of value for business growth, namely our branded verticals in US women's health and dermatology. We are creating a leaner Company with strong commercial and sales execution capabilities. With this transaction, we move closer to achieving our goal of generating operating cash and returning the business to profitability."

Completion of the transaction is subject to customary closing conditions including the expiration or termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (HSR Act), as amended. The transaction is expected to close by the end of fiscal year 2023,

**Mayne Pharma Group Limited**

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## ASX Announcement

subject to satisfaction of the HSR closing condition and other customary closing conditions. Mayne Pharma and Dr. Reddy's will work together to ensure a smooth transition for customers.

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Authorised for release to the ASX by the Chair

### About Mayne Pharma

Mayne Pharma is an ASX-listed specialty pharmaceutical company focused on commercialising novel and generic pharmaceuticals, offering patients better, safe and more accessible medicines. Mayne Pharma also provides contract development and manufacturing services to clients worldwide. Mayne Pharma has a 40-year track record of innovation and success in developing new oral drug delivery systems. These technologies have been successfully commercialised in numerous products that continue to be marketed around the world. To learn more about Mayne Pharma, please visit [maynepharma.com](http://maynepharma.com).