



MAYNE PHARMA COMPLETES SALE OF US RETAIL GENERICS PORTFOLIO TO DR. REDDY'S FOR US\$90 MILLION

- Sale advances evolution of Company into a specialty pharmaceutical business with strong branded verticals focussed on US women's healthcare and dermatology
- Transaction includes all assets of the US retail generics business unit, comprising a portfolio of commercial, pipeline and approved non-marketed products for an upfront cash consideration of US\$90 million (~A\$134 million)
- Terms of the closing include an arm's length, ten-year supply agreement for certain products that are manufactured at Mayne Pharma's facility in Salisbury, South Australia
- Agreement provides for up to US\$15 million (~A\$22 million) in contingent milestone payments

7 April 2023, Adelaide, Australia: Mayne Pharma Group Limited (ASX: MYX) today announced that it has completed the previously announced sale of its US retail generics portfolio to 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) for upfront cash consideration of US\$90 million (~A\$134 million).

The total amount of cash received at closing is approximately US\$93.8 million (~A\$140 million), which includes the upfront cash consideration and approximately US\$24 million for working capital, offset by ~US\$21 million for accrued liabilities related to the sale of the products in the US market prior to closing. The agreement also provides for up to US\$15 million (~A\$22 million) in future contingent milestone payments. Transaction and one-time restructuring costs are being finalised, but are currently expected to comprise approximately US\$1 million of transaction costs, plus between US\$6 million and US\$11 million of one-time restructuring costs.

Mayne Pharma's CEO Mr Shawn Patrick O'Brien said: "The divestiture of our US retail generics portfolio is yet another milestone in the transformation of Mayne Pharma into a specialty pharmaceutical company in the US women's healthcare and dermatology markets. We are excited by the significant opportunities to drive operational, commercial and financial improvements across our US women's health and dermatology businesses, as well as in our International business.

Our stated objectives remain to return the Company to profitability, to generate operating cash flow that supports further growth and to drive improved returns for our shareholders."

Mayne Pharma and Dr. Reddy's are working together to ensure a smooth transition for customers.

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ASX Announcement

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 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.