



MAYNE PHARMA PROVIDES INVESTOR WEBCAST UPDATE AND ANNOUNCES ON-MARKET SHARE BUY-BACK PROGRAM

- Sale of retail generics portfolio is part of the transformation strategy which refocused the Company on the US women's healthcare and dermatology markets
- Women's Healthcare, Dermatology, and International generating contribution margin
- Solid cash position combined with focused transformation strategy helps achieve profitability by the end of FY24 and deliver longer term growth
- Announced an on-market share buyback for up to 10% of issued capital

10 May 2023, Adelaide, Australia: Mayne Pharma Group Limited (ASX: MYX) today provided an investor update following the completion of the 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).

Mayne Pharma's CEO Mr. Shawn Patrick O'Brien said: "The past seven months have been a period of significant change for the Company, beginning with the October sale of our Greenville-based Metrics Contract Services, followed by the acquisition of the US commercial rights for TherapeuticsMD's women's health assets. With the recent sale of our retail generics business to Dr. Reddy's, we are successfully executing on our strategy to become a more focused company, with growth potential while repaying debt, paying shareholders a special dividend, and strengthening our cash position in the process."

Market Update Overview

- Women's Healthcare, Dermatology, and International now generating contribution margin
- The performance of the women's healthcare portfolio is delivering steady revenue growth and positive contribution margin in 2HFY23
- Following stabilisation, Dermatology has now returned to delivering positive contribution margin
- Three transactions (Metrics Contract Services, TherapeuticsMD (TXMD), and Dr. Reddy's) resulted in repayment of A\$358.7 million of syndicated debt facilities, a payment of a A\$47 million special dividend, and a current net cash position of A\$136 million as of April 30, 2023

Strategic Objectives for FY23 and FY24

- Successfully implement new commercial strategy for NEXTSTELLIS® in the US and Australia, to reach a breakeven annual run rate in the 1HFY24 for the US business
- Capitalise on the strength of women's health franchise by maximising opportunities with all products and delivering positive EBITDA
- Successfully employ US differentiated channel strategy to improve margins in dermatology and women's health, while providing better patient access
- Broaden portfolio with complementary accretive products that leverage existing commercial infrastructure

Mayne Pharma Group Limited

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- Accelerate profitable growth of Australian based specialty pharmaceutical, International sales, and CDMO business

Business Update

Women's Health

- NEXSTELLIS® growth accelerating with Q3 FY23 field activity up dramatically over Q2 FY23, driven by access improvements and new targeting strategy
- Transitioned the acquired branded women's health portfolio into the Company's promotion during the third quarter of FY23 and revenues increased over calendar Q4 2022
- Expect to launch lower strength BIJUVA® in fiscal year 2024

Dermatology

- Q3 FY23 launch of DORYX MPC® 60 mg tablets and Galderma's authorized gORACEA® are progressing well
- Maintained market presence as top 10 US products by revenue - gABSORICA® (isotretinoin) capsules, gEPIDUO®FORTE (adapalene/benzoyl peroxide) gel and gACZONE® (dapson) gel
- Continue to execute differentiated channel strategy through specialty pharmacy growth and online platforms like GoodRx

Capital Management

- Solid progress on cost management target of 10-15% of overhead with FY23 reductions annualised at 9% of FY22 costs, more to come
- Continue to invest in the expansion of the women's health portfolio with total annualised cost of US\$20 million including sales team, marketing and growth initiatives, offset by increased discipline on all sales and market expenditure to ensure acceptable returns are generated across the business
- Following Retail Generics transaction, AS OF April 30, 2023 Mayne Pharma held A\$239 million in cash, and had a Net cash position of A\$136 million
- Ongoing discussions with lenders to provide working capital facility

Mayne Pharma Chair Mr Frank Condella said: "Over the past year, the Board has focused on strategic transformation positioning the Company for operational excellence and growth. In order to achieve our goals, the Board intends to maintain a conservative approach to capital management while supporting a share buy-back program."

Share Buy-back Program

- Announced an on-market share buy-back program for up to 10% of the Company's issued capital
- Under the Corporations Act, Mayne Pharma may buy back up to 10% of issued capital in any 12-month period without shareholder approval
- The buy-back will be funded from Mayne Pharma's current cash reserves
- Mayne Pharma's Board intends to maintain a conservative balance sheet following completion of the buy-back and will continue to assess the merits of this capital management plan as market conditions evolve

- The timing and actual number of shares purchased under the buy-back, and other matters relating to the conduct of the buy-back, will depend on the prevailing share price, market conditions, forecast future capital requirements and other considerations including any unforeseen circumstances

Outlook

- FY23 has been one of significant business transition with the completion of the sale of MCS and Retail Generics and the acquisition of the TXMD portfolio.
- Momentum continues to build across the women's health portfolio following acquisition and investment in new products as well as the Company's sales and marketing efforts with the contraception, and menopause brands.
- Anticipated timing for NEXTSTELLIS® to achieve its breakeven weekly run rate in the US is now 1H24, but the performance of the whole portfolio is delivering steady revenue growth and positive contribution margin in 2HFY23
- Expected continued momentum with Dermatology into 2HFY23, supported by new product launches which will drive a return to profitability
- The operational excellence plan implemented for the International business will take time to gain traction and a relatively flat performance is expected in 2HFY23
- Overall, the continuing businesses are expected to deliver positive revenue and contribution margin in 2HFY23 vs 1HFY23
- Comparison of prior period statutory accounts will be impacted by the treatment of businesses disposed as discontinued operations
- The Company expects FY23 EBITDA to be aligned with the consensus of the two analysts covering Mayne Pharma

CEO, Mr Shawn Patrick O'Brien concluded: "Momentum continues to build across our divisions, and we are encouraged by the recent steady performance of NEXTSTELLIS® and the women's health assets we licensed in December 2022. As we continue on this transformation journey, we are confident in the future we are building for Mayne Pharma."

Market Update Webcast

Mayne Pharma's CEO Shawn Patrick O'Brien and CFO Aaron Gray will host a webcast today (Wednesday, 10 May 2023) at 9.30am AEST. Participants can register for the webcast by navigating to: <https://s1.c-conf.com/diamondpass/10030723-atd7fh.html>

Please note that registered participants will receive their dial in upon registration.

A copy of the presentation materials is attached to this announcement.

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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.

