ASX Announcement

MAYNE PHARMA REPORTS 1H FY25 FINANCIAL RESULTS

13% Revenue Growth and 288% Increase in Underlying EBITDA to $31.0 million

Highlights[1]

- Significant improvement in operating and financial performance with reported revenue up 13% on the prior corresponding period (pcp) to $213.1m, gross profit up 24% on pcp to $130.9m and gross margin of 61%, up from 56%
- Underlying EBITDA improved 288% on pcp to $31.0m with operating cash flow from continuing operations, excluding class action settlement of $25.9m versus ($19.2m) in the pcp
- Direct contribution[2] from business segments improved 60% on pcp, resulting in a total $65.0m segment contribution in 1H FY25
- Direct operating expenses of $65.9m were up 1% versus pcp and as a % of revenue improved 4% (31% in 1H FY25 v 35% in pcp) driven by revenue growth and leverage of the cost base
- Cash on hand plus marketable securities of $124.9m at 31 December 2024

Mayne Pharma CEO Mr Shawn Patrick O'Brien and CFO Mr Aaron Gray will host a webcast of the 1H FY25 results at 9.30am AEDT today (5.30pm Eastern US Time on 25 February 2025) – Details Below

26 February 2025, Adelaide, Australia: Mayne Pharma Group Limited (Mayne Pharma or the Company) (ASX: MYX), today announces its financial results for the 6 months ended 31 December 2024 (1H FY25).

Group Financial Overview

$ million	1H FY25	1H FY24	Change vs 1H FY24	% Change vs 1H FY24
Reported Revenue	**213.1**	187.9	25.2	Up 13%
Reported Gross Profit	**130.9**	105.8	25.1	Up 24%
Direct Contribution	**65.0**	40.6	24.4	Up 60%
Reported EBITDA	**26.1**	(21.9)	48.0	Up 219%
Underlying EBITDA[3]	**31.0**	8.0	23.0	Up 288%
Reported Net Loss After Tax	**(20.0)**	(70.5)	50.5	Improved 72%

Mayne Pharma's CEO, Mr Shawn Patrick O'Brien said *"We are very pleased with the performance of the Mayne Pharma business in the first half, with robust revenue growth recorded, particularly within our Women's Health segment."*

"Our broad portfolio in Dermatology and Women's Health leverages our existing commercial infrastructure and strengthens our market presence. Our refined US channel strategy has not only increased margins but importantly, is providing greater patient access."

[1] All amounts are expressed in Australian Dollar Terms (A$/AUD) unless otherwise indicated.
[2] Direct contribution calculated as gross margin less direct opex.
[3] Refer to 1H FY25 Results Presentations for adjustments from reported to underlying EBITDA.

"Our outlook remains positive as we anticipate further improvements in the second half of the year as we continue to build on our market leading position in Women's Health and Dermatology with a continued focus on improving patient access and growing our revenues, with anticipated growth in underlying EBITDA and sustainable cash flow generation."

Financial and Operational Summary

Women's Health

The Women's Health segment distributes branded products, including NEXTSTELLIS®, ANNOVERA®, IMVEXXY®, and BIJUVA®.

Key 1H FY25 highlights include:

- Revenue increased by 30% to $94.3m versus the pcp (in USD terms, revenue increased 32% to US$62.3m)
- Gross profit increased by 31% to $76.9m versus the pcp (in USD terms, up 33% to US$50.8m)
- Direct contribution increased 117% to $39.3m versus the pcp, driven by revenue growth, favourable gross margin expansion and operating cost leverage (direct opex declined 7% versus pcp)
- NEXTSTELLIS® net revenues grew 62%, to US$22.4m (pcp: US$13.8m), with demand cycles[4] growing 33% on pcp.
- ANNOVERA®, IMVEXXY® and BIJUVA® showed combined sales of US$37.7m for 1H FY25, up 20% on the pcp (US$31.5m).

Dermatology

Mayne Pharma continues to build on its Dermatology segment's market-leading position with a diverse portfolio of products well suited to meet patient needs and includes a differentiated channel strategy, selling through specialty pharmacies and online patient platforms such as GoodRx.

Key 1H FY25 highlights include:

- Revenue increased by 1% to $81.4m versus the pcp (in USD terms, revenue increased 2% to US$53.8m)
- Gross profit increased 19% to $43.4m versus the pcp (in USD terms, increased 20% to US$28.7m)
- Gross margins of 53% improved from 45% in the pcp due to product mix improvements and channel benefits via disintermediation
- Direct contribution increased by 22% to $22.1m versus the pcp (in USD terms, up 23% to US$14.6m)
- RHOFADE® net revenues grew 121% to US$19.6m (pcp: US$8.9m). Total prescriptions (TRx) recording growth of 129% versus the pcp (6 month contribution in 1H FY25 vs 3 month contribution in 1H FY24 post launch in October 2023)

[4] Demand cycles calculated as IQVIA reported TRx (converted to units/cycles) plus non-reporting pharmacies (including Mayne Pharma's own distribution channel). TRx converted to units by taking number of pills in the TRx divided by 28 (number of NEXTSTELLIS® pills included in 1 month of therapy).

- AG ORACEA® market share remains at ~50% (from peak of ~70%) despite multiple generic entrants in 2024; pricing stable reflecting value of channel strategy
- Launch of new branded Retin-A (tretinoin) microsphere 0.08% topical gel for the treatment of acne vulgaris in the US market. The US Retin-A 0.08% market was estimated at US$24.6m in the 12 months to December 2024 (according to iQVIA)[5]

International

Mayne Pharma International's revenue and gross profit are derived from the Australian manufacture and sale of branded and generic pharmaceutical products globally and the provision of contract development and manufacturing services to third party customers.

Key 1H FY25 highlights include:

- Revenue increased by 8% to $37.4m versus the pcp
- Gross profit increased by 1% to $10.6m, with gross margins declining 2% to 28% versus the pcp, impacted by timing of certain shipments and production schedules
- Delivery in full on time (DIFOT) for 1H FY25 has improved to 91% (pcp 76%)

Completion of the manufacturing modernisation program at the facility in Salisbury, South Australia (supported by received a $4.8m Federal Government Modern Manufacturing Initiative (MMI) Grant) expected in March 2025.

Expenses

Mayne Pharma continues to focus on cost efficiencies to sustainably improve cost leverage:

- Research, development, medical and regulatory affairs expenses of $9.9m (down 4% versus pcp)
- Marketing and distribution expenses were $66.0m (up 2% versus the pcp)
- Administration and other expenses declined 12% to $63.9m; however adjusting for a mark to market loss of the derivative related to the convertible note in 1H FY24 ($10.0m), core admin and other expenses was also stable compared to pcp
- Total direct operating expenses of $65.9m (up 1% versus pcp), improved as a % of revenue to 31% in 1H FY25 (35% in pcp)

No impairments were recorded in the current or prior period.

Cash Flow

Key 1H FY25 highlights include:

- Closing cash and marketable securities ("cash") was $124.9m at 31 December 2025 (30 June 2024: $149.3m).
- Excluding the one-off payment for settlement of the shareholder class action ($33.3m), Mayne Pharma generated positive operating cash flow from continuing operations of $25.9m (pcp: ($19.2m))
- Stable working capital levels across 1HFY25 with increased revenue

[5] As per IQVIA NSP MAT Dec 2024

- Investing cash flow for 1H FY25 included $6.9m in payments for net capital expenditure, related to Salisbury facility

Mayne Pharma continues to adopt a conservative capital structure as the Company continues with a structured plan that is expected to deliver ongoing operational and financial performance improvements across the business and actively managing working capital as revenue continues to grow.

Post Half Event – Scheme Implementation Deed with Cosette Pharmaceuticals, Inc.

On 21 February 2025, Mayne Pharma announced that it has entered into a scheme implementation deed with Cosette Pharmaceuticals, Inc. (Cosette) under which Cosette has agreed to acquire 100% of the shares in Mayne Pharma by way of a Scheme of Arrangement (Scheme) at a price of A$7.40 per share (Scheme Consideration).

Cosette is a US based pharmaceutical company with a portfolio of products in women's health and dermatology. Cosette has a history in the manufacturing of complex dosage forms including topical creams, ointments, oral liquids/solutions and suppositories. Cosette has corporate and manufacturing facilities in New Jersey and North Carolina and is supported by a 350 plus team members across all functional areas. Cosette is backed by Avista Healthcare Partners, a healthcare focused private equity firm, and funds managed by Hamilton Lane, a private markets investment management firm (Nasdaq: HLNE).

Overview of the Scheme

The Scheme Consideration of A$7.40 per share values Mayne Pharma's equity at approximately A$672 million and represents a premium of:

- 37% to Mayne Pharma's closing share price as at 20 February 2025;
- 42% premium to the 30-day volume weighted average price (VWAP);
- 50% premium to the 90-day VWAP; and
- 57% premium to the 180-day VWAP.

The Scheme is fully funded and subject to limited customary conditions, including various regulatory approvals, approval by Mayne Pharma shareholders at the Scheme meeting, with a Scheme booklet and an independent expert's report to be provided to Mayne Pharma shareholders, and Court approval.

Mayne Pharma shareholders do not need to take any action at this stage.

Mayne Pharma shareholders will be given the opportunity to vote on the Scheme at a Scheme Meeting, which is currently expected to be held in late April to early May 2025. If the Scheme is approved by Mayne Pharma shareholders and the other conditions precedent are satisfied or waived, the Scheme is expected to be implemented in late May to early June 2025.

These dates are indicative, subject to change and conditional on (among other things) regulatory approval, and shareholder approval at the Scheme Meeting.

Outlook

The Company expects to grow underlying EBITDA in 2HFY25 via revenue growth. All three segments are expected to deliver a positive direct contribution.

Mayne Pharma expects to drive growth across the Women's Health segment with a focus on sales execution and targeted marketing efforts.

For Dermatology, Mayne Pharma plans to continue to evaluate capital efficient and accretive business arrangements to drive the growth in revenue and margin. We will continue to leverage the channel strategy as a preferred solution by partners, prescribers and patients.

For International, the Company intends to leverage the capability and capacity created by investments and operational improvements.

Investor Webcast

Mayne Pharma's CEO Mr Shawn Patrick O'Brien and CFO Mr Aaron Gray will host a webcast of the results at 9.30am AEDT on Wednesday, 26 February 2025 (5.30pm Eastern US Time on Tuesday, 25 February 2025).

Participants can register for the webcast by navigating to: https://s1.c-conf.com/diamondpass/10045033-6g9h63.html

Further information

Additional details about Mayne Pharma's results are included in the Company's FY24 Financial Report, Investor Presentation slides and webcast, all of which will be placed on Mayne Pharma's website at www.maynepharma.com.

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Authorised for release to the ASX by the Board of Directors.

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 is a leader in dermatology and women's health in the United States and 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.

RHOFADE® is a trademark of Mayne Pharma. ANNOVERA®, BIJUVA®, IMVEXXY®, NEXTSTELLIS® and ORACEA® are trademarks of third parties.

Important information

This announcement contains forward-looking statements that involve subjective judgement and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to the Company. These forward-looking statements use words such as 'potential', 'expect', 'anticipate', 'intend', 'plan', 'target' and 'may', and other words of similar meaning. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including the Company). Actual future events may vary materially from the forward-looking statements and the assumptions on which the forward-looking statements are based. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. Subject to the Company's continuous disclosure obligations at law and under the listing rules of the Australian Securities Exchange, the Company disclaims any obligation to update or revise any forward-looking statements. The factors that may affect the Company's future performance include, among others: changes in economic conditions; changes in the legal and regulatory regimes in which the Company operates; litigation or government investigations; decisions by regulatory authorities including approval of our products as well as their decisions on label claims; competitive developments affecting our products; changes in behaviour of major customers, suppliers and competitors; interruptions to manufacturing or distribution; acquisitions and divestitures; the success of research and development activities and research collaborations and the Company's ability to protect its intellectual property.