Mayne Pharma Group Limited

May 2023 Market Update

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Aaron Gray, CFO



Disclaimer

The information provided is general in nature and is in summary form only. It is not complete and should be read in conjunction with the company's audited Financial Statements and market disclosures. This material is not intended to be relied upon as advice to investors or potential investors.

Forward looking statements

- This presentation 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' 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, changes in behaviour of major customers, suppliers and competitors, interruptions to manufacturing or distribution, the success of research and development activities and research collaborations and the Company's ability to protect its intellectual property.

Other

- A glossary of industry terminology is contained in the Mayne Pharma Annual Report which can be accessed at maynepharma.com/investor-relations/results-reports and product descriptions are detailed at maynepharma.com/us-products and maynepharma.com/au-products.
- ANNOVERA®, ABSORICA®, ACTIKERALL®, ACZONE®, BIJUVA®, EPIDUO® FORTE, IMVEXXY®, NEXTSTELLIS®, ORACEA® and VITAMED® are trademarks of third parties.

Agenda

- Introduction and highlights of the last 7 months
- Women's Health / BPD Update
- Dermatology / PPD Update
- International Update
- Business Transformation; Costs and Capital Management
- Outlook
- Questions

Strategic Highlights over the last 7 months

A period of significant structural change to reset Mayne Pharma for profitable growth

Strategic, Operational and Financial Highlights

A period of significant structural change to reset Mayne Pharma for profitable growth

Sale of Metrics Contract Service

- Cash consideration of US$475m (A$722.5m)
- Transaction closed on 4 October 2022
- 5-year supply agreement with acquirer to ensure continuity of supply of certain products
- 1H-FY23 results and prior periods adjusted to exclude contribution from this discontinued segment

Invested in US Women's Health

- Contracted exclusive US commercialization rights for three patent protected branded women's health products (ANNOVERA®, BIJUVA® and IMVEXXY®) and a portfolio of prenatal vitamins
- Consideration paid US$140m (~A$212.5m) plus US$13.1m (~A$18.1m) for net working capital and acquired royalties
- Funded through cash, existing debt facilities and issue of US$27.95m convertible notes to Rubric Capital Management
- Strengthens position in US women's health market as new portfolio supported by exiting sales infrastructure

Sale of US Retail Generics to DRL

- Upfront cash payment of US$90m (~A$134m), with up to US$15m (~A$22m) in earnouts
- Transaction closed on 7 April 2023
- 10-year supply agreement with Dr Reddy's for products manufactured at our Salisbury facility
- ~US$24m of working capital due to Mayne Pharma offset by ~US$21m of accrued liabilities reducing closing cash receipt
- Final wind down of working capital, outstanding financial liabilities and some costs expected to take up to 18 months

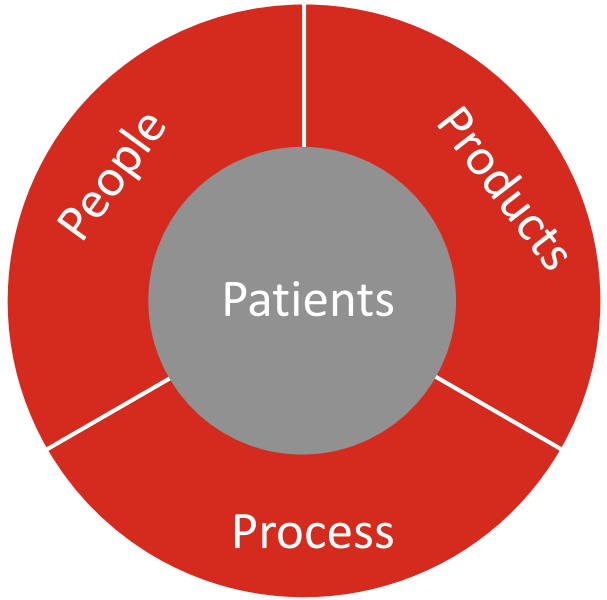
Capital Management

- Repayment of A$358.7m syndicated debt facilities
- Paid A$47.3m special dividend in January 2023
- On going discussions for new corporate debt and working capital facilities
- Winding down receivables-based revolver
- Current cash position of A$239m
- Net cash position of A$135.8m (cash less Rubric Convertible note, current balance of Receivables financing facility)

Key Observations, Actions And Priorities

Organisational alignment to significantly improve sales, commercial and operating performance

- New leadership focused on US women's health and dermatology and delivering the potential of International
- Our strategy is focused and provides significant scope for profitable growth
- Reduce complexity and right size our cost structure for growth
- Ensure our people and culture are aligned to drive the best outcomes for our patients and partners, and profitable outcomes for our shareholders
- Ensure visibility, transparency and accountability in our sales, commercial and operational performance
- Deliver market leading product, processes and services and capitalize on operating and financial leverage through our scale in the markets we serve
- Focus on delivering profitable growth and strong free cash flow to rebuild value for our shareholders



PROFITABLE GROWTH

Strategic priorities for FY23 & FY24 to drive shareholder value

 # 1 Priority, B/E ASAP



Successfully implement new commercial strategy for NEXTSTELLIS® to accelerate growth in the US and Australia

Deliver EBITDA Positive WH



Deliver on the full Women's Health franchise
ANNOVERA®
BIJUVA®
IMVEXXY®
NEXTSTELLIS®
Pre-Natal Vitamins

Improve Margin & Access



US channel strategy to improve margins in dermatology and women's health and provide better patient access

Secure accretive assets



Broaden portfolio with complementary products that leverage existing commercial infrastructure in dermatology and women's health

Accelerate AU Growth



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

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Building a leading US Women's Health Business (BPD)



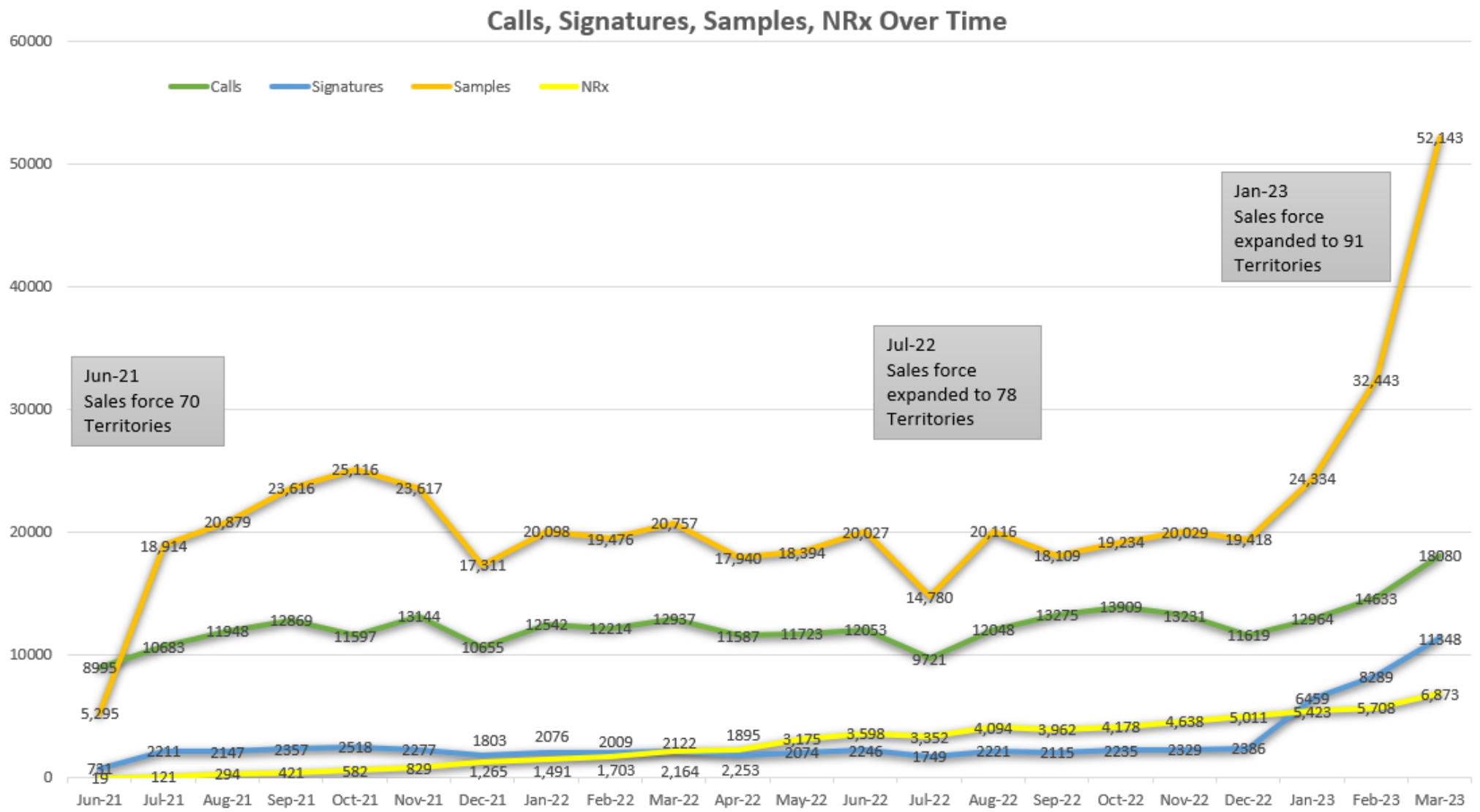
Infrastructure in Place

- Experienced sales team of 100 (up from 86) able to reach our target customers
- Reducing access barriers through our unique approach
- Full marketing mix to drive awareness and usage
- Direct to Consumer (DTC) campaigns through traditional media campaigns, website and social media platforms
- Able to leverage the coverage guarantees for contraception under the Affordable Care Act when fully enforced

NEXTSTELLIS® growth is accelerating

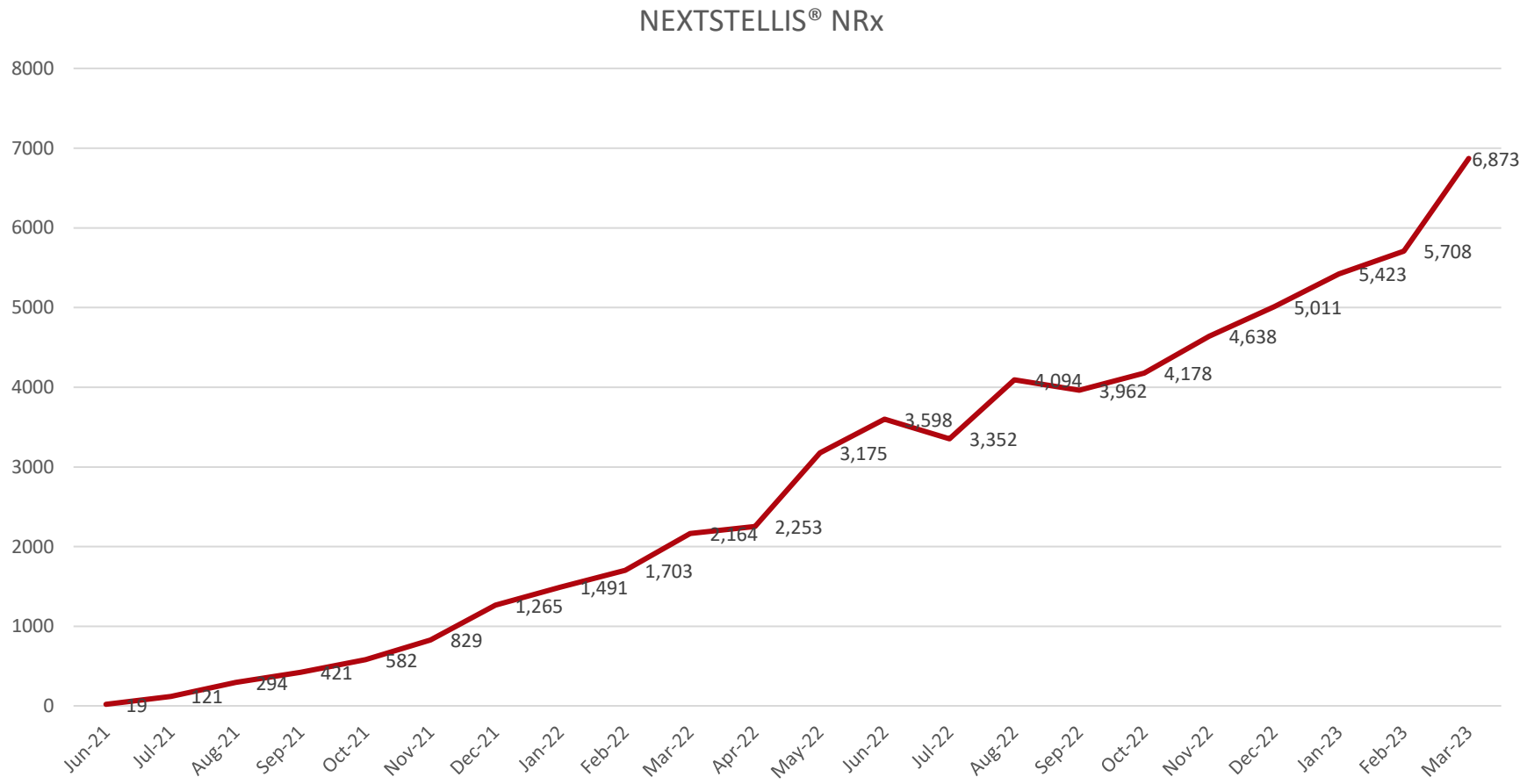
- NEXTSTELLIS® has continued to achieve solid growth during 2H-FY23 to date driven by access improvements (Co-Pay) and new targeting strategy implemented in December
- Step change in sales expected during Q4-FY23 as a result of the Q3-FY23 commercial initiatives such as:
  - additions to sales force
  - refreshed team training initiative to improve sales productivity and impact
  - significant increase in call activity
  - >100% increase in samples distributed to HCPs, which is a leading indicator of new scripts
- Direct-to-Consumer (DTC) campaign launch in 2023 driving 900% increase in monthly consumer visitation to Nextstellis.com (2023 compared to 2022)
- 10 of 17 weeks to date have set new weekly all-time highs for cycles dispensed with growth 3Q-FY23 vs 2Q-FY23 of NRx +30% and TRx +18%
- Refill activity (RRx) is expected to improve following patient retargeting initiative in December 2022
- There is a compounding effect of the patient targeting, commercial efforts and our full marketing mix on driving RRx and TRx
- Monthly cycle count increased to 26,596 in March 2023, up from 20,921 in December 2022, up 27%
- Whilst positive momentum is evident, the goal of achieving a breakeven weekly cycle run rate by June 2023 will not be achieved because the increased commercial efforts have about a 3-month lag on growth impact. This milestone is now anticipated to be achieved in 1H-FY24.

FY23 Q3 NEXTSTELLIS® Field Activity up dramatically over Q2



NRx totals based on IQVIA Exponent Data adjusted for non-reporting pharmacies through 31Mar23

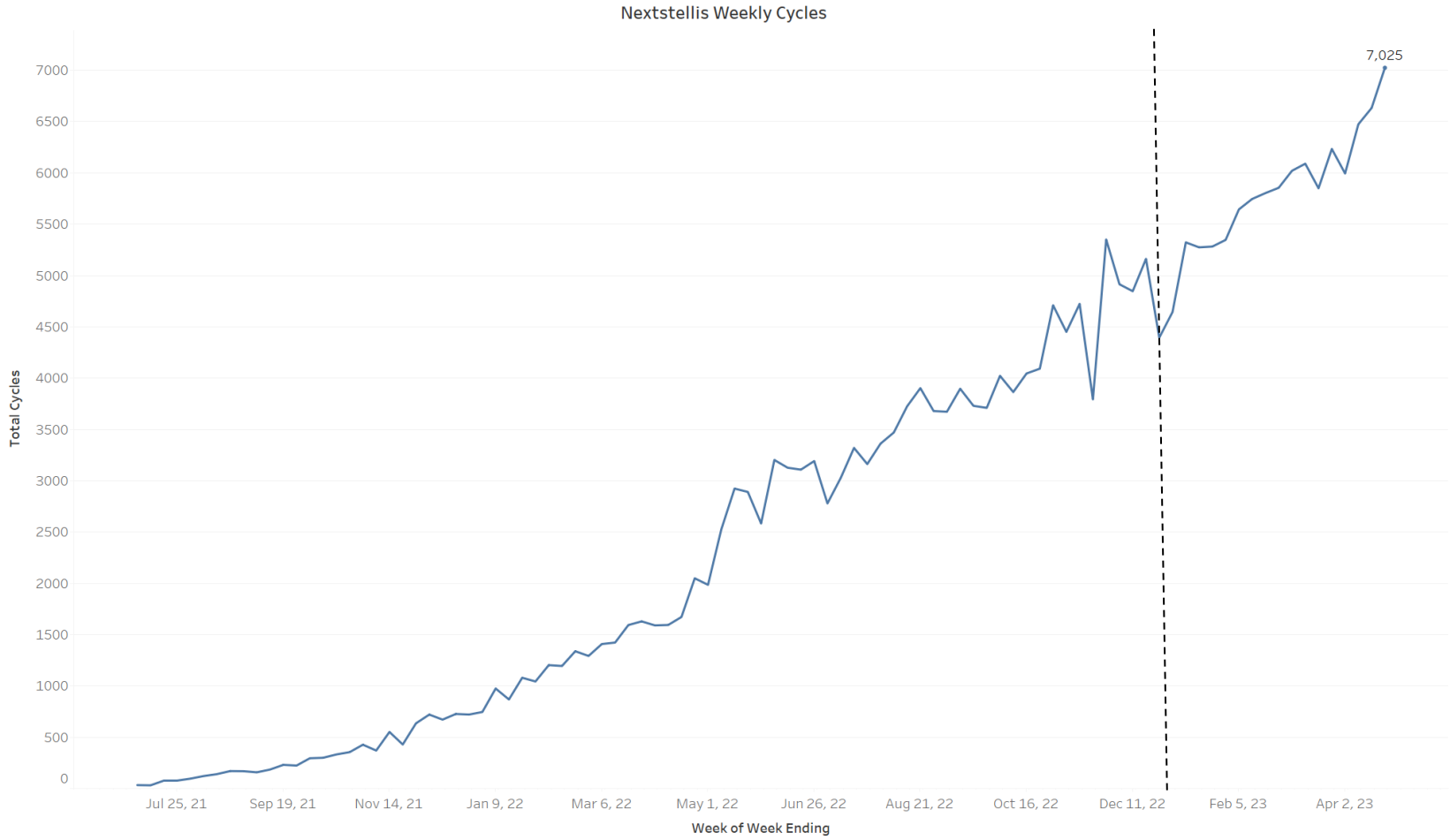
March 2023 NRx up 20 % over February 2023



- All time high for NRx 9 out of the last 16 weeks, 4 of 7 weeks without all-time highs impacted by US holidays
- NRx > refill activity since launch, supporting need for retargeting which was completed December 2022, now seeing refill rates accelerating

NRx totals based on IQVIA Exponent Data adjusted for non-reporting pharmacies through 31Mar23

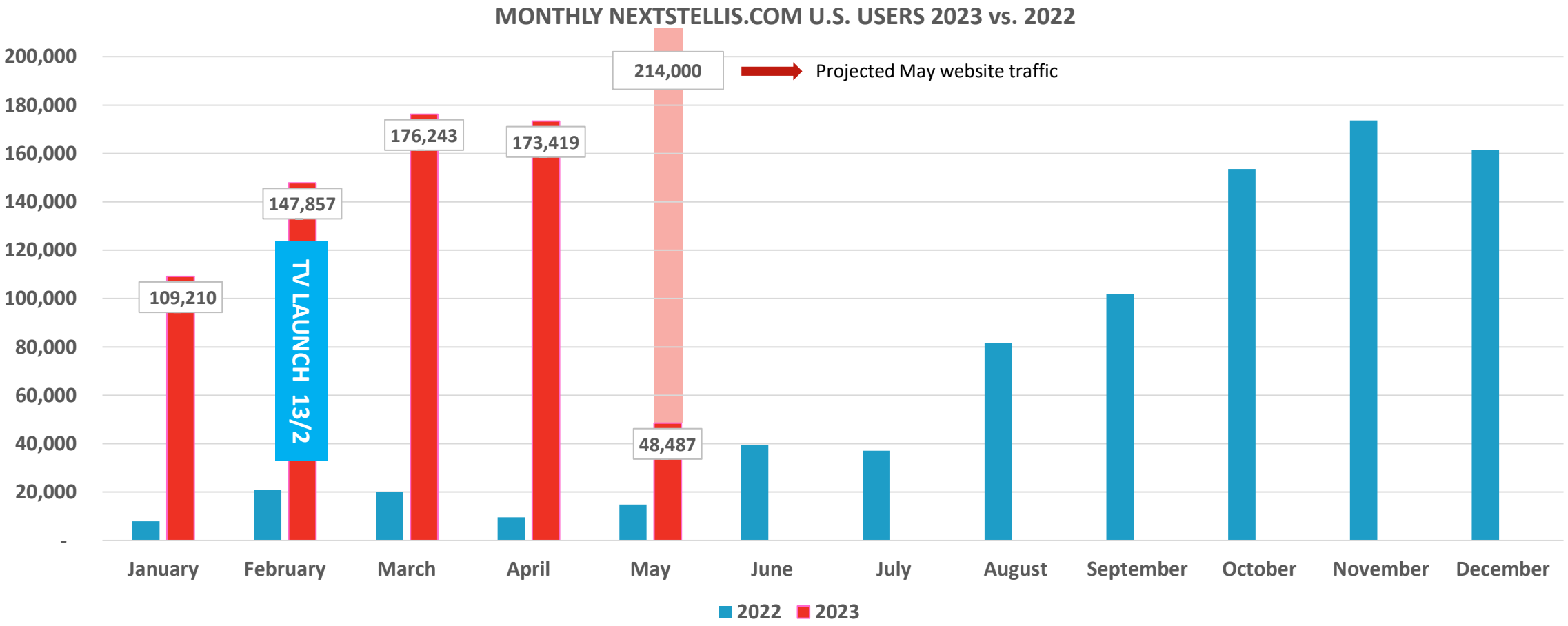
NEXTSTELLIS® monthly cycles up 27% in March over December



- 61% growth in cycles H2 to date first 17 Weeks of H1 vs first 17 Weeks of H2
- Streaming television ad launched Feb 2023
- Beginning to see results of retargeting, refocus

NRx totals based on IQVIA Rapid Weekly adjusted for non-reporting pharmacies through 28Apr23

NEXTSTELLIS® Website traffic increasing with DTC campaign



- DTC investment July - November drove strong contribution to NRx and RRx (lower monthly DTC campaign investment in December 2022 - January 2023 when NRx and RRx impact is reduced due to holidays)
- Changes made in Digital Media in December 2022 improving NRx and RRx attributed to DTC, expecting continued DTC NRx and RRx lift in Q4 FY23 and Q1 FY24

May website data through May 7th – projections estimate full month volume

Women's Health Acquisition: Accelerating Our Vision to Become a Leader

Annovera® (segesterone acetate and ethinyl estradiol vaginal system) Delivers 0.15 mg/0.013 mg per day

vitaMedMD® Prenatal Vitamins

Annovera® (segesterone acetate and ethinyl estradiol vaginal system) Delivers 0.15 mg/0.013 mg per day

Bijuva™ 1mg/100mg (estradiol and progesterone) capsules

Imvexxy® (estradiol vaginal inserts) 4 mcg • 10 mcg



CONTRACEPTION | **PRENATAL CARE** | **CONTRACEPTION/ FAMILY PLANNING - PERIMENOPAUSE** | **VASOMOTOR SYMPTOMS** | **DYSPAREUNIA** (Vulvar & Vaginal Atrophy)



REPRODUCTIVE HEALTH

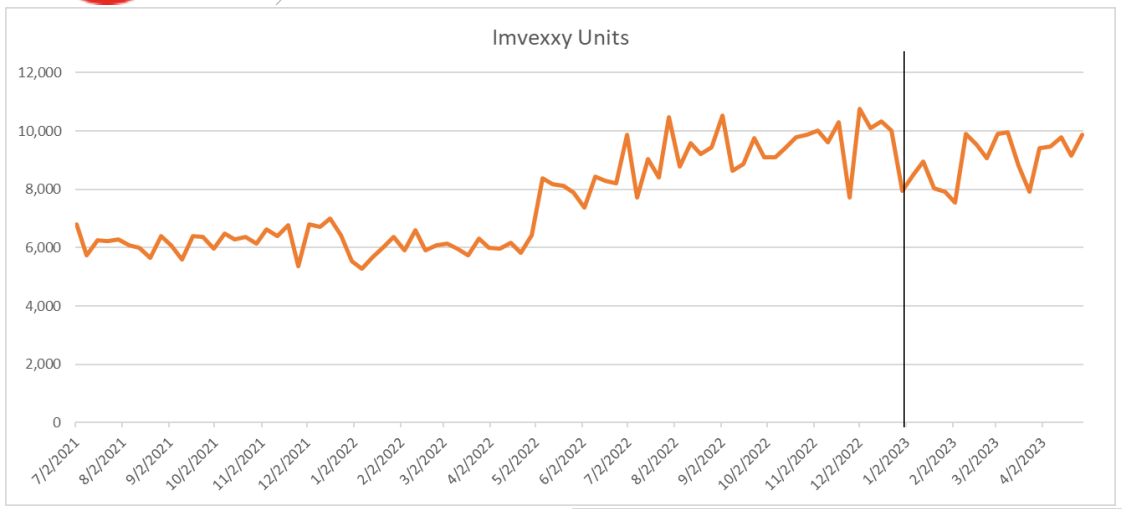


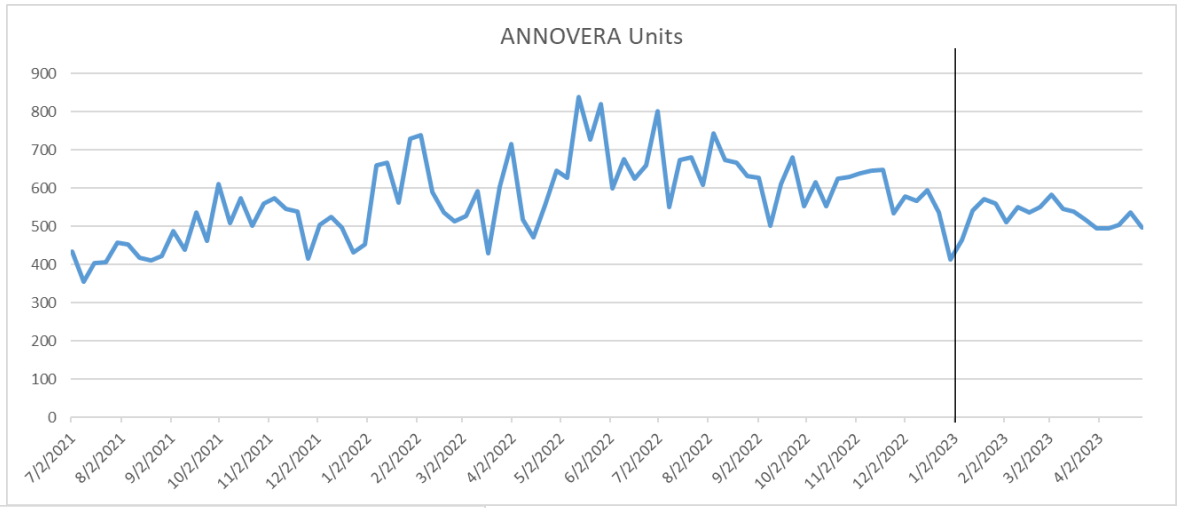
MENOPAUSE MANAGEMENT

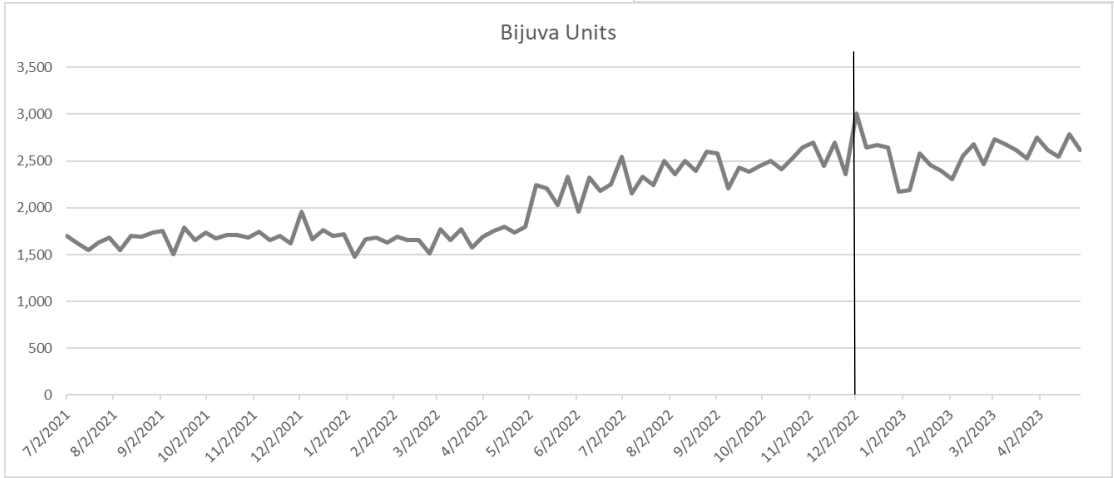
Acquired Women's Health Branded Portfolio adding significant value

- Portfolio has performed solidly with no change to overall business acquisition case expectations
- Initial launch date 12 Jan, channel inventory ~45 days. Outstanding rebate claims impacted a clean integration of the portfolio. Mechanism in place for working capital adjustment in the order of US$5-7m
- Development of sales strategy supported by training and sales targets to grow share and capitalise on the attractive menopause market with IMVEXXY® and BIJUVA® including a targeting of specialist HCPs and a step change in sampling
- Investment in sales team and marketing spend in line with plan, paid search program commenced in April for ANNOVERA® and menopause brands with encouraging web site visitation trends
- Planned launch of lower strength BIJUVA® in 2HFY24 will attract new menopausal patients
- ANNOVERA® most impacted by excess channel inventory, TRx and trade demand have normalised to plan
- Prenatal vitamins creating access to new customers
- 3Q FY23 revenues increased over final quarter of prior ownership
- The acquired portfolio is delivering positive cash and earnings

Unit sales of acquired assets on track





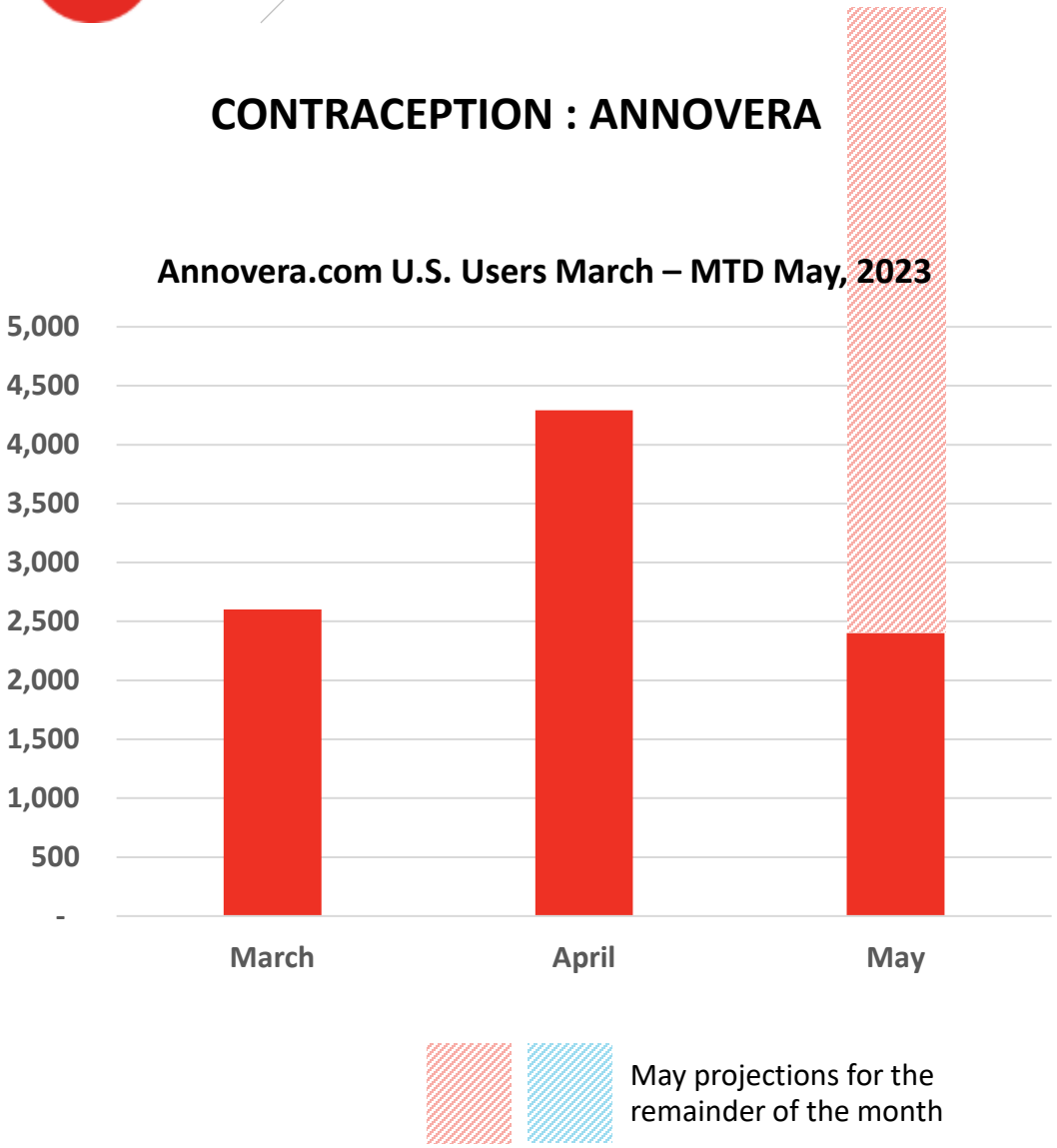


- Q3-FY23 net sales exceeded, prior calendar Q4-2023 reported sales
- Q3 FY23 impacted by channel inventory in integration
- No change to business expectations

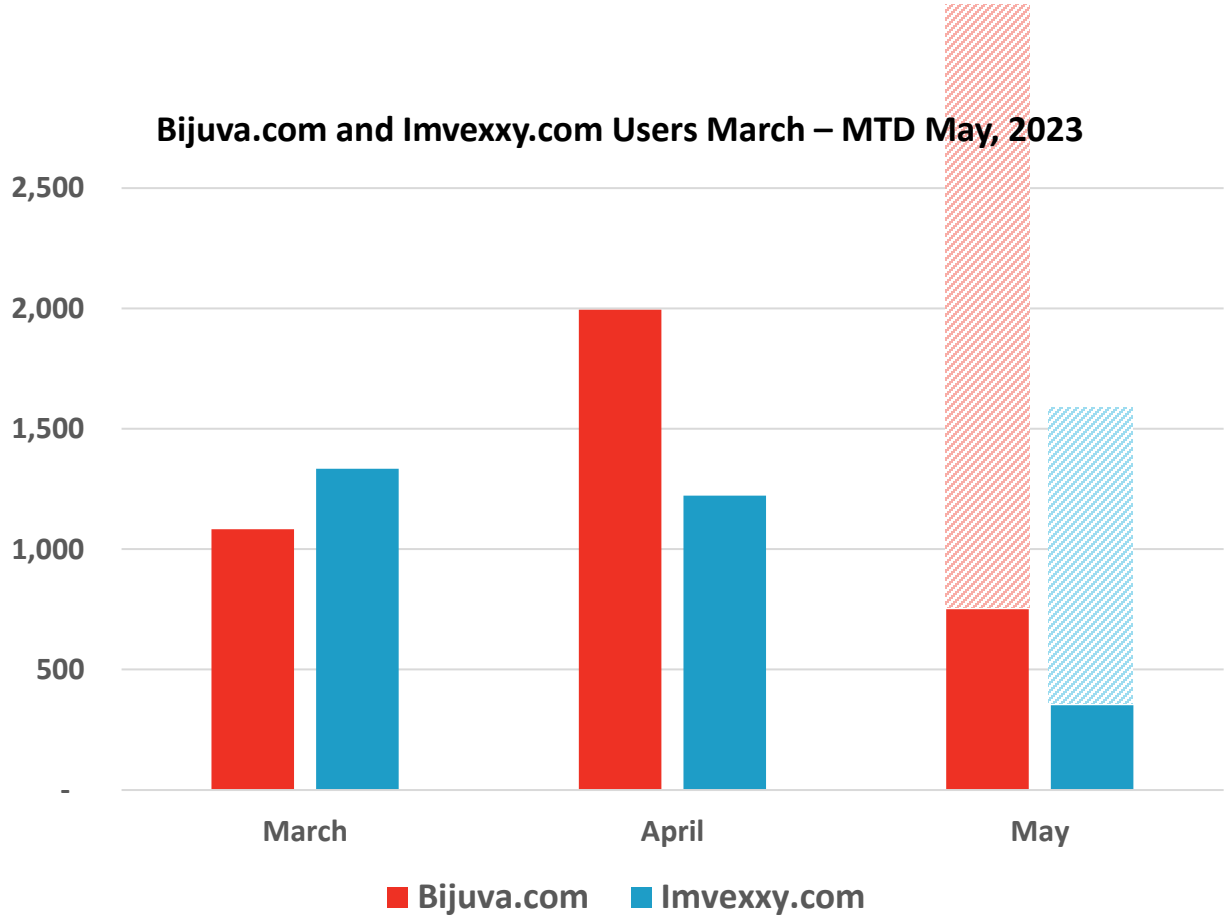
Unit totals based on IQVIA Rapid Weekly adjusted for non-reporting pharmacies through 28Apr23

Mayne Pharma is supporting acquired brands with targeted DTC

CONTRACEPTION : ANNOVERA



MENOPAUSE : BIJUVA & IMVEXXY



May website data through May 7th – projections estimate full month volume

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Overview of the US Dermatology Market

Building market leadership and scale with pipeline of new products

- Build on strength of market position with a strong and profitable pipeline of new products to meet broader patient needs
- Q3FY23 launch of DORYX MPC® 60 mg tablets and Galderma's authorized gORACEA® progressing well
- Strengthening contribution margin through channel discipline and effective management of new launches and appropriate channel supply agreements
- Maintain market presence as top 10 US products by revenue[1] - gABSORICA® (isotretinoin) capsules, gEPIDUO® FORTE (adapalene/benzoyl peroxide) gel and gACZONE® (dapsone) gel
- Continue to execute our differentiated channel strategy through specialty pharmacy growth and online platforms like GoodRx

Proprietary Brands

FABIOR® (tazarotene) Foam, 0.1%

Sorilux® (calcipotriene) Foam, 0.005%

DORYX® (doxycycline hyclate delayed-release tablets) 50 mg · 200 mg

LEXETTE® (halobetasol propionate) Topical Foam, 0.05%

Specialty Partners

Cosette PHARMACEUTICALS

GALDERMA EST. 1981

UPSHER-SMITH

SANDOZ A Novartis Division

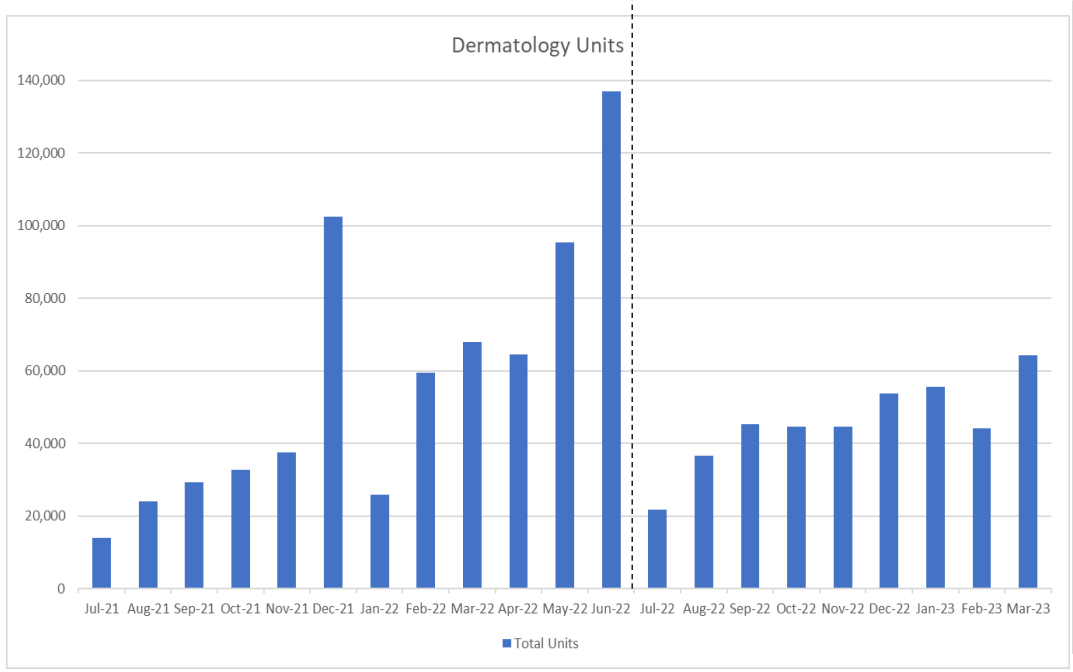
torrent PHARMA

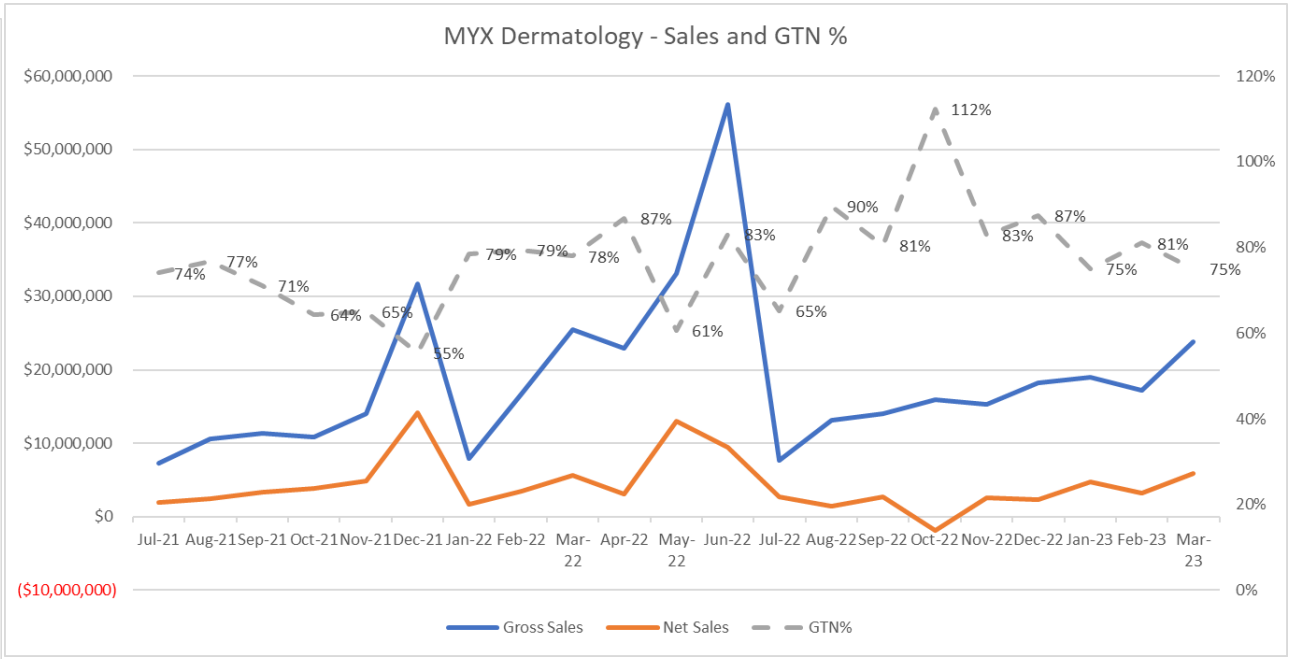
Encube

Dermatology – business performance improving; delivering on positive contribution margin

- Improving momentum following 1H-FY23 channel inventory issues which resulted in recalibration of pricing, GTN and lower volumes in some products
- GTN and pricing has stabilised across key products, as expected
- We are actively managing each brand in our portfolio to maximise potential sustainable contribution margin
- We have returned to positive contribution margin during 3Q=FY23 as normal sales cadence resumes with consistent sales volumes and stabilised pricing environment
- Seeing positive impact of new product launches – DORYX® MPC 60 in February and authorized gORACEA® in March, which have been well received by the market
- Business remains focussed on further development of our differentiated channel strategy for patient access which improves our attractiveness to dermatology partners
- We will continue to add new products to the portfolio that drive profitable growth

Dermatology Units growing and GTN stabilised





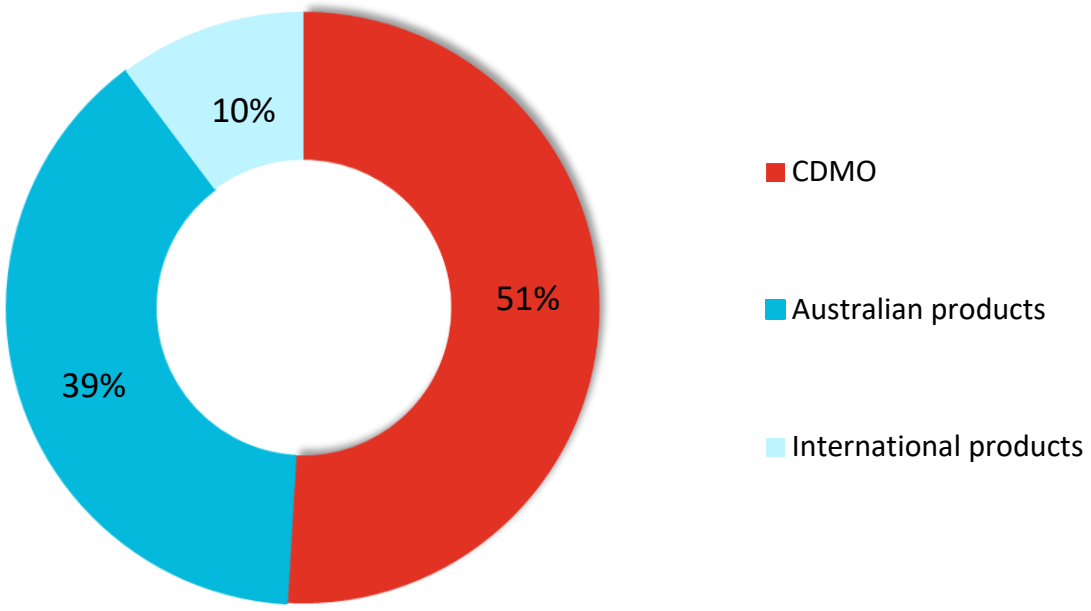
- Growth expected from Q3-FY23 launches
  - DORYX® MPC 60 February 2023
  - gORACEA® March 2023

- Gross sales increasing since August
- Net Sales growth since October
- GTN stabilised in Q3

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International Showing Encouraging Business Progress



Share of International revenue by type 1H-FY23

- Good growth in international sales as product availability increases following early improvement in manufacturing and supply chain performance
- KAPANOL® /KADIAN® (morphine) market expansion to treat Opioid Substitution Therapy (OST);
  - OST approved in Switzerland
  - Submitted in Austria
- KAPANOL® /KADIAN® (morphine) regional expansion for pain indication in China
  - Tripartite agreement signed and clinical trial application submitted in China
- Australian dermatology portfolio extended through launch of ACTIKERALL® (fluorouracil and salicylic acid for treatment of actinic keratosis)
- Trading relationships and cadence with Dr Reddy's being established with some sales expected later in current half
- NEXTSTELLIS® oral contraceptive launched in Australia, initial sales behind plan due to execution of product messaging and sales force commercial thrust which is being addressed as we did in the US

International Improvement Initiatives

Manufacturing strategy focused on cost efficiency and reliable supply at the best quality

- Organisational design review completed and implemented, focus on key roles in supply chain
- Implementation of lean practices and metrics underway to unlock existing capacity and improve supply reliability
- Ongoing reduction of waste and deliberate focus on productivity

Focused revenue growth

- Manufacturing improvements to enable capacity increase and cost efficiency underway
- New business development capability implemented, engaged to secure both new local customers and opening new market opportunities
- Implementing best in class processes and metrics to drive efficient sales execution

Leveraging contract development and manufacturing as a differentiator and growth stream

- Targeted focus on the right projects for capability and growth

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Costs – good progress and continued focus

- Progress towards targeted 10-15% of admin cost reductions (excl RGx):
  - Reductions in office footprints, senior leadership, subscriptions/systems total 9%
  - Goal remains to save where possible and invest where appropriate. Areas of OPEX investment in FY23 include Women's health and NEXTSTELLIS®
  - Ongoing area of focus as we leverage simplified structure

- Reductions related to RGx expected to total A$15.7m full year run rate
  - A$6.7m of this total executed
  - Remainder to be reduced via contract renegotiation / termination / expiration over the next 18 months

Capital management

The Company has completed 3 major transactions over the last 6 months and plans to continue to hold a conservative balance sheet while completing this stage of the transformation.

- Current company net cash circa A$135.8m as of April 30, 2023
  - A$239m less A$61m receivable facility less A$42m convertible note
- Receivable facility will progressively unwind in line with RGx business and is unlikely to be suitable to the ongoing structure of the business
- Company currently evaluating options for working capital facility at competitive rates and terms

- Expected capital needs:
  - Completion of portfolio transactions;
    - Closeout remaining liabilities for MCS divestment (A$9.7m)
    - Closeout RGx liabilities, complete restructuring (A$20-30m)
    - TXMD including working capital potential exposure (A$20m)
  - Capital required under the MMI grant at Salisbury (A$15m)
  - Origination fees for a working capital facilities, including the convertible note (A$5)
  - Fund growth in current women's health portfolio
  - Accretive opportunities in women's health and dermatology

- The Board has today announced the commencement of a capital management plan with an on-market share buyback program to purchase up to 10% of the Company’s issued capital in the next 12 months

Strategic priorities for FY23 & FY24 to drive shareholder value

 # 1 Priority, B/E ASAP



Successfully implement new commercial strategy for NEXTSTELLIS® to accelerate growth in the US and Australia

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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. Comparison of prior period statutory accounts will be impacted by the treatment of businesses disposed as discontinued operations. Accordingly, Mayne Pharma provides the following comments to provide the market with its progress on continuing operations.

- Momentum continues to build across BPD or our Women's Health portfolio following acquisition and investment in new products as well as our sales and marketing capability to support our contraception, menopause and specialty brands. Whilst the anticipated timing for NEXTSTELLIS® to achieve its breakeven weekly run rate is now in 1H24 based on our current growth rate, the performance of the whole portfolio is delivering steady revenue growth and positive contribution in 2H23 with the acquired assets more than offsetting NEXTSTELLIS® investments for growth.

- Following stabilisation, Dermatology has now returned to delivering positive net revenue and contribution margin during this half. This momentum is anticipated to continue through the remainder of the half, supported by the recent product launches.

- Our operational excellence plan implemented for the International business will take time to gain traction, as a result relatively flat performance is expected in 2H23.

- Overall, the continuing businesses are expected to deliver positive revenue and contribution margin in 2H23 vs 1H23. Return to profitability will be delayed to FY24 due to stranded costs from the RGx business and the time required for changes made to NEXTSTELLIS® to deliver on top line growth. At this time, the largest driver of earnings improvement remains NEXTSTELLIS®.

- We expect FY23 underlying EBITDA to be aligned with the consensus of the two analysts covering Mayne Pharma.

Q&A

You deserve tomorrow.