

30 November 2022

Manager, Company Announcements
ASX Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

Via E-Lodgement

Dear Sir/Madam

Mayne Pharma Group Limited

Please find attached the Chair's address to be delivered to shareholders at Mayne Pharma's Annual General Meeting today at 9.00am (Melbourne time) at Minter Ellison, Level 20, Collins Arch, 447 Collins St, Melbourne VIC 3000.

The meeting will be webcast at <https://meetnow.global/MQVYTUF>.

For further information about the Annual General Meeting please refer to <https://www.maynepharmaceutical.com/investor-relations/annual-general-meeting/>.

This announcement is authorised by the Board.

Yours faithfully,
Mayne Pharma Group Limited



Laura Loftus
Company Secretary

For further information, please contact

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ASX Announcement

2022 ANNUAL GENERAL MEETING

AT 9.00 AM ON 30 NOVEMBER 2022

CHAIR'S ADDRESS

Welcome everyone, I'm Frank Condella, the Chair of Mayne Pharma. It is a pleasure to welcome you to Mayne Pharma's 2022 Annual General Meeting. As we have a quorum present, I am delighted to open the meeting.

We are pleased to be able to offer a hybrid meeting this year and offer shareholders a face-to-face experience for the first time in a couple of years as well as a live webcast via the Computershare meeting platform.

First of all, I would like to take you through the procedural aspects of the meeting today.

Shareholders and Proxyholders present in the room can ask questions. If you are watching on the webcast and you're a shareholder, you have the ability to ask questions through the meeting platform. Questions can be submitted on the platform at any time and you don't need to wait for the relevant item of business to ask your question.

To ask a written question select the Q&A icon on the screen. Select the topic your question relates to from the dropdown box, type in the question and press send. You can also ask a verbal question by following the instructions in the broadcast window. We encourage you to lodge any text questions now.

If you experience any difficulties, there is an AGM helpline number included in the online meeting guide. A recording of this meeting will also be available on our website after the meeting.

We will address questions at the relevant time in the meeting. Questions may be moderated and if we receive multiple questions on one topic they will be combined together. Finally, due to time constraints, it is possible that we may not be able to answer all questions. If that occurs, then we will revert back to you individually after the meeting about your unanswered question.

Now moving on to the voting aspects of today's meeting. Voting today will be conducted by way of a poll on all items of business. Subject to the voting exclusions specified in the notice of meeting, the persons entitled to vote today are all shareholders, representatives and attorneys of shareholders and Proxyholders who hold red admission cards. On the reverse of your red card is your voting paper, which details the motions that are being put to the meeting. Relevant instructions are also printed on the reverse of your admission card.

For those participating online, voting for all resolutions is open and will remain open

during the AGM. If you are eligible to vote at this meeting, you will see a vote icon displayed on your screen. Click on this icon which will bring up a list of resolutions and present you with voting options. To cast your vote, select one of the available options. You have the ability to change your vote up until the time I declare the voting is closed at which time your most recent selection will be registered.

I would now like to introduce our Board members, senior executives, and the Company's auditor. Joining me in the room are fellow non-executive directors Professor Bruce Robinson and David Petrie. Online we have fellow non-executive directors Dr Carolyn Myers, Dr Katie MacFarlane, Ann Custin and Pat Blake.

We have two of our new US based management team joining us in person - our new CEO and Managing Director Shawn Patrick O'Brien and our new CFO Aaron Gray. Our Company Secretary, Laura Loftus and Lisa Pendlebury, VP of Investor Relations will moderate the shareholder questions.

We also have the Company's auditor David Peterson here in person.

I'll now outline the procedure for today's meeting.

First, I will present my Chair's Report, then Shawn and Aaron will provide an update on the business, and finally we will go into the formal part of the meeting where we will vote on the resolutions outlined in the notice of meeting.

I will now move to the Chair's Report.

In FY22, Mayne Pharma commenced a transformation program to strengthen the Board, reposition the Company for growth and explore options to unlock the value of Mayne Pharma's businesses through active management of the corporate portfolio for the benefit of shareholders.

Over the last year or so we have refreshed the Board adding new pharmaceutical and healthcare industry experience. Dr Carolyn Myers, Dr Katie MacFarlane and Ann Custin each bring more than 30 years of industry experience and have distinguished careers in growing US healthcare businesses. David Petrie, one of our two Australian based directors, brings financial experience and over 30 years of M&A advisory experience to the Board.

In October 2022, Shawn Patrick O'Brien joined as Managing Director and CEO. We believe Shawn is an outstanding choice for this role and brings more than 35 years of global pharmaceutical industry experience building successful enterprises. He has been a highly effective leader and his experience in sales and marketing, strategic planning and business development, product development and commercialisation will complement our senior leadership team. He has a proven ability to turn around organisations, leading large and diverse teams and delivering growth.

I am confident the new management team under Shawn and Aaron together with the Board have the necessary skills and experience to direct the Company and achieve its strategic objectives.

We are extremely pleased to have completed the sale of Metrics Contract Services (Metrics) to Catalent for cash consideration of US\$475 million (or A\$722 million at the time of closing). The Board believes this represents compelling value for Mayne Pharma shareholders at approximately 5x revenue and 16x EBITDA based on historical data.

The sale of Metrics significantly strengthened our balance sheet and unlocks value for shareholders through our recently announced capital management initiatives. Importantly, it creates a more focused business with less complexity and greater financial flexibility to pursue our strategic objectives.

In terms of capital management, the majority of the net proceeds of the sale have been used to repay debt. This includes the syndicated debt facility which was repaid in early October. We have also reduced the receivables facility from A\$63m at year end to A\$37m at the end of October.

The Board believes shareholders should also benefit from the sale of Metrics. We are planning to return up to \$113m to shareholders through a combination of tax efficient cash distributions. These include a fully franked dividend of approximately A\$47m or 2.7c / share and a pro rata return of capital of up to A\$66m, approximately 3.8c / share. Note these figures are before any share consolidation. The return of capital is subject to shareholder approval and a class ruling from the Australian Tax Office (ATO). The Board considers these distributions are the most appropriate way to efficiently return capital to shareholders and utilise available franking credits.

The balance of proceeds of are being reinvested to support future operating and cash flow requirements and preserve flexibility to pursue suitable growth opportunities, should they present.

Many shareholders have questioned why the Company has not also announced a share buyback. The Company is continuing to assess its ongoing capital requirements and will have a better view on this across the second half of FY23. The Company will continue to buy back and cancel forfeited out of the money employee loan shares. The Company bought back and cancelled 25m shares in August and intends to buy back a further 24m shares in December and up to 34m across 2023. Including all these buy backs, the Company intends to cancel approximately 5% of its shares on issue.

Moving to the FY22 results.

During this year, the Company took a number of steps to better position the business for the future. These included:

- aggressively rationalising the retail generic portfolio to focus on more sustainable products and channels
- restructuring the TOLSURA® (SUBA®-itraconazole) business model and discontinuing direct promotion as this product failed to meet expectations
- reducing the value of NEXTSTELLIS® earn-out liabilities given the slower uptake
- write-downs of intangible assets largely relating to retail generics

The Company reported revenue of A\$425m, up 6% on the prior corresponding period (pcp), reported EBITDA of A\$87m up 32% on pcp and adjusted EBITDA of A\$46m down 28% on pcp.

At the adjusted EBITDA line, our results have been impacted by the commercial investments made into the US launch of NEXTSTELLIS® and continued erosion of the US retail generic business. Excluding the investments in NEXTSTELLIS®, adjusted EBITDA was \$90m, up 24% on pcp. Disappointingly we reported a net loss after tax which was impacted by the non-cash intangible asset impairments and deferred tax asset write-downs.

Before handing over to Shawn, I wanted to take a moment and thank Scott Richards, Nancy Dolan and Ian Scholes for their valuable contribution during their many years of service on the Board of Mayne Pharma.

Mayne Pharma continues to have a diverse group of businesses that provide us with various opportunities for growth. The Board continues to proactively explore all options to unlock the value of Mayne Pharma's businesses for the benefit of shareholders. The Company will maintain a conservatively structured balance sheet and pursue shareholder accretive business development opportunities while driving improved profitability and cash flow. FY23 is expected to be a transitional year, focused on resetting the business for growth.

On behalf of the Board, I want to thank all my colleagues for their hard work and contribution and to all our shareholders for your continued support. I look forward to the future as we embark on a new chapter of growth.

With that, I will now hand over to Shawn.