26 February 2025

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

Via E-Lodgement

Dear Sir/Madam

Mayne Pharma Group Limited
Interim Results

Please find attached the Appendix 4D Half Year Report, Directors' Report, the Financial Report and Auditor's Independent Review Report relating to the results for the half-year ended 31 December 2024.

This information should be read in conjunction with Mayne Pharma Group Limited's 2024 Annual Report.

This announcement comprises the information required by ASX Listing Rule 4.2A and the statement required by Rule 4.2C.2.

Yours faithfully,
Mayne Pharma Group Limited

Laura Loftus
Company Secretary

mayne pharma
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RESULTS FOR ANNOUNCEMENT TO THE MARKET
APPENDIX 4D – HALF YEAR REPORT

	% Change	Dec 2024 $'000	Dec 2023 $'000
Revenue from ordinary activities	13%	**213,054**	187,926
Profit / (loss) from continuing operations before income tax expense	80%	**(14,719)**	(74,865)
Profit / (loss) from continuing operations after income tax expense	72%	**(19,970)**	(70,549)
Profit / (loss) from discontinued activities after income tax		**(5,575)**	(3)
Profit / (loss) after income tax	64%	**(25,545)**	(70,552)
Attributable to: Equity holders of the parent		(25,545)	(70,552)
Other comprehensive income after income tax expense		**15,604**	(7,382)
Total comprehensive income after income tax expense		**(9,941)**	(77,934)
Attributable to: Equity holders of the parent		(9,941)	(77,934)

Net tangible assets per ordinary share [1]	**($1.69)**	($0.47)

	2024 $	2023 $
Basic earnings per share continuing operations	(0.25)	(0.88)
Diluted earnings per share continuing operations	(0.25)	(0.88)
Final dividend in respect of the financial year ended 30 June per share	**Nil**	Nil
Interim dividend in respect of the period ended 31 December per share	**Nil**	Nil

(1) Net tangible assets include Right-of-use lease assets

Refer to the Directors' Report and the accompanying ASX announcement dated 26 February 2025 for a brief commentary on the results.

Improving patient access to
life-enhancing medications

Half Year Financial Report

FOR THE HALF YEAR ENDED 31 DECEMBER 2024
(PRIOR CORRESPONDING PERIOD: HALF YEAR ENDED 31 DECEMBER 2023)

CONTENTS

CORPORATE INFORMATION

DIRECTORS:	Mr Frank Condella (Chair) Mr Shawn Patrick O'Brien (Managing Director and CEO) Mr Patrick Blake Ms Ann Custin Mrs Anne Lockwood Dr Kathryn MacFarlane Mr David Petrie Prof Bruce Robinson, AC
COMPANY SECRETARY:	Ms Laura Loftus
REGISTERED OFFICE	1538 Main North Road Salisbury South South Australia 5106
PRINCIPAL PLACES OF BUSINESS:	1538 Main North Road Salisbury South South Australia 5106 3301 Benson Drive Suite 401 Raleigh North Carolina 27609 USA
AUDITORS:	BDO Audit Pty Ltd Collins Square | Tower Four Level 18, 727 Collins Street Melbourne VIC 3008
SOLICITORS:	Minter Ellison Lawyers Collins Arch Level 20, 447 Collins Street Melbourne VIC 3000
SHARE REGISTRY:	Computershare Investor Services Pty Ltd Yarra Falls 452 Johnston Street Abbotsford VIC 3067 Telephone: (03) 9415 4184 Facsimile: (03) 9473 2500
BANKER:	Westpac 150 Collins Street Melbourne VIC 3000
ABN:	76 115 832 963
DOMICILE AND COUNTRY OF INCORPORATION:	Australia
LEGAL FORM OF ENTITY:	Public company listed on the Australian Securities Exchange (MYX)

DIRECTORS' REPORT

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated Entity') consisting of Mayne Pharma Group Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2024.

DIRECTORS

The names of the Company's Directors in office during the half-year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise noted.

Mr Frank Condella, Chair
Mr Shawn Patrick O'Brien, Managing Director and CEO
Mr Patrick Blake
Ms Ann Custin
Mrs Anne Lockwood
Dr Kathryn MacFarlane
Mr David Petrie
Prof Bruce Robinson, AC

REVIEW OF RESULTS

Mayne Pharma reported revenue for the half year of $213.1m reflecting a strong performance by the Women's Health segment (formerly BPD) and the Dermatology segment (formerly PPD).

The Consolidated Entity's net loss from continuing operations attributable to members of the Company for the half-year ended 31 December 2024 was a loss of $20.0m (half-year ended 31 December 2023: net loss $70.5m).

Set out below is a summary of the financial performance attributable to Mayne Pharma shareholders for the six months ended 31 December 2024. This summary includes non-IFRS financial information that is stated excluding certain non-operating income and expense items. The results are set out this way as the Directors consider them to be a meaningful comparison from period to period. Earnings before interest tax, impairment, depreciation and amortisation (EBITDA) is used as a key measure of the earnings considered by management in operating the business and assessing performance.

SALES AND PROFIT	DEC 2024 $M	DEC 2023 $M	CHANGE ON PCP $M
Reported Revenue from continuing operations	**213.1**	**187.9**	**25.2**
Reported Gross profit from continuing operations	**130.9**	**105.8**	**25.1**
Reported Gross profit %	*61.4%*	*56.3%*	
Adjusted EBITDA	**31.0**	**8.0**	**23.0**
Adjustments[1]	(4.9)	(29.9)	25.0
Reported EBITDA from continuing operations	**26.1**	**(21.9)**	**48.0**
Depreciation / Amortisation	(32.7)	(35.9)	3.2
Reported Profit / (Loss) Before net finance expenses and Tax from continuing operations	**(6.6)**	**(57.8)**	**51.2**
Net interest	0.2	1.8	(1.6)
Foreign exchanges gains/(losses) financing activities	9.3	(3.5)	12.8
Earn-out & deferred consideration liabilities discount unwind	(17.6)	(15.3)	(2.3)
Reported Profit / (Loss) Before Tax from continuing operations	**(14.7)**	**(74.8)**	**60.1**
Income tax credit / (expense)	(5.3)	4.3	(9.6)
Reported Net Profit / (Loss) After Tax attributable to Mayne Pharma shareholders from continuing operations	**(20.0)**	**(70.5)**	**50.5**

1. Current year adjustments are included in the table below.

The reconciliation of reported results and underlying results from continuing operations is as follows:

SALES AND PROFIT	REPORTED ATTRIBUTABLE TO MEMBERS DEC 2024 $M	EARN-OUT REASSESSMENT (1) $M	RESTRUCTURING (2) $M	LITIGATION(3) $M	DILIGENCE & BUSINESS DEVELPOMENT EXP(4) $M	MARK TO MARKET REASSESSMENT DERIVATIVE (5) $M	CONTINUING OPERATIONS UNDERLYING DEC 2024 $M
Revenue	213.1						213.1
Gross profit	130.9						130.9
Gross profit %	*61.4%*						*61.4%*
EBITDA	**26.1**	(1.0)	1.2	2.4	2.5	(0.2)	**31.0**
Depreciation / Amortisation	(32.7)						(32.7)
PBIT	**(6.6)**	(1.0)	1.2	2.4	2.5	(0.2)	**(1.7)**
Net finance costs	(8.1)						(8.1)
PBT	**(14.7)**	(1.0)	1.2	2.4	2.5	(0.2)	**(9.8)**

(1) Earn-out and deferred consideration liabilities reassessment.
(2) Restructuring costs principally related to organisational restructuring.
(3) Drug pricing and health care investigations, US Department of Justice and related litigation costs.
(4) Diligence and business development expenses
(5) Mark to market / fair value reassessment of the conversion derivative relating to convertible notes.

The non IFRS financial information is unaudited. A more detailed analysis of the operating performance is included in the ASX Announcement and Results Presentation dated 26 February 2025.

REVIEW OF OPERATIONS

The Group's focus is on extracting operating efficiency leverage and growth from existing assets.

Work on the Salisbury modernisation project, partly funded by a federal government grant, is progressing well. The new encapsulator entered commercial production at the end of FY24, enabling the launch of KAPANOL® 200mg. Upcoming installations include a bottling line and a high-speed blister packing line with serialisation capabilities. Site acceptance testing of these is scheduled to be completed in March 2025, with commercial production scheduled to commence from July 2025.

The Group recorded revenue of $213.1m, up 13% on the prior corresponding period (pcp) and gross profit was $130.9m, up 24% on pcp.

Gross profit reported as a percentage of sales revenue was 61.4% versus 56.3% in the pcp.

The Consolidated Entity operates in three operating segments being International, Women's Health (formerly BPD) and Dermatology (formerly PPD). During a prior period, the Consolidated Entity sold the MCS segment and has therefore included MCS in discontinued operations (refer Note 5). The Consolidated Entity also sold the Retail Generics business effective 7 April 2023 which has also been disclosed as part of discontinued operations (refer Note 5). The segment note in the financial statements (Note 2) shows the sales, gross margin (GM), direct operating expenses (opex) and the direct contribution (being the GM less direct opex) for each segment on a continuing operations basis.

Women's Health

The Women's Health Division distributes branded Women's Health products in the US. This division includes NEXTSTELLIS®, ANNOVERA®, BIJUVA® and IMVEXXY®.

Women's Health revenue increased 30% to $94.3m ($72.4m pcp) and gross profit increased 31% to $76.9m ($58.7m pcp) for the period. Direct contribution increased 117% to $39.3m ($18.1m pcp) due to increased operating leverage from the continued revenue and gross profit growth across the Women's Health portfolio.

In USD terms, Women's Health revenue increased 32% to US$62.3m (US$47.3m pcp) and gross profit increased 32% to US$50.8m (US$38.3m pcp) for the period. Direct contribution increased 120% to US$26.0m (US$11.8m pcp). Key products driving revenue growth compared to the pcp were NEXTSTELLIS® (increase 62%) and IMVEXXY® (increase 46%). BIJUVA® revenue increased 31% with ANNOVERA® remaining consistent compared to the pcp. Although ANNOVERA® revenue remains

flat versus the pcp due to the lingering effects of legacy inventory returns, total prescription ('TRx') volumes are up 14% in that same time-period. Market share for the brand represents ~1% of their direct competitive set, providing opportunity for continued growth. The direct contribution growth is driven by increased revenues and continued optimization of operating leverage.

Dermatology

The Dermatology Division distributes established dermatology products in the US.

Revenue increased 1% to $81.4m ($80.9m pcp), gross profit increased 19% to $43.4m ($36.6m pcp) and direct contribution increased 22% to $22.1m ($18.1m pcp) for the period.

In USD terms, revenue increased 2% to US$53.8m (US$52.9m pcp), gross profit increased 20% to US$28.7m (US$23.9m pcp) and direct contribution increased 23% to a US$14.6m (US$11.8m pcp) for the period.

Dermatology net revenues compared to the pcp nominally increased and include a lift in RHOFADE® and a decline in AG ORACEA® – the net of these two stand-alone totalling minus 4%. Dermatology revenues experienced significant seasonality 1H FY25 vs 2H FY24. Dermatology contribution increases are driven by the mix of products and by some effects of the Company's channel management (disintermediation).

International

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.

International revenue increased 8% to $37.4m ($34.6m pcp), gross profit increased by 1% to $10.6m ($10.5m pcp) and direct contribution decreased 18% to $3.6m ($4.4m pcp) for the period.

International performance was impacted by timing of certain shipments and production schedules. International's delivery in full on time (DIFOT) for 1H FY25 has improved to 91% compared to 76% in the pcp.

Expenses

Net research, development, medical and regulatory affairs expense (total costs less costs capitalised) was $9.9m, a decrease in expense of $0.4m on the pcp.

Marketing and distribution expenses were $66.0m, a net increase of $1.0m on the pcp. The increase includes additional investment in the Dermatology distribution channel.

Administration and other expenses were $63.9m, a decrease of $8.7m on the pcp. This category includes non-cash and / or non-operating items such as:

- Amortisation of intangible assets $28.5m ($31.5m pcp);
- Reassessment of derivative fair value $0.2m credit ($10.0m expense pcp);
- Share based payments expense $2.1m ($2.5m pcp);
- Foreign exchange losses $1.0m ($0.9m fx gain pcp);
- Restructuring expenses $1.2m ($0.4m pcp);
- Diligence and business development expenses $2.5m (nil pcp); and
- Litigation costs $2.4m ($2.8m pcp).

Amortisation expense includes $8.3m (pcp $12.8m) for NEXTSTELLIS® and $14.7m (pcp $14.9m) for the TXMD assets. The balance of amortisation relates to Dermatology and International intangibles.

Excluding the non-cash and / or non-operating items, administration and other expenses increased by $0.1m to $26.4m.

There were no asset impairments in the current period or the pcp.

Finance expenses were $10.8m, a decrease of $10.3m on the pcp. Included in net finance income/expenses are financing related foreign exchange gains of $9.3m (pcp $3.5m losses). Discount unwind on earnout and deferred consideration increased to $17.6m (pcp $15.3m) in the current period.

The tax expense of $3.6m comprised:

- Current period income tax expense for the six months to 31 December 2024 of $2.4m;
- Prior year under provision of $0.1m; and
- Expense of $1.1m relating to the movement in net tax deferred tax assets and liabilities.

REVIEW OF STATEMENT OF FINANCIAL POSITION

Cash

Cash decreased by $56.4m compared to 30 June 2024.
Amounts invested in marketable securities (December 2024 $71.2m, June 2024 $39.2m) are not included in cash. Marketable securities are deposits in a money market fund with underlying investments in short term US government debt and repurchase obligations. Marketable securities are included in "Other Financial Assets" in the financial statements.

Refer to Review of Cash Flows for further commentary.

Inventory, receivables and trade payables

The Company had a net cash release from working capital of $1.1m during the period. Given the Group experienced increased revenue, the Company managed the working capital efficiently. Net working capital for continuing operations was stable. Working capital movements included reductions of inventory ($17.9m), trade receivables ($6.5m) and trade and other payables ($20.2m). The balance sheet and statement of cashflows include values relating to both continuing operations and discontinued operations. The balance sheet values are also impacted, compared to the pcp, by currency translation with the December 2024 AUD / USD exchange rate of 0.6204 compared to the June 2024 exchange rate of 0.6670.

Intangible assets

Intangible assets increased by $11.6m compared to the balance at 30 June 2024. The movement comprised of:

- An increase of $0.8m for asset additions;
- A decrease of $28.5m for amortisation; and
- An increase of $39.2m due to foreign currency translation with the AUD / USD exchange rate decreasing from 0.6670 at 30 June 2024 to 0.6204 at 31 December 2024. The majority of intangible assets are held in the US.

Property, plant & equipment

Property, plant and equipment increased by $4.7m from the balance at 30 June 2024. The movement comprised of:

- An increase of $6.9m for additions which included capital works programs and general site maintenance capital expenditure;
- A decrease of $2.3m for depreciation; and
- An increase of $0.1m due to foreign currency translation (almost all property, plant & equipment is held in Australia).

Interest bearing liabilities.

Interest bearing liabilities includes lease liabilities. Lease liabilities were $6.5m at reporting date. Mayne Pharma issued convertible notes in December 2022 with total cash received of US$27.95m. The convertible notes liability has been split into two components – the loan liability ($33.4m included in interest bearing liabilities at reporting date) and the conversion option (derivative) component (initially recognised at $9.7m and subsequently restated at fair value each reporting period – which is included in the balance sheet as "Other financial liabilities").

Other financial liabilities

Other financial liabilities increased by $34.5m from 30 June 2024 as a result of:

- An increase of $17.6m due to the unwinding of the discount for the various earn-out liabilities and deferred consideration liabilities;

- A decrease of $0.2m due to fair value restatement of the option derivative relating to convertible notes;
- A decrease of $1.0m due to re-assessments of various earn-out and deferred consideration liabilities;
- A decrease of $10.1m due to payments made for earn-outs and deferred settlements; and
- An increase relating to foreign exchange and foreign currency translation of $28.1m.

REVIEW OF CASH FLOWS

Cash at 31 December 2024 was $53.7m, representing a decrease of $56.4m from 30 June 2024. Amounts invested in marketable securities (December 2024 $71.2m, June 2024 $39.2m) are not included in cash. Marketable securities are deposits in a money market fund with underlying investments in short term US government debt and repurchase obligations. Marketable securities are included in "Other Financial Assets" in the financial statements.

A summary of operating cash flows is as follows:

	Dec 2024 $M	Dec 2023 $M
Operating cash flow before working capital movements	19.2	(8.9)
Working capital (investment) / release	1.1	(19.8)
Net Operating cash flows before Class Action settlement	20.3	(28.7)
Class Action settlement (net of insurance)	(33.3)	-
Net Operating cash flows	**(13.0)**	**(28.7)**
Less estimated cashflows relating to discontinued operations outflows / (inflows)	5.6	9.5
Estimated net operating cashflows from continuing operations	(7.4)	(19.2)

Operating cash flow was impacted by the Class Action net cash settlement (in July 2024) and discontinued operations including payments for certain operating expenses and payments for gross-to-net liabilities for the divested Retail Generics business. Continuing operations working capital efficiency gains enabled stable net working capital even though there was a significant increase in revenue.

	Dec 2024 $M	Dec 2023 $M
Investing cash flows	(45.0)	67.7

Notable cash flows during the period included:

- $6.9m payments for net capital expenditure;
- $27.2m invested in marketable securities; and
- Earn-out and deferred settlement payments totalling $10.1m which included $3.7m paid to Catalent as a result of the MCS sale.

	Dec 2024 $M	Dec 2023 $M
Financing cash flows	(0.3)	(20.2)

Notable cash flows during the period included:

- Net interest receipts $2.0m; and
- Lease payments (right-of-use) assets $2.1m.

DIVIDEND

No dividend was declared or paid for the period ended 31 December 2024.

ROUNDING

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in this report and in the financial report. Amounts in this report and in the financial report have been rounded off in accordance with that Legislative Instrument to the nearest thousand dollars or, in certain cases, to the nearest dollar.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's independence declaration is included on page 12 of the Financial Report.

EVENTS SUBSEQUENT TO REPORTING DATE

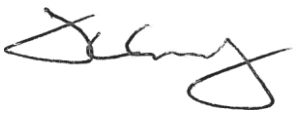
On 21 February 2025, Mayne Pharma announced it had entered into a Scheme Implementation Deed ('SID') with Cosette Pharmaceuticals, Inc. The acquisition price in the SID is $7.40 cash per share and the Mayne Pharma Board has unanimously recommended that shareholders vote in favour of the Scheme in the absence of a Superior Proposal. The indicative timetable is included in the ASX announcement dated 21 February 2025.

In relation to NEXTSTELLIS® patents, a new US patent was issued: US Patent No. 12,233,074, claiming certain aspects of NEXTSTELLIS®, entitled "Contraceptive Methods with Improved Pearl Index", issued on February 25, 2025 with an expiration date of February 9, 2043.

No other matter or circumstance has arisen since the reporting date which is not otherwise reflected in this report that significantly affected or may significantly affect the operations of the Consolidated Entity.

Signed in accordance with a resolution of the Directors.

Dated this 26th day of February 2025.



Frank Condella
Independent Chair

Shawn Patrick O'Brien
Managing Director and CEO

AUDITOR'S INDEPENDENCE DECLARATION

BDO

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Australia

DECLARATION OF INDEPENDENCE BY BENJAMIN LEE TO THE DIRECTORS OF MAYNE PHARMA GROUP LIMITED

As lead auditor for the review of Mayne Pharma Group Limited for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Mayne Pharma Group Limited and the entities it controlled during the period.

Benjamin Lee
Director

BDO Audit Pty Ltd

Melbourne, 26 February 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

	Notes	31 December 2024 $'000	31 December 2023 $'000
Continuing operations			
Sale of goods		193,722	170,307
Services revenue		18,495	16,886
Royalties revenue		641	516
License fees		196	217
Revenue	2	**213,054**	187,926
Cost of sales	2, 3	(82,195)	(82,143)
Gross profit		**130,859**	105,783
Interest income		2,696	4,064
Other income		1,339	924
Earn-out and deferred consideration liabilities reassessments		1,019	(16,650)
Research, development, medical and regulatory affairs expenses		(9,886)	(10,244)
Marketing and distribution expenses		(65,985)	(65,005)
Administrative and other expenses	3	(63,944)	(72,642)
Finance expenses - other	3	(2,482)	(2,299)
Foreign exchange (losses) / gains related to financing activities	3	9,302	(3,538)
Finance expenses – related to earn-outs & deferred consideration liabilities including discount unwind	3	(17,637)	(15,258)
Net (loss) / profit before income tax		(14,719)	(74,865)
Income tax credit / (expense)	4	(5,251)	4,316
Net (loss) / profit for the period from continuing operations		(19,970)	(70,549)
Discontinued operations			
Profit after tax for the period from discontinued operations	5	(5,575)	(3)
Net (loss) / profit for the period attributable to equity holders of the Parent		(25,545)	(70,552)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

	Notes	31 December 2024 $'000	31 December 2023 $'000
Other comprehensive income for the period, net of tax			
Items which may be reclassified to profit/loss			
Exchange differences on translation		18,307	(8,295)
Income tax effect		(2,703)	913
Total comprehensive income for the period		(9,941)	(77,934)
Attributable to:			
Equity holders of the Parent		(9,941)	(77,934)
		(9,941)	(77,934)
Basic earnings per share		(32.3) cents	(87.8) cents
Diluted earnings per share		(32.3) cents	(87.8) cents
Earnings per share from continuing operations:			
Basic earnings (loss) per share from continuing operations		(25.3) cents	(87.8) cents
Diluted earnings (loss) per share from continuing operations		(25.3) cents	(87.8) cents

This statement should be read in conjunction with the accompanying notes to the financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Notes	31 December 2024 $'000	30 June 2024 $'000
Current assets			
Cash and cash equivalents	6	53,710	110,068
Trade and other receivables	7	195,748	193,222
Inventories	8	61,057	74,629
Income tax receivable		15,455	14,455
Other financial assets (includes marketable securities)		73,654	41,530
Other current assets		29,873	26,689
Total current assets		429,497	460,593
Non-current assets			
Other non-current assets		16,583	15,337
Property, plant and equipment	9	51,344	46,694
Right-of-use assets		6,155	6,632
Deferred tax assets	4	47,006	45,341
Intangible assets	10	580,150	568,580
Total non-current assets		701,238	682,584
Total assets		1,130,735	1,143,177
Current liabilities			
Trade and other payables	11	200,129	244,548
Interest-bearing loans and borrowings	12	37,057	35,461
Other financial liabilities	13	53,557	49,446
Provisions	14	15,126	16,124
Total current liabilities		305,869	345,579
Non-current liabilities			
Interest-bearing loans and borrowings	12	2,808	3,359
Other financial liabilities	13	362,773	332,374
Deferred tax liabilities	4	12,696	7,352
Provisions	14	385	325
Total non-current liabilities		378,662	343,410
Total liabilities		684,531	688,989
Net assets		446,204	454,188
Equity			
Contributed equity	15	1,225,655	1,224,224
Reserves		190,097	173,967
Accumulated Losses		(969,548)	(944,003)
Total equity		446,204	454,188

This statement should be read in conjunction with the accompanying notes to the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

	Contributed Equity	Share-Based Payment Reserve	Foreign Currency Translation Reserve	Other Reserve	Accumulated losses	Total Equity
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2024	1,224,224	58,584	118,526	(3,143)	(944,003)	454,188
Profit / (loss) for the period	-	-	-	-	(25,545)	(25,545)
Other comprehensive income						
Foreign exchange translation (net of tax)	-	-	15,604	-	-	15,604
Total comprehensive income	-	-	15,604	-	(25,545)	(9,941)
Transactions with owners in capacity as owners						
Taxes paid relating to RSU's vesting	(148)	-	-	-	-	(148)
Equity contribution re LTI program	1,579	(1,579)	-	-	-	-
Share-based payments	-	2,105	-	-	-	2,105
Balance at 31 December 2024	1,225,655	59,110	134,130	(3,143)	(969,548)	446,204
Balance at 1 July 2023	1,233,692	55,957	117,624	(3,143)	(769,770)	634,360
Profit / (loss) for the period	-	-	-	-	(70,552)	(70,552)
Other comprehensive income						
Foreign exchange translation (net of tax)	-	-	(7,382)	-	-	(7,382)
Total comprehensive income	-	-	(7,382)	-	(70,552)	(77,934)
Transactions with owners in capacity as owners						
On-market share buy-back	(10,932)	-	-	-	-	(10,932)
Equity contribution re LTI program	1,160	(1,160)	-	-	-	-
Share-based payments	-	2,279	-	-	-	2,279
Balance at 31 December 2023	1,223,920	57,076	110,242	(3,143)	(840,322)	547,773

This statement should be read in conjunction with the accompanying notes to the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

	Notes	31 December 2024 $'000	31 December 2023 $'000
Cash flows from operating activities			
Receipts from customers		381,902	374,914
Payments to suppliers and employees		(361,416)	(403,597)
Tax paid		(216)	(38)
Net cash flows from operating activities before Class Action settlement		20,270	(28,721)
Class Action settlement (net of insurance)		(33,300)	-
Net cash flows from operating activities	6	(13,030)	(28,721)
Cash flows from investing activities			
Payments for plant and equipment		(6,872)	(3,174)
Redemption of marketable securities		-	91,628
Investment in marketable securities		(27,215)	-
Payments for intangible assets		(831)	(13,020)
Earn-out and deferred settlement payments		(10,076)	(8,227)
Net cash flows used in investing activities		(44,994)	67,207
Cash flows from financing activities			
Repayment of borrowings (receivables finance facility)		-	(10,990)
Payments of interest		(742)	(537)
Receipts of interest		2,696	4,064
Payment of lease liabilities (right-of-use assets)		(2,066)	(1,806)
Taxes paid relating to RSU's vesting		(148)	-
On market share buy-back		-	(10,932)
Net cash flows from financing activities		(260)	(20,201)
Net increase/(decrease) in cash and cash equivalents		(58,284)	18,285
Cash and cash equivalents at beginning of period		110,068	92,616
Effect of foreign exchange changes on cash held in foreign currencies		1,926	(1,674)
Cash and cash equivalents at end of period	6	53,710	109,227

This statement should be read in conjunction with the accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

(a) Basis of preparation

The financial report for the half-year ended 31 December 2024 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Consolidated Entity as the annual financial report.

Under *AASB 134 Interim Financial Reporting*, measurement is generally made on an annual reporting period to date basis. However, it is recognised that the interim period is part of a larger annual reporting period not an independent reporting period.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2024 and considered together with any public announcements made by Mayne Pharma Group Limited during the half-year ended 31 December 2024 in accordance with the continuous disclosure obligations of the *ASX Listing Rules*.

(b) Change in presentation

Where required, items in the December 2023 and June 2024 comparatives have been reclassified to reflect the current presentation and enable better comparison between periods.

(c) Changes in accounting policy and adoption of new accounting standards

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2024.

Amendments to AASB 101 Presentation of Financial Statements which are effective for the Group as of 1 July 2024 impacted the classification of the Group’s convertible note interest bearing liability, causing it to be classified as a current liability (previously classified as a non-current liability).

No other new and/or amended standards that were effective for the Group as of 1 July 2024 had a material impact on the financial statements of the Group as they are either not relevant to the Group’s activities or require accounting which is consistent with the Group's current accounting policies.

(d) New accounting standards and interpretations

At the date of authorisation of the financial report, no Standards and Interpretations relevant to the Group were issued but not yet effective.

(e) Significant judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates these judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases these judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

2. SEGMENT REPORTING

The Group has identified its operating segments based on the internal reports that are reviewed and used by the CEO (as the chief operating decision maker) in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on the nature of revenue flows and responsibility for those revenues. Discrete financial information about each of these operating segments is reported to the chief operating decision maker on at least a monthly basis.

The Consolidated Entity operates in three operating segments being Dermatology, Women's Health and International. During a prior period, the Consolidated Entity sold the Metrics Contract Services segment (MCS) and the Retail Generics business (which previously formed part of the PPD segment) and has therefore included MCS and Retail Generics in discontinued operations (refer Note 5).

Dermatology Division (formerly PPD)

The Dermatology Division distributes dermatology products (branded and generic) in the US on a portfolio basis.

Women's Health Division (formerly BPD)

The Women's Health Division distributes branded women's health products in the US.

International

The International operating segment's revenues and gross profit are derived principally 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.

	Dermatology $'000	Women's Health $'000	International $'000	Total Consolidated $'000
Half Year ended 31 December 2024				
Sale of goods	81,386	94,286	18,050	193,722
Services income	-	-	18,495	18,495
Royalty income	-	-	641	641
Licence fee income	-	-	196	196
Revenue	81,386	94,286	37,382	213,054
Cost of sales	(37,981)	(17,419)	(26,795)	(82,195)
Gross profit	43,405	76,867	10,587	130,859
Direct operating expenses	(21,353)	(37,605)	(6,945) [1]	(65,903)
Direct contribution	22,052	39,262	3,642	64,956
Other income				1,339
Earn-out and deferred consideration liabilities reassessments				1,019
Amortisation of intangible assets				(28,500)
Finance expenses (net) (includes discount unwind relating to earn-outs)				(8,121)
Unallocated / indirect expenses (includes derivative value reassessment)				(45,412)
Profit / (loss) before income tax				(14,719)
Income tax (expense) / benefit				(5,251)
Net profit / (loss) for the period from continuing operations				(19,970)

Note: (1) Direct operating expenses for the International segment include finance, HR and IT expenses whereas the US segments share such services and hence no allocation for such services has been made to the Dermatology and Women's Health segments.

	Dermatology $'000	Women's Health $'000	International $'000	Total Consolidated $'000
Half Year ended 31 December 2023				
Sale of goods	80,929	72,389	16,989	170,307
Services income	-	-	16,886	16,886
Royalty income	-	-	516	516
Licence fee income	-	-	217	217
Revenue	80,929	72,389	34,608	187,926
Cost of sales	(44,322)	(13,693)	(24,128)	(82,143)
Gross profit	36,607	58,696	10,480	105,783
Direct operating expenses	(18,505)	(40,617)	(6,057) [1]	(65,179)
Direct contribution	18,102	18,079	4,423	40,604
Other income				924
Earn-out and deferred consideration liabilities reassessments				(16,650)
Amortisation of intangible assets				(31,463)
Finance expenses (net) (includes discount unwind relating to earn-outs)				(17,031)
Unallocated / indirect expenses				(51,249)
Profit / (loss) before income tax				(74,865)
Income tax credit / (expense)				4,316
Profit / (loss) after income tax from continuing operations				(70,549)

Note: (1) Direct operating expenses for the International segment include finance, HR and IT expenses whereas the US segments share such services and hence no allocation for such services has been made to the Dermatology and Women's Health segments.

Geographical segment information	31 December 2024 $'000	31 December 2023 $'000
Australia	22,781	20,113
United States	178,278	154,955
Other	11,995	12,858
Total external revenue	**213,054**	**187,926**
Revenue from customer contracts		
Recognised at a point in time	194,559	171,040
Recognised over time	18,495	16,886
Total external revenue from customer contracts	**213,054**	**187,926**
Revenue by product group / service		
Third party contract services and manufacturing	18,495	16,886
Generic and branded products	193,722	170,307
Other revenue	837	733
Total external revenue	**213,054**	**187,926**

3. EXPENSES

	31 December 2024 $'000	31 December 2023 $'000
Finance expenses		
Interest expense	546	524
Amortisation of borrowing costs	1,710	1,537
Interest expense – right-of-use asset lease liabilities	226	238
	2,482	2,299
Change in fair value attributable to the unwinding of the discounting of earn-out and deferred consideration liabilities	17,637	15,258
Foreign exchange (gains) / losses relating to funding activities	(9,302)	3,538
Total finance expense	**10,817**	**21,095**
Depreciation property, plant & equipment	2,346	2,563
Depreciation right-of-use assets	1,809	1,853
Total Depreciation (continuing operations)	**4,155**	**4,416**
Depreciation is included in the following categories in the Statement of Profit Loss –		
Cost of sales	2,178	2,371
Research, development, medical and regulatory affairs expenses	171	191
Marketing and distribution expenses	1,353	1,342
Administrative and other expenses	453	512
Total Depreciation (continuing operations)	**4,155**	**4,416**
Cost of sales include the following:		
Inventory write-offs	569	-
Provision for inventory obsolescence	925	1,319
Employee benefits expense [(1)]		
Wages and salaries	47,754	43,893
Superannuation expense	2,513	2,325
Share-based payments expense	2,105	2,515
Other employee benefits expense	2,360	1,940
Total employee benefits expense (continuing operations)	**54,732**	**50,673**
Administration and other expenses include the following:		
Litigation costs	2,423	2,826
Diligence and business development expenses	2,520	-
Share-based payments expense	2,105	2,515
Amortisation of intangible assets	28,500	31,463
Mark to market of derivative related to convertible note	(153)	9,993
Foreign exchange losses / (gains)	999	(900)
Restructuring expenses [(2)]	1,164	447
All other administration and other expenses	26,386	26,298
Total Administration and other expenses	**63,944**	**72,642**

The above expenses relate to continuing operations only.

Notes: (1) Employee benefit expense is included in various expense categories and cost of sales.
(2) Restructuring expense mainly relates to organisational transformation to simplify the operating model.

4. INCOME TAX

(a) The major components of income tax expense are:

	31 December 2024 $'000	31 December 2023 $'000
Current income tax		
Current income tax	(2,428)	(770)
Adjustment in respect of current income tax of previous years	(84)	(71)
Deferred income tax		
Relating to movement in net tax deferred tax assets and liabilities	(1,102)	5,155
Income tax credit / (expense) in the consolidated statement of profit or loss and other comprehensive income	**(3,614)**	**4,314**

(b) Numerical reconciliation between aggregate tax expense recognised in the consolidated statement of profit or loss and other comprehensive income and tax expense calculated per the statutory income tax rate

	31 December 2024 $'000	31 December 2023 $'000
The prima facie tax on operating (loss) / profit differs from the income tax provided in the accounts as follows:		
Profit / (loss) before income tax (includes discontinued operations)	(21,931)	(74,866)
Prima facie tax credit / (expense) at 30%	6,579	22,459
Effect of R&D concessions	-	93
Under provision in respect of prior years	(84)	(71)
Non-deductible expenses for tax purposes		
Amortisation	(964)	(1,077)
Share-based payments	(201)	(684)
Other non-deductible expenses	(289)	(3,701)
Effect of different tax rate in US	(3,128)	(6,146)
US State taxes	1,808	2,101
Restatement of DTA re changes to US state tax rates	16,171	7,120
Deferred tax asset derecognition adjustment	(23,506)	(15,780)
Income tax credit / (expense)	**(3,614)**	**4,314**
Income tax credit / (expense) from continuing operations	(5,251)	4,316
Income tax credit / (expense) from discontinued operations	1,637	(2)
Income tax credit / (expense)	**(3,614)**	**4,314**

(c) Recognised deferred tax assets and liabilities

	31 December 2024 $'000	30 June 2024 $'000
Deferred tax assets		
Intangible assets	53,811	45,119
Provisions	6,582	8,291
Payables	36,962	42,135
Inventory	1,957	2,279
Carry forward tax losses and R&D credits	184,342	162,247
US State taxes	54,181	33,183
Other	825	577
Less deferred tax asset not recognised	(292,152)	(248,436)
	46,508	45,395
Reconciliation to the Statement of Financial Position		
Total Deferred Tax Assets	46,508	45,395
Set off against Deferred Tax Liabilities	498	(54)
Net Deferred Tax Assets(1)	**47,006**	45,341
Deferred tax liabilities		
Property, plant and equipment	348	387
Intangible assets	1,250	1,388
US State taxes	105	109
Unrealised foreign exchange gains	10,001	4,786
Other	494	737
	12,198	7,406
Reconciliation to the Statement of Financial Position		
Total Deferred Tax Liabilities	12,198	7,406
Set off against Deferred Tax Assets	498	(54)
Net Deferred Tax Liabilities(2)	**12,696**	**7,352**

Notes: (1) Represents Australian and US Deferred Tax Assets that cannot be offset against US Deferred Tax Liabilities.
(2) Represents US Deferred Tax Liabilities that cannot be offset against Australian Deferred Tax Assets.

Deferred tax assets and deferred tax liabilities are presented based on their respective tax jurisdictions.

Temporary differences associated with investments in the Group's subsidiaries have not been recognised.

Deferred tax assets and liabilities are not recognised for temporary difference relating to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. In the current period, when this assessment occurred, it indicated that, due to the expected length of time needed to recover the deferred tax asset, it continued to be not probable that all the deferred tax assets would be recovered and hence a write-down to the expected probable recoverable amount was made in the current period of $23.5m.

5. DISCONTINUED OPERATIONS

On 4 October 2022 Mayne Pharma completed the sale of the MCS business. MCS was previously reported as a standalone operating segment.

The results of discontinued operations were as follows –

	31 December 2024 $'000	31 December 2023 $'000
Service revenue	-	-
Cost of sales	-	-
Gross Margin	-	-
Sale transaction costs	-	(11)
Operating expenses	-	(54)
Operating profit before tax from discontinued operations	-	(65)
Tax benefit / (expense)	-	12
Profit for the period from discontinued operations - MCS	-	(53)

Estimated operating cashflow relating to discontinued operations MCS	-	(300)
Investing cashflows related to discontinued operations		
Contracted payments to purchaser of MCS (included in Earnout payments in the Statement of Cashflows)	(3,723)	(4,331)

There were no material financing cashflows specific to discontinued operations.

Following the divestment of the MCS business, the Company continues to pay an overhead recovery contribution to the purchaser (classified as an earn-out) that was negotiated as part of the sale agreement. These earnout payments flow through investing cashflows, they are fixed payments, quarterly, and the last payment is scheduled to occur in H1 of FY26.

On 7 April 2023, Mayne Pharma completed the sale of the Retail Generics (RGx) business. The Retail Generics business was previously included as part of the PPD operating segment.

The results of discontinued operations – Retail Generics were as follows -

	31 December 2024 $'000	31 December 2023 $'000
Sales revenue	(5,976)	4,041
Cost of sales	(1,062)	(2,278)
Gross Margin	(7,038)	1,763
Sale transaction costs	-	(279)
Operating expenses	(174)	(1,420)
Operating profit before tax from discontinued operations	(7,212)	64
Tax expense	1,637	(14)
Profit / (loss) for the period from discontinued operations – Retail Generics	(5,575)	50

Estimated operating cashflow relating to discontinued operations Retail Generics	(5,589)	(9,280)

The transaction to divest the RGx business included transfer of certain channel liabilities for product sold into the channel that had not yet been dispensed. Those liabilities can be long-lived with the longest being product returns. Wholesalers may return product up to 12 months after expiration of the product, therefore some product having a long shelf life (36 months) can be returned as long as 48 months after the sale of that product.

Since the divestment, both Mayne Pharma and Dr Reddy's Laboratories (DRL) have paid charges for this product inventory, a final reconciliation and closeout is expected in H2 of FY25.

	31 December 2024 $'000	31 December 2023 $'000
Profit / (loss) after tax for the period from discontinued operations	(5,575)	(3)

	31 December 2024 $	31 December 2023 $
Basic and diluted earnings per share discontinued operations	(0.07)	-

6. CASH AND CASH EQUIVALENTS

(a) For the consolidated statement of cash flows, cash and cash equivalents are comprised of the following:

	31 December 2024 $'000	30 June 2024 $'000
Cash at bank and in hand	53,710	110,068

(b) Reconciliation of net profit after income tax to net cash flow from operating activities

	31 December 2024 $'000	31 December 2023 $'000
Net profit / (loss) after income tax	(25,545)	(70,552)
Adjustments for:		
Depreciation and amortisation	34,365	37,418
Share-based payments	2,105	2,279
Earn-out and deferred consideration liability reassessments	(1,019)	16,650
Discount unwind earn-out and deferred consideration liabilities	17,636	15,258
Derivative value restatement	(153)	9,993
Other finance (income) / expenses	(1,924)	(3,295)
Net unrealised foreign exchange differences	(8,002)	2,405
Non-cash provisions – inventory and restructuring	(1,707)	(14,704)
Changes in tax balances:		
Decrease / (Increase) in deferred tax assets	(984)	(4,657)
(Decrease) / Increase in current and deferred tax liabilities	4,384	305
Operating cash flows before working capital movements	19,156	(8,900)
Changes in working capital:		
Decrease / (Increase) in receivables	6,456	5,756
Decrease / (Increase) in inventories	17,856	3,168
(Increase) in other assets	(1,508)	(11,927)
(Decrease) / Increase in creditors	(20,175)	(14,668)
Increase / (Decrease) in provisions	(1,515)	(2,150)

Total working capital movements	1,114	(19,821)
Changes in other receivables and other payables relating to Class Action settlement (net)	(33,300)	-
Net cash flow from operating activities	(13,030)	(28,721)

7. TRADE AND OTHER RECEIVABLES

	31 December 2024 $'000	30 June 2024 $'000
Trade receivables (net of charge-backs)	172,767	182,149
Trade receivables – profit share	4,485	2,815
Provision for impairment	(1,313)	(8,492)
Other receivables	19,809	16,750
	195,748	193,222

8. INVENTORIES

	31 December 2024 $'000	30 June 2024 $'000
Raw materials and stores at cost	9,598	11,514
Work in progress at cost	7,552	7,168
Finished goods at lower of cost and net realisable value	43,907	55,947
	61,057	74,629

The Group has recognised provisions at reporting date for obsolescence and net realisable value adjustments of $3,938,000 (30 June 2024: $5,353,000).

9. PROPERTY, PLANT AND EQUIPMENT

	LAND $'000	BUILDINGS $'000	PLANT AND EQUIPMENT $'000	CAPITAL WORKS IN PROGRESS $'000	TOTAL $'000
Six months ended 31 December 2024					
Balance at beginning of period net of accumulated depreciation	2,981	14,841	22,247	6,625	46,694
Additions	-	-	-	6,882	6,882
Transfers from capital under construction	-	-	2,891	(2,891)	-
Depreciation charge for year	-	(249)	(2,097)	-	(2,346)
Disposals	-	-	(10)	-	(10)
Exchange differences	-	-	124	-	124
Balance at end of year net of accumulated depreciation	2,981	14,592	23,155	10,616	51,344
As at 31 December 2024					
At cost	2,981	19,924	63,578	15,887	102,370
Accumulated depreciation	-	(5,332)	(40,423)	-	(45,755)
Accumulated impairments	-	-	-	(5,271)	(5,271)
Net carrying amount	2,981	14,592	23,155	10,616	51,344

10. INTANGIBLE ASSETS

	Customer Contracts, Customer Relationships Product Rights & Intellectual Property	Development Expenditure	Marketing & Distribution Rights	Trade Names	Total
	$'000	$'000	$'000	$'000	$'000
Six months ended 31 December 2024					
Balance at beginning of the period net of accumulated amortisation and accumulated impairments	545,491	720	6,030	16,339	568,580
Additions	756	70	-	-	826
Transfers	-	4,326	(4,326)	-	-
Amortisation	(25,585)	(972)	(259)	(1,684)	(28,500)
Exchange differences	39,244	-	-	-	39,244
Balance at end of period net of accumulated amortisation and accumulated impairments	559,906	4,144	1,445	14,655	580,150
As at 31 December 2024					
Cost	905,142	40,529	30,916	63,778	1,040,365
Accumulated amortisation	(247,810)	(11,798)	(14,643)	(44,818)	(319,069)
Accumulated impairments	(97,426)	(24,587)	(14,828)	(4,305)	(141,146)
Net carrying amount	559,906	4,144	1,445	14,655	580,150

No impairments were recorded in the current or prior period.

Intangible Assets

Intangible assets acquired separately, or in a business combination, are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in profit or loss in the year in which the expenditure is incurred.

Indefinite life intangible assets are reviewed for impairment at each reporting date, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Certain intangible assets other than goodwill (i.e. customer contracts, relationships, intellectual property and trademarks) have been assessed as having finite useful lives and, as such, are amortised over their useful lives. The useful lives range from five to fifteen years and are tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortisation period or method, as appropriate, which is a change in an accounting estimate.

Significant accounting estimates and assumptions

Impairment intangible assets

No impairments were recorded in the current or prior period.

The recoverable values of the CGUs exceed their carrying values.

An asset or a Cash Generating Unit (CGU) is considered impaired when its balance sheet carrying amount exceeds its estimated recoverable value, which is defined as the higher of its fair value less cost of disposal and its value in use. The Group applies the value in use method which utilises net present value techniques using post-tax cash flows and discount rates.

The estimates used in calculating net present value from the value in use approach are highly sensitive, and depend on assumptions specific to the nature of the Group's activities with regard to:

- amount and timing of projected future cash flows;
- long-term sales and associated gross margin forecasts;
- sales erosion rates after the end of patent or other intellectual property rights protection and timing of entry of generic competition;
- applicable tax rates;
- behaviour of competitors (launch of competing products, marketing initiatives, etc);
- selected discount and terminal growth rates; and
- in the case of unlaunched products:
  - the outcome of R&D activities (compound efficacy, results of clinical trials, etc);
  - amount and timing of projected costs to develop in process research and development into commercially viable products; and
  - probability of obtaining regulatory approvals.

Due to the above factors, actual cash flows and values could vary significantly from forecasted future cash flows and related values derived from discounting techniques.

Intangible Impairment Testing Methodology

There were no impairment indicators as at reporting date and therefore the Group has not updated its impairment assessment since the 30 June 2024 assessment.

For impairment testing, intangible assets are allocated to individual CGUs (which are based on the product Therapeutic Groups or 'TG').

Each CGU represents the lowest level within the Group at which the asset is monitored for internal management purposes and separately identifiable cash flows are present and is not larger than a reporting segment.

The testing methodology for the recoverable value of each CGU at 31 December 2024 is as follows:

- Allocate the asset value to the relevant CGU including an allocation of corporate assets and costs;
- Estimate cash flows generated over a 5.5 year forecast period plus a terminal value calculation for the CGU (where appropriate);
- Calculate the Weighted Average Cost of Capital (WACC) of the CGU; and
- Discount the cash flows using WACC and compare to the CGU allocated asset carrying value.

Indefinite life intangible assets and intangible assets not yet available for use are included in a CGU. These include purchased assets not yet launched and development expenditure. These assets, and related cashflows, have been included in the relevant CGU for impairment testing purposes and are reviewed on at least an annual basis.

The allocation of intangible assets to CGUs as at 31 December 2024 is shown in the table below.

A$000's	Derm	Women's Health	Infectious Disease	MPI	Total
Intangible Assets	23,099	550,221	3,686	3,144	**580,150**

The allocation of intangible assets to CGU's as at 30 June 2024 was shown in the table below:

A$000's	Derm	Women's Health	Infectious Disease	MPI	Total
Intangible Assets	25,740	534,700	4,243	3,897	**568,580**

Key Assumptions

Key assumptions in impairment testing methodology include:

- Cash flow forecasts for the on-market portfolio are based on FY25 forecast results as well as specific cash flows which have been forecast out to FY30. A terminal growth or erosion rate is then applied;
- Risk weighted pipeline cash flows are included in each of the relevant CGUs;
- Corporate overheads have been allocated to the relevant CGU based on their respective gross margin contributions;
- Other net assets have been allocated to the relevant CGU; and
- Individual CGU discount rates have been used.

Discount rates reflect Management's estimate of time value of money and the risks specific to the CGU and have been determined using the WACC. The pre and post-tax discount rates used are shown below (and are unchanged from 30 June 2024).

- Dermatology: Pre-Tax – 13.3% / Post Tax – 10.2%
- Women's Health: Pre-Tax – 13.3% / Post Tax –10.2%
- MPI: Pre-Tax: Pre-tax – 14.0% / Post Tax – 9.8%
- Infectious Disease: Pre-Tax – 14.0% / Post Tax – 9.8%

Forecast gross margin growth rates by CGU are shown in the table below. These average growth rates are assumptions determined to satisfy applicable accounting standards but should not be used for guidance.

December 2024	Assumed Average Forecast Gross Margin Growth Rates[1]	Assumed Terminal Value Growth Rate
Dermatology CGU	-14.3%	0.3%
Women's Health CGU	26.5%	n/a (2)
MPI CGU	8.7%	2.0%
Infectious Disease	0%	n/a (2)

Notes: (1) Growth rates refer to the Compound Annual Growth Rates (CAGR) over the forecast period and includes both on-market and pipeline assets.
(2) For Women's Health and Infectious Disease no terminal value is included.

June 2024	Assumed Average Forecast Gross Margin Growth Rates 1st five years	Assumed Terminal Value Growth Rate
Dermatology	-14.0%	0.3% (1)
Women's Health	42.1%	n/a(2)
MPI	9.0%	2.0%
Infectious Disease	-6.4%	n/a(2)

Notes: (1) Growth rates refer to the Compound Annual Growth Rates (CAGR) over the forecast period and includes both on-market and pipeline assets. The CAGRs are calculated off the FY24 statutory result for the relevant CGU
(2) For Women's Health and Infectious Disease no terminal value is included.

Recoverable values and carrying values are shown in the table below.

	Carrying Value[1]	Recoverable Value	Difference
Dermatology CGU	52.6	70.8	18.2
Women's Health CGU	571.4	703.0	131.6
MPI CGU	75.5	86.9	11.4
Infectious Disease CGU	3.8	4.3	0.5

Note: (1) Includes intangible assets, working capital and property, plant and equipment.

Sensitivity to changes in assumptions

The tables below show the sensitivity of the changes in key variables on recoverable values for CGUs assessed on a value in use (VIU) basis.

A$m	+/-1% Change in Gross Margin Growth	+/-1% Change in Terminal Growth Rate	+/-1% Change in WACC[1]
Dermatology CGU	+4.8/-4.6	+1.1/-1.1	-4.7/+3.9
Women's Health CGU	+16.3/-21.9	n/a	-35.9/+33.6
MPI CGU	+2.7/-2.6	+8.5/-5.9	-11.4/+14.8
Infectious Disease CGU	+0.1/-0.1	n/a	-0.1/+0.1

Note: (1) Change refers to the movement in the post-tax WACC.

11. TRADE AND OTHER PAYABLES

	31 December 2024 $'000	30 June 2024 $'000
Trade payables	27,263	20,874
Accrued rebates, returns and loyalty programs	155,571	163,879
Other payables	17,295	59,795
	200,129	244,548

12. INTEREST-BEARING LOANS AND BORROWINGS

	31 December 2024 $'000	30 June 2024 $'000
Current		
Convertible notes	33,350	31,641
Lease liabilities – right-of-use assets	3,707	3,820
	37,057	35,461

	31 December 2024 $'000	30 June 2024 $'000
Non-current		
Lease liabilities – right-of-use assets	2,808	3,359
	2,808	3,359

Convertible notes

On 31 December 2022 the Group issued convertible notes with a face value of US$27.95m which converted to AUD on issue date (@ 0.679 A$41.163m). The discount to face value (US$3m) was paid by Mayne Pharma in June 2023. Key terms of these convertible notes include:

- Noteholders may redeem the notes for cash at face value upon the occurrence of certain change in control or default events or at maturity. The notes mature on 31 December 2026.
- Noteholders may convert the notes into equity at a fixed exchange rate and fixed conversion price of A$5.356 per Mayne Pharma security (the conversion price was adjusted for certain past events including the special dividend and share consolidation which occurred in January 2023). Conversion can be exercised at any point from six months after issuance.
- Interest is payable at 2.5% per annum on the face value of A$41.163m.

The conversion option has been assessed as an embedded derivative that is not closely related to the host convertible note liability. Accordingly, the convertible notes have been separated into two components at initial recognition as follows:

- Fair value of the conversion option (embedded derivative). This is included in "Other financial liabilities" (refer Note 13). At time of issue the derivative value was a $9.743m liability. This embedded derivative has subsequently been accounted for at fair value.
- Loan liability representing the net proceeds received less the fair value of the conversion option. The loan liability has, after initial recognition, been accounted for at amortised cost and is classified as interest bearing loans and borrowings (as above).

Amendments to AASB 101 Presentation of Financial Statements which are effective for the Group from 1 July 2024 impacted the classification of the Group's convertible note interest bearing liability, causing it to be classified as a current liability (previously classified as a non-current liability).

As a result of the Scheme Implementation Deed with Cosette Pharmaceuticals, Inc (refer ASX Announcement 21 February 2025), the convertible note holders have agreed to divest their Convertible Notes at Completion of the Scheme to Cosette for a value equivalent to the amount payable to the holders had the Convertible Notes been converted by the holders to Mayne Pharma shares and acquired at the Scheme Consideration.

13. OTHER FINANCIAL LIABILITIES

	31 December 2024 $'000	30 June 2024 $'000
Current		
Earn-out liabilities and deferred consideration – various products/distribution rights	37,783	33,219
Derivative related to convertible notes	9,538	9,691
Deferred liability – MCS sale related	6,236	6,536
	53,557	49,446

	31 December 2024 $'000	30 June 2024 $'000
Non-current		
Earn-out liabilities and deferred consideration – various products/distribution rights	362,773	329,618
Deferred liability – MCS sale related	-	2,756
	362,773	332,374

The Consolidated Entity has recognised various earn-out and deferred consideration liabilities relating to various asset purchases. Most earn-outs are based on a percentage of net sales and typically payable on a quarterly basis for a period of between two and ten years. Deferred consideration liabilities are based on sales milestones and typically

payable after the end of the quarter in which the sales milestone was achieved.

At balance date the Group has assessed the amount expected to be paid for contingent amounts outlined in the asset purchase agreements, using best estimates as to timing and likelihood of payments.

The deferred liability relating to the MCS sale relates to Mayne Pharma's commitment to contribute towards overhead recovery for the Greenville site sold to Catalent as part of the MCS sale. The agreement specifies fixed amounts payable quarterly over 3 years.

Significant accounting estimates and assumptions

Earn-out and deferred consideration liabilities

The earn-out liabilities are based on expected future cash flows determined as a percentage of net sales or gross margin. Deferred consideration liabilities represent the net present value of future predetermined payments. The estimation of the cash flows over a significant period, combined with the impact of currency movements and interest rates may result in substantial movements in the value of the liabilities recognised between reporting periods. The estimated cash flows, assumed discount rate and forecast exchange rates are reviewed every six months to ensure the most accurate fair value of the liabilities is reported. Movements in the liabilities from changes in these assumptions and forecasts are reported in the consolidated statement of profit or loss and other comprehensive income.

Earn-out liabilities represent the net present value of estimated future payments. After the initial recognition, any changes in fair value for changes in the net present value of estimated future payments are recognised in the statement of profit or loss and other comprehensive income. The earn-out liabilities at reporting date include a charge representing the unwinding of the discounting of the earn-out liabilities of $17,637,000 (pcp: $15,258,000) for the period. This change arises because the present value of the of the liabilities is discounted by one less six month period. The earn-out liabilities at reporting date also include earn-out reassessments, a result of the impact on the net present value of future payments due to the Company reassessing the timing and/or value of future earn-out payments of $1,019,000 credit / decrease to earn-outs (pcp $16,650,000 expense / increase to earn-outs)

As at 31 December 2024 the deferred consideration amounts consist mainly of fixed amounts which are subject to sales milestone requirements.

Derivative related to convertible notes

Convertible notes have been separated into two liabilities – the fair value of the loan liability recorded at amortised cost and is classified as interest bearing loans and borrowings and the fair value of the conversion option (embedded derivative) which is included above in "Other financial liabilities".

14. PROVISIONS

	31 December 2024 $'000	30 June 2024 $'000
Current		
Employee entitlements	15,126	15,974
Restructuring	-	150
	15,126	16,124

	31 December 2024 $'000	30 June 2024 $'000
Non-current		
Employee entitlements	385	325
	385	325

15. CONTRIBUTED EQUITY

(a) Issued capital

	31 December 2024 $'000	30 June 2024 $'000
Ordinary shares, fully paid	1,225,655	1,224,224

(b) Movements in share capital

	Number	$'000
Balance at beginning of period	81,245,827	1,224,224
Taxes paid relating to RSU's vesting	-	(148)
Conversion of employee LTI awards	-	1,579
Balance at end of period	**81,245,827**	**1,225,655**

16. DIVIDENDS

No dividend has paid or declared in the current or prior period.

17. COMMITMENTS AND CONTINGENCIES

A. Capital Commitments

The Group had $4.1m of contractual obligations for the purchase of capital equipment relating to the Salisbury site as at 31 December 2024. This includes expenditure contracted at 31 December relating to the Salisbury modernisation program for which Mayne Pharma is receiving a federal government grant.

B. Contingencies

Some Mayne Pharma companies are, or will likely in the future, be subject to various legal proceedings and investigations that arise from time to time. These may include proceedings regarding product liability and personal injury, sales and marketing practices, continuous disclosure obligations, commercial disputes, antitrust and intellectual property matters. As a result, the Group may become subject to substantial liabilities that may not be covered by insurance and that could affect our business, financial position and reputation. Litigation is inherently unpredictable and large judgements sometimes occur. Consequently, Mayne Pharma may in the future incur judgements or enter into settlements of claims that could have a material adverse effect on its operating results and/or cash flow.

Mayne Pharma has not made provisions for potential damage or other remedies for legal claims against it or its subsidiaries where Mayne Pharma currently believes that a payment is either not probable or cannot be reliably estimated.

Summary of significant investigations and legal proceedings currently brought against the Company seeking damages or other remedies

With the exception of the shareholder class action, which is now the subject of a confidential, Court-approved settlement (see below), all the legal claims and allegations summarised below are being vigorously contested. In relation to matters other than the shareholder class action, no payment is considered probable and possible related amounts cannot be reliably estimated and as such no amounts have been provided at reporting date.

Drug pricing matters – litigation

Following the public disclosure in 2016 of federal and state enforcers' investigations of the generic pharmaceutical industry, Mayne Pharma Inc has been sued alongside other generic pharmaceutical companies in civil complaints alleging anticompetitive conduct in the sale of generic drugs with claims related to drugs sold by Mayne Pharma as well as allegations that all defendants were part of an overarching, industry wide conspiracy to allocate markets and

fix prices generally. The civil complaints include a complaint by the attorneys general of 45 US states, the District of Columbia and the Commonwealth of Puerto Rico, and class action lawsuits filed by direct purchasers, end-payers and indirect resellers, as well as lawsuits filed by opt out private plaintiffs and various county plaintiffs. The US cases have been consolidated into multidistrict litigation pending in the Eastern District of Pennsylvania. Mayne Pharma is strongly defending the allegations made in these civil complaints.

Federal Health care – investigation

In July 2021, the Company received a Civil Investigative Demand (CID) from the Civil Division of the US Department of Justice (DOJ) seeking information relating to claims submitted to federal health care programs and surrounding select branded products. Mayne Pharma is fully cooperating with this investigation.

In April 2023, the Company received subpoenas from the California Department of Insurance seeking information similar to that contained in the DOJ's above-referenced CID. Mayne Pharma is fully cooperating with this investigation.

Shareholder Class Action

In August 2021, Mayne Pharma was served with a class action proceeding in the Supreme Court of Victoria. The proceeding was brought by Phi Finney McDonald for the plaintiff and on behalf of all persons who acquired an interest in fully paid ordinary shares of Mayne Pharma, and/or American Depositary Receipts that represent Mayne Pharma shares, between 24 November 2014 and 15 December 2016. The proceeding alleges misleading or deceptive conduct and breaches of continuous disclosure obligations in respect of alleged anti-competitive conduct in the US that has been the subject of investigations by the US Department of Justice and the Office of the Attorney General in the State of Connecticut (mentioned above).

On 1 July 2024, Mayne Pharma agreed with the plaintiff to settle the class action. The settlement of the class action was approved by the Supreme Court on 19 December 2024. If no appeal is filed within the time permitted under the Supreme Court Act and Supreme Court Rules, the proceeding will be fully and finally settled in accordance with the terms of the agreed settlement. .

The settlement amount was $38 million, inclusive of interest and costs, of which approximately $4.7 million was funded by insurance, with the remainder paid from Mayne Pharma's cash reserves. The settlement of the class action is without any admission of liability by Mayne Pharma – both with respect to the alleged underlying anti-competitive conduct in the United States, and the alleged misleading or deceptive conduct and breaches of continuous disclosure obligations.

The Board of Mayne Pharma determined that the agreement to settle the class action was a commercial decision made in the best interests of shareholders.

Paragraph IV Litigation

TherapeuticsMD, Inc. and Mayne Pharma LLC v. Teva Pharmaceuticals USA, Inc., Civil Action No. 2:20-cv-03485-BRM-SDA (D.N.J.) (consolidated)
On February 18, 2020, TherapeuticsMD, Inc. (TherapeuticsMD) received a Paragraph IV Notice Letter ("the IMVEXXY® Notice Letter") regarding an Abbreviated New Drug Application ("ANDA") submitted to the US FDA ("FDA") by Teva Pharmaceuticals USA, Inc. ("Teva"). The ANDA seeks approval from the FDA to commercially manufacture, use, or sell a generic version of the 4 mcg and 10 mcg doses of IMVEXXY®. In the IMVEXXY® Notice Letter, Teva alleges that the TherapeuticsMD patents listed in the FDA's Orange Book that generally cover vaginal estradiol formulations and methods of treating certain conditions using those formulations are invalid, unenforceable, and/or will not be infringed by Teva's commercial manufacture, use, or sale of its proposed generic drug product.

The IMVEXXY® Patents identified in the IMVEXXY® Notice Letter expire in 2032 or 2034. On April 1, 2020, TherapeuticsMD filed a lawsuit alleging patent infringement against Teva in the United States District Court for the District of New Jersey arising from Teva's ANDA filing with the FDA. The complaint seeks, among other relief, an order that the effective date of any FDA approval of Teva's ANDA would be a date no earlier than the expiration of the IMVEXXY® Patents and equitable relief enjoining Teva from infringing the IMVEXXY® Patents. Teva has filed its answer and counterclaim to the complaint, alleging that the IMVEXXY® Patents are invalid and not infringed. Filing its April 1, 2020 complaint within 45 days of receiving Teva's Paragraph IV certification notice entitles TherapeuticsMD to an automatic stay preventing FDA from approving Teva's ANDA for 30 months from the date of TherapeuticsMD's receipt of the Paragraph IV Notice Letter. Subsequent to this initial proceeding, Teva sent additional Paragraph IV

certification notice letters on June 2, 2020 (two additional granted Orange Book listed patents), August 5, 2020 (one additional granted Orange Book listed patent), February 4, 2021 (two additional granted Orange Book listed patents), May 13, 2021 (one additional granted Orange Book listed patent), and November 12, 2024 (nine additional granted Orange Book listed patents). Following each new Paragraph IV Notice Letter, TherapeuticsMD filed respective lawsuits against Teva alleging infringement of TherapeuticsMD patents. The Court has issued Orders consolidating the actions for all purposes.

On July 27, 2021, the Court issued an Order staying all of the above-captioned litigation and extending the 30-month stay for a number of days equal to the number of days the litigation stay is in place. On November 20, 2024, the Court lifted the litigation stay. On December 23, 2024, the Court issued an Order consolidating all pending Paragraph IV litigation into one civil action that will proceed according to a single consolidated schedule.

As a result of the transaction with TherapeuticsMD, which (i) granted Mayne Pharma an exclusive, sublicensable, perpetual, irrevocable license under the patents asserted in Paragraph IV related litigation described above; and (ii) transferred to Mayne Pharma ownership of New Drug Application ("NDA") No. 208564, which was approved by the U.S. Food and Drug Administration (FDA) for the manufacture and sale of IMVEXXY® (estradiol vaginal inserts) 4 mcg and 10 mcg, Mayne Pharma LLC was added as a plaintiff to the Paragraph IV litigation. On July 13, 2023, the Court issued an Order amending the caption in the above-captioned litigation to add Mayne Pharma LLC as a plaintiff. Pretrial discovery is ongoing in the consolidated action as of the date of this disclosure.

TherapeuticsMD, Inc. and Mayne Pharma LLC v. Sun Pharmaceutical Industries Ltd. and Sun Pharmaceutical Industries, Inc., Civil Action No. 2:24-cv-07974-BRM-SDA (D.N.J.)
TherapeuticsMD and Mayne Pharma LLC received a Paragraph IV Notice Letter from generic drug maker Sun Pharmaceutical Industries Ltd. dated June 14, 2024 directed to twenty of the IMVEXXY® Orange Book patents. TherapeuticsMD's U.S. Patent Nos. 9,180,091; 9,289,382; 10,258,630; 10,398,708; 10,471,072; 10,537,581; 10,568,891; 10,668,082; 10,806,697; 10,835,487; 10,888,516; 11,065,197; 11,116,717; 11,123,283; 11,241,445; 11,246,875; 11,266,661; 11,304,959; 11,351,182; and 11,497,709 generally cover vaginal estradiol formulations and methods of treating certain conditions using those formulations. FDA's Orange Book states that the IMVEXXY® Patents expire in 2032 or 2034. On July 24, 2024, TherapeuticsMD and Mayne Pharma LLC filed a lawsuit against Sun Pharmaceutical Industries Ltd. and Sun Pharmaceutical Industries, Inc. (collectively, "Sun"), alleging infringement of the IMVEXXY® Orange Book patents. The Complaint—filed in the U.S. District Court for the District of New Jersey—alleges, inter alia, that Sun infringed the IMVEXXY® patents by submitting to FDA an ANDA seeking to market a generic version of IMVEXXY® prior to the expiration of the IMVEXXY® Orange Book patents. Filing the July 24, 2024 Complaint within 45 days of receiving Sun's Paragraph IV certification notice entitles TherapeuticsMD and Mayne Pharma LLC to an automatic stay preventing FDA from approving Sun's ANDA for 30 months from the date of TherapeuticsMD's and Mayne Pharma LLC's receipt of the Paragraph IV Notice Letter. Sun filed an Answer and Counterclaims to the Complaint on September 30, 2024. The Court issued a scheduling order on November 27, 2024. Pretrial discovery is ongoing as of the date of this disclosure.

18. FINANCIAL INSTRUMENTS

Set out below is an overview of financial instruments, other than cash and short-term deposits, held by the Group as at 31 December 2024.

	31 December 2024 $'000	30 June 2024 $'000
Financial liabilities		
Current		
Earn-out and deferred consideration liabilities	44,019	39,755
Embedded derivative convertible notes	9,538	9,691
	53,557	49,446
Non-current		
Earn-out and deferred consideration liabilities	362,773	332,374
	362,773	332,374

Trade and other receivables, trade and other payables, other financial assets and other liabilities are considered short term and their fair values approximates the carrying values.

Fair Value

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments that are carried in the financial statements.

	Carrying Amount		Fair Value	
	31 Dec 2024 $'000	30 June 2024 $'000	31 Dec 2024 $'000	30 June 2024 $'000
Liabilities				
Earn-out and deferred consideration liabilities	406,792	372,129	406,792	372,129
Embedded derivative convertible notes	9,538	9,691	9,538	9,691

Derivative related to convertible notes

The conversion option of the convertible notes has been assessed as an embedded derivative that is not closely related to the host convertible note liability. Accordingly, the convertible notes have been separated into two components at initial recognition as follows:

Fair value of the conversion option (embedded derivative). This is included in "Other financial liabilities" (refer Note 13). At time of issue this derivative was a $9.743m liability. The subsequent fair value changes in the embedded derivative have been accounted for through profit and loss.

Loan liability represents the net proceeds received less the fair value of the conversion option. The loan liability is subsequently accounted for at amortised cost and is classified as interest bearing loans and borrowings (refer Note 12).

The value of the derivative has been determined using a Black-Scholes model. Significant inputs to the model utilised at 31 December 2024 are Mayne Pharma's:

- Stock price, $4.97
- Conversion price $5.356
- Expected volatility, 45%
- Estimated credit spread 7.5%.

The value derived is considered Level 3 in the fair value hierarchy.

The Consolidated Entity has recognised various earn-out liabilities relating to various asset purchases. Most earn-outs are based on a percentage of net sales or gross margin and typically payable on a quarterly basis for a period of between two and ten years.

At balance date the Group has assessed the amount expected to be paid for contingent amounts outlined in the asset purchase agreements, using best estimates as to timing and likelihood of payments.

At balance date the deferred consideration amounts consist mainly of fixed amounts which are subject to sales milestone requirements.

Set out below are the significant unobservable inputs to valuation as at 31 December 2024:

Earn-out / deferred consideration	Valuation technique	Significant unobservable inputs	Input used	Sensitivity of the input to fair value
NEXTSTELLIS® – deferred consideration liability	DCF	Forecast net sales WACC	 10.2%	5% increase (decrease) in net sales would change the expected timing of milestone payments resulting in an increase (decrease) in fair value by $3.3m / ($12.4m). 1% increase / (decrease) in the WACC would result in decrease / (increase) in fair value by $7.4m / ($8.0m).
TXMD earn-out and deferred consideration liability	DCF	Forecast net sales WACC	 10.2%	5% increase (decrease) in net sales would change the expected timing of milestone payments resulting in an increase (decrease) in fair value by $10.0m / ($9.5m). 1% increase / (decrease) in the WACC would result in decrease / (increase) in fair value by $13.9m / ($15.2m).

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Assets and liabilities measured at fair value

As at 31 December 2024, the Group held the following financial instruments carried at fair value in the Statement of Financial Position:

	Level 2		Level 3	
	31 December 2024 $'000	30 June 2024 $'000	31 December 2024 $'000	30 June 2024 $'000
Financial Liabilities				
Earn-out and deferred consideration liabilities	-	-	406,792	372,129
Embedded derivative convertible notes	-	-	9,538	9,691

Reconciliation of fair value measurements of Level 3 financial instruments

The Group carries earn-out and deferred consideration liabilities classified as Level 3 within the fair value hierarchy.

A reconciliation of the beginning and closing balances including movements is summarised below:

	Dec 2024 Earn-out & deferred consideration liabilities $'000
Opening balance 1 July 2024	372,129
Discount unwind	17,637
Reassessments	(1,019)
Foreign currency restatement	28,121
Payments	(10,076)
Closing Balance 31 December 2024	406,792

During the six-month period ended 31 December 2024, there were no transfers between Level 1 and Level 2 fair value measurements. The fair value increments and decrements were recorded in determining profit before tax.

19. EVENTS SUBSEQUENT TO REPORTING DATE

On 21 February 2025, Mayne Pharma announced it had entered into a Scheme Implementation Deed ('SID') with Cosette Pharmaceuticals, Inc. The acquisition price in the SID is $7.40 cash per share and the Mayne Pharma Board have unanimously recommended that shareholders vote in favour of the Scheme in the absence of a Superior Proposal. The indicative timetable is included in the ASX announcement dated 21 February 2025.

In relation to NEXTSTELLIS® patents, a new US patent was issued: US Patent No. 12,233,074, claiming certain aspects of NEXTSTELLIS®, entitled "Contraceptive Methods with Improved Pearl Index", issued on February 25, 2025 with an expiration date of February 9, 2043.

No other matter or circumstance has arisen since the reporting date which is not otherwise reflected in this report that significantly affected or may significantly affect the operations of the Consolidated Entity.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Mayne Pharma Group Limited, we state that:

In the opinion of the directors:

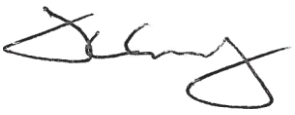
(a) the financial statements and notes of the Consolidated Entity are in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the financial position as at 31 December 2024 and the performance for the half-year ended on that date of the Consolidated Entity; and

  (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and Corporations Regulations 2001;

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Frank Condella
Independent Chair

Shawn Patrick O'Brien
Managing Director and CEO

Melbourne, 26 February 2025

AUDITOR'S INDEPENDENT REVIEW REPORT

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Mayne Pharma Group Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Mayne Pharma Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

i. Giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the half-year ended on that date; and
ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

Benjamin Lee
Director

Melbourne, 26 February 2025

INTELLECTUAL PROPERTY & GLOSSARY

KAPANOL® and RHOFADE® are trademarks of the Consolidated Entity. ANNOVERA®, BIJUVA®, IMVEXXY®, NEXTSTELLIS® and ORACEA® are trademarks of third parties.

For further information on Mayne Pharma's products, refer to the product section of the Company's website, http://www.maynepharma.com/products/us-products/ or http://www.maynepharma.com/products/australian-products/.

GLOSSARY

ANDA – Abbreviated New Drug Application. An application to market a generic drug in the US. Generic drug applications are called "abbreviated" because they are generally not required to include preclinical (animal) and clinical (human) data to establish safety and effectiveness. Instead, a generic applicant must scientifically demonstrate that its product is bioequivalent (i.e., performs in the same manner as the innovator drug). Once approved, an applicant may manufacture and market the generic drug product to provide a safe, effective, low-cost alternative to the American public.

API - Active Pharmaceutical Ingredient. An active ingredient is any component that provides pharmacological activity or other direct effect in the diagnosis, cure, mitigation, treatment, or prevention of disease, or to affect the structure or any function of the body of man or animals.

FDA – US Food and Drug Administration. The US FDA is responsible for protecting public health by assuring the safety, efficacy and security of, amongst other things, human drugs.

NDA - New Drug Application. When the sponsor of a new drug believes that enough evidence on the drug's safety and effectiveness has been obtained to meet FDA's requirements for marketing approval, the sponsor submits to FDA a new drug application (NDA). The application must contain data from specific technical viewpoints for review, including chemistry, pharmacology, medical, biopharmaceutics, and statistics. If the NDA is approved, the product may be marketed in the United States.

OTC - Over-the-Counter pharmaceuticals. Products that are considered safe and effective by the FDA and TGA for use by the general public without a doctor's prescription.

PIV - Paragraph IV filing. A type of filing to support the approval of an ANDA submitted while the originator product is covered by a patent. The filing asserts that either the patents supporting the originator product are invalid or that they are not applicable to the product that is the subject of the ANDA.

TGA – Therapeutic Goods Administration. The TGA is Australia's regulatory authority for therapeutic goods.