29 August 2025

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

Via E-Lodgement

Dear Sir/Madam

Mayne Pharma Group Limited
Final Report and accompanying announcement

Please find attached the following documents relating to the results for the year ended 30 June 2025.

- Appendix 4E
- Annual Financial Statements

This announcement comprises the information required by ASX Listing Rule 4.3A.

Yours faithfully,
Mayne Pharma Group Limited

Laura Loftus
Company Secretary

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RESULTS FOR ANNOUNCEMENT TO THE MARKET
APPENDIX 4E – PRELIMINARY FINAL REPORT

	% CHANGE	30 JUNE 2025 $'000	30 JUNE 2024 $'000
Revenue from ordinary activities	5%	408,095	388,399
Profit / (loss) from continuing operations before income tax expense		(83,296)	(190,087)
Profit / (loss) from continuing operations after income tax expense		(90,071)	(168,619)
Profit / (loss) from discontinued operations after income tax expense		(3,765)	(5,614)
Profit / (loss) after income tax		(93,836)	(174,233)
Attributable to:			
Equity holders of the parent		(93,836)	(174,233)
Non-controlling interests		-	-
		(93,836)	**(174,233)**
Other comprehensive profit/(loss) after income tax expense		5,800	902
Total comprehensive profit/(loss) for the period		**(88,036)**	**(173,331)**
Attributable to:			
Equity holders of the parent		(88,036)	(173,331)
Non-controlling interests		-	-
		(88,036)	**(173,331)**
Net tangible assets per ordinary share [1]		(2.22)	(1.45)

	2025 $	2024 $
Basic earnings per share	(1.19)	(2.19)
Diluted earnings per share	(1.19)	(2.19)
Final dividend in respect of the financial year ended 30 June per share	Nil	Nil

Refer to the Review of Operations and Likely Developments and the accompanying ASX announcement dated 29 August 2025 for a brief commentary on the results.

1. Includes right-of-use lease assets.

Improving patient access to
life-enhancing medications

Financial Report 2025

MAYNE PHARMA GROUP LIMITED
ABN 76 115 832 963

FOR THE YEAR ENDED 30 JUNE 2025
(PRIOR CORRESPONDING PERIOD: YEAR ENDED 30 JUNE 2024)

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DIRECTORS' REPORT

The Directors of Mayne Pharma Group Limited ('the Company') present their report together with the financial report of the Company and its controlled entities (collectively the 'Group' or 'Consolidated Entity' or 'Mayne Pharma') for the year ended 30 June 2025 and the Auditor's Report thereon. The information set out below is to be read in conjunction with the Remuneration Report set out on pages 14 to 25, which forms part of this Directors' Report.

DIRECTORS

The Directors of the Company during the financial year and up to 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

The Directors' qualifications, other listed company directorships, experience and special responsibilities are detailed on pages 10 and 11 of this report. The qualifications and experience of the Company Secretary are detailed on page 11 of this report.

DIRECTORS' MEETINGS

The number of Directors' meetings (including meetings of committees of Directors) and number of meetings attended by each of the Directors of the Company during the 2025 financial year are:

	BOARD		AUDIT & RISK COMMITTEE		NOMINATION COMMITTEE		REMUNERATION & PEOPLE COMMITTEE		SCIENCE, TECHNOLOGY & MEDICAL COMMITTEE	
	HELD[1]	ATTENDED[2]	HELD[1]	ATTENDED[2]	HELD[1]	ATTENDED[2]	HELD[1]	ATTENDED[2]	HELD[1]	ATTENDED[2]
Mr F Condella[3]	33	32	-	4	1	1	10	9	-	-
Mr S O'Brien[3,4]	33	33	-	6	-	-	-	10	-	-
Mr P Blake	33	33	6	6	-	-	10	10	-	-
Ms A Custin[4]	33	32	6	6	-	-	-	1	-	-
Mrs A Lockwood	33	33	6	6	-	-	-	-	-	-
Dr K MacFarlane	33	31	-	-	1	1	-	-	2	2
Mr D Petrie	33	33	6	6	-	-	10	10	-	-
Prof B Robinson	33	32	-	-	1	1	-	-	2	2

1. This column shows the number of meetings held during the period the Director was a member of the Board or Committee.
2. This column shows the number of meetings attended.
3. Mr O'Brien and Mr Condella are not members of the Audit and Risk Committee however they attend meetings at the Chair's invitation.
4. Mr O'Brien and Ms Custin are not members of the Remuneration and People Committee however they attend meetings at the Chair's invitation.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Scheme Implementation Deed (SID)

Mayne Pharma entered into a scheme implementation deed with Cosette Pharmaceuticals, Inc (Cosette) dated 20 February 2025 under which Cosette proposed to acquire all of the shares in Mayne Pharma (via a subsidiary Cosette Australia BidCo Pty Ltd) by way of scheme of arrangement between Mayne Pharma and its shareholders (Scheme) for consideration of $7.40 per share.

On 15 May 2025 the Court approved the distribution of the Scheme booklet to Mayne Pharma shareholders.

On 17 May 2025 Mayne Pharma received correspondence from Cosette asserting that a Mayne Material Adverse Change had occurred and that certain obligations under the SID had been triggered, in particular the obligation on the parties to promptly consult with each other in good faith for 10 business days, as a precondition to a party seeking to exercise rights to terminate the SID for a Material Adverse Change. Mayne Pharma rejected Cosette's contention that there had been any Material Adverse Change.

On 4 June 2025 Mayne Pharma received a notice purporting to terminate the SID from Cosette and has since received other notices from Cosette purporting to terminate the SID on different grounds, to the extent its previously asserted grounds of termination are found to be invalid, as announced to the ASX by Mayne Pharma. Mayne Pharma re-affirms its view there is no lawful basis for Cosette to terminate the SID.

On 18 June 2025 Mayne Pharma convened the Mayne Pharma shareholder scheme meeting to consider and vote on the scheme. Shareholders voted overwhelmingly in favour of the scheme.

As a result of the matters outlined above, the Court postponed the second court hearing (which approves implementation of the scheme) until 18 September 2025 and the scheme has yet to be implemented. As at the date of this report, Mayne Pharma remains an ASX listed company. The matters outlined above will be considered by the Court (unless otherwise resolved) between 22 September and mid-October 2025. It is anticipated that the second Court hearing, necessary for the implementation of the scheme, will be rescheduled to a date in mid-late October, after the dispute between Mayne Pharma and Cosette has been determined by the Court. The FIRB approval necessary for the scheme to proceed remains outstanding as at the date of this report and needs to be obtained prior to the scheme being implemented. Any material changes to the anticipated timetable or material matters related to the scheme will be announced by Mayne Pharma through the ASX announcements platform.

Product acquisitions

On 22 April 2025 Mayne Pharma announced the acquisition and licence of the US rights to TWYNEO® and EPSOLAY®. TWYNEO® (tretinoin and benzoyl peroxide) Cream, 0.1%/3% is manufactured pursuant to NDA 214902 and is indicated for the topical treatment of acne vulgaris in adults and paediatric patients 9 years of age and older. EPSOLAY® is manufactured pursuant to NDA 214510 and is indicated for the treatment of inflammatory lesions of rosacea in adults 18 years of age and older.

PRINCIPAL ACTIVITIES

Mayne Pharma is an ASX-listed specialty pharmaceutical company focused on commercialising branded women's health and dermatology pharmaceuticals.

Mayne Pharma has a 40-year track record of innovation and success in developing new oral drug delivery systems and these technologies have been successfully commercialised in numerous products that continue to be marketed around the world.

Mayne Pharma has a product development and manufacturing facility based in Salisbury, Australia with expertise in the formulation of complex oral and topical dose forms including modified-release products and poorly soluble compounds.

REVIEW OF OPERATIONS AND LIKELY DEVELOPMENTS

Summary of financial performance

Set out below is a summary of the financial performance attributable to Mayne Pharma shareholders for the 2025 financial year (FY25) compared to the prior corresponding period (pcp).

This summary includes non-IFRS Accounting 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 that are useful for the users of this financial report as they provide additional and relevant information that reflect the underlying performance of the business. Key measures of earnings considered by management in operating the business and assessing performance are earnings before interest, tax, depreciation, amortisation and impairment ('EBITDA') and Adjusted EBITDA.

SALES AND PROFIT	2025 $M	2024 $M	CHANGE ON PCP $M
Reported Revenue continuing operations	**408.1**	**388.4**	**19.7**
Reported Gross profit continuing operations	**247.3**	**218.8**	**28.5**
Reported Gross profit %	*60.6%*	*56.3%*	
Adjusted EBITDA	47.0	22.9	24.1
Adjustments[1]	(28.6)	(115.4)	86.8
Reported EBITDA continuing operations	**18.4**	**(92.5)**	**110.9**
Depreciation / Amortisation	(69.3)	(68.5)	(0.8)
Reported Profit / (Loss) Before Interest and Tax from continuing operations	**(50.9)**	**(161.0)**	**110.1**
Net interest (expense) / income	(0.1)	2.4	(2.5)
Foreign exchanges gains/(losses) financing activities	2.5	(1.1)	3.6
Earn-out & deferred consideration liabilities discount unwind	(34.8)	(30.3)	(4.5)
Reported Profit / (Loss) Before Tax continuing operations	**(83.3)**	**(190.1)**	**106.8**
Income tax credit / (expense)	(6.8)	21.5	(28.3)
Reported Net Profit / (Loss) After Tax attributable to Mayne Pharma shareholders continuing operations	**(90.1)**	**(168.6)**	**78.5**

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

The reconciliation of reported results (from continuing operations) and adjusted results for the current year is as follows:

SALES AND PROFIT	REPORTED ATTRIBUTABLE TO MEMBERS JUNE 2025 $M	EARN-OUT REASSESSMENTS[1] $M	RESTRUCTURING[2] $M	DILIGENCE & TRANSACTION EXPENSES $M	DERIVATIVE FAIR VALUE ADJUSTMENT[4] $M	LITIGATION[5] $M	ADJUSTED JUNE 2025 $M
Revenue	408.1						**408.1**
Gross profit	247.3						**247.3**
Gross profit %	*60.6%*						*60.6*
EBITDA	**18.4**	16.6	1.6	8.5	(1.7)	3.5	**47.0**
Depreciation / Amortisation	(69.3)						(69.3)
Asset impairments							
PBIT	**(50.9)**	16.6	1.6	8.5	(1.7)	3.5	**(22.3)**
Net finance costs	**(32.4)**						**(32.4)**
PBT	**(83.3)**	16.6	1.6	8.5	(1.7)	3.5	**(54.7)**

1. Non-cash debit arising from the net increase in earn-out and deferred consideration liabilities with the majority relating to ANNOVERA®.
2. Restructuring costs related to organisational transformation to simplify the operating model.
3. Diligence and transaction costs including litigation costs related to the SID entered with Cosette.
4. Fair value adjustment relating to the convertible notes derivative.
5. Drug pricing and health care investigations, US Department of Justice and related litigation costs.

Review of operations

The Group recorded revenue for continuing operations of $408.1m, up 5.1% on the pcp and gross profit for continuing operations was $247.3m, up 13.0% on pcp.

Gross profit margin for continuing operations as a percentage of revenue was 60.6% (2024: 56.3%) which reflects the growth of the Women's Health business (higher relative profitability business).

The reported loss before tax from continuing operations was $83.3m and the net loss after tax was $90.1m.

The impact of exchange rate movements on the Company's balance sheet is recognised in the Foreign Currency Translation Reserve (FCTR) which increased by $5.8m during the year.

Expenses

Research, development medical and regulatory affairs expense (total costs less amounts qualifying for capitalisation) were $17.9m, a decrease in the expense of $2.3m (11%) on the pcp.

	JUNE 2025 $M	JUNE 2024 $M
Total R&D, medical and regulatory affairs costs incurred	18.1	20.2
Development costs capitalised	(0.2)	-
R&D, medical and regulatory affairs expensed	17.9	20.2

Marketing and distribution expenses increased by $6.3m (5%) to $136.8m. The majority of marketing and distribution costs relate to the US businesses and hence are subject to currency rate translation – the currency translation impact was to increase the FY25 expense by $1.6m (compared to FY24 translation rate). In USD terms marketing and distribution costs increased by US$2.4m due to increased activity for Adelaide Apothecary and continued development of Women's Health assets with costs such as speaker programs and samples.

Finance costs of $37.3m (2024: $36.1m) include the unwinding of discounts associated with earn-out liabilities and deferred liabilities which increased to $34.8m from $30.3m in the pcp. The earnouts discount unwind includes NEXTSTELLIS® $11.8m (2024: $12.1m) and TXMD $22.0m (2024: $16.3m). Included in finance costs are foreign exchange losses relating to financing activities of $2.5m gain (2024: $1.1m loss)

There were no impairments in the current period (2024: $nil).

Administration and other expenses decreased by $19.3m to $128.6m. This category includes non-cash and other non-operating items such as:

- Amortisation of intangible assets which was $61.0m (2024: $59.7m);
- Class Action Settlement (net of insurance recovery) nil (2024: $33.3m);
- Share based payments expense of $4.0m (2024: $4.1m);
- Drug pricing investigations and related litigation costs of $3.5m (2024: $1.3m);
- Diligence and transactions costs including litigation costs related to the SID entered with Cosette of $8.5m (2024: nil);
- A specific doubtful debt nil (2024: $7.8m);
- Foreign exchange losses of $0.3m (2024: nil);
- Fair value movement on a derivative of $1.7m gain (2024: $2.8m gain); and
- Restructuring expenses of $1.7m (2024: $0.9m).

Excluding these items, administration and other expenses were $51.3m compared to $51.4m in 2024.

Tax

Tax expense of $6.8m for continuing operations and tax benefit of $1.1m for discontinued operations comprised:

- Current period income tax expense for the year to 30 June 2025 of $0.5m;
- A decrease in current year tax benefit in respect of prior years of $0.5m; and
- Deferred income tax expense of $4.7m.

Financial position

Set out below is a summary of the financial position as at 30 June 2025 compared to the position as at 30 June 2024.

BALANCE SHEET EXTRACT	2025 $M	2024 $M	CHANGE ON PCP $M	CHANGE ON PCP %
Cash	59.8	110.1	(50.3)	(46)
Marketable securities	40.6	39.2	1.4	4
Receivables	180.6	193.2	(12.6)	(7)
Inventory	50.6	74.6	(24.0)	(32)
Income tax receivable	1.3	14.5	(13.2)	(91)
PP&E	53.1	46.7	6.4	14
Intangible assets	545.8	568.6	(22.8)	(4)
Other assets	82.8	96.3	(13.5)	(14)
Total assets	**1,014.6**	**1,143.2**	**(128.6)**	**(11)**
Interest-bearing debt (including lease liabilities)	41.3	38.8	2.5	6
Trade and other payables	174.3	244.5	(70.2)	(29)
Other financial liabilities	409.1	381.8	27.3	7
Other liabilities	19.6	23.9	(4.3)	(18)
Total liabilities	**644.3**	**689.0**	**(44.7)**	**(6)**
Equity	**370.3**	**454.2**	**(83.9)**	**(18)**

The material changes to the operating assets and liabilities of the business were as follows:

Cash

Cash decreased by $50.3m to $59.8m compared to 30 June 2024. In addition to cash, the Company also holds marketable securities of $40.6m which increased compared to 30 June 2024 by $1.4m.

Inventory, receivables and trade payables

Receivables reduced during FY25 providing a cash release of $12.6m (excludes the insurance receivable included in FY24 balance of $4.7m). Inventory also decreased significantly providing a cash release of $25.8m as a result of general inventory efficiency improvements. These decreases occurred while revenue increased. Trade and other payables reduced as a result of lower inventory levels and in FY24 there was a delay in invoicing by certain vendors which are now current.

Intangible assets

Intangible assets decreased by $22.8m compared to the balance at 30 June 2024. The movement comprised of:

- An increase of $26.0m for the TWYNEO® and EPSOLAY® acquisition;
- An increase of $0.2m for capitalised development costs;
- A decrease of $61.0m for amortisation; and
- An increase of $12.0m due to foreign currency translation as the AUD / USD exchange rate decreased from 0.6647 at 30 June 2024 to 0.6529 at 30 June 2025.

Property, plant & equipment

Property, plant and equipment increased by $6.4m compared to the balance at 30 June 2024. The movement comprised of:

- An increase of $11.1m for additions (net of the government grant funds received during the year of $1.2m); and
- A decrease of $4.7m for depreciation.

Interest bearing liabilities

Interest bearing liabilities (excluding lease liabilities) increased to $35.2m from $31.6m at 30 June 2024. Convertible notes were issued in December 2022 to support the acquisition of the TXMD licensed assets. The convertible notes are repayable as a fixed AUD amount at maturity (if not converted). The change in the liability represents the amortisation of borrowing costs. The borrowing costs are amortised over the term of the loan so that, at maturity, the book value of the loan will be equal to the amount repayable ($41.6m) (if not converted prior to maturity).

Other financial liabilities

The major items included in other financial liabilities as at 30 June 2025 were the earn-out liabilities and deferred consideration for the NEXTSTELLIS® distribution rights and the TXMD earn-out and deferred consideration liabilities.

Other financial liabilities increased by $27.2m from 30 June 2024 due to:

- An increase of $34.8m due to the unwinding of the discount for the various earn-out liabilities and deferred consideration liabilities including $11.8m relating to the NEXTSTELLIS® deferred consideration liability and $22.0m relating to the TXMD earn-out liabilities;
- An increase of $16.6m due to re-assessments which included the TXMD liabilities which were reassessed upwards by $19.3m due to increased revenue forecasts for the products. Several other earn-outs were reassessed downwards;
- A decrease of $39.8m due to payments made which included $20.0m (US$13m) paid to Population Council;
- An increase of $9.5m due to the acquisition of TWYNEO® and EPSOLAY®;
- A decrease of $1.7m due to the change in the fair value of the convertible notes related derivative; and
- An increase relating to foreign currency translation of $7.8m.

Equity

Shareholder equity movements include the current year loss (including discontinued operations) of $93.8m and other comprehensive income of $5.8m for a net movement of $88.0m. Other equity movements included share-based payments reserve net increase $2.3m.

Cash flow

A summary of the net operating cash flows is as follows:

	2025 $M	2024 $M
Net operating cash flows before working capital movements	44.9	(0.7)
Working capital (investments) / releases	5.8	(14.6)
Net Operating cash flows before Class Action settlement	50.7	(15.3)
Class Action settlement (net of insurance)	(33.2)	-
Net Operating cash flows	17.5	(15.3)
Less estimated cashflows relating to discontinued operations outflows / (inflows)	7.9	23.4
Estimated net operating cashflows from continuing operations	25.4	8.1

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. Operating cashflows includes an IRS tax refund (CARES Act) of $13.2m. Continuing operations working capital efficiency gains enabled a net working capital release even though there was an increase in revenue.

Operating cashflows related to discontinued operations were determined in a manner consistent with total operating cashflows in that the profit/loss from discontinued operations was adjusted for non-cash items and working capital movements relating to the discontinued operations.

Earnout payments are deferred / variable consideration for asset acquisitions (or asset disposals in the case of the Metrics sale) and are disclosed in investing cashflows and therefore are not included in operating cashflows. Refer investing cashflows below.

	2025 $M	2024 $M
Investing cash flows	**(68.1)**	53.4

Notable cash flows during the period included:

- $12.3m payments for capital expenditure;
- $1.2m government grant received (related to capital expenditure);
- $16.5m payments for intangible asset acquisitions relating to the TWYNEO® and EPSOLAY® acquisition (part of the consideration is deferred and will be settled post year-end – also refer movements in earn-out and deferred consideration liabilities);
- $0.5m additional investment in marketable securities; and
- Earn-out and deferred settlement payments totalling $39.8m. This includes $20m (US$13m) paid to Population Council in relation to ANNOVERA®.

	2025 $M	2024 $M
Financing cash flows	**(0.6)**	(19.9)

Notable cash flows during the period included:

- Net interest receipts $3.4m; and
- Lease payments (right-of-use) assets $3.8m.

Cash on hand plus marketable securities total $100.4m at 30 June 2025 representing a decrease of $48.9m from 30 June 2024 for the reasons outlined above.

Reporting Segments

The Consolidated Entity operates in three operating segments being International, Women's Health and Dermatology. During FY23, the Consolidated Entity sold the MCS segment and the Retail Generics business and has therefore included MCS and Retail Generics in discontinued operations (refer Note 6). The segment note in the financial statements (Note 2) shows the revenue, gross profit (GP), direct operating expenses (opex) and the direct contribution (being the GP less direct opex) for each segment.

Dermatology

	2025 $M	2024 $M	CHANGE %
Revenue	154.1	174.9	(11.9)
Gross profit	82.8	83.9	(1.3)
Gross profit %	54%	48%	
Direct opex (including lease depreciation)	(42.6)	(39.6)	
Direct contribution	40.2	44.3	(9.2)

Nature of operations

The Dermatology division distributes established dermatology products in the US.

FY25 performance

The segment's sales were $154.1m down 12% on FY24. Gross profit was $82.8m, down 1% on FY24 and direct contribution decreased to $40.2m compared to the pcp of $44.3m. The performance of the division declined compared to the previous year due to competitive launches against ORACEA®, loss of some insurance coverage on RHOFADE®, and continued declines in the branded oral antibiotic markets, primarily affecting DORYX®.

Women's Health

	2025 $M	2024 $M	CHANGE %
Revenue	178.4	142.8	24.9
Gross profit	142.9	113.5	26.0
Gross profit %	80%	79%	
Direct opex (including lease depreciation)	(80.9)	(78.2)	
Direct contribution	62.0	35.2	76.0

Nature of operations

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

FY25 performance

The segment's sales were $178.4m, up 25% on FY24, gross profit was $142.9m, up 26% on FY24 and direct contribution was $62.0m, an improvement of 76% on the pcp. FY25 results reflect a continued increase in operating leverage in Women's Health, all products experienced unit growth. FY25 results were negatively impacted by higher product returns than expected, related to expiry date of inventory acquired from TXMD and by a lag effect from the sales force refresh which began in FY24 and completed in the first half of FY25.

International

	2025 $M	2024 $M	CHANGE %
Revenue	75.6	70.7	7.0
Gross profit	21.5	21.3	0.9
Gross profit %	29%	30%	
Direct opex	(14.1)	(12.4)	
Direct contribution	7.4	9.0	(17.4)

Nature of operations

International's revenues and gross profit are derived principally from the Australian manufacture and sale of branded and generic pharmaceutical products globally (ex-US) and the provision of contract development and manufacturing services to third party customers.

FY25 performance

The International reporting segment's revenues were $75.6m, up 7% on FY24, gross profit was $21.5m, up 1% on FY24 and direct contribution decreased 17% to $7.4m. The segment's revenue growth was primarily driven by sustained demand for KADIAN® in the Canadian market, alongside continuing strong domestic sales of oxycodone and UROREC®. Gross profit was impacted by temporary production disruptions during the first half which reduced production output. Production output recovered in the second half returning to expected levels. Additional opex included investment for future growth (sales team expansion and IT system upgrade costs).

The Salisbury modernisation project is concluding, with the installation of new equipment including a high-speed blister packing line and bottling line (the encapsulator started commercial production June 2024). Mayne Pharma has successfully met all conditions of the Federal Government's Modern Manufacturing Initiative (MMI) Grant and received the full $4.8 million funding as of June 2025.

Strategy

The Company's core strategic priorities include the following:

KEY PRIORITIES	ACTIVITIES
• Deliver profit potential of current Women's Health asset portfolio	• Drive growth to further increase operating leverage, through sharpened focus on sales execution and some targeted marketing efforts • Maximise long term value of assets, via IP portfolio management and product education via Key Opinion Leaders (KOLs)
• Differentiate channel solution to enable preferred solution for patients, prescribers and partners	• Ensure channel strategy processes are easy to use, enabling status as preferred solution • Capital efficient and accretive business development to further the Dermatology portfolio, driving growth in revenues and margins
• Drive international profit via new revenue streams and continuation of modernisation	• Leverage capacity created by operational improvements to grow and further operating leverage • Complete modernisation upgrade program to improve productivity and capabilities, with targeted maintenance capex thereafter • Expansion of KAPANOL®/KADIAN® in ex-AU markets

Material business risks

The Board accepts that taking and managing risk is central to building shareholder value and that the Board is responsible for the Group's risk management strategy. Management is responsible for implementing the Board's strategy and for developing a control infrastructure designed to identify and mitigate risks across operations.

The Company has implemented a Risk Management Policy with a detailed, structured approach to systematically identify, rank, mitigate, and monitor risks. This effort, led by the Compliance and Risk function, is additive to ongoing risk management responsibilities that all employees engage in as they accomplish their daily tasks according to Company requirements. The Company maintains a risk register and material risks are regularly reported on and discussed with management, the Audit and Risk Committee and the Board. Further details of the Company's approach to risk identification and management are outlined in its Corporate Governance Statement.

The following table details some of the material risks that could affect Mayne Pharma's business and operations but are not the only risks Mayne Pharma faces. Other risks besides those detailed below could adversely affect Mayne Pharma's business and operations.

RISK	NATURE OF THE RISK	ACTIONS/PLANS TO MITIGATE
Business and strategy	• Changes in market dynamics for oral contraceptives • Delayed implementation of growth strategy for the dermatology distribution channel • Inability to meet educational and scientific engagement needs of the healthcare community for our full portfolio • Inherent competition risk to portfolio • Future acquisitions, licences, and investments could negatively affect operating results, dilute equity ownership, increase debt, or cause significant expense • Inability to drive accretive growth effectively • Healthcare policy changes and legislative reform in the US healthcare system • Potential for US tariffs to be introduced on products currently imported	• Select and staff experienced personnel and business partners • Implement disciplined and risk balanced product selection process • Establish strong systems and processes to monitor and manage the performance of each product and customer relationship • Conduct detailed due diligence of acquisitions and engage third parties for expert advice where appropriate • Prepare detailed operational/integration plans for acquisitions following completion • Develop business models and systems to move closer to patients • Diversify channels to market • Mitigations to tariff risk for products may include supply contract renegotiation, buildup of inventory, and adjustments to supply.
Regulatory compliance	• Loss of regulatory compliance certification for production facilities • Noncompliance with legal or regulatory requirements	• Recruit experienced personnel in Quality, Production, Regulatory and Compliance • Maintain a robust control environment with relevant policies, procedures, and monitoring
IT systems, privacy and cybersecurity	• Noncompliance with privacy and data security laws, regulations, and guidance • Cyber security breach, data theft, or data leakage • Significant disruption to our technology systems	• Recruit experienced IT personnel • Contract with skilled cybersecurity vendors to stay current on industry trends • Implement protective measures such as firewalls, antivirus, data encryption, routine back-ups, system monitoring, system audits and disaster recovery procedures • Provide ongoing employee training on cybersecurity risks • Test disaster recovery procedures
Third parties	• Quality or compliance failure in product manufacturing by third party suppliers • Noncompliance of our consultants or commercial partners with regulatory standards and requirements • Supply issues for key products due to reliance on third party suppliers and/or inherited contracts • Inventory challenges at specialty pharmacies • Reliance on third parties for key financial or business intelligence data • Significant disruption to third party technology systems	• Follow risk-based audit process for suppliers, consultants, and commercial partners • Maintain back-up supply of key raw materials • Implement robust systems and processes to manage supply chain • Regularly improve internal financial and business intelligence data management • Develop and test business continuity plans
Financial condition and capital requirements	• Inability to access financing in an acceptable form with acceptable terms when needed • Cost inflation • Asset impairments • Changes to value or use of net operating losses and deferred tax assets • Adverse global market economic conditions (e.g., recession) • Adverse movements in exchange rates	• Strengthen bank relationships • Enter exclusive supply arrangements, where appropriate • Enter distribution arrangements with partners that allow for rising input costs to be passed through to customers • Maintain robust and comprehensive testing environment • Regularly test assets for impairment • External audit review of capitalisation policies and useful lives of assets • Hedge balance sheet and net receipts per Company policy

RISK	NATURE OF THE RISK	ACTIONS/PLANS TO MITIGATE
Organisational and commercial operations	• Loss of or inability to attract and retain key personnel • Unexpected or continuing litigation or legal proceedings, which could be expensive, a distraction for the business, introduces new requirements (eg to seek third party approval), time consuming, and unsuccessful • Serious adverse event with patients and potential liability risks in marketing and use of products • Loss of buildings or key equipment • Inability to collect inappropriate gross-to-net chargebacks or discounts taken • Increasing our outsourced cost of active pharmaceutical ingredients, wages, and other components	• Refine employee development opportunities • Implement measures to minimise operational disruption, including clear delegation of responsibilities to ensure day-to-day operations continue without interruption. • Continuing to evaluate and pursue strategic and commercial opportunities that can be executed regardless of litigation outcome or once an outcome is known. • Establish and maintain systems to track medical information, pharmacovigilance and quality • Allocate or share risk with distribution partners where appropriate • Develop contingency plans to move production if facilities become unavailable • Maintain appropriate insurance coverage • Implement robust systems and processes to manage supply chain
Intellectual property	• Ineffective management of loss(es) of exclusivity • Inability to enforce our licence agreements	• Implement robust intellectual property strategy • Allocate or share risks with manufacturing partners where appropriate
Environmental and climate concerns	• Noncompliance with Australian climate-related financial disclosures • Noncompliance of manufacturing operations with local laws and regulations, including special safety, packaging, distribution, and reporting requirements • Injury to employees or contractors • Failure to safely and appropriately handle hazardous and toxic materials	• Implement robust governance and strategy to manage the Company's climate related risks and opportunities engaging third party expert advice where appropriate • Maintain Environmental, Health and Safety (EHS) systems with defined policies, procedures and work practices for the elimination or mitigation of EHS hazards and risks

The above list does not represent an exhaustive list and it may be subject to change based on underlying market events and developments.

Outlook

The Company plans to drive continued growth across Women's Health assets in FY26 through continued focus on sales execution and leveraging a new set of marketing materials, which were refreshed for all products in FY25. The Company is evaluating additional investments in sales and marketing to maximise long-term value of the assets. The Company plans to continue to raise product scientific awareness through Medical Science Liaisons (MSLs) and Key Opinion Leaders (KOLs).

For Dermatology, the Company plans to continue to evaluate capital efficient and accretive business arrangements to drive the growth in revenue and margin. The Company plans to emphasise the channel strategy, leveraging access and reduced friction to create a preferred solution for partners, prescribers, and patients.

For International, the Company plans to leverage the capital investment made over the past three years to grow export revenue streams and vertically integrate some process steps (packaging). The Company also plans to continue to drive specialty and generic product sales in Australia, leveraging a salesforce investment, and the other differentiated products that are part of that portfolio.

The Scheme with Cosette remains ongoing, with court hearings commencing 22 September and expected to run for several weeks. A second court date pursuant to the Scheme is now anticipated in mid to late October but has not yet been confirmed by the Court. The Board unanimously continues to recommend the Scheme, in the absence of a superior proposal and subject to the Independent Expert maintaining its view that it is in the best interests of shareholders

DIVIDENDS

No dividend has been declared in relation to the period ended 30 June 2025 or the period ended 30 June 2024.

EVENTS SUBSEQUENT TO THE REPORTING PERIOD

No 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 Group.

DIRECTORS' EXPERIENCE AND SPECIAL RESPONSIBILITIES

MR FRANK CONDELLA, BSPharm, MBA
Chair
Independent Non-Executive Director
Age 71
Appointed 30 May 2018

Mr Condella, a US resident, has over 30 years of experience in senior executive roles in the global pharmaceutical industry. His operating experience includes Chief Executive Officer of Juniper Pharmaceuticals, a US publicly-listed CDMO and specialty pharmaceutical company, which was subsequently sold to Catalent. Previously he served as Chief Executive Officer of Skyepharma Plc, President of European operations at IVAX (Teva), Chief Executive Officer of Faulding Pharmaceuticals, Vice President of Specialty Care Products at Roche and Vice President and General Manager of the Lederle Standard Products (Pfizer). Mr Condella's previous board experience includes Chairman of Skyepharma Plc until it merged with Vectura, Vice Chairman of Vectura Plc, Independent Director of Prosonix ltd, Independent Director of Fulcrum Pharma plc, Independent Director of Fertin Pharma A/S, Independent Director of Palladio Biosciences Inc and Chairman of the PKD Foundation.

Mr Condella is Chair of the Remuneration and People Committee and Chair of the Nomination Committee.

MR SHAWN PATRICK O'BRIEN, BSc
CEO and Managing Director
Age 66
Appointed 1 October 2022

Mr O'Brien has more than 35 years of global pharmaceutical industry experience building successful enterprises. He was a founding partner of Key BioPharma Partners providing advice to life science companies and capital providers. He was previously the Chairman and CEO of Genomind Inc., a personalised mental health platform company, and CEO of publicly listed Cipher Pharmaceuticals Inc., a specialty pharmaceutical company with a portfolio of commercial stage dermatology products. He has also been President and CEO of three private biotechs including AltheRx Pharmaceuticals, Profectus BioSciences and Solstice Neurosciences. Mr O'Brien held multiple senior leadership roles at AstraZeneca, one of the largest global pharmaceutical companies. At AstraZeneca he was responsible for key brands such as FASLODEX®, SYMBICORT®, PULMICORT® and SEROQUEL® which all became billion-dollar brands.

MR PATRICK BLAKE, MBA
Independent Non-Executive Director
Age 62
Appointed 28 June 2018

Mr Blake, a US resident, has over 30 years of global healthcare industry experience including more than 20 years at McKesson Corporation, one of the largest healthcare services and information technology companies globally, and more than 10 years at Baxter Healthcare Corporation. Most recently, he was Executive Vice President of McKesson Corporation and Group President of McKesson Technology Solutions which services the health IT needs of hospitals and health systems, payers, physicians, homecare agencies, retail pharmacies and manufacturers, a position he held from 2009 until 2017. Previously, he was President of McKesson Specialty Health, a business focussed on the US specialty/biotech sector which was McKesson's fastest growing business for three years during his leadership. He was also President of Customer Operations for McKesson Pharmaceutical (US) from 2000 to 2006, leading commercial sales and operations for the wholesale distribution of branded, specialty and generic pharmaceuticals and other related products.

Mr Blake is a member of the Audit and Risk Committee and the Remuneration and People Committee.

MS ANN CUSTIN, CPA
Independent Non-Executive Director
Age 65
Appointed 23 March 2022

Ms Custin, a US resident, has almost 40 years of experience in the healthcare sector. Most recently, Ms Custin was Board Director and CFO of Siemens Medical Solutions (now Siemens Healthineers), a leading medical technology company with EUR20b in revenues. Previously, she was Chief Operating and Financial Officer of Scient'x Group and President and CEO of USA Draeger Medical Systems. Ms Custin was a Non-Executive Director of Volpara Health Technologies Limited (ASX:VHT) until May 2024 and is a Non-Executive Director of Establishment Labs Holdings Inc (NASDAQ:ESTA).

Ms Custin is Chair of the Audit and Risk Committee.

MRS ANNE LOCKWOOD, FCA, B Comm
Independent Non-Executive Director
Age 53
Appointed 30 November 2023

Mrs Lockwood, an Australian resident, has over 30 years' experience in various finance, risk management and audit roles including deep experience in mergers and acquisitions across a range of industries. Mrs Lockwood is the former Chief Financial and Commercial Officer of ASX-listed Integral Diagnostics (ASX: IDX) and former Chief Financial Officer of privately owned Planet Innovation Limited. Prior to this, Mrs Lockwood spent over 20 years in accounting and audit roles including 18 years at Arthur Andersen and EY. Mrs Lockwood holds a Bachelor of Commerce degree with majors in accounting and law, is a chartered accountant, a fellow of Chartered Accountants Australia and New Zealand and a graduate of the Australian Institute of Company Directors. Mrs Lockwood is also a Non-Executive Director of Genetic Signatures Ltd (ASX:GSS), Non-executive Director of Symal Group Ltd (ASX:SYL) and Non-executive Director of Coventry Group Ltd (ASX:CYG).

Mrs Lockwood is a member of the Audit and Risk Committee.

DR KATHRYN MACFARLANE PharmD
Independent Non-Executive Director
Age 60
Appointed 1 February 2022

Dr MacFarlane, a US resident, has more than 30 years of experience in the pharmaceutical industry. She is currently Founder and Managing Partner of SmartPharma LLC, offering commercial and strategic consulting services to pharmaceutical companies. Previously, she was Chief Commercial Officer at Agile Therapeutics, Vice President Women's Health Care Marketing, Sales and New Product Planning at Warner Chilcott and Senior Director of Marketing at ParkeDavis (now Pfizer). Dr MacFarlane is also a Non-Executive Director of PharmAust Limited (ASX: PAA). PharmAust Limited is a ASX listed clinical-stage biotechnology company.

Dr MacFarlane is a member of the of the Science, Technology and Medical Committee and the Nomination Committee.

MR DAVID PETRIE B Comm (Hons), B Law (Hons), CPA
Non-Executive Director
Age 59
Appointed 1 September 2022

Mr Petrie is an accomplished M&A executive with over 30 years of advisory experience in public and private mergers and acquisitions, capital management and debt and equity raisings. He is currently Principal at Stratford Advisory Group, an independent corporate and financial advisory firm. Previously, he spent 23 years at Merrill Lynch/Bank of America including Managing Director and Head of Investment Banking Melbourne. He has worked on more than 100 transactions across a range of market sectors including healthcare.

Mr Petrie is a member of the Audit and Risk Committee and the Remuneration and People Committee.

PROF BRUCE ROBINSON, AC, MD, MSC, FRACP, FAAHMS, FAICD
Independent Non-Executive Director
Age 69
Appointed 26 August 2014

Professor Robinson, a practising Endocrinologist at Sydney's Royal North Shore Hospital, is Former Dean of University of Sydney's Sydney Medical School. Professor Robinson has been the head of the Cancer Genetics Unit at the Kolling Institute of Medical Research, Royal North Shore Hospital since 1989. Since 2001, Professor Robinson has been Chairman of Hoc Mai Foundation, a major program in medical and health education and exchange with Vietnam. He is a Non-Executive Director of Cochlear Limited, Lorica and QBiotics Group Limited. He is a Board Member of the Woolcock Institute, is Chair of National Health and Medical Research Council and Chair of the Medical Benefits Review Taskforce.

Prof Robinson is Chair of the Science, Technology and Medical Committee and a member of the Nomination Committee.

COMPANY SECRETARY

Ms Laura Loftus was appointed as the Company Secretary on 26 March 2020. Ms Loftus has been with Mayne Pharma since May 2014 and is an experienced commercial lawyer with more than twelve years of experience. Prior to joining Mayne Pharma, Ms Loftus was a solicitor at global law firm DLA Piper. Ms Loftus holds a BCom (Accounting) degree and LLB (Hons) degree from Monash University and is a Graduate member of the Australian Institute of Company Directors.

DIRECTORS' INTERESTS IN SHARE CAPITAL AND OPTIONS

The relevant interest of each Director in the share capital of the Company as at the date of this report is as follows:

	FULLY PAID ORDINARY SHARES
Mr F Condella	65,929
Mr S O'Brien	60,857
Mr P Blake	22,097
Ms A Custin	21,362
Mrs A Lockwood	-
Dr K MacFarlane	38,000
Mr D Petrie	-
Prof B Robinson	16,642

UNISSUED SHARES UNDER OPTION

As at the date of this Directors' Report there were 695,322 employee options outstanding.

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company.

SHARE OPTIONS GRANTED

No employee options were granted during the financial year.

SHARES ISSUED AS A RESULT OF THE EXERCISE OF OPTIONS

No shares were issued during the year as a result of option exercises.

NON-AUDIT SERVICES

The Company's auditor, BDO Audit Pty Ltd (BDO), provided the non-audit services listed below. The Directors are satisfied that the provision of these non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

BDO received or is due to receive the following amounts for the provision of non-audit services. Refer to Note 26 to the financial statement for details of all amounts received by or due to BDO for both assurance and non-audit services.

	2025 $	2024 $
Taxation services (paid to overseas member firms of BDO)	113,005	195,947
Other assurance	-	-
Total	113,005	195,947

INDEMNIFICATION AND INSURANCE OF OFFICERS AND INDEMNIFICATION OF AUDITORS

The Company's constitution (rule 11.1(a)) requires the Company to indemnify every officer of the Company and its wholly owned subsidiaries against liabilities incurred in their role as officer, only to the extent permitted by the *Corporations Act 2001*. The indemnity will not apply to liabilities arising out of conduct involving a lack of good faith. The Company has entered into a Deed of Access, Insurance and Indemnity with each of the Directors, Key Management Personnel (KMP), others holding officer positions in the Company or any of its wholly owned subsidiaries and the Company's previous appointee to the INTI Board. Each Deed of Access, Insurance and Indemnity indemnifies the relevant officer, to the extent permitted by law, against any liability incurred by the relevant officer as an officer of the Company or as an officer of a subsidiary, including legal costs (for an unspecified amount). The Deeds of Access, Insurance and Indemnity also require the Company to (subject to the *Corporations Act 2001*) use its best efforts to effect and maintain a D&O policy covering the relevant Officers during each officer's term of office and for seven years thereafter.

During the financial year, the Company maintained an insurance policy which indemnifies the Directors and Officers of the Company and its subsidiaries in respect of any liability incurred in the performance of their duties as Directors or Officers of the Company or its subsidiaries, other than for matters involving a wilful breach of duty or a contravention of sections 182 or 183 of the *Corporations Act 2001* as permitted by section 199B of the Corporations Act 2001. The Company's insurers have prohibited disclosure of the amount of the premium payable and the level of indemnification under the insurance contract.

The Group has not indemnified or agreed to indemnify the auditor of the Group or of any body corporate against a liability incurred as such by the auditor, during or since the financial year, except as permitted by law.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

ENVIRONMENT, HEALTH AND SAFETY (EHS) REGULATION AND PERFORMANCE

The Group's operations are subject to various EHS laws and regulations and, where required, the Group maintains EHS licenses and registrations in compliance with applicable regulatory requirements. The Group has mechanisms in place to monitor for changes to regulatory requirements and ensure ongoing compliance with any new requirements.

The Group has EHS policies and procedures in place designed to ensure compliance with all EHS regulatory requirements and to continuously improve the health and safety of our workplace and environmental sustainability of our operations.

The EHS function continues to refine and improve the Company's standards, processes and performance through the ongoing development and maintenance of an EHS management system focussed on the identification and assessment of EHS hazards and effective management of EHS risks by applying sound risk management principles.

The Group monitors EHS outcomes on a regular basis and provides reports to various internal and external stakeholders including, without limitation, in relation to performance data such as injury rates, waste disposal, waste water and storm discharges and emissions. The operating site in Salisbury is subject to periodic or random inspections by EHS regulators; several inspections occurred during the year by the relevant authorities.

The Directors are not aware of any material breaches of EHS regulations by the Group.

OPTIONS, PERFORMANCE RIGHTS AND SHARES GRANTED SUBSEQUENT TO REPORTING DATE

No options, performance rights or loan shares were issued to KMP subsequent to reporting date.

ROUNDING

Amounts in this report and in the financial report have been rounded off in accordance with ASIC Legislative Instrument 2016/191 issued by the Australian Securities and Investments Commission, to the nearest thousand dollars or, in certain cases, to the nearest dollar.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration has been received from BDO and is included on page 22 of this report.

Letter from Chair of Remuneration and People Committee

Dear Shareholder,

On behalf of the Board of Directors, we are pleased to present Mayne Pharma's Remuneration Report for the financial year ended 30 June 2025. This report contains information regarding the remuneration arrangements for Non-Executive Directors and senior executives who are the Key Management Personnel (KMP) of Mayne Pharma during Fiscal Year 2025 (FY25).

Business Performance

Mayne Pharma delivered significant growth in the Women's Health segment with revenue up 25% and direct segment contribution up 76%. The performance of the Dermatology segment was impacted by competitive launches against ORACEA®, loss of some insurance coverage on RHOFADE® and continued declines in the branded oral antibiotic markets while still delivering a positive direct contribution. The International segment delivered revenue growth while investing for future growth (sales team and IT systems). The Company delivered positive operating cash flow. Underlying EBITDA for FY25 was $47.0m compared to $22.9 million for FY24.

Your Board is committed to an executive remuneration framework that is focused on aligning shareholder and management interests by adopting a remuneration policy with a significant weighting to at-risk remuneration and equity-based incentives.

Executive Remuneration Structure

Remuneration for KMP is structured as follows: Base Salary + Short Term (Annual) Incentive (STI) + Long Term Incentive (LTI). The STI is awarded in two parts: 50% paid in cash at the end of the fiscal year and 50% paid in restricted stock units (RSUs) which vest one year later, provided that the executive is still employed by the Company. The actual amount of the STI paid is subject to achievement of specific goals set at the beginning of the fiscal year.

Executives receive their LTI grants in the form of performance rights. Performance rights vesting is based on achievement of certain Total Shareholder Return (TSR) hurdles, with a single testing point after three years.

We believe an equity-based LTI is important to ensure close alignment with shareholders and motivates executives to focus on corporate strategies that will deliver long-term growth of shareholder value.

KMP Changes

There were no KMP changes during the year.

Remuneration outcomes in FY25

STI awards are determined based upon the achievement of Company goals and individual performance. Company goals were established at the beginning of the fiscal year. The Board works with Management to set goals that are balanced between the financial and strategic objectives of the Company. Individual performance in the role is also considered in determining STI achievement.

Deferred STI awards relating to FY23 granted to the CEO and CFO during FY24 vested on 1 September 2024. Deferred STI awards relating to FY24, and LTI awards related to FY25 were issued to the CEO and CFO during FY25, as previously disclosed. Testing and vesting of outstanding incentive instruments are in part subject to scheme outcomes, as previously disclosed to the market in the Scheme Booklet.

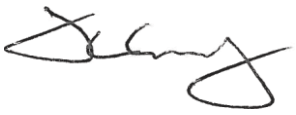
At the date of this report, any remaining LTI awards held by the former CEO and CFO remain unvested. These unvested LTI instruments will be tested against applicable performance conditions at the relevant testing dates and will only vest if those performance conditions are met.

The Board completed a benchmarking exercise of Non-Executive Director fees compared to similar sized companies in Australia and the United States. While total remuneration was higher than many Australian companies it was in line with several US-based companies and the time commitment by Mayne Pharma Non-Executive Directors can be significantly higher than many US based companies. Also, Mayne Pharma Non-Executive Directors have a requirement to purchase Mayne Pharma shares equal to one times the base fee within three years of appointment. After this review, the Board reduced all Non-Executive Director base fees by ten percent effective after the AGM in November 2024.

Your Board will continue to regularly review the remuneration framework to ensure the framework aligns with rewarding executives for delivery of strategy and shareholder value creation and the right outcomes are being delivered and rewarded.

We hope you find this report explains our remuneration structure and welcome any feedback you may wish to provide.

Yours sincerely



Frank Condella
Mayne Pharma Chair

REMUNERATION REPORT (AUDITED)

This report outlines the specific remuneration arrangements in place for the KMP. KMP are those persons in the Group having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

This Report forms part of the Directors' Report and has been audited in accordance with section 300A of the Corporations Act 2001. Amounts presented within the remuneration report are in Australian dollars unless otherwise stated.

1. KEY MANAGEMENT PERSONNEL

The table below outlines the KMP of the Group during the current financial period. Unless otherwise indicated, the individuals were KMP for the entire financial year and up until the date of this report. The Group considers executive KMP as those executives with global responsibilities for business strategy and performance as well as guiding strategic allocation of resources and capital.

Non-Executive Directors:

- Mr Frank Condella – Chair
- Mr Patrick Blake
- Ms Ann Custin
- Mrs Anne Lockwood
- Dr Kathryn MacFarlane
- Mr David Petrie
- Prof Bruce Robinson, AM

Executive Director:

- Mr Shawn Patrick O'Brien – Managing Director and Chief Executive Officer (CEO)

Other executive KMP:

- Mr Aaron Gray - Chief Financial Officer (CFO)

2. REMUNERATION GOVERNANCE AND REMUNERATION POLICY

Governance framework

The Board is responsible for setting the strategic direction and objectives of the Company, establishing goals for management and monitoring the achievement of those goals. The Board ensures that it has procedures in place to assess the performance of the Chief Executive Officer and is responsible for evaluating and rewarding senior management (including determining their remuneration and incentive policies).

The Remuneration and People Committee (RPC) reviews remuneration arrangements for the Directors, members of the KMP and the balance of the CEO's direct reports and makes recommendations to the Board of Directors for discussion and final approval. The RPC is made up of three Non-Executive Directors. The CEO, CFO and the Vice President and Global Head of People & Culture attend meetings as required at the invitation of the Committee Chair.

The RPC assesses the appropriateness and effectiveness of remuneration policies for Directors and Officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and executive team. Full responsibilities of the RPC are outlined in its Charter, which is available on the Mayne Pharma website.

To ensure the RPC is fully informed when making remuneration decisions it seeks advice from the Company's Vice President and Global Head of People & Culture as well as specialist advice from external remuneration advisers. No remuneration recommendations (as defined under the Corporations Act 2001) were made during the year.

Remuneration Policy

Primarily, the Board links the nature and amount of KMP and other senior executives' remuneration to the Company's financial and operational performance. Given the nature of the industry and the markets in which the Company operates the review of performance can also give regard to elements such as the commercialisation of the Company's projects, progress with business development activities, relationships with sales and marketing partners, and other collaborations.

Remuneration elements include fixed annual remuneration (FAR), short-term incentives (STI) and long-term incentives (LTI). Both FAR and total remuneration are benchmarked to ensure market competitiveness. As a result of this structure, a stronger proportion of total remuneration has been in the form of performance-based incentives which is aligned to shareholders' interests.

Remuneration paid to the Company's Directors and senior executives is determined with reference to the market level of remuneration for other listed development, pharmaceutical and manufacturing companies in the US and Australia. Specific roles are also benchmarked against similar roles in other listed companies with similar market capitalisation to Mayne Pharma. This assessment is undertaken with reference to published information provided by various executive search firms operating in the sector and by reference to the competitive environment.

Corporate governance policies related to remuneration

Mayne Pharma's remuneration framework is supported by several corporate governance policies related to remuneration, including the following:

Securities Trading Policy: Mayne Pharma's Securities Trading Policy applies to all Directors, KMP and other employees of the Group. The policy sets out the insider trading laws that all Directors and employees must comply with, and specific trading restrictions that KMP must comply with, such as obtaining approval prior to trading in Mayne Pharma securities and not trading within blackout periods, other than with approval in exceptional circumstances, as set out in the policy.

Minimum Shareholding Policy for NEDs: In FY18, the Board introduced a minimum shareholding policy for Non-Executive Directors. The policy outlines an expectation that Non-Executive Directors will accumulate at least 1x base remuneration in Mayne Pharma shares within the first three years following their appointment. The Board believes this will ensure close alignment between Non-Executive Directors and shareholders over the long term, particularly for new appointees.

3. FY25 EXECUTIVE KMP REMUNERATION AT A GLANCE

Below is the remuneration detail of the CEO and CFO for FY25. The CEO and CFO have been paid in US dollars as they are both resident in the United States. These amounts have been converted to Australian dollars based on an average FX rate for disclosure purposes within this report.

Fixed annual remuneration for the CEO was not increased during FY25 however the CEO's living away from home allowance was renegotiated and extended. The CFO's fixed annual remuneration was increased by 5.8% during FY25.

CEO	• Fixed remuneration US$630,000 • Short-term incentive. Value up to 50% of FAR at target (stretch goal 60% of FAR) • A long-term incentive grant of 150% of FAR • No LTIs were eligible for vesting during FY25 • Living away from home - capped at US$6,000 per month (after tax) which includes housing and the balance paid as an allowance up to the cap
CFO	• Fixed remuneration US$500,000 • Short-term incentive. Value up to 50% of FAR at target (stretch goal 60% of FAR) • A long-term incentive grant of 100% of FAR • No LTIs were eligible for vesting during FY25

4. ELEMENTS OF EXECUTIVE KMP REMUNERATION

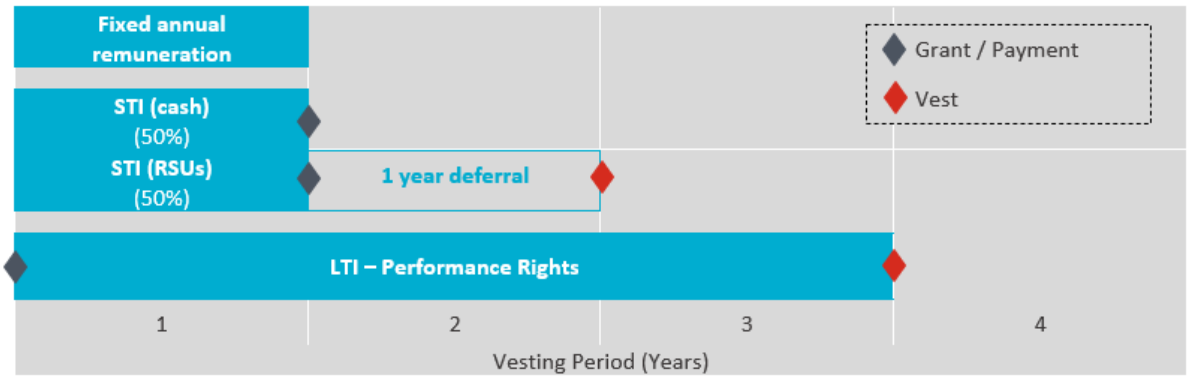
Executive KMP remuneration is delivered through the following elements:

- Fixed remuneration, comprising a base remuneration package which includes salary and employer contributions to superannuation funds; and
- Performance-linked remuneration comprised of an STI which is designed to incentivise the achievement of short-term goals, and an LTI which rewards sustained value creation for our shareholders.

	Fixed elements	Performance-linked elements	
	Fixed Annual Remuneration (FAR)	**Short-Term Incentive (STI)**	**Long Term Incentive (LTI)**
Purpose	Attract, retain and engage talent to deliver Mayne Pharma's strategy.	Reward performance against annual business and personal goals	Alignment to longer term performance of Mayne Pharma, ensuring key executives of Mayne Pharma are focussed on long-term growth of shareholder value.
Structure	Cash – salary (includes employer contributions to superannuation funds)	50% delivered as cash 50% delivered as deferred equity (RSUs)	Performance rights
Approach	Paid throughout the year. Fixed remuneration levels for KMP and other senior executives are reviewed annually by the Board through a process that considers personal development, achievement of key performance objectives for the year, internal relativities, industry benchmarks wherever possible and CPI data. In determining fixed remuneration, the Board has considered the scale and complexity of the operations of Mayne Pharma, and the remuneration paid to comparable roles in other listed pharmaceutical marketing and manufacturing companies in Australia and the US. Specific roles are also benchmarked against similar roles in other listed companies with similar market capitalisation to Mayne Pharma, both in Australia and the US.	Paid annually. Delivered as part cash, part deferred equity (RSUs). The actual amount of STI paid is subject to achievement of specific goals set at the beginning of the fiscal year and overall individual performance in the role. Fifty percent of any payment made under the STI program will be made in cash, payable within 90 days of the completion of the fiscal year. Fifty percent will be made in the form of an equity instrument (RSUs) that will vest on 1 September the following year, subject to continued employment with the Company. The actual value the participant receives in relation to the RSUs is linked to the share price at the date of exercise. Both the cash and equity award portions of the short-term incentive program require that the KMP be an employee in good standing at the time of payment or share vesting.	Delivered as equity (performance rights) through award of annual grants under the Performance Rights and Option Plan (PROP). Vesting of performance rights is based on the absolute Total Shareholder Return (TSR) measured over the relevant vesting period, 20% vesting if a TSR Compound Annual Growth Rate (CAGR) of 8% is achieved, rising to 100% vesting for achievement of a TSR CAGR of 15%. Vesting occurs on a straight-line basis for performance between these two points. For the FY25 grants, the base test price used to determine vesting was set based on the average of the daily VWAP for the 5 days prior to and 5 days following: (a) release of FY25 results (in the case of the CFO) and (b) the AGM (in the case of the CEO). The actual value the participant receives in relation to the performance rights is linked to the share price at the date of exercise.

Overview of KMP remuneration elements

The three elements of remuneration are outlined below:



Details of the relevant opportunities under the performance-based remuneration for executive KMP in FY25 are as follows (all percentages of base salary)

	STI			LTI (face value)	Total Variable	
	Threshold	Target	Stretch		Target	Stretch
Chief Executive Officer	35%	50%	60%	150%	200%	210%
Chief Financial Officer	35%	50%	60%	100%	150%	160%

Short-Term Incentive (STI)

Set out below is an overview of the STI framework.

STI Feature	Description	Rationale
Overview	Short-term incentive with a deferred element comprised of RSUs.	The overall structure (fixed remuneration, STI and LTI) is simple, and aligns with market practice both in Australia and the US.
Instrument	50% cash 50% RSUs (deferred for 12 months subject to service only)	Incorporating a deferred component provides a retention element to the STI such that there is a minimum requirement to stay for an additional year to receive the benefit. Providing a component of the STI in equity provides further alignment to shareholders, as the value received by the KMP as a result of the RSUs tracking against the Company's share price.
Performance period	1 year	A one year period allows the Board to set annual goals.
Performance / vesting conditions	Targets determined at the commencement of each performance year, making up a balanced scorecard of: • Group Financial goals, and • Strategic goals Performance against targets is measured at the end of each performance year, and ranked against a threshold, target and stretch goal. Performance against personal objectives is also taken into consideration when determining STI payout. The deferred component will vest if the KMP remains in that role for 12 months after the RSUs are issued (subject to the leaver treatment outlined below).	The balanced scorecard ensures that the KMP have an obligation to focus on both financial and strategic goals (such as internal business processes) to continuously improve both strategic performance and results. The actual value received by the KMP in relation to the deferred component is linked to the share price at the date of exercise.
Leaver treatment	"Good Leavers" (being individuals that retire after at least 3 years of working for the Company and are at least 55 years of age, are made redundant, are terminated without cause, resign after 7 years and do not work for a competitor or leave due to severe illness or death) are entitled to retain all vested LTI, plus a portion of any unvested LTI (calculated by reference to the portion of the vesting period that has elapsed at the date of departure). In other circumstances, the RSUs are forfeited.	The deferred component of the STI is intended to provide a retention component, but for individuals that leave in "good leaver" circumstances, the Board has determined that they should not have to forfeit all of their deferred STI component.

In determining the STI payout for FY25, the Board considered performance against the Financial and Strategic targets set at the beginning of the fiscal year, along with performance against personal goals.

Individual STI payments are determined as follows:

STI = FAR x Target STI % x Individual Performance x Company Multiplier

As a result of FY25 performance against Financial and Strategic goals, the Company Multiplier was determined to be 0%. This number is used to adjust all STI awards paid to eligible employees across the Company.

Long-term Incentive (LTI)

Remuneration packages for KMP and senior executives include an entitlement to long-term incentives through the award of annual grants. The incentives received by participants under the LTI are linked to the long-term success of the Company. KMP and senior executives are granted Performance Rights under the Company's Performance Rights and Option Plan (PROP). Performance Rights give participants an interest in the value of underlying shares, subject to the satisfaction of vesting conditions. Participants do not have any voting rights or rights to dividends paid on shares while the participant holds a Performance Right.

The base test price for Performance Rights is determined by the average of the daily VWAP over 10 days around the base test date. The base test date for FY25 was September 1, 2024. The CEO participates in the LTI at 150% of FAR while the CFO participates at 100% of FAR.

The vesting condition is based on absolute Total Shareholder Return (TSR) Compound Annual Growth Rate (CAGR) measured over the relevant vesting period.

- 20% vesting if a TSR CAGR of 8% is achieved
- 100% vesting if a TSR CAGR of 15% is achieved
- Vesting occurs on a straight-line basis for performance between these two points.

Required growth rates for vesting

The table below illustrates the required growth rates at a TSR CAGR of 8% pa and a TSR CAGR of 15% for the FY25 grant which would represent 20% vesting and 100% vesting respectively:

	Absolute TSR CAGR	**Vesting**	**Performance required at testing date (~3 years after grant)**
Threshold performance	TSR CAGR 8%	20% vesting	TSR +26% from base year
Target performance	TSR CAGR 15%	100% vesting	TSR +52% from base year

Hedging of equity awards

The Company prohibits KMP from entering into arrangements to protect the value of unvested equity awards. The prohibition includes entering into contracts to hedge their exposure to options or ESLS shares awarded as part of their remuneration package.

5. GROUP PERFORMANCE

In considering the Group's performance, the Board has regard to a broad range of factors primarily related to financial and operational performance. Given the nature of the industry and the markets in which the Company operates the review of performance can also give regard to elements such as the commercialisation of the Company's projects, progress with business development activities, relationships with sales and marketing partners, and other collaborations.

The following table outlines key statistics reported by the Company over the last five years to 30 June 2025 (EPS adjusted for the 20:1 consolidation):

	2025 [1]	**2024** [1]	**2023** [1]	**2022** [1]	**2021**
Total revenue ($000)	408,095	388,399	183,586	157,147	400,781
NPAT ($000) attributable to Mayne Pharma shareholders	(93,836)	(174,233)	(317,443)	(220,088)	(208,423)
Basic EPS (post consolidation basis)	($1.19)	($2.19)	($3.86)	($2.55)	($2.65)
Share price (30 June) (post consolidation basis)	$5.00	$4.71	$4.40	$5.00	$6.40
Dividends per share (cents) (post consolidation basis)	-	-	54 cents	-	-

1. 2025, 2024, 2023 & 2022 values are based on continuing operations whereas 2021 includes all historical operations including disposed businesses.

As part of the Board's commitment to align remuneration with Company performance, employee performance is reviewed annually against agreed performance objectives set prior to the commencement of the financial year.

The Board (through the RPC) agrees objectives for the evaluation of the CEO. The performance of the CEO against the agreed objectives is reviewed by the Chair on behalf of the Board. The performance of the other KMP and other senior executives is reviewed by the CEO and reported to, and discussed by, the Board. Performance reviews take place shortly after the end of the financial year.

As outlined in this report, the Company has implemented a broader based LTI program for senior management. This plan places a significant percentage of remuneration at risk and more closely aligns employee remuneration with the earnings growth of the Company.

The Company has 82 (or 16.7%) current staff participating in long term incentive schemes, either through the share loan scheme or the performance rights and option program.

6. EXECUTIVE KMP REMUNERATION

A) KMP STATUTORY REMUNERATION TABLES

The following table discloses executive KMP remuneration during the year ended 30 June 2025 as required by the Corporations Act:

		SHORT-TERM BENEFITS			POST-EMPLOYMENT BENEFITS	SHARE-BASED PAYMENTS			
		SALARY $	SHORT TERM INCENTIVE $	OTHER BENEFITS[1] $	SUPER-ANNUATION $	DEFERRED STI – PERFORMANCE RIGHTS $	LTI -PERFORMANCE RIGHTS $	TOTAL $	PROPORTION RELATED TO PERFORMANCE %
Mr S O'Brien (CEO)	**2025**	**972,823**	**-**	**256,941**	**14,271**	**67,666**	**818,106**	**2,129,807**	**39.5**
	2024	959,192	168,167	226,551	11,486	137,284	559,514	2,062,193	32.1
Mr A Gray (CFO)	**2025**	**802,964**	**-**	**28,271**	**9,176**	**81,555**	**297,017**	**1,218,983**	**31.1**
	2024	719,394	183,782	24,534	17,541	144,213	216,904	1,306,369	41.7
Total	**2025**	**1,775,787**	**-**	**285,212**	**23,447**	**149,221**	**1,115,123**	**3,348,790**	
	2024	1,678,586	351,949	251,085	29,027	281,497	776,418	3,368,562	

1. Other short-term benefits include car lease payments, rental allowances, medical related payments, airfares to/from home state and other relocation costs (up to a maximum of US$75K for relocation benefits for an initial period which excluded car lease payments and medical insurance). The CEO established a residence near the Company's offices in North Carolina and spends a majority of his time there, however, his family has remained in Maryland. Relocation / travel expenses were renegotiated during FY24 with the CEO receiving on-going accommodation and travel expenses to/from his home state based on actual costs incurred capped at US$6,000 per month.
2. Mr Gray received a discretionary bonus of US$20,000 during the reporting period.
3. The CEO and CFO do not accrue annual leave or long service leave entitlements however are entitled to leave days upon request.
4. Mr O'Brien and Mr Gray salary and other benefits are paid in USD and have been translated at average fx rate of 0.6476.

Retention arrangements

At the time of and as a result of the Scheme Implementation Deed (SID) with Cosette, certain retention arrangements were put in place for a number of Mayne Pharma employees including the CEO and CFO. As at 30 June 2025 the following arrangements were in place for KMP –

Mr O'Brien is eligible to receive a retention bonus amount of US$468,750, to be paid in two equal instalments: the first to be paid at closing of the transaction and the second to be paid 6 months after closing. Each amount is available to Mr O'Brien where he remains continuously employed by Mayne Pharma and he does not resign or is not terminated by Mayne Pharma for cause prior to the relevant payment date. If Mr O'Brien's role is made redundant or terminated without cause prior to one of the payment dates, he will nonetheless be paid the full retention bonus amount.

Mr Gray is eligible to receive a retention bonus amount of US$375,000, to be paid in two equal instalments: the first to be paid at closing of the transaction and the second to be paid 6 months after closing. Each amount is available to Mr Gray where he remains continuously employed by Mayne Pharma and he does not resign or is not terminated by Mayne Pharma for cause prior to the relevant payment date. If Mr Gay's role is made redundant or terminated without cause prior to one of the payment dates, he will nonetheless be paid the full retention bonus amount.

These amounts are in addition to amounts Mr O'Brien and Mr Gray would receive as a result of vesting of LTI and deferred STI awards which would occur on completion of the Cosette transaction.

As at 30 June 2025, the criteria for making these payments has not been met and therefore have these amounts have not been included in the above KMP remuneration table for the year ended 30 June 2025.

B) EMPLOYMENT CONTRACTS

Remuneration and other key terms of employment for the CEO and CFO are formalised in service agreements. The service agreements specify the components of remuneration, benefits, notice periods and termination provisions.

The table below provides details of the executive KMP service agreements:

NAME	TERM OF AGREEMENT	BASE SALARY[1,2]	NOTICE PERIOD	INCENTIVE ARRANGEMENTS	TERMINATION BENEFITS
Mr S O'Brien *Chief Executive Officer*	On-going commencing 1 October 2022	US$630,000	90 days	Entitlement to earn a STI based on Company performance and specific Company objectives of up to 50% of FAR at target. Entitlement to participate in LTI share plan. The value of the LTI is based on 150% of fixed remuneration.	Nil if for serious misconduct. If employment is terminated without cause, entitled to a payment equal to 12 months' pay.
Mr A Gray *Chief Financial Officer*	On-going commencing 25 July 2022	US$500,000	30 days	Entitlement to earn a STI based on Company performance and specific Company objectives of up to 50% of FAR at target. Entitlement to participate in LTI share plan. The value of the LTI is based on 100% of fixed remuneration.	Nil if for serious misconduct. If employment is terminated without cause, entitled to a payment equal to 6 months' pay. If employment is terminated due to change of control, entitled to a payment equal to 12 months' pay.

1. Base salary quoted is for a 12-month period (1 July 2024 – 30 June 2025) and is current and is reviewed annually by the Remuneration and People Committee.
2. In addition to their base salary, the CEO and CFO receive health insurance benefits (typical for US (employees). The CEO also receives other benefits. Other benefits include relocation costs which were negotiated in the prior financial year and updated during FY25. These relocation costs exclude car lease payments and medical insurance.

NON-EXECUTIVE DIRECTORS' REMUNERATION

Total remuneration for Non-Executive Directors (NED) is determined by resolution of shareholders. The maximum available aggregate cash remuneration for Non-Executive Directors of A$1,800,000 was approved at the 2018 Annual General Meeting. Non-Executive Directors do not receive retirement benefits other than a superannuation guarantee contribution required by government regulation for Australian Directors, which was 11.5% of their fees for FY25, except where a Non-Executive Director elects to have their fees paid as contributions to a superannuation fund.

NED fee arrangements are designed to appropriately compensate suitably qualified directors with appropriate experience and expertise to discharge their responsibilities. In FY25, the Board had two committees for which fees were payable. The Board reviews the fees on an annual basis with reference to market rates in Australia and the US. NEDs are also required to comply with the Minimum Shareholding Policy for NED, described above.

NED fees as at the date of this report are detailed in the table below. The amounts for Australian-based Directors include superannuation.

	Board	Audit and Risk Committee	Science, Technology and Medicine Committee	Remuneration and People Committee	Nominations Committee
Chair	US$180,000	US$22,000	US$12,000	Nil	Nil
Director	US$118,800	US$11,000	US$8,800	Nil	Nil

The above Board fees reflect the 10% reduction which was implemented with effect from the date of the 2024 AGM.

Non-Executive Directors may provide specific consulting advice to the Group upon direction from the Board. Remuneration for this work is made at market rates. No such consulting advice was provided to the Company during the year or the prior year. For the avoidance of doubt, the amounts in the table below are in Australian dollars.

	YEAR	DIRECTORS' FEES $	SUPERANNUATION $	TOTAL[1] $
Mr F Condella	**2025**	**285,339**	**-**	**285,339**
	2024	305,398	-	305,398
Mr P Blake[2]	**2025**	**205,018**	**-**	**205,018**
	2024	218,360	-	218,360
Ms A Custin[3]	**2025**	**221,713**	**-**	**221,713**
	2024	235,157	-	235,157
Mrs A Lockwood[2] [6]	**2025**	**186,169**	**21,409**	**207,578**
	2024	105,850	11,643	117,493
Dr K MacFarlane[4]	**2025**	**205,952**	**-**	**205,952**
	2024	215,835	-	215,835
Dr C Myers	**2025**	**-**	**-**	**-**
	2024	16,797	-	16,797
Mr D Petrie[2]	**2025**	**186,785**	**21,480**	**208,265**
	2024	196,272	21,590	217,862
Prof B Robinson[5]	**2025**	**188,170**	**21,640**	**209,810**
	2024	197,645	21,740	219,385
Totals	**2025**	**1,479,146**	**64,529**	**1,543,675**
	2024	1,491,314	54,973	1,546,287

1. Movements in remuneration are subject to changes in foreign exchange rates.
2. Mr Blake, Mr Petrie's and Mrs Lockwood's fees include amounts paid as members of the Audit and Risk Committee.
3. Ms Custin's fees include amounts paid as Chair of the Audit and Risk Committee.
4. Dr MacFarlane's fees include amounts paid as a member of the Science, Technology and Medical Committee.
5. Professor Robinson's fees include amounts paid as Chair of the Science, Technology and Medical Committee.
6. Mrs Lockwood was a director for part of the prior year only and was not a member of the Audit and Risk Committee in the prior year.

7. VALUE OF EQUITY INSTRUMENTS GRANTED TO KMP

Options awarded, vested, exercised and lapsed

Other than LTIs issued under the PROP as disclosed below, no KMP held options during FY25 and no options were granted to KMP or modified during the period.

Performance Rights awarded, vested, exercised, cancelled and lapsed

The number and value of outstanding performance rights granted to KMP is set out below:

	PROGRAM	GRANT DATE	EXPIRY DATE	NUMBER HELD AT 1 JULY 2024	NUMBER GRANTED DURING YEAR	NUMBER LAPSED OR CANCELLED DURING THE YEAR	NUMBER EXERCISED DURING THE YEAR	NUMBER HELD AT 30 JUNE 2025	VALUE OF OPTIONS AT GRANT DATE $	VALUE OF OPTIONS INCLUDED IN COMPENSATION FOR THE YEAR $
Mr S O'Brien	FY23 LTI	30 Nov 2022 [1]	1 Sep 2027	364,103		-	-	364,103	1,104,324	400,674
	FY24 LTI	8 Dec 2023	1 Sep 2028	266,737		-	-	266,737	764,204	279,494
	Deferred STI	8 Dec 2023	1 Sep 2026	23,816		-	(23,816)	-	124,081	-
	FY25 LTI [2]	2 Dec 2024	1 Sep 2029		301,455	-	-	301,455	630,041	137,938
	Deferred STI [3]	2 Dec 2024	1 Sep 2027		35,170	-	-	35,170	147,011	67,666
Mr A Gray	FY23 LTI	10 Mar 2023	1 Sep 2027	145,641	-	-	-	145,641	271,912	109,545
	FY24 LTI	14 Sep 2023	1 Sep 2028	168,050		-	-	168,050	247,538	83,427
	Deferred STI	14 Sep 2023	1 Sep 2026	30,009		-	(30,009)	-	123,937	-
	FY24 LTI [4]	6 Sep 2024	1 Sep 2029		159,500	-		159,500	380,567	104,045
	Deferred STI [5]	6 Sep 2024	1 Sep 2027		38,435	-		38,435	177,185	81,555
				998,356	534,560	-	(53,825)	1,479,091	3,970,801	1,264,344

1. For accounting purposes, the grant was considered to have occurred upon AGM approval for the grant although the LTI instruments were not actually allocated to Mr O'Brien until 10 March 2023 (and hence provided on a post consolidation basis) and the grant hurdle price was determined based on a VWAP determined in March 2023.
2. The fair value of the performance rights granted during the year was $3.388 each.
3. The fair value of the performance rights granted during the year was $5.36 each.
4. The fair value of the performance rights granted during the year was $2.386 each.
5. The fair value of the performance rights granted during the year was $4.61 each.

None of the outstanding awards were vested or exercisable as at 30 June 2025.

8. SHARES ISSUED TO OR HELD BY KMP

The number of shares issued to KMP on the exercise of options or performance rights during the year ended 30 June 2025 was 53,825. These related to Mr O'Brien's and Mr Gray's deferred component of their FY23 STI award.

Movements in shares

The movement during FY24 and FY25 in the number of ordinary shares in the Company held, directly, indirectly or beneficially, by each KMP including their related parties at reporting date, is as follows:

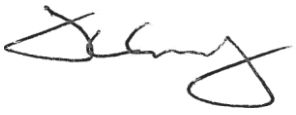
	HELD AT 30 JUNE 2023 NUMBER	OTHER CHANGES DURING FY24 NUMBER	HELD AT 30 JUNE 2024 NUMBER [1]	OTHER CHANGES DURING FY25 NUMBER	HELD AT 30 JUNE 2025 NUMBER [1]
Directors					
Mr F Condella	58,775	7,154	65,929	-	65,929
Mr S O'Brien	-	37,041	37,041	23,816	60,857
Mr P Blake	22,097	-	22,097	-	22,097
Ms A Custin	9,075	12,287	21,362	-	21,362
Mrs A Lockwood	-	-	-	-	-
Dr K Macfarlane	20,000	18,000	38,000	-	38,000
Mr D Petrie	-	-	-	-	-
Prof B Robinson	31,745	-	31,745	(15,102) [1]	16,642
	141,692	**74,482**	**216,174**	**8,714**	**224,887**
Other KMP					
Mr A Gray	13,300	38,382	51,682	30,009	81,691
Total KMP	**154,992**	**112,864**	**267,856**	**38,723**	**306,578**

1. The reduction in shares held by Professor Robinson occurred in February 2022 but was not notified to ASX until May 2025.

This concludes the remuneration report which has been audited.

This Directors' Report is signed in accordance with a resolution of the Directors.

Dated at Melbourne, Australia this 29th day of August 2025.



Mr Frank Condella
Chair

Mr Shawn Patrick O'Brien
Managing Director and CEO

AUDITOR'S INDEPENDENCE DECLARATION

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

As lead auditor of Mayne Pharma Group Limited for the year ended 30 June 2025, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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, 29 August 2025

CORPORATE GOVERNANCE WEBSITE

Important information relating to the Company's corporate governance policies and practices are set out on the Company's website at http://www.maynepharma.com/investor-relations/corporate-governance.

The Company has adopted the ASX Corporate Governance Council 4th Edition Corporate Governance Principles and Recommendations. The recommendations allow companies to publish Corporate Governance information on their websites rather than include the information in the Annual Report.

The following documents are available on the Mayne Pharma website:

- Corporate Governance Statement
- Anti-bribery & Anti-corruption Policy
- Audit & Risk Committee Charter
- Board Charter
- Business Code of Conduct
- Diversity Policy
- Market Disclosure Policy
- Misconduct & Whistleblowing Policy
- Modern Slavery Report
- Nomination Committee Charter
- Remuneration & People Committee Charter
- Science, Technology & Medical Committee Charter
- Securities Trading Policy
- Supplier Code of Conduct

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2025

	NOTE	CONSOLIDATED 2025 $'000	2024 $'000
Revenue from contracts with customers			
Sale of goods		364,154	351,826
Services revenue		42,356	35,263
License fee revenue		365	247
Royalties revenue		1,220	1,063
Revenue	2	**408,095**	**388,399**
Cost of sales and services	4	(160,821)	(169,624)
Gross profit		**247,274**	**218,775**
Interest income		4,914	7,066
Other income	3	1,724	1,668
Earn-out and deferred consideration liabilities reassessments		(16,555)	(82,671)
Research, development medical and regulatory affairs expenses		(17,909)	(20,236)
Marketing and distribution expenses		(136,849)	(130,697)
Administration expenses and other expenses	4	(128,567)	(147,896)
Finance expenses - other	4	(5,011)	(4,702)
Foreign exchanges gains /(losses) related to financing activities	4	2,474	(1,095)
Finance expenses – related to earn-outs and deferred consideration liabilities discount unwind	4	(34,791)	(30,299)
Profit / (loss) before income tax		**(83,296)**	**(190,087)**
Income tax credit / (expense)	5	(6,775)	21,468
Net profit / (loss) from continuing operations after income tax		**(90,071)**	**(168,619)**
Discontinued operations			
Net profit / (loss) from discontinued operations after income tax	6	(3,765)	(5,614)
Net profit / (loss) for the period attributable to equity holders of the Parent		**(93,836)**	**(174,233)**
Other comprehensive income/(loss) for the period, net of tax			
Items that may be reclassified to profit or loss in future periods			
Exchange differences on translation		6,577	1,064
Income tax effect		(777)	(162)
Total comprehensive income / (loss) for the period attributable to equity holders of the Parent		**(88,036)**	**(173,331)**
Basic earnings per share	7	($1.19)	($2.19)
Diluted earnings per share	7	($1.19)	($2.19)
Earnings per share from continuing operations:			
Basic earnings (loss) per share from continuing operations	7	($1.14)	($2.12)
Diluted earnings (loss) per share from continuing operations	7	($1.14)	($2.12)

This statement is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	NOTE	CONSOLIDATED 2025 $'000	2024 $'000
Current assets			
Cash and cash equivalents	22	59,839	110,068
Trade and other receivables	8	180,643	193,222
Inventories	9	50,561	74,629
Income tax receivable		1,257	14,455
Other financial assets	10	42,934	41,530
Other current assets	11	17,558	26,689
Total current assets		**352,792**	**460,593**
Non-current assets			
Other non-current assets	11	15,409	15,337
Property, plant and equipment	12	53,142	46,694
Right-of-use assets	13	5,727	6,632
Deferred tax assets	5	41,764	45,341
Intangible assets	14	545,771	568,580
Total non-current assets		**661,813**	**682,584**
Total assets		**1,014,605**	**1,143,177**
Current liabilities			
Trade and other payables	15	174,304	244,548
Interest-bearing loans and borrowings	16	38,616	35,461
Other financial liabilities	17	37,657	49,446
Provisions	18	10,434	16,124
Total current liabilities		**261,011**	**345,579**
Non-current liabilities			
Interest-bearing loans and borrowings	16	2,655	3,360
Other financial liabilities	17	371,404	332,374
Deferred tax liabilities	5	8,795	7,352
Provisions	18	457	325
Total non-current liabilities		**383,311**	**343,410**
Total liabilities		**644,322**	**688,989**
Net assets		**370,283**	**454,188**
Equity			
Contributed equity	19	1,225,979	1,224,224
Reserves	20	185,286	173,967
Accumulated losses	21	(1,040,982)	(944,003)
Total equity		**370,283**	**454,188**

This statement is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2025

	NOTE	CONSOLIDATED 2025 $'000	2024 $'000
Cash flows from operating activities			
Receipts from customers		731,979	751,267
Payments to suppliers and employees		(694,476)	(766,455)
Tax refund / (paid)		13,212	(112)
Net operating cash flows before Class Action settlement		50,715	(15,300)
Class Action settlement (net of insurance)		(33,246)	-
Net cash flows from / (used in) operating activities	22	**17,469**	**(15,300)**
Cash flows from investing activities			
Payments for property, plant and equipment		(12,276)	(7,950)
Receipt of government grant relating to plant and equipment		1,200	--
Payments for intangible assets		(16,489)	(12,912)
Payments for capitalised development costs		(224)	-
Earn-out and deferred settlement payments		(39,773)	(21,811)
Investment marketable securities		(512)	-
Redemption of marketable securities		-	89,268
Net proceeds from the sale of the Retail Generics business	6	-	6,854
Net cash flows (used in) / from investing activities		**(68,073)**	**53,449**
Cash flows from financing activities			
Lease payments		(3,846)	(3,717)
Repayment of borrowings receivables facility		-	(10,948)
On market share buy-back		-	(10,932)
Interest received		4,914	7,066
Interest paid		(1,475)	(1,319)
Taxes paid relating to RSU's vesting		(148)	-
Net cash flows (used in) financing activities		**(556)**	**(19,850)**
Net (decrease) / increase in cash and cash equivalents		**(51,160)**	**18,299**
Cash and cash equivalents at the beginning of the period		110,068	92,616
Effect of exchange rate fluctuations on cash held		931	(847)
Cash at the end of the period	**22**	**59,839**	**110,068**

This statement is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2025

	CONTRIBUTED EQUITY	SHARE-BASED PAYMENTS 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	-	-	-	-	(93,836)	(93,836)
Other comprehensive income						
Foreign exchange differences (net of tax)	-	-	5,800	-	-	5,800
Total comprehensive income for the period	**-**	**-**	**5,800**	**-**	**(93,836)**	**(88,036)**
Transactions with owners in their capacity as owners						
Transfer to / from reserves	-	-	-	3,143	(3,143)	--
Tax effect of employee performance rights	324	-	-	-	-	324
Taxes paid relating to RSU's vesting	(148)	-	-	-	-	(148)
Share-based payments	-	3,956	-	-	-	3,956
Share options / performance rights exercised	1,579	(1,579)	-	-	-	--
Balance at 30 June 2025	**1,225,979**	**60,960**	**124,326**	**-**	**(1,040,982)**	**370,283**
Balance at 1 July 2023	**1,233,692**	**55,957**	**117,624**	**(3,143)**	**(769,770)**	**634,360**
Profit/(loss) for the period	-	-	-	-	(174,233)	(174,233)
Other comprehensive income						
Foreign exchange differences (net of tax)	-	-	902	-	-	902
Total comprehensive income for the period	**-**	**-**	**902**	**-**	**(174,233)**	**(173,331)**
Transactions with owners in their capacity as owners						
On-market share buy-back	(10,932)	-	-	-	-	(10,932)
Share-based payments	-	4,091	-	-	-	4,091
Share options / performance rights exercised	1,464	(1,464)	-	-	-	--
Balance at 30 June 2024	**1,224,224**	**58,584**	**118,526**	**(3,143)**	**(944,003)**	**454,188**

This statement is to be read in conjunction with the accompanying notes.

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NOTE 1 – ABOUT THIS REPORT

Mayne Pharma Group Limited is a company limited by shares incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange. The financial report for the year ended 30 June 2025 was authorised for issue by the Directors on 29 August 2025.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

A. Basis of preparation

These financial statements are general purpose financial statements which have been prepared for a "for-profit" enterprise and in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on a historical cost basis except for certain financial instruments which have been measured at fair value.

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance the Corporations Act 2001. It includes certain information for each entity that was part of the consolidated entity at the end of the financial year.

The financial report is presented in Australian dollars and rounded to the nearest thousand dollars ($'000) (unless otherwise stated) in accordance with ASIC Legislative Instrument 2016/191.

Changes in presentation

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

B. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses if it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets and liabilities of the subsidiary;
- De-recognises the carrying amount of any non-controlling interests;
- De-recognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

C. Foreign currency

The Group's consolidated financial statements are presented in Australian dollars, which is also the parent's functional currency. The Group determines the functional currency for each entity and items included in the financial statements of each entity are measured using that functional currency. The functional currency for the US subsidiaries is US dollars.

On consolidation, the assets and liabilities of foreign operations are translated into Australian dollars at the rate of exchange prevailing at the reporting date and their income statements are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on

translation for consolidation are recognised in equity though Other Comprehensive Income. On disposal of a foreign operation, the component of equity relating to that foreign operation is reclassified to profit or loss as part of the gain or loss on sale.

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss except monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

In substance, the Group's net investment in a foreign operation includes loans advanced by the parent entity to the foreign operation where settlement of which is neither planned nor likely to occur within the foreseeable future. Exchange differences arising on such monetary items that have been assessed to form part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity. In the Group's financial statements which include the foreign operation and the reporting entity, such exchange differences are recognised initially in equity though Other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

D. Other accounting policies

Material accounting policies that outline the measurement basis used and are relevant to the understanding of the financial statements are provided throughout the notes to the financial statements.

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. Significant judgements and estimates are found in the following notes:

Note	Significant judgements and estimates
• Note 2 - Reporting Segments	Revenue recognition (determining variable consideration / 'gross to net' adjustments)
• Note 5 - Income tax	Recognition of deferred tax assets and liabilities
• Note 8 – Trade and Other Receivables	Customer charge-backs and discounts
• Note 9 - Inventories	Obsolescence and net realisable value assessment
• Note 14 - Intangible Assets	Impairment and assessment of useful lives
• Note 15 - Trade and Other Payables	Customer rebates, returns and loyalty programs
• Note 16 – Interest Bearing Loans and Borrowings	Assessment of derivative component of convertible notes
• Note 17 - Other Financial Liabilities	Fair value of derivative, earn-out and deferred consideration liabilities
• Note 18 - Provisions	Best estimates of expenditure to be settled
• Note 27 - Share-Based Payment Plans	Fair value of equity instruments

NOTE 2 – REPORTING SEGMENTS

A reporting segment (which is also an operating segment) is a component of the Group:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);
- whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the reporting segment and assess its performance; and
- for which discrete financial information is available.

The Group is organised into reporting segments which are based on products and services delivered and geographical markets.

Reporting segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, a reporting segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

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

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

The Consolidated Entity operates in three operating segments, being Women's Health (formerly BPD), Dermatology (formerly PPD) and International. During FY23, the Consolidated Entity sold the MCS segment and the Retail Generics business and has therefore included MCS and Retail Generics in discontinued operations (refer Note 6). The Retail Generics business was previously reported as part of the Portfolio Products Division (PPD) segment which also included Dermatology. Following the Retail Generics sale, the segment is now Dermatology. The comparatives reflect the new segments.

Dermatology

The Dermatology division distributes established dermatology products in the US on a portfolio basis.

Women's Health

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

International

International's revenue and gross profit are derived principally from the Australian manufacture and sale of branded and generic pharmaceutical products globally (ex-US) and the provision of contract development and manufacturing services to third party customers.

The Consolidated Entity reports the following information on the operations of its identified reporting segments:

	Women's Health $'000	Dermatology $'000	International $'000	TOTAL $'000
Year ended 30 June 2025				
Sale of goods	178,367	154,085	31,702	364,154
Services revenue	-	-	42,356	42,356
License fee revenue	-	-	365	365
Royalty revenue	-	-	1,220	1,220
Revenue	178,367	154,085	75,643	408,095
Cost of sales and services	(35,463)	(71,248)	(54,110)	(160,821)
Gross profit	142,904	82,837	21,533	247,274
Direct operating expenses	(80,898)	(42,592)	(14,092) [1]	(137,582)
Direct contribution	62,006	40,245	7,441	109,692
Other income				1,724
Earn-out and deferred consideration liabilities reassessments				(16,555)
Amortisation of intangible assets				(61,001)
Research, development medical and regulatory affairs expenses				(17,909)
Restructure, diligence and transaction related costs				(10,137)
Finance expenses (net of interest income)				(32,414)
Other expenses unallocated				(56,696)
(Loss) / Profit before income tax				(83,296)
Income tax expense				(6,775)
Net (Loss) / Profit for the period - continuing operations				(90,071)

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

The three largest customers contributed $101.0m to group revenue for the year ended 30 June 2025.

Approximately 30% of the Group's 2025 revenue (2024: 31%) was derived from the three largest customers which is not unusual for operations in the US pharmaceutical market where most of the branded and generic sales are made to a small number of key wholesale and retail organisations. These three customers trade with both the Dermatology and Women's Health segments. The two largest customers contribute approximately 12% and 10% of the Group revenue.

	Women's Health $'000	Dermatology $'000	International $'000	TOTAL $'000
Year ended 30 June 2024				
Sale of goods	142,827	174,858	34,140	351,826
Services revenue	-	-	35,263	35,263
License fee revenue	-	-	247	247
Royalty revenue	-	-	1,063	1,063
Revenue	142,827	174,858	70,713	388,399
Cost of sales and services	(29,367)	(90,923)	(49,332)	(169,624)
Gross profit	113,458	83,935	21,382	218,775
Direct operating expenses	(78,236)	(39,628)	(12,376) [1]	(130,240)
Direct contribution	35,222	44,307	9,006	88,535
Other income				1,668
Earn-out and deferred consideration liabilities reassessments				(82,671)
Amortisation of intangible assets				(59,660)
Research, development medical and regulatory affairs expenses				(20,236)
Restructure expenses and doubtful debt				(886)
Finance expenses (net of interest income)				(29,030)
Class Action settlement				(33,246)
Other expenses unallocated				(54,561)
(Loss) / Profit before income tax				(190,087)
Income tax expense				21,468
Net (Loss) / Profit for the period - continuing operations				(168,619)

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

Geographical information

Revenue from external customers	2025 $'000	2024 $'000
Australia and New Zealand	41,935	40,335
United States	338,850	322,129
Canada	19,769	13,365
Europe and other	4,691	7,130
Asia	2,850	5,440
Total external revenue	408,095	388,399

Revenue from customer contracts	2025 $'000	2024 $'000
Recognised at a point in time	365,739	353,136
Recognised over time	42,356	35,263
Total revenue from customer contracts	408,095	388,399

Non-current assets	2025 $'000	2024 $'000
Australia	70,519	69,379
United States	528,394	545,895
Total non-current assets	598,913	615,274

Non-current assets for this purpose consist of property, plant and equipment and intangible assets.

Product information

Revenue by product group/service	2025 $'000	2024 $'000
Third party contract services and manufacturing	42,356	35,263
Dermatology and women's health products	364,154	351,826
Other revenue	1,585	1,310
Total external revenue	408,095	388,399

Revenue recognition and measurement

The Group accounting policy for revenue recognition is as follows:

Sale of goods

The Group receives revenue for the supply of goods to customers against orders received. The contracts that Mayne Pharma enters into relate to sales orders containing single performance obligations for the delivery of pharmaceutical products. The average duration of the sales order is less than 12 months.

Product revenue is recognised when control of the goods is passed to the customer. The point at which control passes is determined by each customer arrangement but generally occurs on delivery to the customer.

Product revenue represents net sales value including variable consideration. The variable consideration is estimated at contract inception under the 'expected value method'. Variable consideration arises on the sale of goods as a result of discounts and allowances as well as accruals for estimated returns, rebates, chargebacks and government health care deductions (described further below). The methodology and assumptions used to estimate these variable considerations are monitored and adjusted regularly considering contractual and legal obligations, historical trends, past experience and market conditions. Revenue is not recognised in full until it is highly probable that a significant reversal in the amount of cumulative revenue

recognised will not occur. Amounts expected to be settled via credits are shown net of trade receivables while amounts expected to be settled by payments are shown as accruals.

Variable consideration

Consistent with pharmaceutical industry practices, Mayne Pharma's sales (and therefore revenue recognition) are subject to various deductions which are primarily composed of rebates and discounts to retail customers, government agencies, wholesalers, health insurance companies and managed healthcare organisations (collectively referred to as 'Gross to Net' adjustments within the industry). These deductions represent estimates of the related obligations, requiring use of judgement when estimating the effect of variable consideration for a reporting period. These adjustments are deducted to determine reported revenue.

The following summarises the nature of some of these deductions and how the deductions are estimated. After recording these, net sales represent the Group's best estimate of the cash that it expects to ultimately collect. The US market has the most complex arrangements related to revenue deductions.

US specific healthcare plans and program rebates

The United States Medicaid Drug Rebate Program is a partnership between Centers for Medicare and Medicaid Services (CMS), State Medicaid Agencies, and participating drug manufacturers that helps to offset the Federal and State costs of most outpatient drugs dispensed to Medicaid patients. Calculating the rebates to be paid related to this program involves interpreting relevant regulations, which are subject to challenge or change in interpretative guidance by government authorities. Accruals for estimating Medicaid rebates are calculated using a combination of historical experience, product and population growth, product pricing and the mix of contracts and specific terms in the individual State agreements. The United States Federal Medicare Program aids Medicare eligible recipients by funding healthcare benefits to individuals aged 65 or older and those with certain disabilities, providing prescription drug benefits under Part D section of the program. This Part D benefit is provided and administered through private prescription drug plans. Accruals for estimating Medicare Part D rebates are calculated based on the terms of individual plan agreements, product sales and population growth, product pricing and the mix of contracts. We offer rebates to key managed healthcare and private plans to sustain and increase sales of our products. These programs provide a rebate after the plans have demonstrated they have met all terms and conditions set forth in their contract with the Group. These rebates are estimated based on the terms of individual agreements, historical experience, product pricing, and projected product growth rates. These accruals are adjusted based on established processes and experiences from filing data with individual states and plans. There is often a time lag of several months between the Group recording the revenue deductions and the final accounting for them.

Non-healthcare plans and program charge-backs, rebates, returns and other deductions

The Group offers rebates to purchasing organisations and other direct and indirect customers to sustain and increase market share for products. Since rebates are contractually agreed upon, the related provisions are estimated based on the terms of the individual agreements, historical experience, and projected product growth rates.

Managed care rebates are offered to purchasing organizations, health insurance companies, managed healthcare organizations, and other direct and indirect customers to sustain and increase market share, and to ensure patient access to the Group's products. The provisions for managed care rebates are estimated using a combination of factors such as contractual terms, historical experience and patient demand. The provisions are recorded in the same period that the corresponding revenues are recognized and paid in a subsequent period.

Charge-backs occur where the Group has arrangements with indirect customers to sell products at prices that are lower than the price charged to wholesalers. A charge-back represents the difference between the invoice price to the wholesaler and the indirect customer's contract price. The Group accounts for vendor charge-backs by reducing revenue for the estimate of charge-backs attributable to a sales transaction. Provisions for estimated charge-backs are calculated using a combination of factors such as historical experience, product growth rates, payments, product pricing, level of inventory in the distribution channel and the terms of individual agreements.

When a product is sold providing a customer the right to return, the Group records a provision for estimated sales returns based on sales return policy and historical return rates. Other factors considered include actual product recalls, expected marketplace changes, the remaining shelf life of the product, and the expected entry of generic products. No value for returned inventory is recognised as all returned inventory is destroyed.

The Group offers cash discounts to customers to encourage prompt payment. Cash discounts are estimated and accrued at the time of invoicing and are deducted from revenue. Other sales discounts, such as co-pay discount cards, are offered in some markets. The estimated amounts of these discounts are recorded at the time of sale and are estimated utilising historical experience and the specific terms for each program. If a discount for a probable future transaction is offered as part of a sales transaction, then an appropriate portion of revenue is deferred to cover this estimated obligation.

The accruals are adjusted periodically to reflect actual experience. To evaluate the adequacy of accrual balances, the Group uses internal and external estimates of the inventory in transit, the level of inventory in the distribution and retail channels, actual claims data received and the time lag for processing rebate claims. External data sources include reports from wholesalers.

Following a decrease in the price of a product, the Group generally grants customers a "shelf-stock adjustment" for their existing inventory for the relevant product. Accruals for shelf stock adjustment are determined at the time of the price decline, or at the point of sale if the impact of a price decline on the products sold can be reasonably estimated based on the customer's inventory levels of the relevant product.

Product return allowances are calculated for products that may be returned due to expiration dates or recalls. The Group and its distribution partners do not expect any significant product returns that are not adequately covered by the reserve amounts calculated and recorded by the distribution partners.

Services revenue

Services revenue relates to commercial manufacturing, development and analytical services for third parties. These contracts give rise to fixed and variable consideration from upfront payments and development milestones.

Commercial manufacturing services contain performance obligations that are satisfied over time and are generally measured using the output method based on units produced. Under this method, revenue is recognised at the time that the product manufacture has been completed and it has passed through quality assurance reviews. This method reflects a reasonable approximation of the progress of satisfying the performance obligation based on the production time from commencing manufacturing to completion. Once a product passes through quality assurance, it has been verified that the product was manufactured in accordance with specified processes and controls, therefore, it is unlikely that the product would contain significant non-conformities.

Pharmaceutical development and analytical services performance obligations are satisfied over time and measured using the output method based on the type of work being performed. Development and analytical services are based on specific milestones and customer contracts include an enforceable right to payment for performance completed to date. Examples of output measures include completion of formulation report, analytical and stability testing or clinical batch production reports.

The Company has applied the practical expedient method as permitted by the accounting standard as performance obligations have an expected duration of one year or less.

Interest income

Income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest revenue over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

NOTE 3 – OTHER INCOME

	2025 $'000	2024 $'000
Rental from excess office space	310	290
Other income – transitional services	-	815
Foreign exchange gain	-	563
Other	1,414	-
	1,724	1,668

NOTE 4 – EXPENSES

	2025 $'000	2024 $'000
Finance expenses		
Interest expense – includes convertible notes	1,056	1,043
Interest expense – right-of-use asset leases	443	500
Amortisation of borrowing costs	3,512	3,159
	5,011	4,702
Change in fair value attributable to the unwinding of the discounting of the earn-out and deferred consideration liabilities[1]	34,791	30,299
Foreign exchange losses relating to funding activities including earn-outs and deferred consideration liabilities	(2,474)	1,095
Total finance expense	37,328	36,096
Depreciation right-of-use assets	3,594	3,809
Depreciation of property, plant and equipment	4,671	4,990
Total Depreciation	8,265	8,799
Cost of sales include the following:		
Inventory provision for obsolescence and net realisable value adjustments	1,899	4,309
Employee benefits expense[2]		
Wages and salaries	87,538	91,586
Superannuation expense	5,138	4,890
Other employee benefits expense	5,174	4,399
Share-based payments (refer Note 27)	3,956	4,091
Total employee benefits	101,806	104,966
Administration and other expenses include the following:		
Drug pricing investigations and related litigation costs	3,535	1,331
Share-based payments expense	3,956	4,091
Restructuring and business turnaround expenses	1,625	886
Class Action Settlement	-	33,246
Diligence and transaction costs including litigation costs related to the Cosette scheme	8,512	-
Mark to market of derivative related to convertible note	(1,675)	(2,754)
Amortisation of intangible assets	61,001	59,660
Foreign exchange losses	349	-
All other administration and other expenses	51,264	51,436
Total administration and other expenses	128,567	147,896

Notes: 1. The unwinding of the discount relates to all earn-out and deferred consideration liabilities.
2. Employee benefit expense is included in various expense categories and cost of sales.

NOTE 5 – INCOME TAX

A. The major components of income tax expense are:

	2025 $'000	2024 $'000
Income tax benefit / (expense)		
Current income tax	(506)	(1,784)
Adjustment in respect of current income tax of previous years	(486)	1,995
Deferred income tax	(4,678)	22,866
Income tax (expense) / benefit in the consolidated statement of profit or loss and other comprehensive income	(5,670)	23,077
Deferred income tax benefit/(expense) included in income tax expense comprises		
(Decrease) / Increase in deferred tax assets	(4,824)	21,855
Decrease in deferred tax liabilities	146	1,011
	(4,678)	22,866

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

	2025 $'000	2024 $'000
The prima facie tax on operating profit differs from the income tax provided in the accounts as follows:		
Profit/(loss) before income tax	(88,167)	(197,310)
Prima facie tax benefit/(expense) at 30%	26,450	59,194
Over/(under) provision in respect of prior years	(486)	1,995
Deferred tax asset derecognition relating to US operations	(56,245)	(34,522)
Deferred tax asset adjustments	9,801	(388)
Non-deductible expenses for tax purposes		
Share-based payments	(386)	(345)
Amortisation intangibles	(1,955)	(1,850)
Other non-deductible expenses	117	331
Effect of different tax rate in US compared to Australia	(9,586)	(17,180)
US state taxes	5,820	6,893
Restatement of DTA & DTL re US state tax rate changes	20,800	8,949
Income tax (expense) / benefit	(5,670)	23,077
Income tax (expense) / benefit from continuing operations	(6,775)	21,468
Income tax (expense) / benefit from discontinued operations	1,105	1,609
	(5,670)	23,077

C. Recognised deferred tax assets and liabilities

	2025 $'000	2024 $'000
Deferred tax assets		
Intangible assets	60,428	45,119
Provisions	5,776	8,291
Payables	31,487	42,135
Carry forward tax losses and R&D credits	188,001	162,247
Expenditure deferred and amortised for income tax purposes	2,043	-
Inventory	1,662	2,279
US state taxes	58,422	33,183
Property, plant and equipment	1,711	-
Other	1,062	577
Less deferred tax asset not recognised	(309,590)	(248,436)
	41,002	45,395

	2025 $'000	2024 $'000
Reconciliation to the Statement of Financial Position		
Total Deferred Tax Assets	41,002	45,395
Set-off of Deferred Tax Liabilities that are expected to reverse in the same period	762	(54)
Net Deferred Tax Assets[1]	41,764	45,341

Note: 1. Represents Australian and US Deferred Tax Assets that cannot be offset.

	2025 $'000	2024 $'000
Deferred tax asset movements		
Opening balance	45,395	23,439
Credit/(charge) to profit/loss	(4,824)	21,855
Credit/(charge) direct to equity	324	-
Restatement of foreign currency balances	108	101
Balance at 30 June	41,002	45,395

	2025 $'000	2024 $'000
Deferred tax liabilities		
Property, plant and equipment	339	387
Intangible assets	1,106	1,388
Unrealised foreign exchange gains	6,041	4,786
US state taxes	61	109
Other	486	737
	8,033	7,406
Reconciliation to the Statement of Financial Position		
Total Deferred Tax Liabilities	8,033	7,406
Set-off of Deferred Tax Assets that are expected to reverse in the same period	762	(54)
Net Deferred Tax Liabilities[1]	8,795	7,352

	2025 $'000	2024 $'000
Deferred tax liability movements		
Opening balances	7,406	8,579
Charge/(credit) to profit/loss	(146)	(1,011)
Charge/(credit) to other comprehensive income	777	(162)
Restatement of foreign currency balances	(4)	(2)
Balance at 30 June	8,033	7,406

Note: 1. Represents US Deferred Tax Liabilities that cannot be offset.

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

Determination of tax residency

Section 295 (3A) of the *Corporations Act 2001* defines tax residency as having the same meaning as the Income Tax Assessment Act 1997. The determination of tax residency involves judgment as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

Foreign tax residency

Where necessary, the consolidated entity has used independent tax advisors in foreign jurisdictions to assist in determining tax residency and ensure compliance with applicable foreign tax legislation.

Income tax and other taxes

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised. Utilisation also dependant on continuing to meet regulatory requirements.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the financial statements.

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 of $56.2m.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

The Company and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. These entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

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.

US federal corporate tax

The US legislation Tax Cuts and Jobs Act enacted in December 2017 means that Mayne Pharma's operations in the US are subject to a federal income tax rate of 21% for FY19 onwards. Income tax expense (above) for the current period relating to Mayne Pharma's US operations has therefore been determined using the federal corporate tax rate of 21%.

The DTA/DTL restatement includes changes to the blended US state corporate income tax rate which varies depending on activity and tax rates in the US states in which Mayne Pharma operates.

Tax consolidation legislation

The Company and its wholly-owned Australian controlled entities are part of an income tax consolidated group.

The Company and its controlled entities in the income tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of current taxes and deferred taxes to allocate to the members of the income tax consolidated group.

In addition to its own current and deferred tax amounts, the Company also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the income tax consolidated group.

Each company in the Group contributes to the income tax payable by the Group in proportion to their contribution to the Group's taxable income.

Assets or liabilities arising under the tax funding agreement with the income tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned income tax consolidation entities.

Significant accounting judgements

Deferred tax assets

The Group's accounting policy for taxation requires management's judgement in assessing whether deferred tax assets are recognised in the Consolidated Statement of Financial Position. Deferred tax assets, including those arising from un-recouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits and on continuing to meet regulatory requirements.

Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future revenues, operating costs, capital expenditure and other capital management transactions. Judgements are also required about the application of income tax legislation in the jurisdictions in which the Group operates and the application of the arm's length principle to related party transactions. These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may affect the carrying amount of deferred tax assets and liabilities. Any resulting adjustment to the carrying value of a deferred tax item will be recorded in the Statement of Profit or Loss and Other Comprehensive Income.

Uncertain tax positions

The Group applies significant judgement in identifying uncertainties over income tax treatments. Due to the complex multinational tax environment in which the Group operates, the Company's and the subsidiaries' tax filings in different jurisdictions include deductions related to transfer pricing and the taxation authorities may challenge those tax treatments. The Group has determined, based on its tax compliance and transfer pricing study, that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities and hence amounts are recognised within the financial statements on this basis. The Group continually monitors its position in respect of these matters.

NOTE 6 – DISCONTINUED OPERATIONS

On 4 October 2022, Mayne Pharma completed the sale of the MCS business. On 7 April 2023, Mayne Pharma completed the sale of the Retail Generics business.

The assets and liabilities disposed as part of the MCS transaction primarily comprised property, plant and equipment, deferred tax assets, goodwill and intangible assets, working capital and other operational balances.

The results of discontinued operations – MCS were as follows -

	2025 $'000	2024 $'000
Service Revenue	-	-
Cost of sales (includes depreciation)	-	-
Gross Margin	-	-
Operating expenses (includes depreciation and amortisation)	-	(121)
Operating profit before tax from discontinued operations	-	(121)
Tax expense	-	(3)
Profit after tax for the period from discontinued operations - MCS	-	(124)

	2025 $'000	2024 $'000
Estimated operating cashflow related to discontinued operations MCS (including transactions costs)	-	(357)

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 business.

The assets disposed as part of the Retail Generics transaction primarily comprised intangible assets and inventory.

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

	2025 $'000	2024 $'000
Sales Revenue	(2,833)	(2,211)
Cost of sales	(1,458)	(2,591)
Gross Margin	(4,291)	(4,802)
Operating expenses	(580)	(2,300)
Operating profit before tax from discontinued operations	(4,871)	(7,102)
Tax expense	1,106	1,612
Profit / (loss) after tax for the period from discontinued operations – Retail Generics	(3,765)	(5,490)

	2025 $'000	2024 $'000
Estimated operating cashflow related to discontinued operations Retail Generics (including transactions costs)	(7,918)	(23,075)
Investing cashflows related to discontinued operations		
Proceeds from sale of Retail generics	-	6,854
Financing activities cashflows related to discontinued operations		
Earn-out and deferred consideration liability payments	-	(3,513)

	2025 $'000	2024 $'000
Profit / (loss) after tax for the period from discontinued operations	(3,765)	(5,614)

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. Reconciliation of the majority of liabilities was completed in the second half of FY25, with 85% of any return liability fully expired. Returns liability continues to decline until Jan-27 and is expected to be negligible at this point.

NOTE 7 – EARNINGS PER SHARE

	2025	2024
Earnings per share for profit attributable to the ordinary equity holders of the Parent:		
Basic earnings per share	($1.19)	($2.19)
Diluted earnings per share	($1.19)	($2.19)
Basic earnings (loss) per share from continuing operations	($1.14)	($2.12)
Diluted earnings (loss) per share from continuing operations	($1.14)	($2.12)
Basic earnings per share discontinued operations	($0.05)	($0.07)
Diluted earnings per share discontinued operations	($0.05)	($0.07)

Basic earnings per share is calculated by dividing the profit / (loss) for the year attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the profit / (loss) for the year attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. In the current year, the potential ordinary shares are considered anti-dilutive.

The following reflects the income and share data used in the basic and diluted EPS calculations:

	2025 $'000	2024 $'000
For basic earnings per share		
Net profit / (loss) attributable to equity holders of the Company	(93,836)	(174,233)
For diluted earnings per share		
Net profit / (loss) attributable to equity holders of the Company	(93,836)	(174,233)
For basic earnings (loss) per share from continuing operations		
Net profit / (loss) from continuing operations	(90,071)	(168,619)
For diluted earnings (loss) per share from continuing operations		
Net profit / (loss) from continuing operations	(90,071)	(168,619)
For basic earnings per share from discontinued operations		
Net profit / (loss) from discontinued operations	(3,765)	(5,614)
For diluted earnings per share from discontinued operations		
Net profit / (loss) from discontinued operations	(3,765)	(5,614)

	2025 '000	2024 '000
Weighted average number of ordinary shares for basic earnings per share	79,139	79,620
Effect of dilution (based on average share price during the year):		
LTI shares, options, performance rights and convertible notes	18,953	10,465
Weighted average number of ordinary shares adjusted for the effect of dilution	98,092	90,085

Where the group has made a loss as disclosed in the income table above potentially dilutive ordinary shares are anti-dilutive and diluted EPS is calculated on the same weighted average number of shares used in the calculation of basic earnings per share.

The calculation of weighted average number of ordinary shares adjusted for the effect of dilution does not include the following LTI shares, options and performance rights which could potentially dilute basic earnings per share in the future, but were not dilutive in the periods presented (as the exercise price for loan shares or the vesting hurdle price for performance rights is greater than the average share price during the year):

	2025 '000	2024 '000
Number of potential ordinary shares	3,670	5,402

There have been no subsequent transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding at the end of the reporting period.

NOTE 8 – TRADE AND OTHER RECEIVABLES

	2025 $'000	2024 $'000
Current		
Trade receivables (net of charge-backs and discounts)	162,919	182,149
Trade receivables – profit share	2,642	2,815
Provision for impairment	(942)	(8,492)
Other receivables	16,024	16,750
	180,643	193,222

At 30 June, the ageing analysis of trade receivables is as follows:

	NOT PAST DUE NOR IMPAIRED WITHIN TERMS $'000	OVERDUE AND NOT IMPAIRED 0-30 DAYS OVERDUE $'000	OVERDUE AND NOT IMPAIRED 30+ DAYS OVERDUE $'000	TOTAL $'000
Trade receivables 30 June 2025	158,680	5,370	569	164,619
Trade receivables 30 June 2024	168,492	7,493	486	176,472

Trade and other receivables

Trade receivables are initially recognised at their invoiced amounts less adjustments for estimated revenue deductions such as charge-backs and cash discounts. The Group's trade receivables are subsequently measured at amortised cost less provision for expected credit losses.

Due to the short-term nature of these receivables, their carrying value approximates their fair value.

Trade receivables are non-interest bearing and are generally on 30-90-day terms. As at reporting date, $942,000 (2024: $8,492,000) of receivables were considered impaired. Trade receivables – profit share is due on 90-day terms. None of these receivables are considered impaired at reporting date.

Provisions for expected credit losses are established using an expected loss model (ECL). The provisions are based on a forward-looking ECL, which includes possible default events on the trade receivables over the entire holding period of the trade receivables. These provisions represent the difference between the trade receivable's carrying amount in the consolidated balance sheet and the estimated collectible amount. For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Significant accounting judgements

Customer charge-backs and discounts

Consistent with pharmaceutical industry practices, Mayne Pharma's gross sales are subject to various deductions including charge-backs and discounts. These deductions represent estimates of the related obligations, requiring use of judgement when estimating the effect of these sales deductions on gross sales for a reporting period. These adjustments are deducted from gross sales to arrive at net sales. (Refer Note 2 for Revenue recognition policy).

Amounts expected to be settled via credits are shown net of trade receivables while amounts expected to be settled by payments are shown as accruals.

Other receivables include amounts recoverable under supply contracts and outstanding for goods and services tax (GST). These amounts are non-interest bearing and have repayment terms applicable under the relevant government authority. Other balances within trade and other receivables do not contain impaired assets and are not past due. It is expected that these other balances will be received when due.

NOTE 9 – INVENTORIES

	2025 $'000	2024 $'000
Raw materials and stores at cost	10,286	11,514
Work in progress at cost	5,955	7,168
Finished goods at lower of cost and net realisable value	34,320	55,947
	50,561	74,629

Recognition and measurement

Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- *Raw materials* - purchase cost on a first-in, first-out basis.
- *Finished goods and work-in-progress* - cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

The Group has recognised provisions at reporting date for obsolescence and net realisable value adjustments of $4,331,000 (2024: $5,353,000) relating to finished goods.

Significant accounting estimates and judgements

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The Group assesses net realisable value and obsolescence provisions by reviewing estimated future sales, quantities on hand and the shelf life of the relevant inventory. Estimating future sales values, quantities and the timing of future sales requires management judgement. The Group may incur costs that differ from its original estimate.

NOTE 10 – OTHER FINANCIAL ASSETS

	2025 $'000	2024 $'000
Current		
Restricted cash	2,370	2,320
Marketable securities	40,564	39,210
	42,934	41,530

Marketable securities are an investment in a money market fund with underlying investments in short term US government debt and repurchase obligations. The fair value of marketable securities equals its carrying value. Returns on the marketable securities are recognised as interest income.

Restricted cash represents cash held as security for leases and letters of credit.

NOTE 11 – OTHER ASSETS

	2025 $'000	2024 $'000
Current		
Deposits for gross-to-net sales arrangements	1,189	7,490
Prepayments	16,369	19,199
	17,558	26,689

	2025 $'000	2024 $'000
Non-Current		
Deposits for various commercial contracts	15,409	15,337
	15,409	15,337

NOTE 12 – PROPERTY, PLANT AND EQUIPMENT

	LAND $'000	BUILDINGS $'000	PLANT AND EQUIPMENT $'000	CAPITAL WORKS IN PROGRESS [1] $'000	TOTAL $'000
Year ended 30 June 2025					
Balance at beginning of year net of accumulated depreciation	2,981	14,841	22,247	6,625	46,694
Additions	-	-	3,671	7,414	11,085
Disposals	-	-	(10)	-	(10)
Depreciation charge for year	-	(498)	(4,173)	-	(4,671)
Foreign currency restatement	-	-	44	-	44
Balance at end of year net of accumulated depreciation	2,981	14,343	21,779	14,039	53,142
At 30 June 2025					
At cost	2,981	19,924	63,688	19,048	105,641
Accumulated depreciation	-	(5,581)	(41,909)	-	(47,490)
Accumulated impairments	-	-	-	(5,009)	(5,009)
Net carrying amount	2,981	14,343	21,779	14,039	53,142
Year ended 30 June 2024					
Balance at beginning of year net of accumulated depreciation	2,981	15,339	25,419	(13)	43,726
Additions	-	-	1,796	6,762	8,558
Disposals	-	-	(483)	(126)	(609)
Depreciation charge for year	-	(498)	(4,492)	-	(4,990)
Foreign currency restatement	-	-	7	2	9
Balance at end of year net of accumulated depreciation	2,981	14,841	22,247	6,625	46,694
At 30 June 2024					
At cost	2,981	19,924	60,620	11,528	95,053
Accumulated depreciation	-	(5,083)	(38,373)	-	(43,456)
Accumulated impairments	-	-	-	(4,903)	(4,903)
Net carrying amount	2,981	14,841	22,247	6,625	46,694

(1) Capital works in progress is net of the government grant received

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Land and buildings are measured at cost less accumulated depreciation on buildings and less any impairment losses.

Property, plant and equipment is assessed for impairment whenever there is an indication that the balance sheet carrying value amount may not be recoverable using cash flow projections for the useful life.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Land	Not depreciated
Buildings	Over 40 years
Plant and equipment	Between 1.5 and 20 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year-end. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Government grants obtained for construction activities, including any related equipment, are deducted from the gross acquisition costs to arrive at the balance sheet carrying value of the related assets.

Significant accounting estimates and assumptions

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties and lease terms. In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

NOTE 13 – RIGHT-OF-USE ASSETS

	BUILDINGS $'000	PLANT AND EQUIPMENT $'000	TOTAL $'000
Year ended 30 June 2025			
Balance at the beginning of year net of accumulated depreciation	1,204	5,428	6,632
Additions	-	3,242	3,242
Modifications	242	(3)	240
Disposals	-	(941)	(941)
Depreciation charge for year	(618)	(2,976)	(3,594)
Foreign currency restatement	28	121	149
Balance at end of year net of accumulated depreciation	856	4,871	5,727
At 30 June 2025			
At cost	5,568	8,814	14,382
Accumulated depreciation	(4,712)	(3,943)	(8,655)
Net carrying amount	856	4,871	5,727
Year ended 30 June 2024			
Balance at the beginning of year net of accumulated depreciation	1,781	5,975	7,756
Additions	81	3,555	3,635
Modifications	(83)	(853)	(936)
Depreciation charge for year	(577)	(3,232)	(3,809)
Foreign currency restatement	2	(17)	(14)
Balance at end of year net of accumulated depreciation	1,204	5,428	6,632
At 30 June 2024			
At cost	5,388	9,246	14,633
Accumulated depreciation	(4,184)	(3,817)	(8,001)
Net carrying amount	1,204	5,428	6,632

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities (right-of-use assets) are disclosed in Note 16.

NOTE 14 – INTANGIBLE ASSETS

	CUSTOMER CONTRACTS, CUSTOMER RELATIONSHIPS, PRODUCT RIGHTS AND INTELLECTUAL PROPERTY $'000	DEVELOPMENT EXPENDITURE $'000	MARKETING & DISTRIBUTION RIGHTS $'000	TRADE NAMES $'000	TOTAL $'000
Year ended 30 June 2025					
Balance at beginning of year net of accumulated amortisation	545,491	720	6,030	16,339	568,580
Additions	26,015	224	-	-	26,239
Transfers	-	4,326	(4,326)	-	-
Amortisation	(55,551)	(1,563)	(519)	(3,368)	(61,001)
Foreign currency restatement	11,995	(42)	-	-	11,953
Balance at end of year net of accumulated amortisation	527,950	3,665	1,185	12,971	545,771
As at 30 June 2025					
Cost	875,114	40,683	30,072	63,778	1,009,647
Accumulated amortisation	(255,031)	(12,389)	(14,604)	(46,502)	(328,526)
Accumulated impairments	(92,133)	(24,629)	(14,283)	(4,305)	(135,350)
Net carrying amount	527,950	3,665	1,185	12,971	545,771
The split between indefinite and definite life assets is as follows:					
Definite life assets	527,414	3,441	1,185	12,971	545,011
Indefinite life assets	536	224	-	-	760
Net carrying amount	527,950	3,665	1,185	12,971	545,771

	CUSTOMER CONTRACTS, CUSTOMER RELATIONSHIPS, PRODUCT RIGHTS AND INTELLECTUAL PROPERTY $'000	DEVELOPMENT EXPENDITURE $'000	MARKETING & DISTRIBUTION RIGHTS $'000	TRADE NAMES $'000	TOTAL $'000
Year ended 30 June 2024					
Balance at beginning of year net of accumulated amortisation	588,969	2,039	6,549	19,707	617,264
Additions	12,911	-	-	-	12,911
Amortisation	(54,454)	(1,319)	(519)	(3,368)	(59,660)
Foreign currency restatement	(1,935)	-	-	-	(1,935)
Balance at end of year net of accumulated amortisation	545,491	720	6,030	16,339	568,580
As at 30 June 2024					
Cost	842,774	36,133	34,058	63,778	976,743
Accumulated amortisation	(206,534)	(10,826)	(13,965)	(43,134)	(274,459)
Accumulated impairments	(90,749)	(24,587)	(14,063)	(4,305)	(133,704)
Net carrying amount	545,491	720	6,030	16,339	568,580
The split between indefinite and definite life assets is as follows:					
Definite life assets	545,491	132	6,030	16,339	567,992
Indefinite life assets	-	588	-	-	588
Net carrying amount	545,491	720	6,030	16,339	568,580

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, distribution rights and trademarks) have been assessed as having finite useful lives and, as such, are amortised over their useful lives on a straight-line basis. The useful lives range from five to seventeen years and are tested for impairment whenever indicators exist 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. The amortisation expense on intangible assets with definite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Significant accounting judgements

Research and development expenditure

Research costs are expensed as incurred. Development expenditures on an individual project, and acquired research and development intangible assets, which are still under development and have not yet obtained approval, are recognised as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- its intention to complete and its ability to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

Significant accounting estimates and assumptions

Impairment of intangible assets

No impairments were recognised in the current or prior period.

A Cash Generating Unit (CGU) is considered impaired when its balance sheet carrying amount exceeds its estimated recoverable amount, 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 (VIU) method which utilises net present value techniques using post-tax cash flows and discount rates.

The estimates used in calculating value-in-use and FVLCD 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 (product 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.

Refer to the discussion below for differences between the VIU methodology and FVLCD methodology applied to the respective CGUs.

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

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

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 value in use of each CGU 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 year forecast period plus a terminal value for the CGU;
- 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 CGU's is shown in the table below:

A$00's	Dermatology	Women's Health	Infectious Disease	MPI	Total
Intangible Assets	43,285	496,484	3,129	2,873	**545,771**

Key assumptions in impairment testing methodology include:

- Cash flow forecasts for the on-market portfolio are based on FY26 Budget projections as well as specific cash flows which have been forecast out to FY30 for Dermatology and MPI. A terminal growth rate is then applied. Cashflow forecasts for Women's Health and Infectious Disease are based on whole of life expectancy of the products with no terminal value;

- Risk weighted pipeline cash flows are included in each of the relevant CGUs;
- Corporate overhead has been allocated to the relevant CGU based on their assessed consumption;
- 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 the 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 the prior year):

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

Forecast Gross Margin amount growth rates by TG CGU at 30 June 2025 and 31 December 2024 are shown in the tables below. These average growth rates are assumptions determined to satisfy applicable accounting standards but should not be used for guidance.

FY2025	FY25 ASSUMED AVERAGE FORECAST GROWTH RATES 1st FIVE YEARS [1]	FY25 ASSUMED TERMINAL VALUE GROWTH RATE
Dermatology	-16.7%	0.3%
Women's Health	7.1%	n/a [2]
MPI	12.8%	2.0%
Infectious Disease	-9.8%	n/a [2]

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 FY25 statutory result for the relevant CGU.
2. For Women's Health and Infectious Disease no terminal value is included.

December 2024	ASSUMED AVERAGE FORECAST GROWTH RATES 1st FIVE YEARS [1]	ASSUMED TERMINAL VALUE GROWTH RATE
Dermatology	-14.3%	0.3%
Women's Health	26.5%	n/a[2]
MPI	8.7%	2.0%
Infectious Disease	0%	n/a[2]

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.

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

A$m	Carrying Value[1]	Recoverable Value	Difference
Dermatology	67.0	98.1	31.1
Women's Health	517.4	581.9	64.4
MPI	81.6	86.7	5.1
Infectious Disease	3.3	5.1	1.8

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

Sensitivity to changes in assumptions

The table below shows the sensitivity of the changes in key variables on recoverable values.

A$m Change in recoverable values	+/-1% Change in Gross Margin Growth[1]	+/-1% Change in Terminal Growth Rate	+/-1% Change in WACC
Dermatology	+2.8/-1.7	+0.6/-0.5	-0.7/+1.2
Women's Health	+10.1/-10.8	n/a	-3.5/+2.9
MPI	+2.0/-0.9	+7.0/-4.4	-7.2/+9.5
Infectious Disease	+0.1/-0.1	n/a	-0.1/+0.1

Note: 1. Change refers to the movement in Gross Margin ($ amount) Compound Annual Growth Rates for launched products from FY26 to FY30.

The Group has completed its impairment assessment based on known facts and circumstances, incorporating its best estimates from information available to date however is conscious of the potential impact of changes in assumptions particularly the potential for future changes in the markets for the Group's products, for example the successful commercialisation of new products and impact of competitor actions.

NOTE 15 – TRADE AND OTHER PAYABLES

	2025 $'000	2024 $'000
Current		
Trade payables	30,252	20,874
Accrued rebates, returns and loyalty programs	129,980	163,879
Other payables	14,072	59,795
	174,304	244,548

In FY24, Other payables include the $38m accrual for the Class Action settlement.

Information regarding liquidity risk exposure is set out in Note 23.

Trade and other payables

Trade payables and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

Significant accounting judgements

Customer rebates, returns and loyalty programs

Consistent with pharmaceutical industry practices, Mayne Pharma's gross sales are subject to various deductions which are primarily composed of rebates and discounts to retail customers (including co-pay arrangements), government agencies, wholesalers, health insurance companies and managed healthcare organisations. These deductions represent estimates of the related obligations, requiring use of judgement when estimating the effect of these sales deductions on gross sales for a reporting period. These adjustments are deducted from gross sales to arrive at net sales. (Refer Note 2 for Revenue recognition policy).

Amounts expected to be settled via credits are shown net of trade receivables while amounts expected to be settled by payments are shown as accruals.

NOTE 16 – INTEREST-BEARING LOANS AND BORROWINGS

	2025 $'000	2024 $'000
Current		
Convertible notes	35,152	31,641
Lease liabilities right-of-use assets	3,464	3,820
	38,616	35,461

	2025 $'000	2024 $'000
Non-current		
Lease liabilities right-of-use assets	2,655	3,360
	2,655	3,360

Convertible notes

In connection with the TXMD assets acquisition, on 31 December 2022 the Group issued convertible notes with a face value of US$27.95m (A$41.1m). The convertible notes are repayable as a fixed AUD amount ($41.1m). 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 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 US$27.95m.

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 17). At time of issue the fair value of the derivative was a $9.743m liability. The movement in the fair value of this embedded derivative has subsequently been accounted for through profit and loss.
- Loan liability representing 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 (as above).

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.

Lease liabilities (right-of-use assets)

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease if the lease term reflects the Group exercising the option to terminate. The variable lease payments that depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs. The Group has recognised all lease extension options and there were no new leases contracted before period end which were yet to commence.

In calculating the present value of lease payments, the Group uses the lessees incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Financing facility maturities are summarised as follows:

	2025 $'000	2024 $'000
Current	35,152	31,641
	35,152	31,641
Due by 30 June 2027	35,152	31,641
	35,152	31,641

The future undiscounted cashflows in relation to interest bearing loans and borrowings (including lease liabilities) is disclosed in Note 23.

Changes in liabilities arising from financing activities	PERIOD ENDED	OPENING BALANCE $'000	CASH FLOWS $'000	FOREIGN EXCHANGE AND NON-CASH MOVEMENTS $'000	CLOSING BALANCE $'000
Interest bearing loans	30 June 2025	31,641	-	3,511	35,152
Lease liabilities	30 June 2025	7,180	(3,846)	2,785	6,119
Interest bearing loans	30 June 2024	39,290	(10,948)	3,299	31,641
Lease liabilities	30 June 2024	8,142	(3,717)	2,755	7,180

Recognition and measurement

Interest-bearing loans and borrowings

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. They are initially recognised at fair value less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

A revision to the relevant accounting standard, which applies for the year ending 30 June 2025, resulted in the convertible notes treated a current liability.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or asset and the arrangement conveys a right to use the asset.

NOTE 17 – OTHER FINANCIAL LIABILITIES

	2025 $'000	2024 $'000
Current		
Derivative related to convertible notes	8,016	9,691
Earn-out and deferred consideration liabilities – various products/distribution rights	26,629	33,219
Deferred liability – MCS sale related	3,012	6,536
	37,657	49,446

	2025 $'000	2024 $'000
Non-Current		
Earn-out and deferred consideration liabilities – various products/distribution rights	371,404	329,618
Deferred liability – MCS sale related	-	2,756
	371,404	332,374

Earn-out and deferred consideration liabilities

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

During FY23, the Group entered into agreements to licence three women's health products (ANNOVERA®, IMVEXXY® and BIJUVA®) and a number of pre-natal vitamins from TXMD for distribution in the US market. The contingent consideration represents the estimated present value of the future royalties and milestones payable on net sales of the product. Royalties on net sales of are payable to TXMD (8% of annual net sales of all products) and the licensor of ANNOVERA®, the Population Council (10% on annual net sales of ANNOVERA®). Milestones are also payable to the Population Council of US$40.0m if cumulative lifetime net sales of ANNOVERA® reach US$400 million and a further US$40m if cumulative net sales reach US$1.0 billion.

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.

Recognition and derecognition

Earn-out liabilities of the Group are initially recognised as financial liabilities in the consolidated statement of financial position as part of business combinations and intangible asset acquisitions at fair value. Financial liabilities are derecognised when they are extinguished.

Deferred consideration recognised includes amounts which have contingent conditions such as FDA approval and on market conditions (eg. no entry of a new competitor into the relevant market). At balance date, the Group has assessed the amount expected to be paid for contingent amounts outlined in the relevant transaction agreements, using best estimates as to timing and likelihood of payments.

Subsequent measurement

After initial recognition, earn-out liabilities are recognised at fair value through profit or loss and are remeasured each reporting period. Movements in the liability from these changes are recognised in profit or loss.

Significant accounting estimates and assumptions

Earn-out and deferred consideration liabilities

The earn-out liabilities have been determined based on the net present value of estimated future payments for contracted royalty rates payable on expected future cash flows as well as future milestone payments payable against various future events. 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 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.

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 and contingent deferred consideration liabilities at reporting date include a charge representing the unwinding of the discounting of $34,791,000 (2024: $30,299,000) for the 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 $16,555,000 expense / increase to earn-outs (2024: $82,671,000 expense / increase to earn-outs).

As at 30 June 2025, the deferred consideration liability for NEXTSTELLIS® consists of fixed amounts which are subject to sales milestone requirements while the TXMD earnout liabilities consists of a mixture of fixed amounts (as outlined above for Population Council) and variable amounts based on sales.

Note 24 Fair Value Measurement includes a sensitivity analysis relating to the major earnout liabilities.

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 above in "Other financial liabilities". At time of issue this derivative was a $9.743m liability (as discussed at Note 16). The value of the derivative has been determined using a Binomial Lattice model. Significant inputs to the model utilised at 30 June 2025 are Mayne Pharma's:

- Stock price, $5.00
- Conversion price $5.356
- Expected volatility, 45%
- Estimated credit spread 8.7%.

The value derived is considered Level 3 in the fair value hierarchy (see Note 24).

NOTE 18 – PROVISIONS

	2025 $'000	2024 $'000
Current		
Employee benefits	10,434	15,974
Restructuring provision	-	150
	10,434	16,124
Non-Current		
Employee benefits	457	325
	457	325

Provisions and employee benefits

Provisions are recognised when the Group has a present obligation (legal or constructive) due to a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability.

Employee leave benefits

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

NOTE 19 – CONTRIBUTED EQUITY

Movements in contributed equity

	2025 Shares	2024 Shares	2025 $'000	2024 $'000
Balance at beginning of year	81,245,827	83,422,114	1,224,224	1,233,692
Transfer to contributed equity on exercise of performance rights	-	-	1,579	1,464
Share buy backs / share cancellations – on market	-	(2,176,287)	-	(10,932)
Tax effect performance rights (excess deduction)	-	-	324	-
Taxes paid relating to RSU's vesting	-	-	(148)	-
Balance at end of year	81,245,827	81,245,827	1,225,979	1,224,224

On-market share buy-back

During the prior period, the Company purchased 2,176,287 shares for a total value of $10,932,487.

Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

A. Terms and conditions of contributed equity

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

In the event of winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

B. Capital management

The primary objective of the Group in relation to capital management is to ensure that it maintains a strong balance sheet that supports its business objectives and to maximise shareholder value.

The Group manages its capital structure and adjusts it considering changes in economic conditions and the Company's strategy. To maintain or adjust the capital structure, the Company may return capital to shareholders (buyback shares, pay special dividends, capital return etc) or issue new shares. No changes were made to the objectives, policies or processes during the years ended 30 June 2024 and 30 June 2025.

The Group's current policy is to maintain a net cash/debt position (when debt required) within policy limits set by the directors and that can be serviced by the Group's cash flows. The Group includes within net cash/debt, interest-bearing loans and borrowings, less cash and cash equivalents.

	2025 $'000	2024 $'000
Interest-bearing borrowings (including lease liabilities)	41,271	38,820
Less cash and cash equivalents	(59,839)	(110,068)
Less Marketable securities	(40,564)	(39,210)
Net (cash) / debt	(59,132)	(110,458)

NOTE 20 – RESERVES

	2025 $'000	2025 $'000
Share-based payments reserve	60,960	58,584
Other reserve	-	(3,143)
Foreign currency translation reserve	124,326	118,526
	185,286	173,967

Share-based payments reserve

The share-based payments reserve records the value of share-based payments provided to employees, including KMP, as part of their remuneration.

	2025 $'000	2024 $'000
Balance at beginning of year	58,584	55,957
Share-based payments expense	3,956	4,091
Transfer to contributed equity on exercise of performance rights	(1,579)	(1,464)
Transfer to retained earnings on cancellation of employee shares	-	-
Balance at end of year	60,960	58,584

Other equity reserve

The Other equity reserve recorded movements in the Group's equity in a previous partly-owned subsidiary (INTI) after recognising changes to non-controlling interests. The Group's investment in INTI was disposed during FY23.

	2025 $'000	2024 $'000
Balance at beginning of year	(3,143)	(3,143)
Transfer to retained earnings	3,143	-
Balance at end of year	-	(3,143)

Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entities are recognised in Other Comprehensive Income as described in Note 1C and accumulated in a separate reserve within equity. Exchange differences arising on monetary items that form part of the reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity. In the Group's financial statements that include the foreign operation and the reporting entity, such exchange differences are recognised initially in other comprehensive income. The cumulative amount is reclassified to profit and loss when the net investment is disposed of except for cumulative exchange differences relating to non-controlling interests.

	2025 $'000	2024 $'000
Balance at beginning of year	118,526	117,624
Foreign exchange translation differences (net of tax)	5,800	902
Balance at end of year	124,326	118,526

NOTE 21 – ACCUMULATED LOSSES

	2025 $'000	2024 $'000
Accumulated losses at the beginning of the period	(944,003)	(769,770)
Net (loss) / profit attributable to members	(93,836)	(174,233)
Transfer from Other Reserve	(3,143)	-
Accumulated losses at the end of the period	(1,040,982)	(944,003)

NOTE 22 – NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

A. Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position and for the purposes of the Statement of Cash Flows comprise cash at bank and in hand (excluding restricted cash) and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash and cash equivalents at the end of the year as shown in the Statement of Financial Position and the Statement of Cash Flows comprise the following:

	2025 $'000	2024 $'000
Cash at bank and on hand	59,839	110,068

Cash at bank attracts floating interest at current market rates.

B. Reconciliation of net profit after income tax to net cash used in operating activities

	2025 $'000	2024 $'000
Net (loss) / profit after income tax	(93,836)	(174,233)
Adjustments for:		
Depreciation	8,265	8,799
Amortisation of intangibles and borrowing costs	64,512	62,822
Share-based payments	3,956	4,091
Discount unwind earn-out and deferred consideration liabilities	34,790	30,299
Other (net) finance expenses	(3,415)	(5,515)
Class Action Settlement accrued FY24 paid FY25	-	33,246
Movement in earn-out liability - reassessment	16,555	82,671
Fair value adjustment convertible notes derivative	(1,675)	(2,754)
Net unrealised foreign exchange differences	(1,979)	665
Non-cash provisions (inventory and restructuring provisions)	(1,148)	(17,612)
Changes in tax balances		
Decrease / (increase) in deferred tax assets	4,824	(21,841)
Increase / (decrease) in current and deferred tax liabilities	14,058	(1,349)
Operating cash flows before working capital movements	44,909	(711)
Changes in working capital		
Decrease / (Increase) in receivables	12,632	5,916
Decrease / (Increase) in inventories	25,813	25,593
(Increase) / decrease in other assets	9,991	(7,814)
(Decrease) / increase in creditors	(36,852)	(39,759)
Increase / (decrease) in provisions	(5,779)	1,475
Working capital (investment) / release	5,806	(14,589)
Changes in other receivables and other payables relating to Class Action settlement (net)	(33,246)	-
Net cash from operating activities	17,469	(15,300)

NOTE 23 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash, short-term deposits, marketable securities, receivables, payables, convertible notes and interest rate swaps.

The Group manages its exposure to key financial risks, including credit risk, interest rate risk, currency risk and liquidity risk in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate and foreign exchange rates. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below.

Risk exposures and responses

Interest rate risk

The Group's main interest rate risk arises from cash and marketable securities. Cash and marketable securities earn variable rates expose the Group to cash flow interest rate risk. During the year the Group's cash and marketable securities at variable rates were denoted in USD and AUD.

The variable interest rate risk on borrowings is off-set by the variable interest rate risk of cash at bank and marketable securities.

	2025 $'000	2024 $'000
Cash at bank and on hand	59,839	110,068
Marketable securities	40,564	39,210

The following sensitivity analysis is based on the interest rate risk exposures in existence at reporting date. At reporting date, if interest rates had moved, as illustrated in the table below, with all other variables held constant, net profit and equity would have been affected as follows:

	NET PROFIT/(LOSS)		EQUITY	
	HIGHER/(LOWER)		HIGHER/(LOWER)	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000
US interest rates -0.5% (50 basis points)	(412)	(457)	-	-
AUD interest rates -0.5% (50 basis points)	(90)	(289)	-	-

The movements are due to higher/lower interest expense on borrowings less/plus lower/higher interest revenue from cash balances and marketable securities. Possible movements in interest rates were determined based on the current observable market environment.

Foreign currency risk

The Group has significant transactional currency exposures arising from sales and purchases in currencies other than the functional currency of the parent entity. Approximately 87% of the Group's revenues and 78% of the Group's costs are denominated in currencies other than the functional currency of the parent entity.

From time to time, the Company enters into FX contracts to manage the FX exposure of the Company relating to loans advanced to US subsidiaries denoted in USD. No FX contracts were outstanding at reporting date relating to intra-group loans.

The Group also holds assets and liabilities in US dollars (USD), British pounds (GBP), Japanese yen (JPY), Canadian dollars (CAD) and Euro (EUR). The existence of both assets and liabilities denominated in USD provides a limited natural hedge against adverse currency movements for USD denoted exposures.

At balance date the Group's only significant foreign exchange exposure was to US dollar monetary assets and US dollar monetary liabilities as shown in the table below:

	A$'000 30 JUNE 2025	A$'000 30 JUNE 2024
Cash at bank	1,826	15,803
Trade receivables	1,530	748
Intra Group loans receivable	122,834	120,965
Trade and other payables	(250)	(9,541)
Other financial liabilities	(3,742)	(9,973)
Net exposure which may impact Net Profit/(Loss)	122,197	118,001
Intra Group loans receivable	122,530	119,940
Net exposure which may impact equity	122,530	119,940

The following table demonstrates the sensitivity to a reasonably possible change in the USD exchange rate, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

	NET PROFIT/(LOSS)		EQUITY	
	HIGHER/(LOWER)		HIGHER/(LOWER)	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000
AUD/USD +5%	(5,835)	(5,619)	(5,819)	(5,711)
AUD/USD -5%	6,449	6,211	6,431	6,313

The movements are due to foreign currency gains or losses as a result of changes in the balances of cash, borrowings, and the net of receivables and payables.

Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, interest rate swaps and trade and other receivables. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of the financial assets.

The Group does not hold any credit derivatives to offset its credit exposure. The Group trades only with recognised, creditworthy third parties, and as such collateral is not requested. The Group holds limited credit insurance in the US which would only apply for small customers in the US.

Management of credit risk

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their independent credit rating, financial position, experience and industry reputation.

Approximately 30% of the Group's 2025 revenue was derived from the three largest customers which is not unusual for operations in the US pharmaceutical market where most of both branded and generic sales are made to a small number of key wholesale and retail organisations. The Group had three customers who comprised approximately 33% of the total trade receivables balance at reporting date. These customers were operating within agreed trading terms at the end of the FY25 period.

The Group believes that there is minimal credit risk on the above key customer concentration as there has never been any default on their obligations and they are major US pharmaceutical wholesale/retail organisations with investment grade credit ratings. The Group does not hold collateral as security.

Impairment of financial assets is considered using a forward-looking expected credit loss ('ECL') approach. Receivables are monitored on an ongoing basis. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The impact of COVID-19 was considered and had no material impact.

Financial assets included on the Consolidated Statement of Financial Position that potentially subject the Group to concentration of credit risk consist principally of cash and cash equivalents, marketable securities and trade receivables. The Group minimises this concentration of risk by placing its cash and cash equivalents with financial institutions that maintain superior independent credit ratings to limit the degree of credit exposure. The maximum exposures to credit risk as at 30 June 2025 in relation to each class of recognised financial assets is the carrying amount of those assets, as indicated in the Consolidated Statement of Financial Position.

Credit quality of financial assets:

	2025 $'000	2024 $'000
Cash and cash equivalents[1]	59,839	110,068
Marketable securities[2]	40,564	39,210
Trade and other receivables[3]	180,643	193,222
	281,046	342,500

Notes:
1. Minimum of S&P AA rated counterparty with which deposits are held.
2. Marketable securities are an investment in a money market fund with underlying investments in short term US government debt and repurchase obligations. These are not considered to have significant credit risk exposure given the credit quality of the underlying instruments of the fund.
3. At period end 2025 trade receivables were $164,619,000, with 96% of trade receivables within trading terms.

Liquidity risk

Liquidity risk arises from the financial liabilities of the Group and the Group's subsequent ability to meet its obligations to repay its financial liabilities as and when they fall due.

The Group's objective is to maintain a balance between continuity of funding and flexibility using loans and cash and short-term deposits sufficient to meet the Group's current cash requirements. Risk is managed by spreading liability commitments.

The Board manages liquidity risk by monitoring, monthly, the total cash inflows and outflows expected over the budget and forecast period.

The following table discloses the remaining contractual maturities for the Group's liquid financial assets and liabilities based on undiscounted cash flows and exclude cash flows relating to interest or line fees on interest bearing loans and borrowings. The timing of cash flows for liabilities is based on the contractual terms of the underlying contract.

	LESS THAN 6 MONTHS $'000	6 TO 12 MONTHS $'000	1 TO 5 YEARS $'000	GREATER THAN 5 YEARS $'000	TOTAL $'000
30 June 2025					
Liquid financial assets					
Cash and cash equivalents	59,839	-	-	-	59,839
Marketable securities	40,564	-	-	-	40,564
Trade and other receivables	180,643	-	-	-	180,643
	281,046	-	-	-	281,046
Financial liabilities					
Trade and other payables	(174,304)	-	-	-	(174,304)
Interest-bearing loans and borrowings	(2,069)	(2,069)	(44,448)	-	(48,586)
Other financial liabilities	(21,461)	(9,208)	(210,327)	(524,759)	(765,755)
	(197,834)	(11,277)	(254,775)	(524,759)	(988,645)
Net inflow/(outflow)	83,212	(11,277)	(254,775)	(524,759)	(707,599)

	LESS THAN 6 MONTHS $'000	6 TO 12 MONTHS $'000	1 TO 5 YEARS $'000	GREATER THAN 5 YEARS $'000	TOTAL $'000
30 June 2024					
Liquid financial assets					
Cash and cash equivalents	110,068	-	-	-	110,068
Marketable securities	39,210	-	-	-	39,210
Trade and other receivables	193,222	-	-	-	193,222
	342,500	-	-	-	342,500
Financial liabilities					
Trade and other payables	(244,548)	-	-	-	(244,548)
Interest-bearing loans and borrowings	(1,967)	(1,967)	(44,954)	-	(48,887)
Other financial liabilities	(19,358)	(30,420)	(202,180)	(490,826)	(742,784)
	(265,873)	(32,386)	(247,134)	(490,826)	(1,036,220)
	76,627	(32,386)	(247,134)	(490,826)	(693,720)

Included in other financial liabilities are earn-outs which are payable on achieving a predetermined sales performance and deferred consideration which is only payable upon market events such as FDA approval or no new generic competitor entering the relevant market. As a result, payment of such liabilities will, either in full or in part, be funded from operating activities.

NOTE 24 – FAIR VALUE MEASUREMENT

Fair value measurement

The Group measures financial instruments, such as derivatives, at fair value at each reporting date.

Fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, if market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group determines the policies and procedures for fair value measurement.

External valuers are involved for valuation of significant assets and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the significant inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Group also compares each of the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

The Group's external valuers provide the valuation results. The results and underlying assumptions are discussed with the Audit and Risk Committee.

For fair value disclosures, the Group has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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

	CARRYING AMOUNT		FAIR VALUE	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000
Liabilities				
Interest bearing liability – convertible note	35,152	31,641	37,754	33,078
Derivative relating to convertible notes	8,016	9,961	8,016	9,691
Earn-out and deferred consideration liabilities	401,045	372,129	401,045	372,129

Cash and trade and other receivables approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of marketable securities equals its carrying value. Returns on marketable securities are recognised as interest expense.

The earn-out liabilities payable utilises present value calculation techniques that are not based on observable market data. The key inputs are forecast sales and gross margin.

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.

Set out below are the significant unobservable inputs to valuation as at 30 June 2025:

Earn-out / deferred consideration	Valuation technique	Significant unobservable inputs	Input used	Sensitivity of the input to fair value
Mithra-NEXTSTELLIS® – deferred consideration liability	DCF	Forecast net sales		5% increase (decrease) in net sales would change the expected timing of milestone payments resulting in an increase (decrease) in fair value by $2.1m / ($3.4m).
		WACC	10.2%	1% increase / (decrease) in the WACC would result in decrease / (increase) in fair value by $7.0m / ($7.6m).
TXMD assets – deferred consideration liability	DCF	Forecast net sales		5% increase (decrease) in net sales would change the expected timing of milestone payments resulting in an increase (decrease) in fair value by $11.1m / ($11.1m).
		WACC	10.2%	1% increase / (decrease) in the WACC would result in decrease / (increase) in fair value by $13.9m / ($15.2m).

Assets and liabilities measured at fair value

As at 30 June 2025, the Group held the following financial instruments carried at fair value in the Statement of Financial Position:

	LEVEL 2		LEVEL 3	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000
Financial Liabilities				
Derivative relating to convertible notes	-	-	8,016	9,691
Earn-out and deferred consideration liabilities	-	-	401,045	372,129

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:

	2025 $'000 DERIVATIVE RELATING TO CONVERTIBLE NOTES	2024 $'000 DERIVATIVE RELATING TO CONVERTIBLE NOTES	2025 $'000 EARN-OUT & DEFERRED CONSIDERATION LIABILITIES	2024 $'000 EARN-OUT & DEFERRED CONSIDERATION LIABILITIES
Opening balance	9,691	12,445	372,129	283,710
Additions recognised during the year	-	-	9,535	-
Change in fair value attributable to the unwinding of the discounting	-	-	34,791	30,299
Movement in undiscounted fair value	(1,675)	(2,754)	16,555	82,671
Amounts settled	-	-	(39,773)	(21,811)
Foreign currency translation movement	-	-	7,808	(2,741)
Closing balance	8,016	9,691	401,045	372,129

NOTE 25 – RELATED PARTY DISCLOSURES

A. Subsidiaries

The consolidated financial statements include the financial statements of the Company and the subsidiaries listed in the following table:

	TAX RESIDENCY	COUNTRY OF INCORPORATION	% EQUITY INTEREST 2025	% EQUITY INTEREST 2024
Mayne Pharma International Pty Ltd	Australia	Australia	100	100
Mayne Products Pty Ltd[1]	Australia	Australia	100	100
Mayne Pharma UK Limited[1]	United Kingdom	United Kingdom	100	100
Mayne Holdings US Inc	United States	United States	100	100
Mayne Pharma Commercial LLC (formerly Mayne Pharma Inc)	United States	United States	100	100
Mayne Pharma Ventures Pty Ltd	Australia	Australia	100	100
Mayne Pharma Ventures LLC[1]	United States	United States	100	100
Swan Pharmaceuticals LLC[1]	United States	United States	100	100
Mayne Pharma SIP Pty Ltd (subject to members voluntary liquidation)	Australia	Australia	100	100
Mayne Pharma LLC	United States	United States	100	100
Mayne Pharma (Ireland) Limited[1]	Ireland	Ireland	100	100
Adelaide Apothecary LLC	United States	United States	100	100
Mayne Pharma Distribution Services LLC	United States	United States	100	100

Note: 1. Dormant subsidiaries.

B. Ultimate parent

Mayne Pharma Group Limited is the ultimate parent entity.

C. KMP Compensation

	2025 $	2024 $
Short-term employee benefits	3,540,145	3,772,935
Post-employment benefits	87,976	84,000
Share-based payments [1]	1,264,344	1,057,915
	4,892,465	4,914,849

Note: 1. The current period and prior expense includes amounts relating to the deferred element of FY24 STI awards (provided in the form of RSUs).

D. Transactions with related parties

The Company had no other transactions with KMP or other related parties during the financial years ended 30 June 2025 or 30 June 2024.

Amounts owing to Directors, Director-related parties and other related parties at 30 June 2025 and 30 June 2024 were nil.

NOTE 26 – AUDITOR'S REMUNERATION

BDO Audit Pty Ltd (BDO) were the auditors in the current and prior year.

	2025 $	2024 $
Amounts received or due and receivable by BDO for		
Fees for auditing the statutory financial report of the Group	580,000	485,000
	580,000	485,000

	2025 $	2024 $
Amounts received or due and receivable by overseas member firms of BDO Australia		
Fees for auditing the statutory financial report of the Group	570,000	515,000
Tax compliance and advisory services	113,005	195,947
	683,005	710,947

The above non-audit services from member firms are invoiced in USD to Mayne Pharma Commercial LLC and are subject to foreign currency translation.

NOTE 27 - SHARE-BASED PAYMENT PLANS

The expense recognised for employee services received during the year is shown in the table below:

	2025 $'000	2024 $'000
Expense arising from equity-settled share-based payment transactions continuing operations	3,956	4,091
Expense arising from equity-settled share-based payment transactions discontinued operations	-	-
Total expense arising from equity-settled share-based payment transactions	3,956	4,091

Share-based payment transactions – recognition and measurement

The Group provides benefits to its employees (including KMP) in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions). If an employee leaves the Group prior to the vesting and the employee hasn't met the qualifying period of service or is not otherwise considered a 'good leaver', any share-based payment previously granted to the employee will normally be forfeited. Where an employee leaves the Group after the vesting but prior to the expiry of share-based payments granted, the employee normally has 12 months in which to exercise or the shares or options will lapse. If the Company's Employee Share Option Plan was cancelled, this would not affect the rights of employees in relation to previously issued share-based payments.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using an appropriate option-pricing model, depending on the complexity of the exercise conditions. The cost is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense.

The Group engaged an accredited independent valuer to determine the fair value of options issued at the date at which they are granted.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the vesting period.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (refer to Note 7).

Significant accounting estimates and assumptions

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using an appropriate option-pricing model depending on the complexity of the exercise conditions with both the Black Scholes option-pricing model and the Monte Carlo Simulation option-pricing model utilised during the period. The specific assumptions applied to the options issued during the year are provided in this note. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

Performance Rights and Option Plan (PROP)

An employee share option plan (formerly known as the Employee Share Option Plan or ESOP) is in place where employees of the Company may be issued with options over the ordinary shares of the Company. Shareholders last approved the plan at the AGM held on 9 November 2012. The options, issued for nil consideration, are issued in accordance with guidelines established by the Directors of the Company. The plan was updated in FY21 to allow for the provision of performance rights to employees. Performance rights have similar characteristics as options except that they have a nil exercise price.

Each employee option or performance right converts to one ordinary share in the Company upon exercise. The options and performance rights carry neither rights to dividends, nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry. The exercise price is set by reference to the volume weighted average price at which the Company's shares trade on the Australian Securities Exchange (ASX) across an agreed period. Performance rights held by US employees are subject to automatic exercise and sell to cover withholding taxes on vesting. The contractual term varies across the various issues but generally ranges from three to five years and one month and there are no cash settlement alternatives for employees although there is net of tax settlement alternative available when employees are unable to trade to meet withholding tax obligations.

The tables below show the options which were outstanding during the year ended 30 June 2025.

	2025 NUMBER OF OPTIONS	2025 WEIGHTED AVERAGE EXERCISE VALUE $	2024 NUMBER OF OPTIONS	2024 WEIGHTED AVERAGE EXERCISE VALUE $
Balance at beginning of year	695,322	$6.68	695,322	$6.68
Exercised during financial year	-	-	-	-
Forfeitures and lapses	-	-	-	-
Balance at end of year	695,322	$6.68	695,322	$6.68

No options were issued under the PROP during the year ended 30 June 2025 (30 June 2024: nil).

The tables below show the performance rights which were outstanding during the year ended 30 June 2025.

	EXPIRY DATE	BALANCE AT BEGINNING OF YEAR NUMBER	GRANTED DURING THE YEAR NUMBER	EXERCISED DURING THE YEAR NUMBER	OTHER MOVEMENTS DURING THE YEAR NUMBER[1]	BALANCE AT END OF YEAR NUMBER
Year ended 30 June 2025						
Performance Rights	30 Sep 2024	624,682	-	-	(624,682)	-
Performance Rights	30 Sep 2025	530,685	-	-	(1,556)	529,129
Performance Rights	31 Mar 2026	81,498	-	-	(9,495)	72,003
Performance Rights	30 Sep 2026	1,406,210	-	-	(1,542)	1,404,668
Performance Rights	30 Sep 2027	1,212,716	-		(6,728)	1,205,988
Performance Rights	30 Sep 2028	812,197		-	(16,685)	795,512
Performance Rights	30 Sep 2028	266,738		-	-	266,738
Performance Rights	30 Sep 2026	394,733		(352,426)	(12,448)	29,859
Performance Rights	30 Sep 2026	23,816		(23,816)	-	-
Performance Rights	30 Sep 2027	-	464,168		(32,046)	432,122
Performance Rights	30 Sep 2027	-	35,170		-	35,170
Performance Rights	30 Sep 2028	-	34,707		-	34,707
Performance Rights	30 Sep 2029	-	1,182,431		(91,380)	1,091,051
		5,353,275	1,716,476	(376,242)	(796,562)	5,896,947

Note: 1. Performance rights were forfeited on the termination of employment.

	EXPIRY DATE	BALANCE AT BEGINNING OF YEAR NUMBER	GRANTED DURING THE YEAR NUMBER	EXERCISED DURING THE YEAR NUMBER	OTHER MOVEMENTS DURING THE YEAR NUMBER[1]	BALANCE AT END OF YEAR NUMBER
Year ended 30 June 2024						
Performance Rights	30 Sep 2024	631,199	-	-	(6,517)	624,682
Performance Rights	30 Sep 2025	530,685	-	-	-	530,685
Performance Rights	31 Mar 2026	81,498	-	-	-	81,498
Performance Rights	30 Sep 2026	1,447,203	-	-	(40,993)	1,406,210
Performance Rights	10 Sep 2023	42,625	-	(42,625)	-	-
Performance Rights	30 Sep 2027	1,265,128	-	-	(52,412)	1,212,716
Performance Rights	30 Sep 2025	360,558	-	(343,326)	(17,232)	-
Performance Rights	30 Sep 2028	-	846,911	-	(34,714)	812,197
Performance Rights	30 Sep 2028	-	266,738	-	-	266,738
Performance Rights	30 Sep 2026	-	423,723	-	(28,990)	394,733
Performance Rights	30 Sep 2026	-	23,816	-	-	23,816
		4,358,896	1,561,188	(385,951)	(180,858)	5,353,275

Note: 1. Performance rights were forfeited on the termination of employment.

For performance rights granted during the financial year (treated as options for accounting purposes), the fair value of the performance rights granted was determined by valuation specialists, using the Monte Carlo Simulation option pricing model. The following inputs were used in the valuations:

	PERFORMANCE RIGHTS GRANTED 6 SEPTEMBER 2024 (AU)	PERFORMANCE RIGHTS GRANTED 6 SEPTEMBER 2024 (US)	PERFORMANCE RIGHTS GRANTED 2 DECEMBER 2024
Number of shares (treated as options for accounting)	78,719	802,257	301,455
Monte Carlo Simulation model fair value	$2.414	$2.386	$2.090
Share price at grant date	$4.50	$4.50	$4.18
Exercise price	NIL	NIL	NIL
Expected volatility	45%	45%	45%
Expected option life	4.0yrs	3.0yrs	2.8yrs
Dividend yield	0%	0%	0%
Risk-free rate	3.5%	3.5%	4.1%

The base test price for the September 2024 and December 2024 grants was set as $4.61. This means, in order to vest, the share price growth needs to be a minimum of 8% growth from the base of $4.61.

As the point of taxation of performance rights is different for Australian and US employees (which influences the timing for exercising vested performance rights), the expected life and hence the valuation of performance rights also varies between Australian and US employees.

The expected volatility was determined based on historical volatility of the Company and of similar companies. The estimate reflects the likelihood that the volatility in financial markets over the next three to five years will be less extreme than that experienced during the global financial crisis and considers the likely stabilising impact of the capital raisings. The expected life of the share options is based on historical data and current expectations and is not necessarily reflective of exercise patterns that may eventuate.

For the FY23 and subsequent grants, the base test price used to determine vesting was set based on the average of the daily VWAP for the 10 day VWAP (5 days prior to and 5 days following release of results).

The table below illustrates the required growth rates at a TSR CAGR of 8% pa and a TSR CAGR of 15% for grants which would represent 20% vesting and 100% vesting respectively:

	Absolute TSR CAGR	Vesting	Year 3
Threshold performance	TSR CAGR 8%	20% vesting	TSR +26% from base year
Target performance	TSR CAGR 15%	100% vesting	TSR +52% from base year

The Company also issued 499,338 performance rights with an expiry date of 30 September 2027 which only require employees to remain employees as at 1 September 2025 for the rights to vest. The Company also issued 34,707 performance rights with an expiry date of 30 September 2028 which have two tranches with 50% vesting 1 September 2025 and 50% vesting 1 September 2026 which require employees to remain employees as at the vest dates. As these performance rights do not include a market hurdle vesting condition, these instruments are valued based on the share price at the date granted which was $4.61 for the September 2024 grants and $5.36 for the December 2024 CEO grant. These grants include the deferred STI portion for the executive team.

Shares granted to employees

Under the ESLS and SLS, eligible employees acquire shares in the Company funded by a limited-recourse loan from the Group. While shares are acquired under the plan for legal and taxation purposes, Australian Accounting Standards require the shares be treated as options for accounting purposes. As a result, the amounts receivable from employees in relation to these loans are not recognised in the financial statements.

The number of notional shares granted to employees under the ESLS is set out below:

Year ended 30 June 2025	GRANT DATE	EXPIRY DATE	LOAN VALUE PER SHARE (POST CONSOLIDATION)	NUMBER HELD AT 1 JULY 2024	NUMBER GRANTED DURING YEAR	NUMBER LAPSED, FORFEITED OR CANCELLED DURING THE YEAR (POST CONSOLIDATION)[2]	NUMBER HELD AT 30 JUNE 2025
Unlisted shares	29 Sep 2019	30 Sep 2024	$10.302	570,548	-	(570,548)	-
Unlisted shares	29 Nov 2019	30 Sep 2024	$9.390	257,284	-	(257,284)	-
Unlisted shares	15 Sep 2020	30 Sep 2025	$6.618	520,487	-	-	520,487
Unlisted shares	26 Sep 2020	30 Sep 2025	$7.294	15,921	-	-	15,921
Unlisted shares	1 Dec 2020	30 Sep 2025	$7.108	432,189	-	-	432,189
				1,796,429	-	(827,832)	968,597

Note:
1. The loan values per share outlined above are based on post consolidation and are not adjusted for the after-tax impact of the dividend paid in January 2023 as the after-tax dividend amount varies between recipients.
2. Shares forfeited by employees during the period have not been cancelled. Forfeited shares were transferred to an employee share trust pending future exercises of employee performance rights or options.

No loan shares were granted during the financial year.

Year ended 30 June 2024	GRANT DATE	EXPIRY DATE	LOAN VALUE PER SHARE (POST CONSOLIDATION)	NUMBER HELD AT 1 JULY 2023	NUMBER GRANTED DURING YEAR	NUMBER LAPSED, FORFEITED OR CANCELLED DURING THE YEAR (POST CONSOLIDATION)[2]	NUMBER HELD AT 30 JUNE 2024
Unlisted shares	3 Sep 18	1 Oct 2023	$22.652	87,500	-	(87,500)	-
Unlisted shares	1 Oct 2018	1 Oct 2023	$25.504	39,837	-	(39,837)	-
Unlisted shares	8 Oct 2018	1 Oct 2023	$25.818	124,481	-	(124,481)	-
Unlisted shares	6 Dec 2018	1 Oct 2023	$19.392	311,468	-	(311,468)	-
Unlisted shares	29 Sep 2019	30 Sep 2024	$10.302	570,548	-	-	570,548
Unlisted shares	29 Nov 2019	30 Sep 2024	$9.390	257,284	-	-	257,284
Unlisted shares	15 Sep 2020	30 Sep 2025	$6.618	520,487	-	-	520,487
Unlisted shares	26 Sep 2020	30 Sep 2025	$7.294	15,921	-	-	15,921
Unlisted shares	1 Dec 2020	30 Sep 2025	$7.108	432,189	-	-	432,189
				2,359,715	-	(563,286)	1,796,429

Note:
1. The loan values per share outlined above are based on post consolidation and are not adjusted for the after-tax impact of the dividend paid in January 2023 as the after-tax dividend amount varies between recipients.
2. Shares forfeited by employees during the period have not been cancelled. Forfeited shares were transferred to an employee share trust pending future exercises of employee performance rights or options.

Details of plans granted prior to FY23

The ESLS and SLS allowed the issue of shares to participants based on a percentage of fixed remuneration funded by a limited-recourse, interest free, five-year loan for the sole purpose of acquiring the shares. Issues were typically made annually to KMP and other senior executives who, at the time of the grant, had foregone an STI entitlement. These shares vest over three years subject to the achievement of hurdles based on increases in shareholder wealth created over that period. The shares were granted upfront based on the five-day volume weighted average price and remain restricted and subject to risk of forfeiture until the end of the vesting/performance period while the loan remains outstanding, with any unvested/unexercised shares lapsing 49 months after the first test date.

Vesting of loan shares, options and rights (granted in FY21 and FY22) was based on the absolute Total Shareholder Return (TSR) measured over the relevant vesting period, 20% vesting if a TSR Compound Annual Growth (CAGR) of 8% is achieved, rising to 100% vesting for achievement of a TSR CAGR of 15%. Vesting occurs on a straight-line basis for performance between these two points. The number/proportion of shares that vest for years prior to FY21 grants is based on the absolute Total Shareholder Return (TSR) over the period, with 50% vesting if a TSR of 5%. Compound Annual Growth (CAGR) is achieved, rising to 100% vesting for achievement of a TSR CAGR of 10%. Vesting occurs on a straight-line basis for performance between these two points.

If the CAGR performance conditions are met, 20% vest after the first test date, 30% after the second test date and the balance after the third test date. Vesting can occur over a period of 5 years (including six monthly in years 4 and 5) from the date of the grant, but the TSR vesting condition continues to compound in years 4 and 5.

Following the end of the applicable vesting period, if the vesting conditions are met the ESLS shares vest and the participant will then have until the end of the five-year term, plus one month, to repay the loan. Any dividends paid on the shares while the ESLS are restricted are applied (on a notional after-tax basis) towards repaying the loan.

Base test dates for grants after 31 December 2017 are either 1 March or 1 September to align with results announcements. This progressive vesting schedule can provide a rolling benefit to senior executives in the absence of a short-term incentive.

In the event of a Corporate Control Event, the TSR will be measured from the base test date to the date of the Control Event date and LTI shares will vest immediately if the TSR hurdles are met. If any unvested shares do not automatically vest as a result of the Corporate Control Event, the Board may otherwise determine that some or all of those shares become vested shares.

NOTE 28 – PARENT ENTITY DISCLOSURES

Financial position

	2025 $'000	2024 $'000
Assets		
Current assets	16,256	70,510
Non-current assets	410,663	519,202
Total assets	426,919	589,713
Liabilities		
Current liabilities	50,257	87,302
Non-current liabilities	6,379	7,865
Total liabilities	56,636	95,167
Net assets	370,283	494,546
Equity		
Issued capital	1,225,978	1,224,224
Reserves	57,901	55,443
Accumulated losses	(913,596)	(785,121)
Total equity	370,283	494,546

Financial performance

	2025 $'000	2024 $'000
Profit/(Loss) for the year	(128,475)	(20,419)
Other comprehensive income	-	-
Total comprehensive income	(128,475)	(20,419)

The parent entity accounting policies are consistent with the group accounting policies other than the investment in subsidiaries is stated at fair value which reflects the net assets of the subsidiaries.

The parent entity has no capital commitments. As noted in note 31, the parent entity is a party to a deed of cross guarantee with its subsidiaries.

NOTE 29 – COMMITMENTS AND CONTINGENCIES

A. Commitments

Capital Commitments

The Group had $2.1m of contractual obligations for the purchase of capital equipment as at 30 June 2025 (2024: $6.3m).
Mayne has provided a letter of credit in relation to the acquisition of capital equipment for the value of $466,052.

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 or 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

The legal claims and allegations summarised below are being vigorously contested. In relation to matters 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

In the last few years, 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 (including one in Canada), end-payors, and indirect resellers, as well as lawsuits filed by opt out private plaintiffs and various county plaintiffs. Nearly all of the private US cases have been consolidated into multidistrict litigation pending in federal court, the Eastern District of Pennsylvania; the state action (brought by the state attorneys general) has been remanded to the District of Connecticut. One opt-out action is pending in state court in New York, and three writs of action are in deferred status in state court in 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.

TherapeuticsMD, Inc. and Mayne Pharma LLC v. Teva Pharmaceuticals USA, Inc., Civil Action Nos. 2:20-cv-03485-BRM-SDA; 2:20-cv-08809-BRM-ESK; 2:20-cv-11087-BRM-ESK; 2:20-cv-17496-BRM-ESK; 2:21-cv-12794-BRM-SDA; 2:24-cv-11161-BRM-SDA (D.N.J.)

TherapeuticsMD, Inc. received a Paragraph IV Notice Letter from generic drug maker Teva Pharmaceuticals USA, Inc. ("Teva") dated February 18, 2020 directed to five of its Imvexxy® Orange Book patents. TherapeuticsMD, Inc.'s U.S. Patent Nos. 9,180,091; 9,289,382; 10,258,630; 10,398,708; and 10,471,072 generally cover vaginal estradiol formulations and methods of treating certain conditions using those formulations. FDA's Orange Book lists November 21, 2032 as the expiration date of U.S. Patent No. 9,180,091; U.S. Patent No. 9,289,382; U.S. Patent No. 10,258,630; U.S. Patent No. 10,398,708 ; and U.S. Patent No. 10,471,072. On April 1, 2020, TherapeuticsMD, Inc. filed a lawsuit against Teva alleging infringement of TherapeuticsMD, Inc.'s five patents. The Complaint—filed in the U.S. District Court for the District of New Jersey—alleges, inter alia, that Teva infringed TherapeuticsMD, Inc.'s Imvexxy® patents by submitting to FDA an Abbreviated New Drug Application ("ANDA") seeking to market a generic version of Imvexxy® prior to the expiration of TherapeuticsMD, Inc.'s patents. Filing its April 1, 2020 Complaint within 45 days of receiving Teva's Paragraph IV certification notice entitles TherapeuticsMD, Inc. to an automatic stay preventing FDA from approving Teva's ANDA for 30 months from the date of TherapeuticsMD, Inc.'s receipt of the Paragraph IV Notice Letter. Teva filed an Answer and Amended Answer on June 15, 2020 and July 2, 2020, respectively, denying the substantive allegations of the Complaint and asserting Counterclaims seeking declaratory judgments of non-infringement and invalidity. On July 13, 2020, TherapeuticsMD, Inc. filed its Reply, denying the substantive allegations of Teva's Counterclaims.

TherapeuticsMD, Inc. received a Paragraph IV Notice Letter from Teva dated June 2, 2020 directed to TherapeuticsMD, Inc.'s U.S. Patent Nos. 10,537,581 and 10,568,891, which generally cover vaginal estradiol formulations and methods of treating certain conditions using those formulations. FDA's Orange Book states that U.S. Patent Nos. 10,537,581 and 10,568,891 expire on November 21, 2032. On July 13, 2020, TherapeuticsMD, Inc. filed a lawsuit against Teva alleging infringement of TherapeuticsMD, Inc.'s U.S. Patent Nos. 10,537,581 and 10,568,891. The Complaint—filed in the U.S. District Court for the District of New Jersey—alleges, inter alia, that Teva infringed TherapeuticsMD, Inc.'s Imvexxy® patents by submitting to FDA an ANDA seeking to market a generic version of Imvexxy® prior to the expiration of TherapeuticsMD, Inc.'s patents. On August 5, 2020, Teva answered the Complaint and denied the substantive allegations of the Complaint. Teva also asserted Counterclaims seeking declaratory judgments of non-infringement and invalidity. On August 19, 2020, TherapeuticsMD, Inc. filed its Reply, denying the substantive allegations of Teva's Counterclaims. On August 14, 2020, the Court issued an Order consolidating Civil Action Nos. 20-3485 and 20-8809 for all purposes.

TherapeuticsMD, Inc. received a Paragraph IV Notice Letter from Teva dated August 5, 2020 directed to TherapeuticsMD, Inc.'s U.S. Patent No. 10,668,082, which generally covers vaginal estradiol formulations and methods of treating certain conditions using those formulations. FDA's Orange Book states that U.S. Patent No. 10,668,082 expires on June 18, 2033. On August 21, 2020, TherapeuticsMD, Inc. filed a lawsuit against Teva alleging infringement of TherapeuticsMD, Inc.'s U.S. Patent No. 10,668,082. The Complaint—filed in the U.S. District Court for the District of New Jersey—alleges, inter alia, that Teva infringed TherapeuticsMD, Inc.'s Imvexxy® patent by submitting to FDA an ANDA seeking to market a generic version of Imvexxy® prior to the expiration of TherapeuticsMD, Inc.'s patent. On September 9, 2020, Teva answered the Complaint and denied the substantive allegations of the Complaint. Teva also asserted Counterclaims seeking declaratory judgments of non-infringement and invalidity. On September 23, 2020, TherapeuticsMD, Inc. filed its Reply, denying the substantive allegations of Teva's Counterclaims. On September 18, 2020, the Court issued an Order consolidating Civil Action Nos. 20-3485 and 20 11087 for all purposes.

TherapeuticsMD, Inc. received a Paragraph IV Notice Letter from Teva dated February 4, 2021 directed to TherapeuticsMD, Inc.'s U.S. Patent Nos. 10,806,697 and 10,835,487, which generally cover vaginal estradiol formulations and methods of treating certain conditions using those formulations. FDA's Orange Book states that U.S. Patent Nos. 10,806,697 and 10,835,487 expire on November 21, 2032. Prior to receiving Teva's notice letter, on November 30, 2020, TherapeuticsMD, Inc. filed a lawsuit against Teva alleging infringement of TherapeuticsMD, Inc.'s U.S. Patent Nos. 10,806,697 and 10,835,487. The Complaint—filed in the U.S. District Court for the District of New Jersey—alleges, inter alia, that Teva infringed TherapeuticsMD, Inc.'s Imvexxy® patents by submitting to FDA an ANDA seeking to market a generic version of Imvexxy® prior to the expiration of TherapeuticsMD, Inc.'s patents. On December 21, 2020, Teva answered the Complaint and denied the substantive allegations of the Complaint. Teva also asserted Counterclaims seeking declaratory judgments of non-infringement and invalidity. On January 11, 2021, TherapeuticsMD, Inc. filed its Reply, denying the substantive allegations of Teva's Counterclaims. On December 9, 2020, the Court issued an Order consolidating Civil Action Nos. 20-3485 and 20 17496 for all purposes.

TherapeuticsMD, Inc. received a Paragraph IV Notice Letter from Teva dated May 13, 2021 directed to TherapeuticsMD, Inc.'s U.S. Patent No. 10,888,516, which generally covers vaginal estradiol formulations and methods of treating certain conditions using those formulations. FDA's Orange Book states that U.S. Patent No. 10,888,516 expires on November 21, 2032. On June 21, 2021, TherapeuticsMD, Inc. filed a lawsuit against Teva alleging infringement of TherapeuticsMD, Inc.'s U.S. Patent No. 10,888,516. The Complaint—filed in the U.S. District Court for the District of New Jersey—alleges, inter alia, that Teva infringed TherapeuticsMD, Inc.'s Imvexxy® patent by submitting to FDA an ANDA seeking to market a generic version of Imvexxy® prior to the expiration of TherapeuticsMD, Inc.'s patent.

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 July 13, 2023, the Court issued an Order amending the caption in the above-captioned litigation to add Mayne Pharma LLC as a plaintiff, and reinstating the litigation stay. On November 20, 2024, the Court issued an Order lifting the stay.

TherapeuticsMD, Inc. and Mayne Pharma LLC received a Paragraph IV Notice Letter from Teva dated November 13, 2024 directed to nine of the Imvexxy® Orange Book patents. U.S. Patent Nos. 11,065,197; 11,123,283; 11,116,717; 11,304,959; 11,241,445; 11,266,661; 11,246,875; 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 U.S. Patent Nos. 11,065,197; 11,123,283; 11,116,717; 11,304,959; 11,241,445; 11,246,875; 11,351,182; and 11,497,709 expire on November 21, 2032; and U.S. Patent No. 11,266,661 expires on February 2, 2034. On December 13, 2024, TherapeuticsMD, Inc. and Mayne Pharma LLC filed a lawsuit against Teva alleging infringement of TherapeuticsMD, Inc.'s U.S. Patent Nos. 11,065,197; 11,123,283; 11,116,717; 11,304,959;

11,241,445; 11,266,661; 11,246,875; 11,351,182; and 11,497,709. The Complaint—filed in the U.S. District Court for the District of New Jersey—alleges, inter alia, that Teva infringed TherapeuticsMD, Inc.'s Imvexxy® patents by submitting to FDA an ANDA seeking to market a generic version of Imvexxy® prior to the expiration of TherapeuticsMD, Inc.'s patents.
On December 23, 2024, the Court issued an Order consolidating Civil Action Nos. 20-3485, 21-12794, and 24-11161 for all purposes. On January 7, 2025, Teva Answered the Complaints in Civil Action Nos. 21-12794 and 24-11161 and denied the substantive allegations of the Complaints. Teva also asserted Counterclaims seeking declaratory judgments of non-infringement and invalidity. On January 28, 2025, Plaintiffs filed their Reply, denying the substantive allegations of Teva's Counterclaims. Pretrial discovery is ongoing in these consolidated cases.

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, Inc. 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, Inc.'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 lists November 21, 2032 as the expiration date of 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; 11,304,959; 11,351,182; and 11,497,709. FDA's Orange Book lists February 2, 2034 as the expiration date of U.S. Patent No. 11,266,661. On July 24, 2024, TherapeuticsMD, Inc. 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 Pharmaceutical Industries Ltd.'s Paragraph IV certification notice entitles TherapeuticsMD, Inc. and Mayne Pharma LLC to an automatic stay preventing FDA from approving Sun's ANDA for 30 months from the date of TherapeuticsMD, Inc.'s and Mayne Pharma LLC's receipt of the Paragraph IV Notice Letter. On September 30, 2024, Sun Answered the Plaintiffs' Complaint and denied the substantive allegations of the Complaint. Sun also asserted Counterclaims seeking declaratory judgments of non-infringement and invalidity. On November 4, 2024, Plaintiffs filed their Reply, denying the substantive allegations of Sun's Counterclaims. Pretrial discovery is ongoing.

Dispute with Cosette

On 4 June 2025 Mayne Pharma received a notice purporting to terminate the SID from Cosette and has since received other notices from Cosette purporting to terminate the SID on different grounds, to the extent Cosette's previously asserted grounds of termination are found to be invalid, as announced to the ASX by Mayne Pharma.

Mayne Pharma commenced proceedings in the Supreme Court of New South Wales on 4 June 2025 seeking to enforce the SID. As part of these proceedings, Cosette has filed a cross-claim. The cross-claim makes various allegations against Mayne Pharma, as set out in the announcements made by Mayne Pharma detailing the material matters raised in the Cosette termination notices. If Cosette is successful in its claims, Mayne Pharma may be exposed to damages, break fees payable under the SID and costs orders, the magnitude of which cannot presently be reliably estimated.

Dispute with TXMD

In April 2025, TherapeuticsMD, Inc. (TXMD) filed a suit against Mayne Pharma LLC making allegations against Mayne Pharma related to the transaction agreement entered into between TXMD and Mayne Pharma LLC on 4 December 2022. This proceeding is not an attempt to terminate the transaction agreement or the license agreement entered into between TXMD and Mayne Pharma LLC on 4 December 2022, or Mayne Pharma's rights with respect to the products licensed from TXMD.

In June 2025, Mayne Pharma filed a complaint against TXMD alleging damages which Mayne Pharma believes are in excess of the value of the claims made by TXMD. The various claims in these proceedings brought by each of TXMD and Mayne Pharma are related to a series of disputes that have been in discussion between Mayne Pharma and TXMD for some time. Mayne Pharma intends to vigorously defend the proceeding brought by TXMD.

NOTE 30 – DIVIDENDS

No dividends were paid or declared in the year ended 30 June 2025 (2024: nil).

Franking credit balance

	2025 $'000	2024 $'000
Opening balance	284	284
Franking credits arising from payments (net of refunds)	-	-
Franking credits that will arise from the payment / (refunds) of income tax as at the end of the financial year	-	-
Franked dividend paid	-	-
Franking credits available for future reporting periods	284	284

NOTE 31 – DEED OF CROSS GUARANTEE

As an entity subject to Class Order 2016/785, relief has been granted to Mayne Pharma International Pty Ltd (MPIPL) from the Corporations Act 2001 requirements for the preparation, audit and lodgement of their financial report.

As a condition of the Class Order, the Company and MPIPL entered into a Deed of Cross Guarantee on 28 June 2010. The effect of the deed is that the Company has guaranteed to pay any deficiency in the event of winding up of its controlled entity or if they do not meet their obligations under the terms of the liabilities subject to the guarantee. The controlled entity has also given a similar guarantee if the Company is wound up or if it does not meet its obligations under the terms of loans or other liabilities subject to the guarantee.

Set out below are a Consolidated Statement of Profit or Loss and Other Comprehensive Income and a summary of movements in consolidated retained earnings for the year ended 30 June 2025 of the closed group consisting of the Company and MPIPL.

(a) Consolidated Statement of Profit or Loss and Other Comprehensive Income and a summary of movements in retained earnings.

	CONSOLIDATED	
	2025 $'000	2024 $'000
Continuing operations		
Sale of goods	34,750	36,826
Services revenue	42,356	35,263
License fee income	365	247
Royalties revenue	1,220	1,064
Revenue	**78,691**	73,400
Cost of sales	(54,699)	(50,752)
Gross profit	**23,992**	22,648
Other income	22,427	21,570
Research and development, Medical & Regulatory Affairs expenses	(5,627)	(7,138)
Marketing expenses and distribution expenses	(7,401)	(6,523)
Amortisation expenses	(5,670)	(5,425)
Impairment investment in subsidiaries	(129,854)	-
Administration expenses and other expenses	(22,905)	(47,208)
Finance costs	(2,839)	(6,350)
Profit before income tax	**(127,877)**	(28,427)
Income tax (expense)/benefit	(2,870)	8,570
Net (loss) / profit from continuing operations after income tax	**(130,747)**	(19,857)
Other comprehensive income for the period, net of tax	-	-
Total comprehensive income for the period attributable to owners of the parent	**(130,747)**	(19,857)

	2025 $'000	2024 $'000
Retained earnings at the beginning of the financial year	(673,246)	(653,389)
(Loss) / Profit for the period	(130,747)	(19,857)
Dividend paid	--	--
Retained earnings at the end of the financial year	**(803,993)**	(673,246)

(b) Consolidated Statement of Financial Position

Set out below is a Consolidated Statement of Financial Position as at 30 June 2025 of the closed group consisting of the Company and MPIPL.

	2025 $'000	2024 $'000
Current assets		
Cash and cash equivalents	19,818	73,684
Trade and other receivables	17,150	19,855
Inventories	18,772	20,567
Other current assets	1,814	2,416
Total current assets	**57,554**	116,522
Non-current assets		
Related party receivables	267,668	250,786
Investment in subsidiaries	145,674	272,533
Property, plant and equipment	51,461	44,832
Right-of-use assets	501	221
Deferred tax assets	11,701	12,880
Intangible assets	19,059	24,939
Total non-current assets	**496,064**	606,191
Total assets	**553,618**	722,713
Current liabilities		
Trade and other payables	9,129	47,491
Interest-bearing loans and borrowings	35,333	31,778
Other financial liabilities	11,759	16,909
Provisions	5,583	7,386
Total current liabilities	**61,804**	103,564
Non-current liabilities		
Interest-bearing loans and borrowings	334	89
Other financial liabilities	2,424	4,962
Provisions	457	325
Deferred tax liabilities	8,795	7,352
Total non-current liabilities	**12,010**	12,728
Total liabilities	**73,814**	116,292
Net assets	**479,804**	606,421
Equity		
Contributed equity	1,225,978	1,224,224
Reserves	57,819	55,443
Retained earnings / (accumulated losses)	(803,993)	(673,246)
Total equity	**479,804**	606,421

NOTE 32 – EVENTS SUBSEQUENT TO THE REPORTING PERIOD

No 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 Group.

NOTE 33 – NEW AND REVISED ACCOUNTING STANDARDS

In the current year, the Group has adopted all new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period.

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.

Accounting standards and interpretations issued but not yet effective

AASB 18 *Presentation and Disclosure in Financial Statements* that will be effective for the Group for the year ended 30 June 2028 will impact presentation of the Statement of Profit Loss and the Statement of Financial Position.

There are no other new Standards and Interpretation that were issued but not yet effective that the Group expects to have a material impact when applied.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

For the year ended 30 June 2025

The following table lists all entities within the Mayne Pharma Group Limited consolidated group. All entities are corporations.

BODY CORPORATE ENTITY	COUNTRY OF INCORPORATION	AUSTRALIAN RESIDENT	FOREIGN TAX JURISDICTION [3]	% OF CAPITAL HELD
Mayne Pharma Group Limited	Australia	Yes	N/A	n/a
Mayne Pharma International Pty Ltd	Australia	Yes	N/A	100
Mayne Products Pty Ltd[1]	Australia	Yes	N/A	100
Mayne Pharma UK Limited[1]	United Kingdom	No	United Kingdom	100
Mayne Holdings US Inc	United States	No	United States	100
Mayne Pharma Commercial LLC (formerly Mayne Pharma Inc)	United States	No	United States	100
Mayne Pharma Ventures Pty Ltd	Australia	Yes	N/A	100
Mayne Pharma Ventures LLC[1]	United States	No	United States	100
Swan Pharmaceuticals LLC[1]	United States	No	United States	100
Mayne Pharma SIP Pty Ltd (Members Voluntary external administration)	Australia	Yes	N/A	100
Mayne Pharma LLC	United States	No	United States	100
Mayne Pharma (Ireland) Limited[1]	Ireland	No	Ireland	100
Adelaide Apothecary LLC	United States	No	United States	100
Mayne Pharma Distribution Services LLC [2]	United States	No	United States	100

Note:
1. Dormant subsidiaries.
2. Entity was incorporated 24 May 2024
3. Foreign tax jurisdiction(s) in which the entity is a resident for tax purposes (according to the law of the foreign jurisdiction).

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 Mayne Pharma Group Limited for the financial year ended 30 June 2025 are in accordance with the Corporations Act 2001, including:

  (i) Giving a true and fair view of its financial position as at 30 June 2025 and performance for the financial year ended on that date;
  (ii) Complying with Accounting Standards (including the Australian Accounting Interpretations) 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.

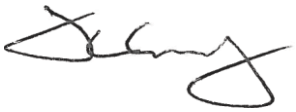
(c) There are reasonable grounds to believe that the members of the Closed Group identified in Note 31 will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee.

(d) The financial statements and notes also comply with the International Financial Reporting Standards as disclosed in Note 1A.

(e) The Consolidated Entity Disclosure Statement required by section 295(3A) of the *Corporations Act 2001* for the year ended 30 June 2025 is true and correct

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2025.

On behalf of the Board



Mr Frank Condella
Chair

Mr Shawn Patrick O'Brien
Managing Director and CEO

Dated at Melbourne, Australia this 29th day of August 2025.

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INDEPENDENT AUDITOR'S REPORT

To the members of Mayne Pharma Group Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Mayne Pharma Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, 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 year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with 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 our audit of the 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 in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the matter was addressed in our audit
Chargebacks, rebates, returns and related accruals ("Gross to Net Sales Adjustments") In respect of the Group's operations in the United States of America, distribution of products to its ultimate end user occurs in many cases through wholesaler distributors. The Group also has contracts with pharmacy benefit managers, managed care programs and legislatively managed governmental programs. The ultimate net selling price received by the Group is determined based on the contractual arrangements the Group has with these third parties and the ultimate end user who purchases the Group products. Net revenue for products sold is generally recognised when control of the goods is passed upon delivery to the distributor or retail pharmacy. This requires an estimate of the variable consideration at that time, taking into consideration different elements such as chargebacks, government programs, rebates, returns, copay arrangements, managed care rebates, cash discounts and other accruals (together known as 'gross-to-net' adjustments). The estimate depends on factors impacting applicable price and rebate terms such as specific contract terms, government programs, end user insurance coverage and managed care programs as well as factors impacting the time lag between sale and payment including inventories held by the wholesaler distributors and retail pharmacies as well as historical trends of product returns. The time lag between the sale of the product and the final determination of the actual selling price may be several months. Gross to net adjustments were identified as a key audit matter as the estimation processes involves large volumes of data and requires significant judgement in calculating the Group's gross to net sales adjustments. The Group's accounting policies and significant accounting estimates for this key audit matter are disclosed in note 2 in the financial report.	Our procedures included, but were not limited to: • Performing process walkthroughs with management and their third-party gross to net consultants to understand the Group's approach to estimating each gross to net adjustment including assessing key internal controls included in the process. • Assessing the reasonableness and accuracy of the data in the gross to net adjustments calculated by the Group. • On a sample basis, testing the significant assumptions utilised by management to estimate the gross to net adjustment by comparing to underlying supporting documentation such as third-party contracts, historical actual sales, and invoices, payments and credits, to and from external parties involved in the Group's sales process. • Assessing key judgments and estimates contained in management's accrual models including considering actual historical sales and claims history to evaluate the Group's estimation of the gross to net sales adjustments. • Evaluating the reasonableness of the Group's gross to net accruals for products that have been sold to wholesaler distributors or retail pharmacies but have not yet been dispensed to end users through analysis of expected claim rates. • Confirming inventories on hand at pharmacies with third parties.

Key audit matter	How the matter was addressed in our audit
Carrying value of intangible assets As disclosed in Note 14 of the accompanying financial report, the Group has intangible assets including customer contracts and relationships, product rights and intellectual property, in-process development expenditure, marketing and distribution rights and trade names. These include both finite life and indefinite life intangible assets. At each reporting period, the Group assesses for indicators of impairment and where indicators are considered to exist an impairment test is undertaken. This is a key audit matter because the impairment assessment process is complex and is required to be carried out at the level of the lowest identifiable cash generating units ('CGUs'). The assessment requires significant judgement and includes assumptions that are based on future operating results, discount rates and the broader market conditions in which the Group operates.	Our procedures included, but were not limited to: • Assessing whether the CGU's identified by management were in accordance with the requirements of Australian Accounting Standards and consistent with our knowledge of the Group's operations and internal reporting. • Performing process walkthrough with management and assessing key internal controls. • Confirming the integrity and mathematical accuracy of the value-in-use discounted cash flow models. • Engaging internal valuation experts to assist in assessing the discount rate applied to each CGU. • Challenging key assumptions, including forecast growth rates by comparing them to historical results, business trends and economic and industry forecasts. • Comparing the cash flow forecasts for 2026 in the models to those in the latest Board approved budgets. • Evaluating management's ability to forecast future cash flows by comparing forecast cash flows to actual performance. • Performing a sensitivity analysis to identify whether a reasonable variation in the assumptions could cause the carrying value of the CGU assets to exceed their recoverable amount which would indicate an impairment. • Evaluating the adequacy of the disclosures relating to intangible assets in the financial report, including those made with respect to judgments and estimates.

Other information

The directors are responsible for the other information. The other information comprises the information contained in directors' report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Letter from the Chair and CEO, which is expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Letter from the Chair and CEO, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and

b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error. In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 14 to 21 of the Directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Mayne Pharma Group Limited, for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

Benjamin Lee
Director

Melbourne, 29 August 2025

INTELLECTUAL PROPERTY & GLOSSARY

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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.

BA – Bioavailability. A measure of the fraction of a drug that enters the systemic blood circulation after oral administration.

BE – Bioequivalence. Two drug products are considered bioequivalent if they exhibit the "same" Cmax, Tmax and AUC in a properly powered pharmacokinetic study. In other words, the two drug products have the "same" plot of "drug concentration in plasma" against "time". The actual definition of "same" when applied to the pharmacokinetic parameters varies from country to country. If two drug products are bioequivalent, then it is assumed that they are therapeutically equivalent. A bioequivalence study is the cornerstone of an ANDA or any generic drug application, because for the reasons given here, bioequivalence obviates the need to perform long and expensive clinical studies.

DR - Delayed Release. A drug product (typically oral) that is not intended to release the drug substance immediately after ingestion. The delay is commonly related to change of pH in the gastrointestinal tract ("enteric coating") or less commonly may relate to a specific time after ingestion when the drug is released. Enteric coating is achieved by coating with polymers that are poorly soluble in low pH media (for example gastric fluid) but are soluble in media with pH values typically found lower in the intestine.

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 certification by a generic company filed in support of an approval of an ANDA submitted while the originator product is covered by a patent listed in the US FDA's Orange Book. The filing asserts that either the patents supporting the originator product are either invalid or not infringed by the product that is the subject of the ANDA.

PK – Pharmacokinetics. The study of the time course of the way the body handles drugs. There are four essential processes following a person's ingestion of a tablet or other oral dosage form, collectively known as ADME processes (Absorption of the drug from the gut; Distribution of the drug into other body tissues; Metabolism of the drug to other chemicals (metabolites) and Elimination of the drug from the body). This time course is typically followed by taking blood samples from volunteers at time intervals following swallowing a tablet and measuring the amount of drug and / or metabolites in the plasma. A plot can be constructed of plasma concentration against time from which various PK parameters such as Cmax, Tmax and AUC can be derived.

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