



## MAYNE PHARMA TO RESTATE US DERMATOLOGY NET REVENUE FOR FISCAL YEAR 2022 TO INCORPORATE A LARGER YEAR END PROVISION FOR CO-PAY CLAIMS

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**15 February 2023, Adelaide, Australia:** The Board of Mayne Pharma Group Limited (ASX: MYX) (Mayne Pharma or the Company) provides an update in relation to the trading performance for the first 4 months of fiscal year 2023 (FY23) (July 2022 – October 2022) provided at the Company's Annual General Meeting (AGM) on 30 November 2022.

Mayne Pharma advises that following a detailed review by the Company and its auditors, the Company will restate dermatology net revenue for fiscal year 2022 (FY22), which is reported as part of the Company's Portfolio Products segment (PPD).

FY22 reported net dermatology revenue of US\$84 million will be revised downward by an estimated US\$15 - 19 million to reflect an understatement of the Co-Pay claims provision at 30 June 2022 relating to dermatology inventories in the retail pharmacy customer channel. The adjustment is related to the timing of revenue recognition and does not have an impact on cash in FY22 or FY23.

As a result of the restatement to increase the quantum of the Co-Pay claims provision at 30 June 2022, there will be a positive revision to the negative US\$14.9 million of net dermatology revenue disclosed for the first 4 months of FY23 at the Company's AGM.

The impact of the restatement of the Co-Pay claims provision at 30 June 2022 on the FY22 and 1HFY23 financial statements will be presented at the time of the Company's 1HFY23 financial results on 28 February 2023.

### Background Information

During the first quarter of FY23, the Company experienced negative net revenue, as disclosed at the trading update at Mayne Pharma's AGM on 30 November 2022.

In response to the negative net revenue, the Company has completed a review into the methodology of calculating Co-Pay claims accruals. This review concluded that estimated inventory levels in the retail pharmacy channel at the end of FY22 were below actual levels. As a result, a new approach has been implemented that provides more timely and detailed information regarding channel inventory levels across the business and allows for a more accurate and timely calculation of the Co-Pay claims provision.

As a consequence of the material under provision of Co-Pay claims in the PPD segment at the end of FY22, the Company is obliged to restate the FY22 financial statements to ensure the FY23 financial performance reflects a more accurate accounting of dermatology inventories and the gross to net sales performance. This restatement will not result in a re-issue of the Company's FY22 financial statements.

### Mayne Pharma Group Limited

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## ASX Announcement

### 1H FY23 Statutory Results Release and Investor Call

Mayne Pharma will release its financial statements for the first half of FY23 on Tuesday 28 February 2023.

Please join CEO Shawn Patrick O'Brien and CFO Aaron Gray for a webcast of the results at 9am AEDT on Tuesday 28 February 2023. Participants can register for the webcast by navigating to <https://s1.c-conf.com/diamondpass/10027914-hdgte53.html>.

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Authorised for release to the ASX by the Board

#### About Mayne Pharma

Mayne Pharma is an ASX-listed specialty pharmaceutical company focused on commercialising novel and generic pharmaceuticals, offering patients better, safe and more accessible medicines. Mayne Pharma also provides contract development and manufacturing services to clients worldwide. Mayne Pharma has a 40-year track record of innovation and success in developing new oral drug delivery systems. These technologies have been successfully commercialised in numerous products that continue to be marketed around the world. To learn more about Mayne Pharma, please visit [maynepharma.com](http://maynepharma.com).