



ASPEN PHARMACARE HOLDINGS LIMITED AND ITS SUBSIDIARIES

Registration number: 1985/002935/06

JSE Share code: APN

ISIN: ZAE000066692

LEI: 635400ZYSN1IRD5QWQ94

("Aspen" or "the Group")

Reviewed provisional Group financial results for the year ended 30 June 2022 and cash dividend declaration

GROUP HIGHLIGHTS (CONTINUING OPERATIONS)

Key Financial Indicators ¹	Reported June 2022 R'million	Reported June 2021 R'million	Change at reported rates %	Change at CER ² %
Revenue	38 606	37 776	2	5
Gross profit	18 306	17 789	3	5
Operating profit	8 671	7 072	23	24
Normalised EBITDA ³	11 012	9 945	11	13
Headline earnings per share (cents)	1 461,2	1 204,3	21	22
NHEPS (cents) ⁴	1 627,6	1 309,7	24	26
Earnings per share (cents)	1 432,3	1 051,1	36	36
Dividend per share (cents) ⁵	326,0	262,0	24	

¹ The Group assesses its operational performance using constant exchange rate ("CER") and all segmental performance-related commentary is made with reference to the underlying CER trends. The table above compares performance from continuing operations to the prior comparable period at reported exchange rates and at CER.

² The CER % change is based upon the performance for the year ended 30 June 2021 restated using the average exchange rates for the year ended 30 June 2022.

³ Operating profit before depreciation and amortisation adjusted for specific non-trading items as set out in the normalised headline earnings reconciliation on page 8.

⁴ Normalised headline earnings per share ("NHEPS") represents headline earnings per share ("HEPS") adjusted for specific non-trading items as defined in the Group's accounting policy.

⁵ Dividend declared on 31 August 2022, to be paid on 26 September 2022 (2021: Declared on 1 September 2021 and paid 27 September 2021).

GROUP PERFORMANCE (CONTINUING OPERATIONS)

The Group has delivered a strong performance, with double digit organic growth in normalised EBITDA, operating profit and earnings. This performance is testimony to Aspen's resilience against the backdrop of a challenging trading environment and inflationary cost pressures.

Group revenue for the financial year ended 30 June 2022 grew 2% (+5% CER) to R38 606 million with Commercial Pharmaceuticals revenue declining 1% (+1% CER) and Manufacturing revenue increasing 11% (+18% CER). Gross profit growth of 3% (+5% CER) slightly exceeded revenue growth, with the underlying segmental gross margins all showing improvement. The increased contribution from the lower margin Manufacturing segment diluted the overall gross margin percentage. Normalised EBITDA rose 11% (+13% CER) to R11 012 million, largely due to the leverage provided by lower operating expenses. NHEPS increased 24% (+26% CER) to 1627,6 cents, bolstered by reduced net financing costs. The higher percentage growth in earnings per share, relative to HEPS, is attributable to the profit on the sale of a product portfolio divested in South Africa.

Net borrowings reduced to R16,1 billion, down from the R16,3 billion reported at 30 June 2021, ensuring that the Group's leverage ratio remained comfortably below target levels. This provided the Group with an opportunity to fund a share buy-back of R1,8 billion (2,2% of issued shares) during the year. Operating cash flow was impacted as a consequence of increased inventory investment by the Manufacturing segment in key input materials to mitigate future supply constraint risks which may arise from continued global supply chain disruptions.

SEGMENTAL PERFORMANCE (CONTINUING OPERATIONS AT CER)

Commercial Pharmaceuticals

Commercial Pharmaceuticals, comprising of Regional Brands and Sterile Focus Brands, grew 1% to R27 658 million. Solid underlying volume growth of 4% was impacted, primarily, by the divestment of certain products in South Africa, challenges faced by our Chinese business, including volume-based procurement ("VBP") and COVID-19 ("COVID") related lockdowns, as well as the impact of the geopolitical situation in Russia and Ukraine on our businesses there. Gross profit increased 3% to R16,1 billion, supported by improved margins in both Regional and Sterile Focus Brands, despite the inflationary and freight cost headwinds experienced, particularly in the second half of the financial year.

Regional Brands

Regional Brands revenue increased by 3% to R17 405 million, with 13% growth from Australasia and 8% from the Americas, being the major contributors. Supply constraints and product portfolio divestments impacted the performance of Africa Middle East.

Gross profit percentage was up at 56,5% (FY2021: 54,6%), driven by cost of goods savings and portfolio optimisation, combined with a favourable product mix.

Sterile Focus Brands

Revenue from Sterile Focus Brands decreased 2% to R10 253 million due to lower sales in Russia CIS during the second half of the financial year and the aforementioned challenges in China.

A higher gross profit percentage of 60,7% (FY2021: 60,0%) benefitted from cost of goods savings partially offset by higher logistics costs.

Manufacturing

Manufacturing revenue increased 18% to R10 948 million with significant growth in finished dose form sales. This included R1,4 billion in revenue from the fill and finish production of the Johnson & Johnson COVID vaccine at our Gqeberha sterile manufacturing facility. This growth was partly diluted by the Chemicals business. Manufacturing in general was negatively impacted by supply related constraints imposed by COVID in the first half of the year and enjoyed a strong second half recovery, growing sales by 14% compared to the first half.

Gross profit at 20,6% was consistent with the prior year, even after dilution for the annualised impact of the supply agreements related to disposal transactions at low/no margin. Excluding the impact of these disposal transaction-related supply agreements, gross margin increased in all segments. These improvements were achieved despite numerous operational and supply chain related challenges, as well as notable inflationary increases in operating and supply chain costs.

PROSPECTS

The Group has achieved a robust set of results for the year ended 30 June 2022, supported by improved operating margins, underpinned by a lower operating expense base and a strong balance sheet, all of which provide a solid foundation for future sustainable growth.

Aspen has continued to invest in the expansion of its sterile manufacturing capacity in Gqeberha to be used for vaccines and other steriles, including biological products. The statement from the African Union, which called for support to achieve at least a 30% offtake of all vaccines from African manufacturers is a strong endorsement supporting this ongoing strategic capital investment. The signature of a long-term agreement with the Serum Institute of India Pvt Limited ("Serum") for Aspen to manufacture, market and distribute four Aspen-branded vaccines in Africa is an important milestone as Aspen seeks to optimise its sterile manufacturing capacity in Gqeberha. Several other potential long-term opportunities are being explored with various multinational partners and Aspen's ambition is to secure these by the end of the 2023 financial year. The contribution from the manufacture of the Johnson & Johnson COVID vaccine enhanced operating performance in the current year, but declining demand from Johnson & Johnson will have an unfavourable impact on Manufacturing performance in the 2023 financial year, unless substituted by orders for Aspenovax. Due to the technology transfer timelines, other sustainable long-term contracts and commercial manufacturing opportunities will only be realised from financial year 2024 onwards.

In addition to the agreement with Serum, Aspen also anticipates receiving grant funding from each of the Bill & Melinda Gates Foundation and the Coalition for Epidemic Preparedness Innovations ("CEPI") to support African regional manufacturing capacity for an affordable supply of vaccines to, amongst others, African countries and Gavi/UNICEF, as well as contributing to pandemic preparedness, through a share of Aspen's vaccine manufacturing capacity over a period of 10 years. These are both important endorsements of Aspen's sterile manufacturing capabilities and seeking to achieve enhanced access to medicines which is at the forefront of Aspen's ESG strategy.

Aspen expects to deliver organic CER revenue growth of between 3% and 7%, (excluding potential Aspenovax orders), in the year ahead, notwithstanding the challenging trading conditions. Sales will be heavily weighted towards the second half of the year. Despite the benefit of ongoing cost of goods savings initiatives, potential lower contribution from vaccines and ongoing inflationary pressures are expected to dilute the gross margin percentage. Operating expenses are expected to continue tracking below the percentage growth in revenue. The current upward trajectory in global interest rates is, however, expected to weigh on financing costs in the 2023 financial year. Strong cash flow generation and an operating cash conversion rate above the Group target of 100% is anticipated, provided that the global supply chain landscape returns to normalised levels.

Any forecast information in the abovementioned paragraph has not been reviewed or reported on by the Group's auditors and is the responsibility of the Directors.

DECLARATION OF DIVIDEND

Taking into account the earnings and cash flow performance for the year ended 30 June 2022, existing debt service commitments, future proposed investments and funding options, notice is hereby given that the Board has declared a gross dividend, which is paid from income reserves, of 326 cents per ordinary share to shareholders (or 260,8 cents net of a 20% dividend withholding tax, where this maximum rate of tax applies) recorded in the share register of the Company at the close of business on 23 September 2022 (2021: 262 cents per share). This represents an increase of 24% in gross dividend per share. Shareholders should seek their own advice on the tax consequences associated with the dividend and are particularly encouraged to ensure their records are up to date with Aspen so that the correct withholding tax is applied to their dividend. The Company income tax number is 9325178714. The issued share capital of the Company is 446 252 332 ordinary shares. The Directors are of the opinion that the Company will, subsequent to the payment of the dividend, satisfy the solvency and liquidity requirements in terms of sections 4 and 46 of the Companies Act, 2008. Future distributions will continue to be decided on a year-to-year basis. In compliance with *IAS 10 – Events After Balance Sheet Date*, the dividend will be accounted for in the financial statements in the year ended 30 June 2023.

Last day to trade <i>cum dividend</i>	Tuesday, 20 September 2022
Shares commence trading ex-dividend	Wednesday, 21 September 2022
Record date	Friday, 23 September 2022
Payment date	Monday, 26 September 2022

Share certificates may not be dematerialised or rematerialised between Wednesday, 21 September 2022 and Friday, 23 September 2022.

By order of the Board

K D Dlamini
(Chairman)

S B Saad
(Group Chief Executive)

S M Capazorio
(Group Chief Financial Officer)

GROUP STATEMENT OF FINANCIAL POSITION

at year ended 30 June 2022	Note ¹	Reviewed 2022 R'million	Audited 2021 R'million
ASSETS			
Non-current assets			
Intangible assets		53 651	54 882
Property, plant and equipment		15 913	14 826
Right-of-use assets		311	400
Goodwill		5 007	4 621
Deferred tax assets		1 252	1 323
Contingent environmental indemnification assets		329	305
Other non-current assets		351	622
Total non-current assets		76 814	76 979
Current assets			
Inventories		15 763	13 409
Receivables and other current assets		11 948	10 337
Current tax assets		667	351
Cash and cash equivalents		6 183	8 546
Total operating current assets		34 561	32 643
Assets classified as held-for-sale		–	62
Total current assets		34 561	32 705
Total assets		111 375	109 684
SHAREHOLDERS' EQUITY			
Reserves		69 158	63 752
Share capital (net of treasury shares)		1 784	1 875
Total shareholders' equity		70 942	65 627
LIABILITIES			
Non-current liabilities			
Borrowings		11 882	266
Other non-current liabilities		3 492	3 732
Unfavourable and onerous contracts		87	463
Deferred tax liabilities		1 966	1 810
Contingent environmental indemnification liabilities		329	305
Retirement and other employee benefits		582	730
Total non-current liabilities		18 338	7 306
Current liabilities			
Borrowings ²	G	10 365	24 606
Trade and other payables		10 060	9 213
Other current liabilities		711	1 965
Current tax liabilities		613	563
Unfavourable and onerous contracts		346	353
Total operating current liabilities		22 095	36 700
Liabilities classified as held-for-sale		–	51
Total current liabilities		22 095	36 751
Total liabilities		40 433	44 057
Total equity and liabilities		111 375	109 684

¹ Refer to notes in Supplementary Information.

² Current borrowings includes bank overdrafts.

GROUP STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2022	Note ¹	Change %	Reviewed 2022 R'million	Audited 2021 R'million
CONTINUING OPERATIONS				
Revenue		2	38 606	37 766
Cost of sales			(20 300)	(19 977)
Gross profit		3	18 306	17 789
Selling and distribution expenses			(5 518)	(5 784)
Administrative expenses			(3 021)	(3 340)
Other operating income			1 950	1 067
Other operating expenses			(3 046)	(2 660)
Operating profit	C	23	8 671	7 072
Investment income	D		105	140
Financing costs	E		(642)	(1 223)
Profit before tax		36	8 134	5 989
Tax			(1 646)	(1 191)
Profit for the year from continuing operations		35	6 488	4 798
DISCONTINUED OPERATIONS				
Profit from discontinued operations	H		–	8
Profit for the year		35	6 488	4 806
OTHER COMPREHENSIVE INCOME/(LOSS), NET OF TAX²				
Currency translation gains/(losses)	F		1 675	(8 370)
Net gains/(losses) from cash flow hedging in respect of business acquisitions			22	(53)
Remeasurement of retirement and other employee benefits			139	37
Total comprehensive income/(loss)			8 324	(3 580)
Weighted average number of shares in issue ('million)			453,0	456,5
Diluted weighted average number of shares in issue ('million)			453,0	456,5
EARNINGS PER SHARE				
Basic and diluted earnings per share (cents)				
From continuing operations		36	1 432,3	1 051,1
From discontinued operations			–	1,8
		36	1 432,3	1 052,9

¹ Refer to notes in Supplementary Information.

² The annual remeasurements of retirement and other employee benefits are not to be reclassified to profit and loss. All other items in other comprehensive income are reclassified to profit and loss.

GROUP STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2022	Share capital (net of treasury shares) R'million	Reserves R'million	Total attributable to equity holders of the parent R'million	Non- controlling interests R'million	Total R'million
BALANCE AT 1 JULY 2020	1 902	67 313	69 215	2	69 217
Total comprehensive loss	–	(3 580)	(3 580)	–	(3 580)
Profit for the year	–	4 806	4 806	–	4 806
Other comprehensive loss	–	(8 386)	(8 386)	–	(8 386)
Acquisition of non-controlling interest in subsidiary		2	2	(2)	–
Treasury shares purchased	(50)	–	(50)	–	(50)
Deferred incentive bonus shares exercised	23	(23)	–	–	–
Share-based payment expenses	–	40	40	–	40
BALANCE AT 1 JULY 2021	1 875	63 752	65 627	–	65 627
Total comprehensive income	–	8 324	8 324	–	8 324
Profit for the year	–	6 488	6 488	–	6 488
Other comprehensive income	–	1 836	1 836	–	1 836
Dividends paid	–	(1 196)	(1 196)	–	(1 196)
Treasury shares purchased	(57)	–	(57)	–	(57)
Deferred incentive bonus shares exercised	38	(38)	–	–	–
Share-based payment expenses	–	44	44	–	44
Share buy back	(72)	(1 728)	(1 800)	–	(1 800)
BALANCE AT 30 JUNE 2022	1 784	69 158	70 942	–	70 942

DISTRIBUTION TO SHAREHOLDERS

The dividend paid relates to the dividend of 262 cents per share declared on 1 September 2021 and paid on 27 September 2021. No dividend was paid or declared during the prior period.

SHARE BUY BACK

In the current year 10,2 million (2021: nil) shares were bought back for an amount of R1,8 billion.

GROUP STATEMENT OF CASH FLOWS

for the year ended 30 June 2022	Note ¹	Change %	Reviewed 2022 R'million	Audited 2021 R'million
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash operating profit	A		10 023	8 874
Changes in working capital			(2 652)	648
Cash generated from operations			7 371	9 522
Financing costs paid			(411)	(1 207)
Investment income received			105	140
Tax paid			(1 691)	(1 630)
Cash generated from operating activities			5 374	6 825
CASH FLOWS FROM INVESTING ACTIVITIES				
Capital expenditure – property, plant and equipment	B		(1 963)	(2 045)
Proceeds received from disposal of property, plant and equipment			30	38
Capital expenditure – intangible assets	B		(734)	(1 386)
Proceeds received from disposal of intangible assets			325	375
Proceeds received from prior year disposal of Asia Pacific non-core pharmaceutical portfolio			–	740
Proceeds received from disposal of European Thrombosis assets	I		146	12 351
Proceeds received from disposal of other non-current assets			45	13
Payment of deferred, fixed and contingent consideration relating to prior years' business transactions	J		(1 539)	(254)
Proceeds received from disposal of assets classified held-for-sale	K		1 800	–
Acquisition of subsidiary	L		(361)	(69)
Insurance compensation of assets			90	–
Cash generated from investing activities			(2 161)	9 763
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings			14 208	14 668
Repayment of borrowings			(15 661)	(30 077)
Repayment of lease liabilities			(170)	(189)
Dividends paid			(1 196)	–
Purchase of treasury shares			(57)	(50)
Share buy back			(1 800)	–
Cash utilised in financing activities			(4 676)	(15 648)
Movement in cash and cash equivalents before currency translation movements				
Currency translation movements			479	(602)
Movement in cash and cash equivalents			(984)	338
Cash and cash equivalents at the beginning of the year			5 955	5 617
Cash and cash equivalents at the end of the year			4 971	5 955
Operating cash flow per share (cents)				
From continuing operations		(21)	1 186,2	1 499,7
From discontinued operations			–	(4,4)
		(21)	1 186,2	1 495,3
DISCONTINUED OPERATIONS INCLUDED IN THE ABOVE:				
Cash utilised in operating activities			–	(20)
Cash generated from investing activities			361	13 579
			361	13 559
RECONCILIATION OF CASH AND CASH EQUIVALENTS				
Cash and cash equivalents per the statement of financial position			6 183	8 546
Less: bank overdrafts (included in current borrowings)			(1 212)	(2 591)
			4 971	5 955

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash-on-hand plus deposits held on call with banks less bank overdrafts.

¹ Refer to notes in Supplementary Information.

GROUP SUPPLEMENTARY INFORMATION
GROUP STATEMENT OF HEADLINE EARNINGS

for the year ended 30 June 2022	Change %	Reviewed 2022 R'million	Audited 2021 R'million
HEADLINE EARNINGS			
Reconciliation of headline earnings			
Profit attributable to equity holders of the parent	35	6 488	4 806
<i>Adjusted for</i>			
Continuing operations			
– Net reversal of impairment of property, plant and equipment (net of tax)		(3)	(139)
– Net impairment of intangible assets (net of tax)		1 122	843
– Impairment of goodwill (net of tax)		11	127
– Impairment of right-of-use assets (net of tax)		15	–
– Loss/(profit) on the sale of tangible and intangible assets (net of tax)		180	(132)
– Profit on disposal of assets classified as held-for-sale (net of tax)		(1 144)	–
– Insurance compensation on assets (net of tax) ¹		(50)	–
Discontinued operations			
– Profit on sale of discontinued operations (net of tax)		–	(397)
	30	6 619	5 108
Headline earnings			
From continuing operations	20	6 619	5 497
From discontinued operations		–	(389)
	30	6 619	5 108
HEADLINE EARNINGS PER SHARE			
Headline earnings and diluted headline earnings per share (cents)			
From continuing operations	21	1 461,2	1 204,3
From discontinued operations		–	(85,2)
	31	1 461,2	1 119,1
NORMALISED HEADLINE EARNINGS			
Reconciliation of normalised headline earnings			
Headline earnings	30	6 619	5 108
<i>Adjusted for</i>			
Continuing operations			
– Restructuring costs (net of tax)		135	291
– Transaction costs (net of tax)		562	225
– Foreign exchange gains on acquisitions (net of tax)		(3)	(76)
– Product litigation costs (net of tax)		75	41
– Reversal of deferred consideration no longer payable (net of tax)		(15)	–
Discontinued operations			
– Restructuring costs (net of tax)		–	154
– Transaction costs (net of tax)		–	171
	25	7 373	5 914
Normalised headline earnings			
From continuing operations	23	7 373	5 978
From discontinued operations		–	(64)
	25	7 373	5 914
NORMALISED HEADLINE EARNINGS PER SHARE			
Normalised headline and diluted headline earnings per share (cents)			
From continuing operations	24	1 627,6	1 309,7
From discontinued operations		–	(14,0)
	26	1 627,6	1 295,7

¹ Relates to insurance compensation on damaged property, plant and equipment following the fire at Alphamed Formulations Pvt Limited's formulation site.

GROUP SUPPLEMENTARY INFORMATION continued

GROUP SEGMENTAL ANALYSIS

	Reviewed year ended 30 June 2022				
	Sterile Focus Brands R'million	Regional Brands R'million	Total Commercial Pharmaceuticals R'million	Total Manufacturing R'million	Total R'million
Revenue	10 253	17 405	27 658	10 948	38 606
Cost of sales	(4 032)	(7 571)	(11 603)	(8 697)	(20 300)
Gross profit	6 221	9 834	16 055	2 251	18 306
Selling and distribution expenses					(5 518)
Administrative expenses					(3 021)
Net other operating income					78
Depreciation					1 167
Normalised EBITDA¹					11 012
<i>Adjusted for</i>					
Depreciation					(1 167)
Amortisation					(546)
Profit on sale of assets					1 212
Net impairment of assets					(1 205)
Insurance compensation on assets					90
Restructuring costs					(174)
Transaction costs					(491)
Reversal of deferred consideration no longer payable					15
Product litigation costs					(75)
Operating profit					8 671
Gross profit (%)	60,7	56,5	58,0	20,6	47,4
Selling and distribution expenses (%)					14,3
Administrative expenses (%)					7,8
Normalised EBITDA (%)					28,5

	Audited year ended 30 June 2021				
	Sterile Focus Brands R'million	Regional Brands R'million	Total Commercial Pharmaceuticals R'million	Total Manufacturing R'million	Total R'million
Revenue	10 691	17 183	27 874	9 892	37 766
Cost of sales	(4 384)	(7 853)	(12 237)	(7 740)	(19 977)
Gross profit	6 307	9 330	15 637	2 152	17 789
Selling and distribution expenses					(5 784)
Administrative expenses					(3 340)
Net other operating income					237
Depreciation					1 043
Normalised EBITDA¹					9 945
<i>Adjusted for:</i>					
Depreciation					(1 043)
Amortisation					(594)
Profit on sale of assets					165
Net impairment of assets					(763)
Restructuring costs					(396)
Transaction costs					(201)
Product litigation costs					(41)
Operating profit					7 072
Gross profit (%)	59,0	54,3	56,1	21,8	47,1
Selling and distribution expenses (%)					15,3
Administrative expenses (%)					8,8
Normalised EBITDA (%)					26,3

¹ Normalised EBITDA represents operating profit before depreciation and amortisation adjusted for specific non-trading items as defined in the Group's accounting policy.

GROUP SUPPLEMENTARY INFORMATION continued

GROUP SEGMENTAL ANALYSIS continued

	Change				
	Sterile Focus Brands %	Regional Brands %	Total Commercial Pharmaceuticals %	Total Manufacturing %	Total %
Revenue	(4)	(1)	(1)	11	2
Cost of sales	(8)	(4)	(5)	12	2
Gross profit	(1)	5	3	5	3
Selling and distribution expenses					(5)
Administrative expenses					(10)
Net other operating income					(67)
Depreciation					12
Normalised EBITDA¹					11

¹ Normalised EBITDA represents operating profit before depreciation and amortisation adjusted for specific non-trading items as defined in the Group's accounting policy.

GROUP REVENUE SEGMENTAL ANALYSIS

for the year ended 30 June 2022	Reviewed 2022 R'million	Audited restated ¹ 2021 R'million	Change %
COMMERCIAL PHARMACEUTICALS BY CUSTOMER GEOGRAPHY	27 658	27 874	(1)
Africa Middle East	8 403	8 692	(3)
Asia	5 116	5 117	(0)
Australasia	5 107	4 867	5
Europe CIS	4 737	5 192	(9)
Americas	4 295	4 006	7
MANUFACTURING REVENUE BY GEOGRAPHY OF MANUFACTURER			
Manufacturing revenue – finished dose form	5 433	3 495	55
Europe CIS	3 175	2 248	41
Africa Middle East	1 662	693	>100
Australasia	596	554	8
Manufacturing revenue – active pharmaceutical ingredients (Chemicals)	4 737	5 154	(8)
Europe CIS	4 415	4 817	(8)
Africa Middle East	210	260	(19)
Asia	112	77	45
Manufacturing revenue – active pharmaceutical ingredients (Biochem)	778	1 243	(37)
Europe CIS	778	1 243	(37)
Total Manufacturing revenue	10 948	9 892	11
TOTAL REVENUE	38 606	37 766	2
SUMMARY OF REGIONS			
Europe CIS	13 105	13 500	(3)
Africa Middle East	10 275	9 645	7
Australasia	5 703	5 421	5
Asia	5 228	5 194	1
Americas	4 295	4 006	7
TOTAL REVENUE	38 606	37 766	2

¹ Commercial responsibility for Israel has been moved to Africa Middle East from Europe CIS, and consequently, the prior period numbers have been restated to reflect this segmental change.

GROUP SUPPLEMENTARY INFORMATION continued
COMMERCIAL PHARMACEUTICALS THERAPEUTIC AREA ANALYSIS

Reviewed year ended 30 June 2022

	Sterile Focus Brands R'million	Regional Brands R'million	Total R'million
BY CUSTOMER GEOGRAPHY			
Commercial Pharmaceuticals			
Africa Middle East	525	7 878	8 403
Asia	4 503	613	5 116
Australasia	643	4 464	5 107
Europe CIS	3 143	1 594	4 737
Americas	1 439	2 856	4 295
Total Commercial Pharmaceuticals	10 253	17 405	27 658

Audited restated¹ year ended 30 June 2021

	Sterile Focus Brands R'million	Regional Brands R'million	Total R'million
BY CUSTOMER GEOGRAPHY			
Commercial Pharmaceuticals			
Africa Middle East	535	8 157	8 692
Asia	4 491	626	5 117
Australasia	754	4 113	4 867
Europe CIS	3 518	1 674	5 192
Americas	1 393	2 613	4 006
Total Commercial Pharmaceuticals	10 691	17 183	27 874

Change

	Sterile Focus Brands %	Regional Brands %	Total %
BY CUSTOMER GEOGRAPHY			
Commercial Pharmaceuticals			
Africa Middle East	(2)	(3)	(3)
Asia	0	(2)	(0)
Australasia	(15)	9	5
Europe CIS	(11)	(5)	(9)
Americas	3	9	7
Total Commercial Pharmaceuticals	(4)	1	(1)

¹ Commercial responsibility for Israel has been moved to Africa Middle East from Europe CIS, and consequently, the prior period numbers have been restated to reflect this segmental change.

GROUP SUPPLEMENTARY INFORMATION continued

NOTES

	Note	Reviewed 30 June 2022 R'million	Audited 30 June 2021 R'million
A. CASH OPERATING PROFIT			
Operating profit – continuing operations		8 671	7 072
Operating profit – discontinued operations		–	(434)
Total operating profit		8 671	6 638
Non-cash items		1 352	2 236
		10 023	8 874
B. CAPITAL EXPENDITURE			
Incurred		2 697	3 431
– Property, plant and equipment		1 963	2 045
– Intangible assets		734	1 386
Contracted		1 377	862
– Property, plant and equipment		840	571
– Intangible assets		537	291
Authorised but not contracted for		3 092	1 621
– Property, plant and equipment		2 422	1 127
– Intangible assets		670	494
C. OPERATING PROFIT HAS BEEN ARRIVED AT AFTER CHARGING/(CREDITING)			
Continuing operations			
Depreciation of tangible assets		1 167	1 043
Amortisation of intangible assets		546	594
Net impairment of tangible and intangible assets		1 205	763
Impairment of tangible assets		13	134
Impairment reversal of tangible assets		(16)	(353)
Impairment of intangible assets	M	1 541	1 264
Impairment reversal of intangible assets	M	(361)	(413)
Impairment of goodwill		11	131
Impairment of right-of-use assets		17	–
Loss/(profit) on the sale of tangible and intangible assets		105	(165)
Transaction costs		491	201
Restructuring costs		174	396
Product litigation costs		75	41
Profit on disposal of assets classified as held-for-sale	K	(1 317)	–
Insurance compensation of assets		(90)	–
Reversal of deferred consideration no longer payable		(15)	–
D. INVESTMENT INCOME			
Interest received		105	140
E. FINANCING COSTS			
Interest paid		(573)	(994)
Debt raising fees on acquisitions		(64)	(47)
Net gains/(losses) on financial instruments		184	(49)
Foreign exchange gains/(losses)		46	(147)
Fair value gains on financial instruments		138	98
Notional interest on financial instruments		(192)	(211)
Foreign exchange gains on acquisitions		3	78
		(642)	(1 223)

NOTES

	Reviewed 30 June 2022 R'million	Audited 30 June 2021 R'million
F. CURRENCY TRANSLATION GAINS/(LOSSES)		
Currency translation gains/(losses) on the translation of the offshore businesses are as a result of the difference between the weighted average exchange rate used for trading results and the opening and closing exchange rates applied in the statement of financial position. For the period, the weaker closing Rand translation rate has increased the Group's net asset value.	1 675	(8 370)
Average rates		
EUR – Euro	17,143	18,362
AUD – Australian Dollar	11,033	11,484
CNY – Chinese Yuan Renminbi	2,357	2,324
USD – US Dollar	15,217	15,408
BRL – Brazilian Real	2,934	2,838
MXN – Mexican Peso	0,755	0,740
CAD – Canadian Dollar	12,019	11,998
RUB – Russian Ruble	0,206	0,207
GBP – British Pound Sterling	20,241	20,707
Closing rates		
EUR – Euro	17,094	16,959
AUD – Australian Dollar	11,277	10,725
CNY – Chinese Yuan Renminbi	2,438	2,216
USD – US Dollar	16,333	14,310
BRL – Brazilian Real	3,118	2,861
MXN – Mexican Peso	0,811	0,722
CAD – Canadian Dollar	12,689	11,536
RUB – Russian Ruble	0,298	0,195
GBP – British Pound Sterling	19,861	19,757

G. CURRENT BORROWINGS

Included in current borrowings is syndicated bank debt to the value of R8,4 billion, which matures on 1 July 2023 (the "Maturing Facilities"). The Group has commenced a process to refinance the Maturing Facilities through new syndicated bank debt facilities (the "New Facilities") of similar commercial terms, value, tenor, currency composition and lender composition as the Maturing Facilities. It is intended that the New Facilities will be in place before the end of November 2022.

H. PRIOR YEAR DISCONTINUED OPERATIONS

In September 2020, the Group concluded an agreement (subject to conditions precedent which were fulfilled in November 2020) to divest the assets related to the commercialisation of Aspen's Thrombosis products in Europe to Mylan Ireland Limited ("Mylan"). The results of the European Thrombosis Business, including related products that were not disposed to Mylan, were classified as discontinued operations in terms of IFRS 5 and were reported separately in the discontinued operations statement of comprehensive income. Please refer to Note 24 on Page 83 of the 30 June 2021 Annual Financial Statements for the discontinued operations statement of comprehensive income. The 30 June 2021 Annual Financial Statements can be found on the Group's website <https://www.aspenpharma.com/investor-information/>.

GROUP SUPPLEMENTARY INFORMATION continued**NOTES** continued**I. PROCEEDS RECEIVED FROM SALE OF DISCONTINUED OPERATIONS**

	Reviewed 30 June 2022 R'million	Audited 30 June 2021 R'million
Net proceeds received from disposal of European Thrombosis assets	146	12 351

Please refer to Note G on Page 19 of the 30 June 2021 Annual Financial Statements for the proceeds received from sale of discontinued operations. The 30 June 2021 Annual Financial Statements can be found on the Group's website <https://www.aspenpharma.com/investor-information/>.

J. PAYMENT OF DEFERRED, FIXED AND CONTINGENT CONSIDERATION RELATING TO PRIOR YEARS' BUSINESS TRANSACTIONS

	30 June 2022 R'million	30 June 2021 R'million
Performance warranty payment – Nutritionals business ¹	(705)	–
Conditional transaction — related China set up costs fully settled ²	(334)	–
Disposal of European Thrombosis assets – volume incentive payments and other transaction costs ²	(465)	(78)
Disposal of Japanese business – supply price rebate payments ²	(164)	(214)
Disposal of Japanese business – uninterrupted supply milestone receipt ³	288	309
Other	(159)	(271)
	(1 539)	(254)

Future amounts payable for deferred, fixed and contingent consideration relating to prior year business transactions

European Thrombosis Assets	400
Non-current	43
Current	357
Japanese business	627
Non-current	417
Current	210
Other	110
Non-current	20
Current	90
	1 137

Future amounts receivable for deferred, fixed and contingent consideration relating to prior year business transactions

Japanese business – Uninterrupted supply milestone receipt	253
Current	253

¹ In terms of the disposal of the Nutritionals business agreement, a performance warranty claim provision (relating to the expected performance of the Asia portfolio) of NZD71 million was included in current liabilities at 30 June 2021. Refer to note 16 of the 30 June 2021 Annual Financial Statements for further detail. The parties concluded a final settlement value of NZD71 million in February 2022. The 30 June 2021 Annual Financial Statements can be found on the Group's website <https://www.aspenpharma.com/investor-information/>.

² Refer to note 16 of the 30 June 2021 Annual Financial Statements for further detail. The 30 June 2021 Annual Financial Statements can be found on the Group's website <https://www.aspenpharma.com/investor-information/>.

³ Refer to note 7 of the 30 June 2021 Annual Financial Statements for further detail. The 30 June 2021 Annual Financial Statements can be found on the Group's website <https://www.aspenpharma.com/investor-information/>.

GROUP SUPPLEMENTARY INFORMATION continued**NOTES** continued**K. PROCEEDS RECEIVED FROM DISPOSAL OF ASSETS CLASSIFIED AS HELD-FOR-SALE**

Aspen concluded an agreement with Acino Pharma AG ("Acino") (a company incorporated in Switzerland), in terms of which Acino acquired a product portfolio of six products from Pharmacare Limited, a wholly owned South African subsidiary of Aspen Holdings, for a consideration of R1.8 billion, plus the cost of the related inventory ("the Transaction") effective 1 March 2022. The assets relating to this disposal were classified as held-for-sale in the Unaudited Interim Financial Results for the six months ended 31 December 2021.

	Reviewed 30 June 2022 R'million	Audited 30 June 2021 R'million
Proceeds received from disposal of assets classified as held-for-sale	1 800	–
Assets classified as held-for-sale – 31 December 2021	(483)	–
Profit on disposal	1 317	–

L. ACQUISITION OF SUBSIDIARY**Acquisition of ENT Technologies Pty Ltd**

On 31 March 2022, Aspen Pharmacare Australia Pty Ltd acquired 100% of ENT Technologies Pty Ltd ("ENTT") for a consideration of R386 million (AUD35 million). Aspen has accounted for this acquisition as a business combination in terms of *IFRS 3 Business Combinations*.

Based in Hawthorn East, Melbourne, ENTT has a portfolio of market-leading products that treat a range of common ear, nose and throat problems. ENTT has built a reputation for providing high quality, innovative, over-the-counter nasal and sinus products for children and adults. Its portfolio includes the Flo nasal and sinus range of preservative-free products and specialist anaesthetic nasal sprays. Due to the timing of the transaction Aspen has not yet completed the detailed exercise to identify and value the separately identifiable intangible assets acquired and thereafter the goodwill, if any, arising as a result of the transaction. This will be completed as part of the finalisation of the accounting for the acquisition. The provisional accounting for the transaction has been as set out below.

	Reviewed 30 June 2022 Total R'million
Fair value of assets and liabilities acquired	
Intangible assets	177
Inventories	26
Receivables and other current assets	27
Cash and cash equivalents	25
Deferred tax liability	(51)
Trade and other payables	(27)
Current tax liability	(2)
Fair value of net assets acquired	175
Goodwill arising on acquisition	211
Purchase consideration	386
Cash and cash equivalents at acquisition	(25)
Cash outflow on acquisition	361

The fair value of the trade receivables amounts to R25 million and it is expected that the full contractual amounts will be collected.

The goodwill of R211 million comprises the value of expected synergies arising from the acquisition and a distribution customer list, which is not separately recognised.

The estimation of post-acquisition operating profits are immaterial to the Group.

	Note	Reviewed 30 June 2022 R'million	Audited 30 June 2021 R'million
M. IMPAIRMENT OF INTANGIBLE ASSETS			
Impairment of intangible assets can be split as follows			
Project and product development costs	1	530	182
GSK Thrombosis business	2	351	–
Specialist Global Brands	3	225	113
MSD Brands	4	212	31
GSK Classic Brands distributed in Australia		73	29
GSK OTC brands		64	154
GSK anaesthetics portfolio product		29	–
South African Regional Brands		20	2
AstraZeneca Anaesthetics portfolio		–	630
US Brand		–	115
Other		37	8
		1 541	1 264
Reversal of impairments can be split as follows			
Specialist Global Brands	5	(230)	(221)
GSK anaesthetics portfolio product		–	(179)
ELIZ brands		(37)	–
Other		(94)	(13)
		(361)	(413)
Net impairment of intangible assets		1 180	851

The impairments have generally arisen as a result of a decline in the outlook of revenue and profitability but notable circumstances exist in the case of:

- 1) Product development and other projects, which were no longer technically or commercially feasible.
- 2) Exposure to Russia impacts one brand in this portfolio.
- 3) Exposure to Russia impacts one brand in this portfolio.
- 4) Increased competition in Europe combined with input cost increases have negatively impacted one brand.
- 5) The impairment reversals have generally arisen as a result of an improvement in the outlook of revenue and profitability of previously impaired products.

With the exception of intangible assets fully written off, the carrying value of intangible assets impaired or with impairment reversals have been determined based on either fair value less costs to sell or value-in-use calculations, using a five-year forecast horizon.

Other key assumptions used (where appropriate and in relation to the material impairments and impairment reversals) were:

	Growth in revenue (% per annum) ¹	Gross profit (% per annum)	Growth (% per annum) ²	Pre-tax discount rate applied to cash flows (% per annum)
<i>Impairments</i>				
GSK Thrombosis business	4	52	0	11
Specialist Global Brands	(1)	53	0	9
MSD Brands	0	23	0	11
<i>Impairment reversals</i>				
Specialist Global Brands	3	82	0	9

¹ Average compound average growth rate during the abovementioned five-year forecast.

² Average growth rate used to extrapolate cash flows beyond the abovementioned five-year forecast.

GROUP SUPPLEMENTARY INFORMATION continued**NOTES** continued**N. ILLUSTRATIVE CONSTANT EXCHANGE RATE REPORT ON SELECTED FINANCIAL DATA**

The Group has presented selected line items from the consolidated statement of comprehensive income and certain trading profit metrics on a constant exchange rate basis in the tables on the following pages.

The *pro forma* constant exchange rate information is presented to demonstrate the impact of fluctuations in currency exchange rates on the Group's reported results. The *pro forma* constant exchange rate information is the responsibility of the Group's Board of Directors and is presented for illustrative purposes only. Due to the nature of this information, it may not fairly present the Group's financial position, changes in equity and results of operations or cash flows. The *pro forma* constant exchange rate information has been compiled in terms of the JSE Listings Requirements and SAICA's Guide on Pro Forma Information by SAICA and the accounting policies of the Group as at 30 June 2022. The illustrative *pro forma* constant exchange rate information on selected financial data has been derived from the reviewed financial information and has been reported on by Aspen's auditors who have issued reporting accountants reports thereon, which is available for inspection at the Group's registered office.

The Group's financial performance is impacted by numerous currencies which underlie the reported provisional Group financial results where, even within geographic segments, the Group trades in multiple currencies ("source currencies"). The *pro forma* constant exchange rate information has been calculated by adjusting the prior period's reported results at the current period's reported average exchange rates. Recalculating the prior period's numbers provides illustrative comparability with the current period's reported performance by adjusting the estimated effect of source currency movements.

The listing of average exchange rates against the Rand for the currencies contributing materially to the impact of exchange rate movements is set out below:

	June 2022 average rates	June 2021 average rates
EUR – Euro	17,143	18,362
AUD – Australian Dollar	11,033	11,484
CNY – Chinese Yuan Renminbi	2,357	2,324
USD – US Dollar	15,217	15,408
BRL – Brazilian Real	2,934	2,838
MXN – Mexican Peso	0,755	0,740
CAD – Canadian Dollar	12,019	11,998
RUB – Russian Ruble	0,206	0,207
GBP – British Pound Sterling	20,241	20,707

Revenue, other income, cost of sales and expenses

For purposes of the constant exchange rate report the recalculated prior period's source currency revenue, other income, cost of sales and expenses have been recalculated from the prior period's relevant average exchange rate to the current period's relevant reported average exchange rate.

Interest paid net of investment income

Net interest paid is directly linked to the source currency of the borrowing on which it is levied and is recalculated from the prior period's relevant reported average exchange rate to the current period's relevant reported average exchange rate.

Tax

The tax charge for purposes of the constant currency report has been recomputed by applying the actual effective tax rate to the recalculated profit before tax.

GROUP SUPPLEMENTARY INFORMATION continued

NOTES continued

N. ILLUSTRATIVE CONSTANT EXCHANGE RATE REPORT ON SELECTED FINANCIAL DATA continued

	Reviewed June 2022 (at 2022 average rates) R' million	Audited June 2021 (at 2021 average rates) R' million	Change at reported exchange rates %	Recalculated Illustrative constant exchange rates June 2021 (at 2022 average rates) R' million	Change at constant exchange rates %
Key constant exchange rate indicators					
Continuing operations					
Revenue	38 606	37 766	2	36 724	5
Gross profit	18 306	17 789	3	17 462	5
Normalised EBITDA ¹	11 012	9 945	11	9 767	13
Operating profit	8 671	7 072	23	7 000	24
Normalised headline earnings	7 373	5 978	23	5 918	25
<i>Basic and diluted earnings per share (cents)</i>	1 432,3	1 051,1	36	1 050,0	36
<i>Headline and diluted headline earnings per share (cents)</i>	1 461,2	1 204,3	21	1 193,5	22
<i>Normalised headline and diluted headline earnings per share (cents)</i>	1 627,6	1 309,7	24	1 296,4	26

¹ Normalised EBITDA represents operating profit before depreciation and amortisation adjusted for specific non-trading items as defined in the Group's accounting policy.

	Reviewed June 2022 (at 2022 average rates) %	Reviewed June 2021 (at 2021 average rates) %
Revenue currency mix		
EUR – Euro	31	29
ZAR – South African Rand	17	18
AUD – Australian Dollar	14	13
CNY – Chinese Yuan Renminbi	10	10
USD – US Dollar	7	7
BRL – Brazilian Real	4	3
MXN – Mexican Peso	3	3
CAD – Canadian Dollar	2	1
RUB – Russian Ruble	2	2
GBP – British Pound Sterling	1	2
Other currencies	9	12
Total	100	100

GROUP SUPPLEMENTARY INFORMATION continued

NOTES continued

N. ILLUSTRATIVE CONSTANT EXCHANGE RATE REPORT ON SELECTED FINANCIAL DATA continued

Group segmental analysis

	Reviewed year ended June 2022 (at 2022 average rates)				
	Sterile Focus Brands R'million	Regional Brands R'million	Total Commercial Pharmaceuticals R'million	Total Manufacturing R'million	Total R'million
Revenue	10 253	17 405	27 658	10 948	38 606
Cost of sales	(4 032)	(7 571)	(11 603)	(8 697)	(20 300)
Gross profit	6 221	9 834	16 055	2 251	18 306
Selling and distribution expenses					(5 518)
Administrative expenses					(3 021)
Net other operating income					78
Depreciation					1 167
Normalised EBITDA¹					11 012
<i>Adjusted for</i>					
Depreciation					(1 167)
Amortisation					(546)
Profit on sale of assets					1 212
Net impairment of assets					(1 205)
Insurance compensation of assets					90
Restructuring costs					(174)
Transaction costs					(491)
Reversal of deferred consideration no longer payable					15
Product litigation costs					(75)
Operating profit					8 671
Gross profit (%)	60,7	56,5	58,0	20,6	47,4
Selling and distribution expenses (%)					14,3
Administrative expenses (%)					7,8
Normalised EBITDA (%)					28,5

Recalculated illustrative constant exchange rate June 2021 (at 2022 average rates)

	Sterile Focus Brands R'million	Regional Brands R'million	Total Commercial Pharmaceuticals R'million	Total Manufacturing R'million	Total R'million
	Revenue	10 512	16 895	27 407	9 317
Cost of sales	(4 200)	(7 666)	(11 866)	(7 396)	(19 262)
Gross profit	6 312	9 229	15 541	1 921	17 462
Selling and distribution expenses					(5 663)
Administrative expenses					(3 268)
Net other operating income					225
Depreciation					1 011
Normalised EBITDA¹					9 767
<i>Adjusted for</i>					
Depreciation					(1 011)
Amortisation					(575)
Profit on sale of assets					163
Net impairment of assets					(722)
Restructuring costs					(390)
Transaction costs					(193)
Product litigation costs					(39)
Operating profit					7 000
Gross profit (%)	60,0	54,6	56,7	20,6	47,5
Selling and distribution expenses (%)					15,4
Administrative expenses (%)					8,9
Normalised EBITDA (%)					26,6

¹ Normalised EBITDA represents operating profit before depreciation and amortisation adjusted for specific non-trading items as defined in the Group's accounting policy.

GROUP SUPPLEMENTARY INFORMATION continued

NOTES continued

N. ILLUSTRATIVE CONSTANT EXCHANGE RATE REPORT ON SELECTED FINANCIAL DATA continued

Group segmental analysis continued

	Change				
	Sterile Focus Brands %	Regional Brands %	Total Commercial Pharmaceuticals %	Total Manufacturing %	Total %
Revenue	(2)	3	1	18	5
Cost of sales	(4)	(1)	(2)	18	5
Gross profit	(1)	7	3	17	5
Selling and distribution expenses					(3)
Administrative expenses					(8)
Net other operating income					(65)
Depreciation					15
Normalised EBITDA¹					13

¹ Normalised EBITDA represents operating profit before depreciation and amortisation adjusted for specific non-trading items as defined in the Group's accounting policy.

GROUP REVENUE SEGMENTAL ANALYSIS

	Reviewed June 2022 (at 2022 average rates) R'million	Recalculated illustrative constant exchange rate June 2021 (at 2022 average rates) ² R'million	Change %
COMMERCIAL PHARMACEUTICALS BY CUSTOMER GEOGRAPHY	27 658	27 407	1
Africa Middle East	8 403	8 633	(3)
Asia	5 116	5 127	(0)
Australasia	5 107	4 680	9
Europe CIS	4 737	4 931	(4)
Americas	4 295	4 036	6
MANUFACTURING REVENUE BY GEOGRAPHY OF MANUFACTURE			
Manufacturing revenue – finished dose form	5 433	3 307	64
Europe CIS	3 175	2 104	51
Africa Middle East	1 662	671	>100
Australasia	596	532	12
Manufacturing revenue – active pharmaceutical ingredients (Chemicals)	4 737	4 849	(2)
Europe CIS	4 415	4 518	(2)
Africa Middle East	210	256	(18)
Asia	112	75	49
Manufacturing revenue – active pharmaceutical ingredients (Biochem)	778	1 161	(33)
Europe CIS	778	1 161	(33)
Total Manufacturing revenue	10 948	9 317	18
TOTAL REVENUE	38 606	36 724	5
SUMMARY OF REGIONS			
Europe CIS	13 105	12 714	3
Africa Middle East	10 275	9 560	7
Australasia	5 703	5 212	9
Asia	5 228	5 202	0
Americas	4 295	4 036	6
TOTAL REVENUE	38 606	36 724	5

² Commercial responsibility for Israel has been moved to Africa Middle East from Europe CIS, and consequently, the prior period numbers have been restated to reflect this segmental change.

GROUP SUPPLEMENTARY INFORMATION continued

NOTES continued

N. ILLUSTRATIVE CONSTANT EXCHANGE RATE REPORT ON SELECTED FINANCIAL DATA continued

Commercial Pharmaceuticals therapeutic area analysis

	Reviewed year ended June 2022 (2022 average rates)		
	Sterile Focus Brands R'million	Regional Brands R'million	Total R'million
BY CUSTOMER GEOGRAPHY			
Commercial Pharmaceuticals			
Africa Middle East	525	7 878	8 403
Asia	4 503	613	5 116
Australasia	643	4 464	5 107
Europe CIS	3 143	1 594	4 737
Americas	1 439	2 856	4 295
Total Commercial Pharmaceuticals	10 253	17 405	27 658

	Recalculated illustrative constant exchange rate June 2021 (at 2022 average rates) ¹		
	Sterile Focus Brands R'million	Regional Brands R'million	Total R'million
BY CUSTOMER GEOGRAPHY			
Commercial Pharmaceuticals			
Africa Middle East	525	8 108	8 633
Asia	4 513	614	5 127
Australasia	725	3 955	4 680
Europe CIS	3 349	1 582	4 931
Americas	1 400	2 636	4 036
Total Commercial Pharmaceuticals	10 512	16 895	27 407

	Change		
	Sterile Focus Brands %	Regional Brands %	Total %
BY CUSTOMER GEOGRAPHY			
Commercial Pharmaceuticals			
Africa Middle East	0	(3)	(3)
Asia	(0)	(0)	(0)
Australasia	(11)	13	9
Europe CIS	(6)	1	(4)
Americas	3	8	6
Total Commercial Pharmaceuticals	(2)	3	1

¹ Commercial responsibility for Israel has been moved to Africa Middle East from Europe CIS, and consequently, the prior period numbers have been restated to reflect this segmental change.

GROUP SUPPLEMENTARY INFORMATION continued

NOTES continued

O. BASIS OF ACCOUNTING

The Group financial results contained in the provisional report are prepared in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports and the requirements of the Companies Act of South Africa. The Listings Requirements require provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by *IAS 34 – Interim Reporting*.

The accounting policies applied in the preparation of these provisional Group financial results are in terms of IFRS and are consistent with those used in the annual financial statements for the year ended 30 June 2021 except for changes to the segmental analysis.

These provisional Group financial results have been prepared under the supervision of the Group Chief Financial Officer, SM Capazorio CA(SA) and approved by the Board of Directors.

Restatement of the Group segmental analysis

The Group has revised its reportable segments to reflect the newly updated operating model, which aligns to the way in which the business is managed and reported on by the Chief Operating Decision Maker ("CODM"). The business segments that make up the Pharmaceutical segment have been revised as follows:

- Commercial responsibility for Israel has been moved to Africa Middle East from Europe CIS and consequently the prior period numbers (June 2021: R122 million) have been restated to reflect this segmental change.

COVID-19

There has been no material negative impact of COVID-19 on the Group's financial performance and no asset impairments have arisen as a consequence of COVID-19.

SUBSEQUENT EVENTS

Subsequent to year-end, the Board has declared a gross dividend, which will be paid from income reserves of 326 cents per ordinary share to shareholders recorded in the share register of the Company at the close of business on 23 September 2022 (2021: Declared on 1 September 2021 and paid 27 September 2021). In compliance with *IAS 10 – Events After Balance Sheet Date*, the dividend will be accounted for in the financial statements in the year ending 30 June 2023.

REVIEW CONCLUSION

These reviewed provisional Group financial results for the year ended 30 June 2022 have been reviewed by the independent external auditors, Ernst & Young Inc., and their unmodified review report is available for inspection at the Group's registered office. The review was performed in accordance with ISRE 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. Any reference to future financial performance included in this announcement has not been reviewed or reported on by the Group's external auditors. The auditor's report does not necessarily report on all of the information contained in this announcement/financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of the auditor's report together with the accompanying financial information from the Group's registered office.

The illustrative constant exchange rate report on selected financial data has been derived from the reviewed financial information and has been reported on by Aspen's auditors in a reporting accountant's report, which is available for inspection at the Group's registered office. This information has been prepared for illustrative purposes only and is the responsibility of the Group's Board of Directors.

DIRECTORS

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Disclaimer

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