



## ASPEN PHARMACARE HOLDINGS LIMITED AND ITS SUBSIDIARIES

Registration number 1985/002935/06

JSE share code: APN

ISIN: ZAE000066692

LEI: 635400ZYSN1IRD5QWQ94

("Aspen" or "the Group")

## Unaudited interim Group financial results for the six months ended 31 December 2022

### COMMENTARY

#### GROUP HIGHLIGHTS

#### Key Financial Indicators<sup>1</sup>

	Reported December 2022 R'million	Reported December 2021 R'million	Change at reported rates %	Change at CER <sup>2</sup> %
Revenue	<b>19 150</b>	19 381	(1)	(6)
Gross profit	<b>8 966</b>	9 395	(5)	(9)
Operating profit	<b>3 896</b>	4 558	(15)	(19)
Normalised EBITDA <sup>3</sup>	<b>5 083</b>	5 716	(11)	(15)
Headline earnings per share (cents)	<b>660,6</b>	777,2	(15)	(20)
Normalised headline earnings per share (cents) <sup>4</sup>	<b>679,6</b>	816,4	(17)	(21)
Earnings per share (cents)	<b>602,0</b>	736,2	(18)	(23)

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

<sup>2</sup> The CER % change is based upon the performance for the period ended 31 December 2021 recalculated using the average exchange rates for the period ended 31 December 2022.

<sup>3</sup> Operating profit before depreciation and amortisation adjusted for specific non-trading items as defined in the Group's accounting policy.

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

#### GROUP PERFORMANCE

The Group has delivered a creditable and resilient performance under challenging trading conditions. As previously guided, relative to the prior comparative period, this half was impacted by the Russian/Ukraine war, inflationary pressure, COVID lockdowns and volume-based procurement impacts in China as well as the loss of COVID vaccine sales. These headwinds had some offsets from improved margins in Commercial Pharmaceuticals.

Group revenue for the six months ended 31 December 2022 declined 1% (-6% CER) to R19 150 million with Commercial Pharmaceuticals revenue growing 2% (-4% CER). Manufacturing revenue declining by 10% (-12% CER). Gross profit fell by 5% (-9% CER) as the reduction in Manufacturing gross profit margins from lost COVID vaccine contributions more than offset the improvement in Commercial Pharmaceutical gross profit margins. Normalised EBITDA recorded negative growth of 11% (-15% CER) at R5 083 million. Lower net interest costs partly mitigated the increase in net financing costs arising from net foreign exchange losses of R234 million, following the weakening of emerging market currencies. NHEPS declined by 17% (-21% CER) to 679,6 cents.

The Group's leverage ratio remained comfortably below target levels with reported net borrowings of R18,8 billion. During this period of uncertainty, given the war in Ukraine and COVID related supply impacts, there was increased investment in inventory by the Manufacturing segment. We have sufficient confidence to substantially unwind this working capital investment in the second half of the financial year.

Aspen successfully concluded agreements with each of the Bill & Melinda Gates Foundation ("the Gates Foundation") and the Coalition for Epidemic Preparedness Innovations ("CEPI") to support African regional manufacturing capacity for an affordable supply of vaccines.

Important advances were also made in the negotiation of key manufacturing contracts.

## **SEGMENTAL PERFORMANCE (AT CER)**

### **Commercial Pharmaceuticals**

Commercial Pharmaceuticals revenue, comprising Regional Brands and Sterile Focus Brands, declined by 4% to R14 547 million. Revenue was negatively impacted, primarily by the divestment of certain products in South Africa in March 2022, as well as by the challenges documented earlier. The improved gross profit margins resulted in a lower decline in gross profit of 2% to R8 728 million.

### **Regional Brands**

Revenue from our largest segment, Regional Brands, increased by 2% to R9 355 million, with 7% growth from each of Australasia and the Americas being the major contributors. Excluding the impact of the product divestment in South Africa (R294 million), Regional Brands revenue grew 6% with growth in Africa Middle East of 5% on a comparable product basis.

Gross profit percentage was up at 59,7% (H1 2022: 57,0%), driven by cost of goods savings and favourable sales mix.

### **Sterile Focus Brands**

Revenue from Sterile Focus Brands decreased by 13% to R5 192 million due to the aforementioned challenges in both Russia and China.

Although the gross profit percentage of 60,5% was lower than the prior year comparable period (H1 2022: 61,4%), it is an improved margin compared to the second half of the previous financial year (H2 2022: 59,0%). The cost of goods savings from insourcing production has more than offset higher inflationary and logistic cost pressures.

### **Manufacturing**

Manufacturing revenue decreased by 12% to R4 603 million attributable to the lower COVID vaccine sales. Heparin revenue was impacted by the prioritisation of technical transfer work related to new customers offset by increased pricing to counter the rising cost of raw heparin.

The Manufacturing business has a high fixed cost base and consequently gains and losses of contribution are extremely impactful on profit margins. Gross profit margins were significantly lower at 5,2% (H1 2022: 19,2%), largely impacted by the loss of contribution from the manufacture of the COVID vaccine. This was exacerbated by revenue foregone to facilitate non-revenue generating technical transfer costs needed for the on-boarding of new sterile manufacturing opportunities. The receipt of the grant funding from the Gates Foundation and CEPI helped to partially offset sterile production costs related to the introduction of the Serum Institute of India vaccines.

## PROSPECTS

The challenging environment and prioritisation of transferring the manufacture of new sterile products to our facilities was as anticipated and guided for the half. We maintain our guidance that the results for the second half of this financial year will not only exceed those reported for the first half but will also exceed H2 of the prior year. We expect an improved revenue result in both Commercial Pharmaceuticals and Manufacturing in H2 compared to the performance in H2 2022. Manufacturing is anticipated to deliver particularly robust sales growth in the second half, driven by API and Heparin, more than overcoming the loss of the COVID vaccine.

We are also anticipating closure during H2 of important product portfolio enhancement transactions that will strengthen our Commercial Pharmaceuticals offering in Latin America and South Africa.

A focus area for the Group has been to fill existing sterile manufacturing capacities. The operating leverage from doing so is significant and is needed to underscore the investment in our sterile platform and deliver the planned returns. We are pleased to announce that we have made significant advances in our contract negotiations for a portion of this capacity. This has given us the confidence to revise the value of the long-term potential contribution that can be achieved from filling available sterile manufacturing capacity upwards from R3 billion to at least R8 billion. We anticipate contribution of R2 billion utilising this capacity in calendar year 2024, increasing to R4 billion in calendar year 2025.

Reported results will receive an uplift should the currently weaker ZAR persist for the balance of this financial year. Reported EBITDA for FY 2023 in line with that delivered in the prior year is being targeted by management. The higher gross profit percentage in Commercial Pharmaceuticals is expected to continue, supported by cost of goods savings. Finance charges will be influenced by the increasing interest rate cycle. Anticipated reduced working capital investment and an operating cash conversion rate of greater than 100% for the financial year should deliver strong cyclical cash flow.

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

## APPOINTMENT OF INTERIM COMPANY SECRETARY

In accordance with paragraph 3.59(a) of the JSE Limited Listings Requirements, the Company wishes to advise that Mr Reginald Haman has been appointed as interim Company Secretary, with effect from 1 March 2023 and until such time as a permanent appointment is made.

By order of the Board

**K D Dlamini**

Chair

**S B Saad**

Group Chief Executive

**S M Capazorio**

Group Chief Financial Officer

Woodmead

1 March 2023

## GROUP STATEMENT OF FINANCIAL POSITION

	Note <sup>1</sup>	Unaudited 31 December 2022 R'million	Unaudited 31 December 2021 R'million	Audited 30 June 2022 R'million
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets		56 752	57 723	53 651
Property, plant and equipment		16 677	15 528	15 913
Right-of-use assets		398	385	311
Goodwill		5 164	4 943	5 007
Deferred tax assets		1 232	1 293	1 252
Contingent environmental indemnification assets		352	327	329
Other non-current receivables		331	629	351
<b>Total non-current assets</b>		<b>80 906</b>	80 829	76 814
<b>Current assets</b>				
Inventories		17 675	15 403	15 763
Receivables and other current assets		13 069	12 306	11 948
Current tax assets		881	445	667
Cash and cash equivalents		8 045	7 876	6 183
<b>Total operating current assets</b>		<b>39 670</b>	36 030	34 561
Assets classified as held-for-sale		–	484	–
<b>Total current assets</b>		<b>39 670</b>	36 514	34 561
<b>Total assets</b>		<b>120 576</b>	117 342	111 375
<b>SHAREHOLDERS' EQUITY</b>				
Reserves		73 542	70 065	69 158
Share capital (net of treasury shares)		1 668	1 896	1 784
<b>Total shareholders' equity</b>		<b>75 210</b>	71 961	70 942
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Borrowings	A	21 969	19 912	10 582
Other non-current liabilities		3 797	3 546	3 492
Unfavourable and onerous contracts		–	294	87
Deferred tax liabilities		2 051	1 874	1 966
Contingent environmental indemnification liabilities		352	327	329
Retirement and other employee benefits		637	807	582
<b>Total non-current liabilities</b>		<b>28 806</b>	26 760	17 038
<b>Current liabilities</b>				
Borrowings	A	4 827	7 274	11 665
Trade and other payables		10 775	9 718	10 060
Other current liabilities		265	772	711
Current tax liabilities		416	479	613
Unfavourable and onerous contracts		277	378	346
<b>Total current liabilities</b>		<b>16 560</b>	18 621	23 395
<b>Total liabilities</b>		<b>45 366</b>	45 381	40 433
<b>Total equity and liabilities</b>		<b>120 576</b>	117 342	111 375

<sup>1</sup> Refer to notes in Supplementary Information.

## GROUP STATEMENT OF COMPREHENSIVE INCOME

	Note <sup>1</sup>	Change %	Unaudited six months ended 31 December 2022 R'million	Unaudited six months ended 31 December 2021 R'million	Audited year ended 30 June 2022 R'million
Revenue		(1)	19 150	19 381	38 606
Cost of sales			(10 184)	(9 986)	(20 300)
<b>Gross profit</b>		(5)	<b>8 966</b>	9 395	18 306
Selling and distribution expenses			(2 889)	(2 769)	(5 518)
Administrative expenses			(1 732)	(1 518)	(3 021)
Other operating income			149	309	1 950
Other operating expenses			(598)	(859)	(3 046)
<b>Operating profit</b>	B	(15)	<b>3 896</b>	4 558	8 671
Investment income	C		64	60	105
Financing costs	D		(662)	(424)	(642)
<b>Profit before tax</b>		(21)	<b>3 298</b>	4 194	8 134
Tax			(624)	(834)	(1 646)
<b>Profit for the period/year</b>		(20)	<b>2 674</b>	3 360	6 488
<b>OTHER COMPREHENSIVE INCOME, NET OF TAX<sup>2</sup></b>					
Currency translation gains	E		3 165	4 133	1 675
Net gains from cash flow hedging in respect of business acquisitions			–	15	22
Remeasurement of retirement and other employee benefits			–	–	139
<b>Total comprehensive income</b>			<b>5 839</b>	7 508	8 324
Weighted average number of shares in issue ('million)			444,2	456,5	453,0
Diluted weighted average number of shares in issue ('million)			444,2	456,5	453,0
<b>EARNINGS PER SHARE</b>					
<b>Basic and diluted earnings per share (cents)</b>		(18)	<b>602,0</b>	736,2	1 432,3

<sup>1</sup> Refer to notes in Supplementary Information.

<sup>2</sup> Remeasurements of retirement and other employee benefit obligations are not reclassified to profit and loss. All other items in other comprehensive income are reclassified to profit or loss.

## GROUP STATEMENT OF CHANGES IN EQUITY

	Share capital (net of treasury shares) R'million	Reserves R'million	Total R'million
<b>BALANCE AT 1 JULY 2021</b>	1 875	63 752	65 627
Total comprehensive income	–	7 508	7 508
Profit for the period	–	3 360	3 360
Other comprehensive income	–	4 148	4 148
Dividends paid	–	(1 195)	(1 195)
Deferred incentive bonus shares exercised	21	(21)	–
Share-based payment expenses	–	21	21
<b>BALANCE AT 31 DECEMBER 2021</b>	1 896	70 065	71 961
<b>BALANCE AT 1 JULY 2022</b>	<b>1 784</b>	<b>69 158</b>	<b>70 942</b>
Total comprehensive income	–	5 839	5 839
Profit for the period	–	2 674	2 674
Other comprehensive income	–	3 165	3 165
Dividends paid	–	(1 459)	(1 459)
Treasury shares purchased	(132)	–	(132)
Deferred incentive bonus shares exercised	16	(16)	–
Share-based payment expenses	–	20	20
<b>BALANCE AT 31 DECEMBER 2022</b>	<b>1 668</b>	<b>73 542</b>	<b>75 210</b>

### DISTRIBUTION TO SHAREHOLDERS

The dividend paid to shareholders of 326 cents per share (2021: 262 cents per share) relates to the dividend declared on 23 September 2022 and paid on 26 September 2022 (2021: declared on 23 September 2021 and paid on 27 September 2021).

## GROUP STATEMENT OF CASH FLOWS

	Note <sup>1</sup>	Unaudited six months ended 31 December 2022 R'million	Unaudited six months ended 31 December 2021 R'million	Audited year ended 30 June 2022 R'million
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash operating profit	F	5 312	5 263	10 023
Changes in working capital		(2 168)	(2 301)	(2 652)
Cash generated from operations		3 144	2 962	7 371
Financing costs paid		(564)	(350)	(411)
Investment income received		64	60	105
Tax paid		(937)	(911)	(1 691)
<b>Cash generated from operating activities</b>	G	<b>1 707</b>	1 761	5 374
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Capital expenditure – property, plant and equipment	H	(836)	(726)	(1 963)
Proceeds received from disposal of property, plant and equipment		4	26	30
Capital expenditure – intangible assets	H	(284)	(404)	(734)
Proceeds received from disposal of intangible assets		3	214	325
Proceeds received from disposal of European Thrombosis assets		–	137	146
Proceeds received from disposal of other non-current assets		7	47	45
Proceeds received from assets classified as held-for-sale		–	–	1 800
Payment of deferred, fixed and contingent consideration relating to prior year business transactions	I	(484)	(1 854)	(1 539)
Acquisition of subsidiary	J	–	–	(361)
Insurance compensation on assets		–	–	90
Other investing activities cash inflows		2	2	–
<b>Cash utilised in investing activities</b>		<b>(1 588)</b>	(2 558)	(2 161)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from borrowings		4 814	4 966	14 208
Repayment of borrowings		(2 964)	(3 733)	(15 661)
Repayment of lease liabilities		(78)	(80)	(170)
Purchase of treasury shares		(132)	–	(57)
Dividends paid		(1 459)	(1 195)	(1 196)
Share buy back		–	–	(1 800)
<b>Cash generated from/(utilised in) financing activities</b>		<b>181</b>	(42)	(4 676)
<b>Movement in cash and cash equivalents before currency translation movements</b>				
Currency translation movements		300	(839)	(1 463)
Movement in cash and cash equivalents		44	370	479
Movement in cash and cash equivalents		344	(469)	(984)
Cash and cash equivalents at the beginning of the year		4 971	5 955	5 955
<b>Cash and cash equivalents at the end of the period/year</b>		<b>5 315</b>	5 486	4 971
<b>DISCONTINUED OPERATIONS INCLUDED IN THE ABOVE:</b>				
Cash generated from investing activities		–	137	361
		–	137	361
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>				
Cash and cash equivalents per the statement of financial position		8 045	7 876	6 183
Less: Bank overdrafts		(2 730)	(2 390)	(1 212)
		<b>5 315</b>	5 486	4 971

For the purposes of the statement of cash flows, cash and cash equivalents comprise bank balances, short-term bank deposits less bank overdrafts.

<sup>1</sup> Refer to notes in Supplementary Information.

**GROUP SUPPLEMENTARY INFORMATION**  
**GROUP STATEMENT OF HEADLINE EARNINGS**

	Change %	Unaudited six months ended 31 December 2022 R'million	Unaudited six months ended 31 December 2021 R'million	Audited year ended 30 June 2022 R'million
<b>HEADLINE EARNINGS</b>				
<b>Reconciliation of headline earnings</b>				
Profit attributable to equity holders of the parent	(20)	2 674	3 360	6 488
<i>Adjusted for</i>				
– Net impairment reversal of property, plant and equipment (net of tax)		–	(5)	(3)
– Net impairment of intangible assets (net of tax)		264	353	1 122
– Impairment of goodwill (net of tax)		–	8	11
– Impairment of right-of-use assets (net of tax)		–	–	15
– (Profit)/loss on the sale of tangible and intangible assets (net of tax)		(3)	(127)	180
– Profit on disposal of assets classified as held-for-sale (net of tax)		–	–	(1 144)
– Insurance compensation on assets (net of tax)		–	(42)	(50)
	(17)	2 935	3 547	6 619
<b>HEADLINE EARNINGS PER SHARE</b>				
<b>Headline earnings and diluted headline earnings per share (cents)</b>				
	(15)	660,6	777,2	1 461,2
<b>NORMALISED HEADLINE EARNINGS</b>				
<b>Reconciliation of normalised headline earnings</b>				
Headline earnings	(17)	2 935	3 547	6 619
<i>Adjusted for</i>				
– Restructuring costs (net of tax)		15	41	135
– Transaction costs (net of tax)		69	154	562
– Foreign exchange gains on acquisitions (net of tax)		–	(3)	(3)
– Product litigation costs (net of tax)		–	4	75
– Reversal of deferred consideration no longer payable (net of tax)		–	(15)	(15)
	(19)	3 019	3 728	7 373
<b>NORMALISED HEADLINE EARNINGS PER SHARE</b>				
<b>Normalised headline and diluted headline earnings per share (cents)</b>				
	(17)	679,6	816,4	1 627,6

**GROUP SUPPLEMENTARY INFORMATION** continued

**GROUP SEGMENTAL ANALYSIS**

	Unaudited six months ended 31 December 2022				
	Sterile Focus Brands R'million	Regional Brands R'million	Total Commercial Pharmaceuticals R'million	Manufacturing R'million	Total R'million
Revenue	5 192	9 355	14 547	4 603	19 150
Cost of sales	(2 051)	(3 768)	(5 819)	(4 365)	(10 184)
<b>Gross profit</b>	<b>3 141</b>	<b>5 587</b>	<b>8 728</b>	<b>238</b>	<b>8 966</b>
Selling and distribution expenses					(2 889)
Administrative expenses					(1 732)
Net other operating income					144
Depreciation					594
<b>Normalised EBITDA<sup>1</sup></b>					<b>5 083</b>
<i>Adjusted for</i>					
Depreciation					(594)
Amortisation					(266)
Net impairment of assets					(264)
Restructuring costs					(18)
Transaction costs					(45)
<b>Operating profit</b>					<b>3 896</b>
Gross profit %	60,5	59,7	60,0	5,2	46,8
Selling and distribution expenses %					15,1
Administrative expenses %					9,0
Normalised EBITDA %					26,5

	Unaudited six months ended 31 December 2021				
	Sterile Focus Brands R'million	Regional Brands R'million	Total Commercial Pharmaceuticals R'million	Manufacturing R'million	Total R'million
Revenue	5 534	8 727	14 261	5 120	19 381
Cost of sales	(2 158)	(3 758)	(5 916)	(4 070)	(9 986)
<b>Gross profit</b>	<b>3 376</b>	<b>4 969</b>	<b>8 345</b>	<b>1 050</b>	<b>9 395</b>
Selling and distribution expenses					(2 769)
Administrative expenses					(1 518)
Net other operating income					26
Depreciation					582
<b>Normalised EBITDA<sup>1</sup></b>					<b>5 716</b>
<i>Adjusted for</i>					
Depreciation					(582)
Amortisation					(270)
Profit on sale of assets					175
Net impairment of assets					(355)
Insurance compensation on assets					43
Restructuring costs					(57)
Transaction costs					(123)
Reversal of deferred consideration no longer payable					15
Product litigation costs					(4)
<b>Operating profit</b>					<b>4 558</b>
Gross profit %	61,0	56,9	58,5	20,5	48,5
Selling and distribution expenses %					14,3
Administrative expenses %					7,8
Normalised EBITDA %					29,5

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

**GROUP SUPPLEMENTARY INFORMATION** continued

**GROUP SEGMENTAL ANALYSIS** continued

	Change				
	Sterile Focus Brands %	Regional Brands %	Total Commercial Pharmaceuticals %	Manufacturing %	Total %
Revenue	(6)	7	2	(10)	(1)
Cost of sales	(5)	0	(2)	7	2
<b>Gross profit</b>	(7)	12	5	(77)	(5)
Selling and distribution expenses					4
Administrative expenses					14
Net other operating income					>100
Depreciation					2
<b>Normalised EBITDA<sup>1</sup></b>					(11)

**Audited 12 months ended 30 June 2022**

	Sterile Focus Brands R'million	Regional Brands R'million	Total Commercial Pharmaceuticals R'million	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)
<b>Gross profit</b>	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
<b>Normalised EBITDA<sup>1</sup></b>					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)
<b>Operating profit</b>					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

<sup>1</sup> 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 REVENUE SEGMENTAL ANALYSIS**

	<b>Unaudited six months ended 31 December 2022 R'million</b>	Unaudited restated <sup>1</sup> six months ended 31 December 2021 R'million	Change %	Restated <sup>1</sup> 12 months ended 30 June 2022 R'million
<b>COMMERCIAL PHARMACEUTICALS REVENUE BY CUSTOMER GEOGRAPHY</b>	<b>14 547</b>	14 261	2	27 658
Africa Middle East	<b>4 092</b>	4 203	(3)	8 403
Australasia	<b>2 951</b>	2 656	11	5 107
Asia	<b>2 628</b>	2 725	(4)	5 116
Europe CIS	<b>2 443</b>	2 598	(6)	4 737
Americas	<b>2 433</b>	2 079	17	4 295
<b>MANUFACTURING REVENUE BY GEOGRAPHY OF MANUFACTURE</b>				
<b>Active pharmaceutical ingredients</b>	<b>2 034</b>	2 222	(8)	4 894
Europe CIS	<b>1 951</b>	2 102	(7)	4 684
Africa Middle East	<b>83</b>	120	(31)	210
<b>Heparin</b>	<b>1 107</b>	1 087	2	2 379
Europe CIS	<b>1 107</b>	1 087	2	2 379
<b>Finished dose form – Steriles</b>	<b>809</b>	1 277	(37)	2 567
Europe CIS	<b>526</b>	360	46	925
Africa Middle East	<b>283</b>	917	(69)	1 642
<b>Finished dose form – Other</b>	<b>653</b>	534	22	1 108
Australasia	<b>359</b>	298	20	596
Europe CIS	<b>226</b>	168	35	380
Asia	<b>59</b>	58	2	112
Africa Middle East	<b>9</b>	10	(10)	20
<b>Total Manufacturing revenue</b>	<b>4 603</b>	5 120	(10)	10 948
<b>Total revenue</b>	<b>19 150</b>	19 381	(1)	38 606
<b>SUMMARY OF REGIONS</b>				
Europe CIS	<b>6 253</b>	6 315	(1)	13 105
Africa Middle East	<b>4 467</b>	5 250	(15)	10 275
Australasia	<b>3 310</b>	2 954	12	5 703
Asia	<b>2 687</b>	2 783	(3)	5 228
Americas	<b>2 433</b>	2 079	17	4 295
<b>Total revenue</b>	<b>19 150</b>	19 381	(1)	38 606

<sup>1</sup> Refer to Basis of Accounting for restatement as a result of segmental classifications.

GROUP SUPPLEMENTARY INFORMATION continued

COMMERCIAL PHARMACEUTICALS THERAPEUTIC AREA REVENUE ANALYSIS

Unaudited six months ended 31 December 2022

	Sterile Focus Brands R'million	Regional Brands R'million	Total R'million
<b>BY CUSTOMER GEOGRAPHY</b>			
Africa Middle East	207	3 885	4 092
Australasia	363	2 588	2 951
Asia	2 277	351	2 628
Europe CIS	1 585	858	2 443
Americas	760	1 673	2 433
<b>Total Commercial Pharmaceuticals Revenue</b>	<b>5 192</b>	<b>9 355</b>	<b>14 547</b>

Unaudited six months ended 31 December 2021

	Sterile Focus Brands R'million	Regional Brands R'million	Total R'million
<b>BY CUSTOMER GEOGRAPHY</b>			
Africa Middle East	242	3 961	4 203
Australasia	353	2 303	2 656
Asia	2 426	299	2 725
Europe CIS	1 795	803	2 598
Americas	718	1 361	2 079
<b>Total Commercial Pharmaceuticals Revenue</b>	<b>5 534</b>	<b>8 727</b>	<b>14 261</b>

Change

	Sterile Focus Brands %	Regional Brands %	Total %
<b>BY CUSTOMER GEOGRAPHY</b>			
Africa Middle East	(14)	(2)	(3)
Australasia	3	12	11
Asia	(6)	17	(4)
Europe CIS	(12)	7	(6)
Americas	6	23	17
<b>Total Commercial Pharmaceuticals Revenue</b>	<b>(6)</b>	<b>7</b>	<b>2</b>

Audited 12 months ended 30 June 2022

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

**GROUP SUPPLEMENTARY INFORMATION** continued

**NOTES**

**A. NON-CURRENT AND CURRENT BORROWINGS**

As of 30 June 2022, under its Euro, South African and Australian Dollar syndicated bank debt facilities (the “Maturing Facilities”), the Group owed the equivalent of R8.4 billion. These Maturing Facilities were included in current borrowings in the Group’s 30 June 2022 Annual Financial Statements.

During November 2022, the Group entered into new Euro, South African Rand and Australian Dollar syndicated bank debt facilities (the “New Facilities”) and utilised these New Facilities to extinguish the Maturing Facilities. The arrangement with the syndicate for the Maturing and the New Facilities resulted in a net settlement of these facilities with no gross in/outflows in the statement of cash flows.

The New Facilities currently mature on dates ranging from 30 November 2025 to 30 November 2026 with the option to extend these maturities through to 28 November 2028. The New Facilities have been included in non-current borrowings in the statement of financial position as at 31 December 2022.

	<b>Unaudited six months ended 31 December 2022 R'million</b>	Unaudited six months ended 31 December 2021 R'million	Audited year ended 30 June 2022 R'million
<b>B. OPERATING PROFIT HAS BEEN ARRIVED AT AFTER CHARGING/(CREDITING)</b>			
Depreciation of property, plant and equipment and right-of-use assets	<b>594</b>	582	1 167
Amortisation of intangible assets	<b>266</b>	270	546
Net impairment of tangible and intangible assets	<b>264</b>	355	1 205
Impairment of tangible assets	–	2	13
Impairment reversal of tangible assets	–	(9)	(16)
Impairment of intangible assets	<b>264</b>	354	1 541
Impairment reversal of intangible assets	–	–	(361)
Impairment of goodwill	–	8	11
Impairment of right-of-use assets	–	–	17
Profit on disposal of assets classified as held-for-sale	–	–	(1 317)
(Profit)/loss on the sale of tangible and intangible assets	–	(175)	105
Transaction costs	<b>45</b>	123	491
Restructuring costs	<b>18</b>	57	174
Product litigation costs	–	4	75
Reversal of deferred consideration no longer payable	–	(15)	(15)
Insurance compensation on assets	–	(43)	(90)
<b>C. INVESTMENT INCOME</b>			
Interest received	<b>64</b>	60	105
<b>D. FINANCING COSTS</b>			
Interest paid	<b>(317)</b>	(351)	(573)
Capital raising fees – transactions	<b>(12)</b>	(33)	(64)
Net (losses)/gains on financial instruments	<b>(234)</b>	50	184
Net foreign exchange (losses)/gains	<b>(270)</b>	34	46
Fair value gains on financial instruments	<b>36</b>	16	138
Notional interest on financial instruments	<b>(99)</b>	(93)	(192)
Net foreign exchange gains on acquisitions	–	3	3
	<b>(662)</b>	(424)	(642)

**GROUP SUPPLEMENTARY INFORMATION** continued

**NOTES** continued

	<b>Unaudited six months ended 31 December 2022 R'million</b>	Unaudited six months ended 31 December 2021 R'million	Audited year ended 30 June 2022 R'million
<b>E. CURRENCY TRANSLATION GAINS</b>			
Currency translation gains 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 net asset value.	<b>3 165</b>	4 133	1 675
<b>AVERAGE RATES</b>			
Euro	<b>17,569</b>	17,441	17,143
Australian Dollar	<b>11,607</b>	10,990	11,033
Chinese Yuan Renminbi	<b>2,483</b>	2,337	2,357
US Dollar	<b>17,322</b>	15,028	15,217
Mexican Peso	<b>0,872</b>	0,746	0,755
Brazilian Real	<b>3,311</b>	2,795	2,934
British Pound Sterling	<b>20,356</b>	20,477	20,241
Canadian Dollar	<b>13,011</b>	11,925	12,019
Russian Ruble	<b>0,282</b>	0,206	0,206
<b>CLOSING RATES</b>			
Euro	<b>18,250</b>	18,143	17,094
Australian Dollar	<b>11,586</b>	11,591	11,277
Chinese Yuan Renminbi	<b>2,461</b>	2,509	2,438
US Dollar	<b>17,005</b>	15,948	16,333
Mexican Peso	<b>0,878</b>	0,777	0,811
Brazilian Real	<b>3,259</b>	2,858	3,118
British Pound Sterling	<b>20,578</b>	21,587	19,861
Canadian Dollar	<b>12,559</b>	12,601	12,689
Russian Ruble	<b>0,231</b>	0,213	0,298
<b>F. CASH OPERATING PROFIT</b>			
Operating profit	<b>3 896</b>	4 558	8 671
Non-cash items	<b>1 416</b>	705	1 352
	<b>5 312</b>	5 263	10 023
<b>G. CASH GENERATED FROM OPERATING ACTIVITIES</b>			
Cash generated from operating activities	<b>1 707</b>	1 761	5 374
Operating cash flow per share (cents)	<b>384,3</b>	385,8	1186,2
Headline earnings per share (cents)	<b>660,6</b>	777,2	1461,2
Operating cash conversion rate	<b>58%</b>	50%	81%

**GROUP SUPPLEMENTARY INFORMATION** continued

**NOTES** continued

	<b>Unaudited six months ended 31 December 2022 R'million</b>	Unaudited six months ended 31 December 2021 R'million	Audited year ended 30 June 2022 R'million
<b>H. CAPITAL EXPENDITURE</b>			
<b>Incurred</b>	<b>1 120</b>	1 130	2 697
– Property, plant and equipment	<b>836</b>	726	1 963
– Intangible assets	<b>284</b>	404	734
<b>Contracted</b>	<b>1 601</b>	1 269	1 377
– Property, plant and equipment	<b>1 311</b>	994	840
– Intangible assets	<b>290</b>	275	537
<b>Authorised but not contracted for</b>	<b>2 202</b>	1 605	3 092
– Property, plant and equipment	<b>1 602</b>	1 381	2 422
– Intangible assets	<b>600</b>	224	670
<b>I. PAYMENT OF DEFERRED, FIXED AND CONTINGENT CONSIDERATION RELATING TO PRIOR YEAR BUSINESS TRANSACTIONS</b>			
Performance warranty payment – Nutritionals business	–	(859)	(705)
Conditional transaction – Related China set up costs fully settled	–	(330)	(334)
Disposal of the European Thrombosis assets – volume incentive payments and other transaction costs <sup>1</sup>	<b>(370)</b>	(472)	(465)
Disposal of Japanese business – supply rebate payments <sup>1</sup>	<b>(73)</b>	(104)	(164)
Disposal of Japanese business – uninterrupted supply milestone receipt <sup>2</sup>	–	–	288
Other	<b>(41)</b>	(89)	(159)
	<b>(484)</b>	(1 854)	(1 539)
<b>Future amounts payable for deferred, fixed and contingent consideration relating to prior year business transactions</b>			
European Thrombosis assets	<b>47</b>		
Non-current	<b>47</b>		
Japanese business	<b>599</b>		
Non-current	<b>430</b>		
Current	<b>169</b>		
Other	<b>71</b>		
Non-current	<b>21</b>		
Current	<b>50</b>		
	<b>717</b>		
<b>Future amounts receivable for deferred, fixed and contingent consideration relating to prior year business transactions</b>			
Japanese business – uninterrupted supply milestone receipt	<b>273</b>		
Current	<b>273</b>		
<b>J. ACQUISITION OF SUBSIDIARY</b>			
In June 2022, Aspen Pharmacare Australia (Pty) Ltd acquired 100% of ENT Technologies Pty Ltd (“ENTT”) for a consideration of R386 million (AUD35 million). The provisional accounting for the transaction has been finalised in the current year with no material impact post-acquisition. Refer to Note L of the statement of cash flows of the 30 June 2022 Annual Financial Statements for further detail. The 30 June 2022 Annual Financial Statements can be found on the Group’s website <a href="https://www.aspenpharma.com/investor-relations/">https://www.aspenpharma.com/investor-relations/</a>			
<b>K. SUBSEQUENT EVENTS</b>			
There were no material events that occurred subsequent to 31 December 2022.			

<sup>1</sup> Refer to note 16 of the 30 June 2022 Annual Financial Statements for further detail. The 30 June 2022 Annual Financial Statements can be found on the Group’s website <https://www.aspenpharma.com/investor-relations/>.

<sup>2</sup> Refer to note 7 of the 30 June 2022 Annual Financial Statements for further detail. The 30 June 2022 Annual Financial Statements can be found on the Group’s website <https://www.aspenpharma.com/investor-relations/>.

**GROUP SUPPLEMENTARY INFORMATION** continued**NOTES** continued**L. 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 next page.

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 31 December 2022. The illustrative *pro forma* constant exchange rate information on selected financial data has not been reviewed by Aspen's auditors.

The Group's financial performance is impacted by numerous currencies which underlie the reported interim 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 are set out below:

	<b>December 2022 average rates</b>	December 2021 average rates	June 2022 average rates
Euro	<b>17,569</b>	17,441	17,143
Australian Dollar	<b>11,607</b>	10,990	11,033
Chinese Yuan Renminbi	<b>2,483</b>	2,337	2,357
US Dollar	<b>17,322</b>	15,028	15,217
Mexican Peso	<b>0,872</b>	0,746	0,755
Brazilian Real	<b>3,311</b>	2,795	2,934
British Pound Sterling	<b>20,356</b>	20,477	20,241
Canadian Dollar	<b>13,011</b>	11,925	12,019
Russian Ruble	<b>0,282</b>	0,206	0,206

**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

**L. ILLUSTRATIVE CONSTANT EXCHANGE RATE REPORT ON SELECTED FINANCIAL DATA** continued

	<b>Unaudited December 2022 (at December 2022 average rates) R'million</b>	Unaudited December 2021 (at December 2021 average rates) R'million	Change at reported exchange rates %	Recalculated illustrative constant exchange rates December 2021 (at December 2022 average rates) R'million	Change at constant exchange rates %	Recalculated illustrative constant exchange rates June 2022 (at December 2022 average rates) R'million
<b>Key constant exchange rate indicators</b>						
Revenue	<b>19 150</b>	19 381	(1)	20 323	(6)	40 484
Gross profit	<b>8 966</b>	9 395	(5)	9 867	(9)	19 160
Normalised EBITDA <sup>1</sup>	<b>5 083</b>	5 716	(11)	5 997	(15)	11 483
Operating profit	<b>3 896</b>	4 558	(15)	4 807	(19)	8 975
Normalised headline earnings	<b>3 019</b>	3 728	(19)	3 935	(23)	7 710
<i>Basic and diluted earnings per share (cents)</i>	<b>602,0</b>	736,2	(18)	782,1	(23)	1 492,5
<i>Headline and diluted headline earnings per share (cents)</i>	<b>660,6</b>	777,2	(15)	823,1	(20)	1 531,0
<i>Normalised headline and diluted headline earnings per share (cents)</i>	<b>679,6</b>	816,4	(17)	862,3	(21)	1 701,9

	<b>Unaudited December 2022 (at December 2022 average rates) %</b>	Unaudited December 2021 (at December 2021 average rates) %	Audited June 2022 (at June 2022 average rates) %
<b>Revenue currency mix</b>			
Euro	<b>27</b>	29	31
South African Rand	<b>16</b>	17	17
Australian Dollar	<b>16</b>	14	14
Chinese Yuan Renminbi	<b>9</b>	10	10
US Dollar	<b>7</b>	7	7
Mexican Peso	<b>4</b>	3	3
Brazilian Real	<b>4</b>	3	4
British Pound Sterling	<b>2</b>	2	1
Canadian Dollar	<b>2</b>	2	2
Russian Ruble	<b>1</b>	2	2
Other currencies	<b>12</b>	11	9
<b>Total</b>	<b>100</b>	100	100

<sup>1</sup> 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**L. ILLUSTRATIVE CONSTANT EXCHANGE RATE REPORT ON SELECTED FINANCIAL DATA** continued**Group segmental analysis**

	Unaudited six months ended 31 December 2022 (at December 2022 average rates)				
	Sterile Focus Brands R'million	Regional Brands R'million	Total Commercial Pharmaceuticals R'million	Manufacturing R'million	Total R'million
Revenue	5 192	9 355	14 547	4 603	19 150
Cost of sales	(2 051)	(3 768)	(5 819)	(4 365)	(10 184)
<b>Gross profit</b>	<b>3 141</b>	<b>5 587</b>	<b>8 728</b>	<b>238</b>	<b>8 966</b>
Selling and distribution expenses					(2 889)
Administrative expenses					(1 732)
Net other operating income					144
Depreciation					594
<b>Normalised EBITDA<sup>1</sup></b>					<b>5 083</b>
<i>Adjusted for</i>					
Depreciation					(594)
Amortisation					(266)
Net impairment of assets					(264)
Restructuring costs					(18)
Transaction costs					(45)
<b>Operating profit</b>					<b>3 896</b>
Gross profit %	<b>60,5</b>	<b>59,7</b>	<b>60,0</b>	<b>5,2</b>	<b>46,8</b>
Selling and distribution expenses %					<b>15,1</b>
Administrative expenses %					<b>9,0</b>
Normalised EBITDA %					<b>26,5</b>

<sup>1</sup> 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**L. ILLUSTRATIVE CONSTANT EXCHANGE RATE REPORT ON SELECTED FINANCIAL DATA** continued**Group segmental analysis** continued**Recalculated illustrative constant exchange rate 31 December 2021  
(at December 2022 average rates)**

	<b>Sterile Focus Brands R'million</b>	<b>Regional Brands R'million</b>	<b>Total Commercial Pharmaceuticals R'million</b>	<b>Manufacturing R'million</b>	<b>Total R'million</b>
Revenue	5 957	9 133	15 090	5 233	20 323
Cost of sales	(2 302)	(3 927)	(6 229)	(4 227)	(10 456)
<b>Gross profit</b>	3 655	5 206	8 861	1 006	9 867
Selling and distribution expenses					(2 915)
Administrative expenses					(1 585)
Net other operating income					28
Depreciation					602
<b>Normalised EBITDA<sup>1</sup></b>					5 997
<i>Adjusted for</i>					
Depreciation					(602)
Amortisation					(280)
Profit on sale of assets					175
Net impairment of assets					(358)
Insurance compensation on assets					45
Restructuring costs					(61)
Transaction costs					(120)
Reversal of deferred consideration no longer payable					15
Product litigation costs					(4)
<b>Operating profit</b>					4 807
Gross profit %	61,4	57,0	58,7	19,2	48,6
Selling and distribution expenses %					14,3
Administrative expenses %					7,8
Normalised EBITDA %					29,5

<sup>1</sup> 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

**L. ILLUSTRATIVE CONSTANT EXCHANGE RATE REPORT ON SELECTED FINANCIAL DATA** continued

**Group segmental analysis** continued

	Change				
	Sterile Focus Brands %	Regional Brands %	Total Commercial Pharmaceuticals %	Manufacturing %	Total %
Revenue	(13)	2	(4)	(12)	(6)
Cost of sales	(11)	(4)	(7)	3	(3)
<b>Gross profit</b>	(14)	7	(2)	(76)	(9)
Selling and distribution expenses					(1)
Administrative expenses					9
Net other operating income					>100
Depreciation					(1)
<b>Normalised EBITDA<sup>1</sup></b>					(15)

**Recalculated illustrative constant exchange rate 30 June 2022  
(at December 2022 average rates)**

	Sterile Focus Brands R'million	Regional Brands R'million	Total Commercial Pharmaceuticals R'million	Manufacturing R'million	Total R'million
Revenue	10 945	18 191	29 136	11 348	40 484
Cost of sales	(4 348)	(7 870)	(12 218)	(9 106)	(21 324)
<b>Gross profit</b>	6 597	10 321	16 918	2 242	19 160
Selling and distribution expenses					(5 801)
Administrative expenses					(3 161)
Net other operating income					75
Depreciation					1 210
<b>Normalised EBITDA<sup>1</sup></b>					11 483
<i>Adjusted for</i>					
Depreciation					(1 210)
Amortisation					(569)
Profit on sale of assets					1 149
Net impairment of assets					(1 223)
Insurance compensation on assets					89
Restructuring costs					(181)
Transaction costs					(501)
Reversal of deferred consideration no longer payable					15
Product litigation costs					(77)
<b>Operating profit</b>					8 975
Gross profit %	60,3	56,7	58,1	19,8	47,3
Selling and distribution expenses %					14,3
Administrative expenses %					7,8
Normalised EBITDA %					28,4

<sup>1</sup> 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

**L. ILLUSTRATIVE CONSTANT EXCHANGE RATE REPORT ON SELECTED FINANCIAL DATA** continued

**Group revenue segmental analysis**

	<b>Unaudited six months ended 31 December 2022 (at December 2022 average rates) R'million</b>	Recalculated illustrative constant exchange rate December 2021 (at December 2022 average rates) R'million	Change %	Recalculated illustrative constant exchange rate December 2021 (at December 2022 average rates) R'million
<b>COMMERCIAL PHARMACEUTICALS REVENUE BY CUSTOMER GEOGRAPHY</b>	<b>14 547</b>	15 090	(4)	29 136
Africa Middle East	<b>4 092</b>	4 247	(4)	8 512
Australasia	<b>2 951</b>	2 794	6	5 357
Asia	<b>2 628</b>	2 913	(10)	5 421
Europe CIS	<b>2 443</b>	2 764	(12)	5 044
Americas	<b>2 433</b>	2 372	3	4 802
<b>MANUFACTURING REVENUE BY GEOGRAPHY OF MANUFACTURE</b>				
<b>Active pharmaceutical ingredients</b>	<b>2 034</b>	2 272	(10)	5 083
Europe CIS	<b>1 951</b>	2 143	(9)	4 859
Africa Middle East	<b>83</b>	129	(36)	224
<b>Heparin</b>	<b>1 107</b>	1 095	1	2 438
Europe CIS	<b>1 107</b>	1 095	1	2 438
<b>Finished dose form – Steriles</b>	<b>809</b>	1 305	(38)	2 661
Europe CIS	<b>526</b>	365	44	952
Africa Middle East	<b>283</b>	940	(70)	1 709
<b>Finished dose form – Other</b>	<b>653</b>	561	16	1 166
Australasia	<b>359</b>	315	14	627
Europe CIS	<b>226</b>	170	33	391
Asia	<b>59</b>	66	(11)	127
Africa Middle East	<b>9</b>	10	(10)	21
<b>Total Manufacturing revenue</b>	<b>4 603</b>	5 233	(12)	11 348
<b>Total revenue</b>	<b>19 150</b>	20 323	(6)	40 484
<b>SUMMARY OF REGIONS</b>				
Europe CIS	<b>6 253</b>	6 537	(4)	13 684
Africa Middle East	<b>4 467</b>	5 326	(16)	10 466
Australasia	<b>3 310</b>	3 109	6	5 984
Asia	<b>2 687</b>	2 979	(10)	5 548
Americas	<b>2 433</b>	2 372	3	4 802
<b>Total revenue</b>	<b>19 150</b>	20 323	(6)	40 484

GROUP SUPPLEMENTARY INFORMATION continued

NOTES continued

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

Commercial Pharmaceuticals therapeutic area revenue analysis

Unaudited six months ended December 2022 (at December 2022 average rates)

	Sterile Focus Brands R'million	Regional Brands R'million	Total R'million
<b>BY CUSTOMER GEOGRAPHY</b>			
Africa Middle East	207	3 885	4 092
Australasia	363	2 588	2 951
Asia	2 277	351	2 628
Europe CIS	1 585	858	2 443
Americas	760	1 673	2 433
<b>Total Commercial Pharmaceuticals Revenue</b>	<b>5 192</b>	<b>9 355</b>	<b>14 547</b>

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

	Sterile Focus Brands R'million	Regional Brands R'million	Total R'million
<b>BY CUSTOMER GEOGRAPHY</b>			
Africa Middle East	250	3 997	4 247
Australasia	372	2 422	2 794
Asia	2 589	324	2 913
Europe CIS	1 937	827	2 764
Americas	809	1 563	2 372
<b>Total Commercial Pharmaceuticals Revenue</b>	<b>5 957</b>	<b>9 133</b>	<b>15 090</b>

Change

	Sterile Focus Brands %	Regional Brands %	Total %
<b>BY CUSTOMER GEOGRAPHY</b>			
Africa Middle East	(17)	(3)	(4)
Australasia	(2)	7	6
Asia	(12)	8	(10)
Europe CIS	(18)	4	(12)
Americas	(6)	7	3
<b>Total Commercial Pharmaceuticals Revenue</b>	<b>(13)</b>	<b>2</b>	<b>(4)</b>

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

	Sterile Focus Brands R'million	Regional Brands R'million	Total R'million
<b>BY CUSTOMER GEOGRAPHY</b>			
Africa Middle East	542	7 970	8 512
Australasia	675	4 682	5 357
Asia	4 765	656	5 421
Europe CIS	3 372	1 672	5 044
Americas	1 592	3 210	4 802
<b>Total Commercial Pharmaceuticals Revenue</b>	<b>10 946</b>	<b>18 190</b>	<b>29 136</b>

## **GROUP SUPPLEMENTARY INFORMATION** continued

### **NOTES** continued

#### **M. BASIS OF ACCOUNTING**

The unaudited interim Group financial results for the six months ended 31 December 2022 have been prepared in accordance with International Financial Reporting Standards, IFRIC interpretations, the JSE Listings Requirements of the JSE Limited, South African Companies Act, 2008 (as amended) and the presentation and disclosure requirements of IAS 34 – Interim Reporting. The accounting policies applied in the preparation of the unaudited interim financial results are in terms of IFRS and are consistent with those applied in the Annual Financial Statements for the year ended 30 June 2022 except for changes to the revenue segmental analysis.

These interim 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 Manufacturing segment have been revised to align to the Group’s capacity fill and manufacturing strategy. The updated business segments are set out below:

- Active Pharmaceutical Ingredients (“API”) – this segment includes the API Chemicals business and non-heparin biochemical API business.
- Heparin – this segment includes the full value chain contribution from all heparin containing products including API and Finished Dose Form (“FDF”) sales. Key products include the Fraxiparine and MonoEmbolex heparin containing FDF products as well as the sale of heparin API to third parties.
- FDF Steriles – this segment includes all FDF sterile sales and will be the key growth driver supporting the Group’s medium-term capacity fill objectives. This segment excludes all heparin based prefilled syringes which are included in the heparin business segment.
- FDF Other – this segment includes all non-sterile FDF products.

**DIRECTORS**

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\* *Non-executive director*

**INTERIM COMPANY SECRETARY**

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