



Ascendis
HEALTH LIMITED

UNAUDITED INTERIM RESULTS

For the six months ended 31 December 2023



Introduction

Ascendis Health Limited presents its interim financial statements for the six month period ended 31 December 2023. As a health and wellness investment holding company listed on the JSE, Ascendis Health Limited operates within the healthcare sector, focusing on supplying health and wellness products, as well as the distribution of medical devices.

Financial Performance:

During the interim period, Ascendis Health Limited ("Ascendis" or "the company") and its subsidiaries ("the Group"), experienced a 5.1% decrease in revenue compared to the prior period, resulting in total revenue of R737.5 million. This decline underscores the persistent challenges faced by certain entities in the Group, including subdued consumer spending; product pricing pressure and competitive forces within the medical device market.

Gross Profit Margin:

The Group achieved a slight improvement in its gross profit margin, rising to 40.9% in the interim period from 39.4% in the previous full financial year. However, structural challenges persist within the medical devices businesses, driven by currency depreciation and cost inflation pressures from key foreign suppliers. These challenges have exerted downward pressure on gross profit margins, necessitating ongoing efforts to mitigate adverse impacts.

Operating Profit:

Efforts to aggressively reduce and restructure costs have yielded positive results, with significant reductions seen across various cost categories. Selling and distribution costs decreased by 18.7%, administrative costs decreased by 21.4% compared to the prior comparative period, mainly driven by a 23.1% reduction in payroll expenses, and other operating expenses decreased by 46.2%. These reductions underscore the Group's commitment to prudent cost management and operational efficiency.

The interim period saw a notable improvement in operating profit of R47.6 million compared to a R122 million loss in the prior period. However, it is essential to contextualise this improvement which includes a R43.1 million provision reversal related to VAT which was previously raised pursuant to a claim by SARS from Surgical Innovations that was resolved during the interim period. The operating profit also includes an accounting gain of R27.1 million following the reacquisition of control of Surgical Innovations. Excluding these non-recurring items together with, impairments and transaction costs, the adjusted operating profit amounted to R8.9 million compared to a loss of R47 million in the comparative period.

Interest paid:

The reduction in interest paid to R5.1 million compared to R50.5 million in the prior comparative period is mainly driven by the repayment of the outstanding term loan debt during February 2023. The Group does not have any outstanding term loan debt as at the 31 December 2023.

Balance Sheet Strength:

From a balance sheet perspective, the Group's tangible net asset value per share increased by 16% from 81 cents to 94 cents. This increase is primarily attributed to the reacquisition of control of Surgical Innovations during September 2023 following the successful conclusion of the business rescue process. Whilst this is a positive development, ongoing macroeconomic and structural challenges underscore the need for ongoing prudent balance sheet management and strategic capital allocation.

Outlook:

Looking ahead, management remains focused on concluding restructuring and stabilisation efforts in the short term. The Group aims to capitalise on market opportunities to grow its businesses through new product offerings, new customers and geographies, new agencies, and potential acquisitions within the Group.

It is imperative that new business development initiatives are built on optimised operating platforms. Efforts to improve demand planning, inventory management, revenue models, and streamline commercial and sales functions will be prioritised to drive efficiency and enhance profitability across all businesses.

Investments in net working capital, capital assets, and potentially funding for acquisitions will be required to enable this growth and the board may consider looking to shareholders to raise further equity over the short to medium term if appropriate.

The company is in the process of delisting, and a supplementary circular to shareholders was released on 25 March 2024. The board remains of the view that delisting from the JSE is a critical step in the process of unlocking value for shareholders and is in the best interest of all stakeholders. The delisting, if approved, will afford shareholders the opportunity to exit from their holdings at a fair price noting that the shares are tightly held with limited liquidity whilst enabling shareholders that wish to remain invested to do so. The delisting will furthermore remove the direct and indirect financial costs involved with maintaining the company's listing and will enhance the Group's ability to focus on achieving its key strategic objectives in challenging trading conditions by *inter alia* alleviating the obligations of being listed on the JSE.

Bharti Harie
Independent non-executive chairman

Carl Neethling
Chief executive officer and acting chief
financial officer

Johannesburg
28 March 2024

Condensed group statement of profit or loss and comprehensive income

for the six months ended 31 December 2023

	Notes	Six months ended 31 December 2023 Unaudited R'000	Six months ended 31 December 2022 Unaudited R'000	Year ended 30 June 2023 Audited R'000
Continuing operations				
Revenue	5	737 551	777 214	1 535 437
Cost of sales		(435 632)	(465 319)	(930 906)
Gross profit		301 919	311 895	604 531
Other income ⁽¹⁾	6	71 525	1 649	86 329
Selling and distribution costs		(43 050)	(52 980)	(102 770)
Administrative expenses	6	(179 918)	(229 033)	(474 122)
Net impairment loss on financial assets		183	(2 602)	(3 232)
Other operating expenses	6	(71 238)	(132 319)	(173 083)
Transaction and restructuring related costs		(5 631)	(19 375)	(34 848)
Net impairment loss on assets		(26 111)	-	(128 813)
Operating profit/(loss)		47 679	(122 765)	(226 008)
Finance income ⁽²⁾		18 880	5 529	9 519
Finance costs		(5 144)	(50 548)	(68 118)
Profit/(loss) before taxation		61 415	(167 784)	(284 607)
Tax (expense)/income		2 392	(4 142)	(1 635)
Profit/(loss) from continuing operations		63 807	(171 926)	(286 242)
Profit from discontinuing operations	1	15 720	361 797	361 564
Profit for the period		79 527	189 871	75 322
Other comprehensive income:				
Items that may be reclassified to profit and loss net of tax				
Foreign currency translation reserve		3	109	3 288
Revaluation of property, plant and equipment		-	-	(23 683)
Income tax relating to items that will not be reclassified		-	-	4 637
Other comprehensive income/(loss) for the period net of tax		3	109	(15 758)
Total comprehensive profit for the period		79 530	189 980	59 564
Profit/(loss) attributable to:				
Owners of the parent		79 527	189 871	75 322
Continuing operations		63 807	(171 926)	(286 242)
Discontinued operations		15 720	361 797	361 564
Total comprehensive profit/(loss) attributable to:		79 527	189 871	75 322
Owners of the parent		79 530	189 980	59 564
Continuing operations		63 810	(171 817)	(302 000)
Discontinued operations		15 720	361 797	361 564
Profit/(loss) per share from continuing operations				
Basic and diluted profit/(loss) per share (cents)	4	10.2	(29.4)	(47.2)
Total profit per share				
Basic and diluted profit per share (cents)	4	12.7	32.5	12.4

⁽¹⁾ On successful conclusion of the business rescue process and payment of the final distribution to creditors (including SARS) - the remaining utilised provision of R43.1m raised in respect of the SARS dispute within Surgical Innovations was released to the income statement.

⁽²⁾ Includes R16.6m relating to the reversal of the interest component relating to the Surgical Innovations VAT liability.

Condensed group statement of financial position

at 31 December 2023

	Notes	31 December 2023 Unaudited R'000	31 December 2022 Unaudited R'000	30 June 2023 Audited R'000
ASSETS				
Property, plant and equipment		195 878	237 873	119 507
Right-of-use assets		51 265	105 887	17 548
Intangible assets and goodwill		12 657	106 466	37 587
Other financial assets		4 132	7 875	4 132
Deferred tax assets		43 729	46 188	44 031
Non-current assets		307 661	504 289	222 805
Inventories		401 516	439 531	365 938
Trade and other receivables		324 596	307 863	269 232
Other financial assets		2 645	18	1 847
Current tax receivable		4 876	19 513	5 224
Derivative financial assets		716	-	872
Cash and cash equivalents		80 027	125 040	102 231
		814 376	891 965	745 344
Assets classified as held for sale	1	-	-	2 562
Current assets		814 376	891 965	747 906
Total assets		1 122 037	1 396 254	970 711
EQUITY				
Stated capital		6 156 825	6 138 001	6 156 825
Reserves		(16 469)	(605)	(16 472)
Accumulated loss		(5 497 929)	(5 444 083)	(5 577 456)
Equity attributable to equity holders of parent		642 427	693 313	562 897
Total equity		642 427	693 313	562 897
LIABILITIES				
Borrowings and other financial liabilities		1 966	4 162	3 431
Deferred tax liabilities		442	23 647	8 099
Lease liabilities		41 187	133 881	15 875
Non-current liabilities		43 595	161 690	27 405
Trade and other payables		362 774	367 385	313 841
Borrowings and other financial liabilities		6 083	58 199	26 376
Provisions		13 414	82 940	10 635
Contract liabilities		16 065	9 923	16 638
Lease liabilities		14 814	11 940	4 855
Current tax payable		2 644	10 864	8 064
Bank overdraft		20 221	-	-
Current liabilities		436 015	541 251	380 409
Total liabilities		479 610	702 941	407 814
Total equity and liabilities		1 122 037	1 396 254	970 711

Condensed group statement of changes in equity

for the six months ended 31 December 2023

R'000	Stated capital	Foreign currency translation reserve	Revaluation reserve	Other reserves	Retained income/ (Accumulated loss)	Total attributable to equity holders of the group	Total equity
Balance as at 1 July 2022	6 036 471	(1 058)	19 046	(18 702)	(5 633 954)	401 803	401 803
Profit for the period	-	-	-	-	189 871	189 871	189 871
Other comprehensive income	-	109	-	-	-	109	109
Total comprehensive income for the period	-	109	-	-	189 871	189 980	189 980
Proceeds from rights offer	101 530	-	-	-	-	101 530	101 530
Total contributions by and distributions to owners of the Group recognised directly in equity	101 530	-	-	-	-	101 530	101 530
Balance as at 31 December 2022	6 138 001	(949)	19 046	(18 702)	(5 444 083)	693 313	693 313
Loss for the period	-	-	-	-	(114 549)	(114 549)	(114 549)
Other comprehensive income/(loss)	-	3 179	(19 046)	-	-	(15 867)	(15 867)
Total comprehensive income/(loss) for the period	-	3 179	(19 046)	-	(114 549)	(130 416)	(130 416)
Release of treasury shares	18 824	-	-	-	(18 824)	-	-
Total contributions by and distributions to owners of the group recognised directly in equity	18 824	-	-	-	(18 824)	-	-
Balance as at 30 June 2023	6 156 825	2 230	-	(18 702)	(5 577 456)	562 897	562 897
Profit for the period	-	-	-	-	79 527	79 527	79 527
Other comprehensive income	-	3	-	-	-	3	3
Total comprehensive income for the period	-	3	-	-	79 527	79 530	79 530
Total contributions by and distributions to owners of the group recognised directly in equity	-	-	-	-	-	-	-
Balance as at 31 December 2023	6 156 825	2 233	-	(18 702)	(5 497 929)	642 427	642 427

Condensed group statement of cash flows

for the six months ended 31 December 2023

	Notes	Six months ended 31 December 2023 Unaudited R'000	Six months ended 31 December 2022 Unaudited R'000	Year ended 30 June 2023 Audited R'000
Cash flows from operating activities				
Cash utilised by operations		(16 829)	(137 057)	(88 224)
Cash utilised by operations - discontinued operations		-	(15 543)	(8 873)
Interest income received		2 289	5 529	9 519
Interest paid		(4 507)	(15 860)	(40 196)
Income taxes paid		(6 700)	(2 341)	(12 613)
Net cash outflow from operating activities		(25 747)	(165 272)	(140 387)
Cash flows from investing activities				
Purchases of property, plant and equipment		(17 027)	(17 275)	(35 726)
Proceeds on the sale of property, plant and equipment		3 578	1 619	29 678
Purchases of intangible assets		(35)	(57)	(123)
(Repayment of)/Proceeds from disposal of other financial assets		(751)	50 749	49 692
Proceeds from disposal of subsidiaries - net of cash forfeited	1,2	21 928	440 977	432 203
Net cash inflow from investing activities		7 693	476 013	475 724
Cash flows from financing activities				
Proceeds from issue of shares		-	101 530	101 530
Repayment of borrowings		(20 293)	(502 375)	(540 124)
Lease liabilities repaid		(4 078)	(2 141)	(11 797)
Net cash outflow from financing activities - discontinued operations		-	(137)	(137)
Net cash outflow from financing activities		(24 371)	(403 123)	(450 528)
Net decrease in cash and cash equivalents		(42 425)	(92 382)	(115 191)
Restricted cash balance at the beginning of the period		18 709	64 060	64 060
Other cash and cash equivalents balance at the beginning of the period		83 522	148 960	148 960
Cash and cash equivalents at beginning of period		102 231	213 020	213 020
Cash and cash equivalents at the beginning of the period - assets held for sale		-	4 402	4 402
Restricted cash balance at the end of the period		-	41 531	18 709
Cash and cash equivalents balance at the end of the period		59 806	83 509	83 522
Cash and cash equivalents at end of period		59 806	125 040	102 231

Basis of preparation and approval

Basis of preparation

The condensed consolidated interim financial statements for the six months ended 31 December 2023 comprise of the company and its subsidiaries (together referred to as the group).

The condensed consolidated interim financial statements have been prepared in accordance with the JSE Listings Requirements, and the requirements of the Companies Act No. 71 of 2008. The JSE Listings Requirements require consolidated interim financial statements to be prepared in accordance with International Financial Reporting Standards ("IFRS"), including IAS 34 Interim Financial Reporting, the SAICA Financial Reporting Guides issued by the Accounting Practices Committee and Financial Pronouncements issued by the Financial Reporting Standards Council.

The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 30 June 2023, which have been prepared in accordance with IFRS. The condensed consolidated interim financial statements and any forward looking information have not been externally reviewed or audited. The unaudited condensed interim financial statements for the six months ended 31 December 2023 have been prepared under the supervision of the chief executive officer and acting chief financial officer, Carl Neethling CA (SA). The condensed consolidated interim financial results are the responsibility of the directors and were approved by the board on 28 March 2024.

The condensed consolidated interim financial statements have been prepared on the historical cost basis, except for certain financial instruments and land and buildings that have been measured at fair value, where applicable, and assets held for sale that are measured at the lower of carrying amount and fair value less cost to sell. The interim financial statements are prepared on a going concern basis using accrual accounting.

The condensed consolidated financial statements are presented in South African Rand and all values are rounded to the nearest thousand (R'000), except where otherwise indicated.

Principal accounting policies

The principal accounting policies applied in the preparation of the condensed consolidated interim financial statements are consistent with those applied for the consolidated annual financial statements for the year ended 30 June 2023, except for the mandatory adoption of amendments to IFRS effective 1 January 2023. The impact on the group's financial results, disclosures or comparative information as a result of these amendments is not significant.

Notes to the condensed group interim financial statements for the six months ended 31 December 2023

1. Discontinued operations and disposal of subsidiary

Disposal of manufacturing assets relating to the Supply Chain business

During the prior period, the Group commenced a process to wind down its Supply Chain business and the associated manufacturing capacity which has been successfully outsourced to a third party. Certain plant, machinery and equipment was successfully disposed of prior to 30 June 2023 whilst the remaining identified assets were disposed of in the subsequent period to 31 December 2023. These items were classified as held for sale in terms of IFRS 5 as at 30 June 2023. The Group still retains ownership of the building that was not classified as held for sale.

Discontinued operations for the period

	Six Months ended 31 December 2023 Unaudited R'000 Supply Chain	Six Months ended 31 December 2022 Unaudited R'000 Pharma	Year ended 30 June 2023 Audited R'000 Pharma
R'000			
Revenue	-	141 062	141 062
Expenses	-	(121 916)	(122 149)
Profit on sale of disposal group	15 720	350 184	350 184
Profit before tax	15 720	369 330	369 097
Tax expense	-	(7 533)	(7 533)
Profit after income tax expense of discontinued operations	15 720	361 797	361 564
Other comprehensive income	-	-	-
Total comprehensive income	15 720	361 797	361 564

Assets and liabilities classified as held for sale

The following assets and liabilities were classified as held for sale as at periods reported:

	Six months ended 31 December 2023 Unaudited Supply chain R'000	Year ended 30 June 2023 Audited Supply chain R'000
R'000		
Property, plant and equipment	-	2 562
Assets held for sale	-	2 562
Net assets	-	2 562

Notes to the condensed group interim financial statements for the six months ended 31 December 2023

1. Discontinued operations and disposal of subsidiary (continued)

Disposal of subsidiaries

During the current period, the Group disposed of the plant, machinery and equipment that were classified as held for sale at year end.

During the prior year, the Group sold its investment and interests in the Pharma business unit effective on 31 October 2022.

The carrying amount of assets and liabilities that were disposed were:

	Six months ended 31 December 2023 Unaudited R'000 Supply Chain	Six months ended 31 December 2022 Unaudited R'000 Pharma	Year ended 30 June 2023 Audited R'000 Pharma
Property, plant and equipment	2 562	462	462
Intangible assets and goodwill	-	51 243	51 243
Deferred tax assets	-	3 124	3 124
Current income tax receivable	-	205	205
Inventories	-	40 145	40 145
Trade and other receivables	-	67 694	67 694
Other financial assets	-	78	78
Cash and cash equivalents	-	2 621	2 621
Total assets	2 562	165 572	165 572
Trade and other payables	-	(60 281)	(60 281)
Provisions	-	(3 580)	(3 580)
Current income tax payable	-	(8 297)	(8 297)
Total liabilities	-	(72 158)	(72 158)
Carrying amount of net asset disposed	2 562	93 414	93 414
Total disposal consideration - cash	18 282	443 598	443 598
Gain on disposal	15 720	350 184	350 184
Net cash			
Cash received ⁽¹⁾	18 282	443 598	443 598
Less: Cash and cash equivalents balance of disposed subsidiaries	-	(2 621)	(2 621)
Net cash received on sale	18 282	440 977	440 977

⁽¹⁾ This amount was already received in the 2023 financial period as a prepayment.

Notes to the condensed group interim financial statements for the six months ended 31 December 2023

2. Reacquisition of control over subsidiary

Pursuant to a decision taken by the directors of Surgical Innovations Pty Ltd ("Surgical Innovations") to initiate business rescue proceedings during the prior financial year - the Group was required to recognise a deemed loss of control in terms of IFRS given that the Group no longer met the requirements for control over Surgical Innovations as at the 2023 financial year end.

In the period subsequent to year end, the business rescue plan was successfully approved by creditors and implemented by the Business Rescue Practitioner. A final distribution to creditors was settled on 29 September 2023 upon which Surgical Innovations successfully exited the business rescue process.

The Group accordingly reassumed control, in terms of IFRS, as from 29 September 2023 and has accordingly accounted for the reacquisition and consolidation of Surgical Innovations as from this date.

The total revenue generated by Surgical Innovations for the 3 months, before the deemed reacquisition, was R86.8million.

The carrying amount of assets and liabilities on the date when control was reassumed/lost over Surgical Innovations were:

	Six months ended 31 December 2023 Unaudited R'000 Surgical Innovations Reacquisition of control	Year ended 30 June 2023 Audited R'000 Surgical Innovations Loss of control
Property, plant and equipment	89 720	33 203
Right-of-use assets	28 114	83 999
Current income tax receivable	1 413	5 213
Inventories	64 710	64 403
Trade and other receivables	48 822	67 586
Cash and cash equivalents	21 928	8 774
Total assets	254 707	263 178
Lease liabilities	(28 299)	(123 888)
Trade and other payables	(195 443)	(208 931)
Provisions	(3 783)	(3 716)
Total liabilities	(227 525)	(336 535)
Carrying amount of net asset reacquired/disposed	27 182	(73 357)
Total disposal consideration	-	-
Gain on reacquisition/disposal	(27 182)	(73 357)
Net cash		
Cash received	-	-
Less/Add: Cash and cash equivalents balance of subsidiary	21 928	(8 774)
Net cash received/disposed on purchase/sale	21 928	(8 774)

Notes to the condensed group interim financial statements for the six months ended 31 December 2023

3. Group segmental analysis

	Six months ended 31 December 2023 Unaudited R'000	Six months ended 31 December 2022 Unaudited R'000	Year ended 30 June 2023 Audited R'000
Revenue split by segment			
Consumer Health	254 209	235 837	468 954
Pharma	-	141 062	141 062
Medical Devices	483 342	541 377	1 066 483
Less: Discontinued operations	-	(141 062)	(141 062)
Total revenue	737 551	777 214	1 535 437
Revenue by geographical location			
South Africa	737 551	918 276	1 676 499
Less: Discontinued operations	-	(141 062)	(141 062)
Total revenue	737 551	777 214	1 535 437

	Six months ended 31 December 2023 Unaudited		Six months ended 31 December 2022 Unaudited		Year ended 30 June 2023 Audited	
Normalised EBITDA ^{PM} split by segment	R'000	%	R'000	%	R'000	%
Consumer Health	14 970	6%	(2 425)	-1%	(7 747)	-2%
Pharma	-	0%	33 147	0%	33 875	24%
Medical Devices	80 801	17%	38 301	7%	2 070	0%
Head office	(13 134)		(46 807)		(53 626)	
Less: Discontinued operations	-		(33 877)	24%	(33 874)	24%
Total normalised EBITDA ^{PM}	82 637	11%	(11 661)	-3%	(59 302)	-4%

	Six months ended 31 December 2023 Unaudited R'000	Six months ended 31 December 2022 Unaudited R'000	Year ended 30 June 2023 Audited R'000
Reconciliation of normalised EBITDA^{PM} to consolidated results			
Consolidated loss before taxation from continuing operations	61 415	(167 784)	(284 607)
Finance income	(18 880)	(5 529)	(9 519)
Finance expense	5 144	50 548	68 118
Total impairment, amortisation and depreciation	56 509	38 508	205 215
EBITDA	104 188	(84 257)	(20 793)
Total transaction and restructuring related costs	(21 551)	72 596	(38 509)
Total normalised EBITDA^{PM} attributable to the parent⁽¹⁾	82 637	(11 661)	(59 302)

⁽¹⁾ On successful conclusion of the business rescue process and payment of the final distribution to creditors (including SARS) - the remaining provision of R43.1m raised in respect of the SARS dispute within Surgical Innovations was released to the income statement. An interest amount of R16.6m relating to this SARS liability was released.

Notes to the condensed group interim financial statements for the six months ended 31 December 2023

3. Group segmental analysis (continued)

	Six months ended 31 December 2023 Unaudited R'000		Six months ended 31 December 2022 Unaudited R'000		Year ended 30 June 2023 Audited R'000	
Assets and liabilities split by segment	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Consumer Health	256 475	(44 181)	429 842	(90 102)	323 017	(107 014)
Africa	256 475	(44 181)	429 842	(90 102)	323 017	(107 014)
Medical Devices	842 816	(372 439)	867 021	(489 405)	581 992	(229 423)
Head office	22 746	(62 990)	99 391	(123 434)	65 702	(71 377)
Total consolidated assets and (liabilities)	1 122 037	(479 610)	1 396 254	(702 941)	970 711	(407 814)

Notes to the condensed group interim financial statements

for the six months ended 31 December 2023

4. Earnings per share

	Six months ended 31 December 2023 Unaudited R'000			Six months ended 31 December 2022 Unaudited R'000			Year ended 30 June 2023 Audited R'000		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
(a) Basic profit/(loss) per share									
Profit/(Loss) attributable to owners of the parent	63 807	15 720	79 527	(171 926)	361 797	189 871	(286 242)	361 564	75 322
Profit/(Loss)	63 807	15 720	79 527	(171 926)	361 797	189 871	(286 242)	361 564	75 322
Weighted average number of ordinary shares in issue			626 045 476			585 093 524			606 241 387
Basic profit/(loss) per share (cents)	10.2	2.5	12.7	(29.4)	61.8	32.5	(47.2)	59.6	12.4
(b) Headline earnings/(loss) per share									
Profit/(loss) attributable to owners of the parent	63 807	15 720	79 527	(171 926)	361 797	189 871	(286 242)	361 564	75 322
<i>Adjusted for:</i>									
Net loss/(profit) on the sale of property, plant and equipment	1 364	-	1 364	(127)	-	(127)	(9 172)	-	(9 172)
Tax effect	(368)	-	(368)	35	-	35	2 476	-	2 476
Profit on disposal of subsidiary	-	-	-	-	(350 184)	(350 184)	-	(350 184)	(350 184)
Profit on reacquisition and loss of control of subsidiary	(27 169)	-	(27 169)	-	-	-	(73 357)	-	(73 357)
Goodwill, intangible asset and tangible asset impairment	26 111	-	26 111	-	-	-	128 812	-	128 812
Tax effect	-	-	-	-	-	-	(14 314)	-	(14 314)
Impairment of loan	-	-	-	-	-	-	2	-	2
Headline earnings/(loss)	63 745	15 720	79 465	(172 018)	11 613	(160 405)	(251 795)	11 380	(240 415)
Weighted average number of shares in issue			626 045 476			585 093 524			606 241 387
Headline earnings/(loss) per share (cents)	10.2	2.5	12.7	(29.4)	2.0	(27.4)	(41.5)	1.9	(39.7)

Notes to the condensed group interim financial statements for the six months ended 31 December 2023

5. Revenue

	Six months ended 31 December 2023 Unaudited R'000	Six months ended 31 December 2022 Unaudited R'000	Year ended 30 June 2023 Audited R'000
Revenue			
Revenue from contracts with customers			
Sale of goods - wholesale	654 678	657 969	1 311 057
Sale of equipment	27 365	57 666	108 097
Rendering of service	10 689	7 545	19 725
	692 732	723 180	1 438 879
Timing of revenue: revenue from contracts with customers			
Consumer Health			
Products transferred at a point in time	254 209	235 837	468 953
Services transferred over time	-	-	-
Medical			
Products transferred at a point in time	427 834	479 798	950 201
Services transferred over time	10 689	7 545	19 725
	692 732	723 180	1 438 879
Rental income - Medical segment	44 819	54 034	96 558
Total revenue	737 551	777 214	1 535 437

6. Analysis of material expenses and other income

Profit/(loss) for the half-year includes the following items that are deemed material due to their nature, size or incidence:

	Six months ended 31 December 2023 Unaudited R'000	Six months ended 31 December 2022 Unaudited R'000	Year ended 30 June 2023 Audited R'000
Administration expense			
Salaries and wages	130 255	169 310	323 516
Consulting fees	9 828	8 794	19 908
Audit fees	3 138	9 746	12 484
Insurance costs	2 891	7 059	11 040
Licence costs	3 484	8 287	10 296
SARS VAT Dispute Provision raised ⁽¹⁾	-	53 221	54 088
Other expenses			
Foreign exchange loss	-	19 659	17 082
Impairment, amortisation and depreciation	56 509	35 674	199 117
Travelling expenses	6 206	8 059	13 098
Motor Vehicle expenses	6 657	8 575	16 185
Other income			
Foreign exchange loss	(4 857)	-	-
SARS VAT Dispute Provision released ⁽¹⁾	(43 174)	-	-
Profit on loss of control over Surgical Innovations ⁽²⁾	(27 182)	-	(73 357)

⁽¹⁾ On successful conclusion of the business rescue process and payment of the final distribution to creditors (including SARS), the remaining provision raised of R43.1m in respect of the SARS dispute within Surgical Innovations was released.

⁽²⁾ Refer to the reacquisition and loss of control of subsidiary note 2, for further details regarding the deemed reacquisition and disposal of Surgical Innovations.

Notes to the condensed group interim financial statements for the six months ended 31 December 2023

7. Contingent liabilities

The Group applies judgement in assessing the potential outcome of uncertain legal and regulatory matters. The group does not recognise contingent liabilities in the statement of financial position until events indicate that it is probable that an outflow of resources will take place and a reliable estimate can be made, at which time a provision is recognised.

The Group discloses contingent liabilities where material economic outflows are considered possible but not probable.

The Group is currently involved in three material disputes: (a) with a former advisor on a previous engagement; (b) with a shareholder of the group concerning a loan that the shareholder alleges was guaranteed by Ascendis; and (c) with a service provider regarding certain services provided to the group. The Group is in consultation with its legal counsel, assessing the potential outcome of these disputes on an ongoing basis. The Group does not foresee any material or significant exposure based on advice from legal representatives currently. As these disputes progress, management makes provision in respect of legal proceedings where appropriate.

8. Going concern

The Group has assessed its cash flow forecasts and borrowings profile and is of the view that it has sufficient liquidity to meet its obligations as they become due.

9. Events after reporting period

There are no material events which occurred after the reporting date and up to the date of this report.

Country of Incorporation and domicile	South Africa
Registration number	2008/005856/06
Income tax number	9810/017/15/3
JSE and A2X share code	ASC
ISIN	ZAE000185005
Registered office	1 Carey Street Wynberg Gauteng 2191
Postal address	PostNet Suite #252 Private Bag X21 Bryanston 2021
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JSE sponsor	Valeo Capital Proprietary Limited
Auditors	Nexia SAB&T
Transfer secretaries	Computershare Investor Services Proprietary Limited Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196 Private Bag X9000, Saxonwold, 2132 Telephone: +27 (0)11 370 5000
Company secretary	Joseph Fine (B Soc Sci LLB) investor.relations@ascendishealth.com
Directors	B Harie (Chairman)* SL Mulaudzi~^ K Wellner* T De Bruyn~ HA Nolte* A Chetty* AC Neethling (CEO and acting CFO) * <i>Independent non-executive</i> ~ <i>Non-executive</i> ^ <i>Retired at AGM on 30 November 2023</i>



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