Ascendis Health Limited
(Registration number 2008/005856/06)
(Incorporated in the Republic of South Africa)
Share code: ASC
ISIN: ZAE000185005
("Ascendis Health" or "the Company")

Trading statement for the year ended 30 June 2020

In terms of paragraph 3.4(b) of the JSE Limited Listings Requirements, companies are required to publish a trading statement as soon as they are satisfied, with a reasonable degree of certainty, that the financial results for the period to be reported upon next will differ by at least 20% from those of the previous corresponding reporting period.

Accordingly, the board of directors of Ascendis Health ("Board") advises shareholders that it is reasonably certain that the financial results for the annual financial year ended 30 June 2020 ("**Current Period**"), when compared with the published results for the annual financial year ended 30 June 2019 ("**Prior Corresponding Period**"), are expected to differ as follows:

CONTINUING OPERATIONS

1. **Group revenue** of between R6 887 million and R7 026 million, representing:
   - an improvement of between 24% and 26% when compared to the reported Group revenue of R5 574 million for the Prior Corresponding Period; and
   - an improvement of between 17% and 20% when compared to the restated Group revenue of R5 872 million for the Prior Corresponding Period.

2. **Normalised EBITDA^{PM}** of between R1 149 million and R1 208 million, representing:
   - an improvement of between 313% and 333% when compared to the reported Normalised EBITDA^{PM} of R279 million for the Prior Corresponding Period; and
   - an improvement of between 53% and 61% when compared to the restated Normalised EBITDA^{PM} of R749 million for the Prior Corresponding Period.

3. **Normalised headline loss^{PM}** of between R25 million and R31 million, representing:
   - an improvement of between 94% and 95% when compared to the reported Normalised headline loss^{PM} of R484 million for the Prior Corresponding Period; and
   - an improvement of between 63% and 70% when compared to the restated Normalised headline loss^{PM} of R84 million for the Prior Corresponding Period.

4. **Basic loss per share** of between 154.9 cents and 189.7 cents, representing:
   - an improvement of between 828.0 cents and 793.2 cents (84% and 81%) when compared to the reported basic loss per share of 982.9 cents for the Prior Corresponding Period; and
   - an improvement of between 219.6 cents and 184.8 cents (59% and 49%) when compared to the restated basic loss per share of 374.4 cents for the Prior Corresponding Period.

5. **Headline loss per share** of between 44.7 cents and 53.1 cents, representing:
   - an improvement of between 78.3 cents and 69.9 cents (65% and 57%) when compared to the reported headline loss per share of 123.0 cents for the Prior Corresponding Period; and
   - a deterioration of between 2.9 cents and 11.2 cents (7% and 27%) when compared to the restated headline loss per share of 41.8 cents for the Prior Corresponding Period.

6. **Normalised headline loss per share^{PM}** of between 5.3 cents and 6.5 cents, representing:
    - an improvement of between 94.5 cents and 93.3 cents (95% and 94%) when compared to the reported normalised headline loss per share^{PM} of 99.9 cents for the Prior Corresponding Period; and
    - an improvement of between 12.3 cents and 11.1 cents (70% and 63%) when compared to the restated normalised headline loss per share^{PM} of 17.7 cents for the Prior Corresponding Period.

TOTAL OPERATIONS

1. **Normalised headline earnings^{PM}** of between R18 million and R22 million, representing:
    - an improvement of between 125% and 130% when compared to the reported Normalised headline loss^{PM} of R73 million for the Prior Corresponding Period; and
    - an improvement of between 116% and 119% when compared to the restated Normalised headline loss^{PM} of R113 million for the Prior Corresponding Period.

2. **Basic loss per share** of between 186.5 cents and 228.5 cents, representing:
    - an improvement of between 776.8 cents and 734.8 cents (81% and 76%) when compared to the reported basic loss per share of 963.3 cents for the Prior Corresponding Period; and
    - an improvement of between 799.9 cents and 757.9 cents (81% and 77%) when compared to the restated basic loss per share of 986.4 cents for the Prior Corresponding Period.

3. **Headline loss per share** of between 36.6 cents and 44.9 cents, representing:
    - a movement between an improvement of 3.0 cents (7%) and a deterioration of 5.3 cents (13%) when compared to the reported headline loss per share of 39.6 cents for the Prior Corresponding Period; and
    - an improvement of between 11.9 cents and 3.6 cents (25% and 8%) when compared to the restated headline loss per share of 48.5 cents for the Prior Corresponding Period.

4. **Normalised headline earnings per share^{PM}** of between 3.7 cents and 4.6 cents, representing:
    - an improvement of between 18.8 cents and 19.6 cents (125% and 130%) when compared to the reported normalised headline loss per share ^{PM} of 15.0 cents for the Prior Corresponding Period; and
    - an improvement of between 27.3 cents and 28.2 cents (116% and 119%) when compared to the restated normalised headline loss per share of 23.6 cents for the Prior Corresponding Period.

Notes on restatements:

(1) The Scitec International S.à.r.l group has been classified as a discontinued operation in the current year, and as a consequence it has been included as part of the discontinued operations as at 30 June 2020 and resulting in the restatement of the comparative information. The sale was successfully completed on 31 July 2020.

(2) During the 2019 financial year, the group received an unsolicited offer in respect of the Remedica business. The group decided to dispose the business and was involved in negotiations with potential buyers. The business was classified as a discontinued operation and held for sale as at 30 June 2019. However, due to circumstances beyond the group's control, the negotiations were terminated during the final stages of the disposal process in December 2019. As a result, the business ceased to be classified as a discontinued operation and held for sale in the period under review. The June 2019 amounts have been represented in accordance with the requirements of IFRS 5. The company is currently being prepared for sale.

(3) Shareholders are advised that the restatement of the earnings per share and headline earnings per share attributable to total operations has resulted in a reduction in basic and diluted loss per share of 14.7 cents. The restatement was as a result of not appropriately accounting for a total return swap transaction entered into with ABSA Bank Limited (Absa) in July 2018. In accordance with the total return swap transaction, ABSA purchased shares from the market on behalf of Ascendis on loan account and holds such shares for the duration of the scheme. The shares acquired by ABSA should have been accounted for as treasury shares, with a corresponding liability due to Absa. The error required the restatement of previously disclosed basic, diluted and headline earnings per share as the weighted average number of shares reduced by 7,312,433 shares.

PM (Performance Measures): Shareholders are advised that normalised EBITDA, normalised headline earnings and normalised headline earnings per share are not terms defined by International Financial Reporting Standards and may accordingly differ from company to company. The Board however believes that normalised EBITDA, normalised headline earnings and normalised headline earnings per share are relevant performance measures as it provides a measure of sustainable earnings. The normalised EBITDA, normalised headline earnings and normalised headline earnings per share figures have been calculated consistently with Ascendis Health's methodology for the calculation of normalised EBITDA, normalised headline earnings and normalised headline earnings per share as set out on the Company's website:

https://ascendishealth.com/wp-content/uploads/2020/09/Ascendis-Health-Performance-Measures-30-June-2020.pdf.

The financial information in this announcement is the responsibility of the directors and has not been reviewed or reported on by the Company's external auditor.

22 September 2020
Bryanston

Sponsor

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CORPORATE ADVISORY

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