

ASPEN PHARMACARE HOLDINGS LIMITED  
(Incorporated in the Republic of South Africa) (“Aspen Holdings”)  
Registration number: 1985/002935/06  
Share code: APN  
ISIN: ZAE000066692  
LEI: 635400ZYSN1IRD5QWQ94  
and its subsidiaries (collectively “Aspen” or “the Group”)

## **BUSINESS UPDATE FOR THE SIX MONTHS ENDED 31 DECEMBER 2021 AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT**

Against the backdrop of challenging trading conditions for the six months ended 31 December 2021, with headwinds from the COVID-19 pandemic disrupting procurement, supply, logistics, employee productivity and customer demand, the Group has nonetheless delivered pleasing revenue and even stronger earnings outcomes for the six months ended 31 December 2021, measured against the comparative period in constant exchange rates (“CER”). Revenue growth is in the following ranges:

- Total revenue growth between 9% and 11%
- Commercial Pharma revenue growth between 4% and 5%
- Manufacturing revenue growth between 25% and 30%

Commercial Pharma is the largest business segment, comprising Regional Brands and Sterile Focus Brands. Performance was underpinned by solid results from both branded divisions, continuing the positive organic growth record of the prior year. Manufacturing revenue growth was led by finished dose form sales, offset by a negative revenue outcome from the active pharmaceutical ingredients business (“API Business”) which suffered from the constraints imposed by COVID. Finished dose form results benefited from circa ZAR 800 million in sales from supply of the COVID-vaccine to Johnson & Johnson, showing a significant increase in monthly output over the prior year.

The stronger ZAR relative to the comparative period diluted reported revenue growth and accordingly this will be lower than CER revenue growth.

Normalised EBITDA (CER) growth for the six months is ahead of revenue growth with even stronger growth in Normalised HEPS (CER), benefiting from lower finance costs. These outcomes are consistent with the guidance for the financial year ending 30 June 2022 provided to investors in September 2021.

Further to the SENS announcement on 30 November 2021 captioned “Aspen confirms non-binding term sheet on manufacture and sale of Aspen branded COVID-19 vaccine throughout Africa”, Aspen is actively engaged in negotiating the terms of the definitive agreement with Johnson & Johnson. In addition, we are awaiting to firm up confirmation of both supply and order details. It is expected that the first sales of the Aspen branded vaccine will take place in the current financial year.

**Withdrawal of cautionary**

Aspen released a cautionary announcement on 9 September 2021, which was subsequently renewed, in which shareholders were advised that Aspen had decided to embark on a structured process to facilitate offers for all or parts of its API Business. Shareholders are now advised that, while Aspen initially received acceptable non-binding offers for its API Business, the negative effects of COVID-19 on this business during the period of the due diligence, and expectations of a recovery of the delta in the performance through a stronger outcome in the second half of this financial year, has resulted in it currently being inopportune to establish an optimum value for the API Business. Consequently, Aspen advises shareholders that the process has been terminated and the cautionary announcement is, as a result, withdrawn.

The Group intends to release its interim results for the six months ended 31 December 2021 on 9 March 2022 – details regarding the presentation of these results to investors on 10 March 2022 will be communicated in due course.

The financial information contained in this business update has not been reviewed or audited by Aspen's auditors.

Durban

18 January 2022

**Sponsor**

**Investec Bank Limited**