

ASPEN PHARMACARE HOLDINGS LIMITED  
(Incorporated in the Republic of South Africa)  
("Aspen Holdings")  
Registration number:1985/002935/06  
Share code:APN  
ISIN:ZAE000066692  
LEI:635400ZYSN1IRD5QWQ9  
and its subsidiaries (collectively "Aspen" or "the Group" or "the Company")

UNAUDITED GROUP FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2022  
AND APPOINTMENT OF INTERIM COMPANY SECRETARY

#### GROUP PERFORMANCE AND PROSPECTS OVERVIEW

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 by 1% (-6% CER) to R19 150 million with Commercial Pharmaceuticals revenue growing 2% (-4% CER). Manufacturing revenue declined 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 Pharmaceuticals 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 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.

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 inventory 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.

#### SALIENT HIGHLIGHTS

Aspen reported the following salient highlights:

- Revenue decreased by 1% (-6% in constant exchange rate ("CER")) to R19,2 billion (December 2021: R19,4 billion);
- Normalised EBITDA decreased by 11% (-15% in CER) to R5,1 billion (December 2021: R5,7 billion);
- Normalised headline earnings per share decreased by 17% (-21% in CER) to 679.6 cents (December 2021: 816.4 cents);
- Headline earnings per share decreased by 15% (-20% in CER) to 660.6 cents (December 2021: 777.2 cents);
- Earnings per share decreased by 18% (-23% in CER) to 602.0 cents (December 2021: 736.2 cents);
- Improved Commercial Pharmaceuticals gross profit margins helped deflect inflationary headwinds;
- Significant advances have been made in contract negotiations with multinational customers seeking to secure a portion of Aspen's sterile manufacturing capacities;
- The technical transfer project for the manufacture of finished dose form vaccines licensed from the Serum Institute of India is well advanced;

#### 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.

#### REGULATORY REQUIREMENTS

The contents of the short form announcement are the responsibility of the Board of directors of Aspen. The information in the short form announcement is a summary of the full announcement available on the Company's website at <https://www.aspenpharma.com/investor-relations/#financial-results-and-presentations> on 1 March 2023 and accordingly does not contain full or complete details. The full announcement can also be accessed online at <https://senspdf.jse.co.za/documents/2023/jse/isse/APN/HYresults.pdf>

The information in this announcement has been extracted from the unaudited interim financial results for the six months ended 31 December 2022, but the short-form announcement itself has not been reviewed by the Company's auditors. These unaudited interim financial results have been prepared under the supervision of the Group Chief Financial Officer, Sean Capazorio, CA(SA).

Any investment decisions by shareholders/investors should be based on the full announcement as released by the JSE and published on the Company's website, <https://www.aspenpharma.com>. The full announcement is also available at the Company's registered office (for inspection, at no charge, during office hours on any business day) and at the offices of the sponsor, Investec Bank Limited, from 2 March 2023 to 31 March 2023, both days inclusive. Copies of the full announcement may be requested by contacting the office of the Company Secretary on telephone: +27 31 580 8823, email: [cosec@aspenpharma.com](mailto:cosec@aspenpharma.com).

For and on behalf of the Board

Kuseni Dlamini  
Chair

Stephen Saad  
Group Chief Executive

Sean Capazorio  
Group Chief Financial Officer

Registered office

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Woodmead  
01 March 2023

Sponsor:  
Investec Bank Limited