ASPEN PHARMACARE HOLDINGS LIMITED AND ITS SUBSIDIARIES (COLLECTIVELY "ASPEN" OR "THE GROUP")
Registration number: 1985/002935/06
Share code: APN/ISIN: ZAE000066692
LEI: 635400ZYSN1IRD5QWQ94

Reviewed provisional Group financial results for the year ended 30 June 2021 and cash dividend declaration

COMMENTARY

GROUP HIGHLIGHTS (CONTINUING OPERATIONS)

The commencement of production of COVID-19 vaccines at our Gqeberha manufacturing site in South Africa has been the stand-out achievement in a successful year for Aspen. Johnson & Johnson and Aspen are in discussions to evaluate the further expansion of capacity at the Gqeberha site to enable increased COVID-19 vaccine production, including a possible licence for Africa.

For the full twelve months, the Group has also continued providing reliable supply of its medicines and products globally despite the ongoing challenges imposed by COVID-19.

Group revenue increased 12% to R37,8 billion, with Commercial Pharmaceuticals up 6% and Manufacturing advancing 36%. Normalised EBITDA was 3% higher at R9,9 billion, as a lower gross profit percentage and reduced other operating income were partially offset by well controlled operating expenses. Normalised headline earnings per share ("NHEPS") increased 10% to R13,10, benefitting from reduced finance costs.

Net borrowings declined materially to R16,3 billion as at 30 June 2021, from R35,2 billion in the prior year. The reduction in net borrowings was driven by the cash consideration from the completion of the divestment of the European Thrombosis business, strong operating cash flows and the benefit of a stronger ZAR relative to the EUR and AUD at year-end. The leverage ratio[1], as at 30 June 2021, is 1,74 times, well below the 3,5 times banking covenant.

The table below compares performance from continuing operations in the prior comparable period at reported exchange rates and then at constant exchange rates ("CER"). The difference between reported and CER revenue growth has narrowed since the first half results as a result of the ZAR strengthening during the second half of the current financial year against the majority of the other currencies in which Aspen trades.

Continuing operations	**Reported FY 2021 R'million**	Restated FY 2020 R'million^	Change at reported rates %	Change at CER# %
Revenue	**37 776**	33 659	12	10
Normalised EBITDA*	**9 945**	9 612	3	1
NHEPS** (cents)	**1 309,7**	1 194,8	10	7

CER removes the currency effect on performance. FY2020 recalculated at FY 2021 average exchange rates.
^ *FY 2020 has been restated as a result of the discontinued operations.*
* *Normalised EBITDA represents operating profit before depreciation and amortisation adjusted for specific non-trading items as defined in the Group's accounting policy.*
** *NHEPS is HEPS adjusted for specific non-trading items, being transaction costs and other acquisition and disposal-related gains or losses, restructuring costs, settlement of product-related litigation costs, net monetary adjustments and currency devaluations relating to hyperinflationary economies and significant once-off tax provision charges or credits arising from the resolution of prior year tax matters.*

[1] *Calculated in terms of the relevant Facilities Agreement*

DISCONTINUED OPERATIONS

Discontinued operations for the year ended 30 June 2021 comprise the results of the European Thrombosis business to date of disposal (being 27 November 2020), the costs relating to its disposal, related Thrombosis product discontinuations, other product divestments and the residual costs related to prior period disposals. Discontinued operations in the prior period include the results of the operations classified as discontinued in the current period as well as those discontinued in the prior financial year.

SEGMENTAL PERFORMANCE

Commercial Pharmaceuticals

Commercial Pharmaceuticals, comprising of Aspen's Regional Brands and Sterile Focus Brands, grew revenue by 6% (+4% CER) to R27,9 billion. Gross profit increased 4% (+3% CER) to R15,6 billion, supported by a resilient performance from Regional Brands, partially diluted by an unfavourable mix in Sterile Focus Brands as well as higher manufacturing and supply chain costs associated with operating during the pandemic.

Regional Brands

Regional Brands revenue increased 3% (+2% CER) to R17,2 billion. This is a sound performance given the negative impact from the pricing adjustment to the European oncology products and the persistent unfavourable influence of COVID-19 on certain therapies within this portfolio. A strong performance in OTC products underpinned growth in the key territories of Africa Middle East (+2% CER) and Australasia (+6% CER). Sustained positive revenue gains in Latin America supported the growth in the Americas region (+9% CER). The gross profit percentage improved as cost savings outweighed downsides from the pricing reductions in the oncology portfolio.

Sterile Focus Brands

Revenue from Sterile Focus Brands increased 11% (+9% CER) to R10,7 billion. Demand remained volatile, following the COVID-19-wave trends with products used as interventions for COVID-19 patients picking up as infections in a country increased while products used in elective surgeries fell. Growth was driven by strong sales in China, Russia and Latin America. Gross profit percentages declined due to changes in product mix.

Manufacturing

Manufacturing revenue increased 36% (+29% CER). Excluding the supplies to the counterparties of recent transactions, Manufacturing revenue was up 12% (+7% CER). The low/no margin nature of the transaction-related finished dose form supply and the higher costs of production under COVID-19 weighed on the gross profit percentage. COVID-19 vaccine sales (circa R400 million) commenced at the end of the third quarter of the financial year.

PROSPECTS

The commencement of production of the COVID-19 vaccine at our manufacturing site in Gqeberha towards the end of the third quarter of the financial year ended 30 June 2021 was a landmark event in our endeavours to increase access to medicines, particularly for our home continent of Africa. Our strategy to invest in sterile manufacturing facilities has positioned us to play an increasing role in the provision of the COVID-19 vaccine with potential to make a meaningful contribution to addressing the inequality in access to medicines. Aspen is hopeful that the current discussions between Johnson & Johnson and Aspen, including a possible licence for Africa, could make a meaningful contribution to improving equitable COVID-19 vaccine access for the continent.

Our reshaped Commercial Pharmaceutical business has delivered solid organic revenue growth, which is anticipated to continue in the year ahead. We will continue to refine our product portfolios to ensure that Aspen's offering remains relevant to dynamic market conditions.

The Manufacturing business has made a number of important advances over the past year and is poised to play a material role in driving top and bottom line growth. Many new opportunities are under assessment.

Gearing of the balance sheet has been substantially reduced and we now have significant capacity in terms of our capital allocation model for value adding investments when suitable opportunities are identified.

The 2022 financial year promises to be an exciting one for Aspen. Assuming business as usual, CER revenue growth is expected in the higher single digits with an improved EBITDA margin percentage and reduced finance costs allowing CER NHEPS to grow even more strongly. Exchange rate fluctuations may influence reported results.

Any forecast information provided in the abovementioned paragraph has not been reviewed or reported on by the Group's auditors.

DIVIDEND TO SHAREHOLDERS

Taking into account the earnings and cash flow performance for the year ended 30 June 2021, existing debt service commitments, future proposed investments and funding options, notice is hereby given that the Board has declared a gross dividend, which is paid from income reserves, of 262 cents per ordinary share to shareholders (or 209,6 cents net of a 20% dividend withholding tax, where this maximum rate of tax applies) recorded in the share register of the Company at the close of business on 23 September 2021 (2020: no dividend declared or paid). Shareholders should seek their own advice on the tax consequences associated with the dividend and are particularly encouraged to ensure their records are up to date with Aspen so that the correct withholding tax is applied to their dividend. The Company income tax number is 9325178714. The issued share capital of the Company is 456 451 541 ordinary shares. The directors are of the opinion that the Company will, subsequent to the payment of the dividend, satisfy the solvency and liquidity requirements in terms of sections 4 and 46 of the Companies Act, 2008. Future distributions will continue to be decided on a year-to-year basis. In compliance with *IAS 10 – Events After Balance Sheet Date*, the dividend will be accounted for in the financial statements in the year ended 30 June 2022.

Last day to trade cum dividend	Monday, 20 September 2021
Shares commence trading ex dividend	Tuesday, 21 September 2021
Record date	Thursday, 23 September 2021
Payment date	Monday, 27 September 2021

Share certificates may not be dematerialised or rematerialised between Tuesday, 21 September 2021 and Thursday, 23 September 2021.

By order of the Board

K D Dlamini
(Chairman)

S B Saad
(Group Chief Executive)

GROUP STATEMENT OF FINANCIAL POSITION

at year ended 30 June 2021	Reviewed 2021 R'million	Reviewed 2020 R'million
ASSETS		
Non-current assets		
Intangible assets	**54 882**	73 040
Property, plant and equipment	**14 826**	14 232
Right-of-use assets	**400**	601
Goodwill	**4 621**	5 375
Deferred tax assets	**1 323**	1 714
Contingent environmental indemnification assets	**305**	324
Other non-current assets	**622**	1 145
Total non-current assets	**76 979**	96 431
Current assets		
Inventories	**13 409**	16 413
Receivables and other current assets	**10 688**	13 232
Cash and cash equivalents	**8 546**	7 093
Total operating current assets	**32 643**	36 738
Assets classified as held-for-sale	**62**	–
Total current assets	**32 705**	36 738
Total assets	**109 684**	133 169
SHAREHOLDERS' EQUITY		
Reserves	**63 752**	67 313
Share capital (net of treasury shares)	**1 875**	1 902
Ordinary shareholders' equity	**65 627**	69 215
Non-controlling interests	**–**	2
Total shareholders' equity	**65 627**	69 217
LIABILITIES		
Non-current liabilities		
Borrowings[1]	**266**	36 019
Other non-current liabilities	**3 732**	4 957
Unfavourable and onerous contracts	**463**	927
Deferred tax liabilities	**1 810**	2 701
Contingent environmental liabilities	**305**	324
Retirement and other employee benefits	**730**	945
Total non-current liabilities	**7 306**	45 873
Current liabilities		
Borrowings	**24 606**	6 302
Trade and other payables	**9 213**	9 691
Other current liabilities	**2 528**	1 665
Unfavourable and onerous contracts	**353**	421
Total operating current liabilities	**36 700**	18 079
Liabilities classified as held-for-sale	**51**	–
Total current liabilities	**36 751**	18 079
Total liabilities	**44 057**	63 952
Total equity and liabilities	**109 684**	133 169

[1] *Includes bank overdrafts.*

GROUP STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2021	Note[1]	Change %	Reviewed 2021 R'million	Reviewed restated[2] 2020 R'million
CONTINUING OPERATIONS				
Revenue		12	**37 766**	33 659
Cost of sales			**(19 977)**	(16 524)
Gross profit		4	**17 789**	17 135
Selling and distribution expenses			**(5 784)**	(5 699)
Administrative expenses			**(3 340)**	(3 192)
Other operating income			**1 067**	515
Other operating expenses			**(2 660)**	(3 029)
Operating profit	C	23	**7 072**	5 730
Investment income	D		**140**	156
Financing costs	E		**(1 223)**	(1 688)
Profit before tax		43	**5 989**	4 198
Tax			**(1 191)**	(818)
Profit for the year from continuing operations		42	**4 798**	3 380
DISCONTINUED OPERATIONS				
Profit from discontinued operations	G		**8**	1 284
PROFIT FOR THE YEAR		3	**4 806**	4 664
OTHER COMPREHENSIVE INCOME, NET OF TAX[3]				
Currency translation (losses)/gains	F		**(8 370)**	10 282
Net (losses)/gains from cash flow hedging in respect of business acquisition			**(53)**	67
Remeasurement of retirement and other employee benefits			**37**	1
Total comprehensive (loss)/income			**(3 580)**	15 014
Profit for the year attributable to				
Equity holders of the parent			**4 806**	4 664
Non-controlling interests			**–**	–
			4 806	4 664
Weighted average number of shares in issue ('million)			**456,5**	456,5
Diluted weighted average number of shares in issue ('million)			**456,5**	456,5
EARNINGS PER SHARE				
Basic and diluted earnings per share (cents)				
From continuing operations		42	**1 051,1**	740,5
From discontinued operations			**1,8**	281,3
		3	**1 052,9**	1 021,8

1 *Refer to notes in Supplementary Information.*
2 *Refer to note G in Supplementary Information and Basis of Accounting for restatement as a result of discontinued operations.*
3 *The annual remeasurement of retirement and other employee benefits will not be reclassified to profit and loss. All other items in other comprehensive income may be reclassified to profit and loss.*

GROUP STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2021	Share capital (net of treasury shares) R'million	Reserves R'million	Total attributable to equity holders of the parent R'million	Non-controlling interests R'million	Total R'million
BALANCE AT 1 JULY 2019	1 911	52 300	54 211	2	54 213
Total comprehensive income	–	15 014	15 014	–	15 014
Profit for the year	–	4 664	4 664	–	4 664
Other comprehensive income	–	10 350	10 350	–	10 350
Treasury shares purchased	(41)	–	(41)	–	(41)
Deferred incentive bonus shares exercised	32	(32)	–	–	–
Share-based payment expenses	–	31	31	–	31
BALANCE AT 30 JUNE 2020	**1 902**	**67 313**	**69 215**	**2**	**69 217**
Total comprehensive loss	**–**	**(3 580)**	**(3 580)**	**–**	**(3 580)**
Profit for the year	**–**	**4 806**	**4 806**	**–**	**4 806**
Other comprehensive loss	**–**	**(8 386)**	**(8 386)**	**–**	**(8 386)**
Treasury shares purchased	**(50)**	**–**	**(50)**	**–**	**(50)**
Deferred Incentive bonus shares exercised	**23**	**(23)**	**–**	**–**	**–**
Share-based payment expenses	**–**	**40**	**40**	**–**	**40**
Acquisition of non-controlling interest	**–**	**2**	**2**	**(2)**	**–**
BALANCE AT 30 JUNE 2021	**1 875**	**63 752**	**65 627**	**–**	**65 627**

DISTRIBUTION TO SHAREHOLDERS

Subsequent to year-end, the Board has declared a gross dividend, which will be paid from income reserves of 262 cents per ordinary share to shareholders recorded in the share register of the Company at the close of business on 23 September 2021 (2020: no dividend declared or paid). In compliance with *IAS 10 – Events After Balance Sheet Date*, the dividend will be accounted for in the financial statements in the year ending 30 June 2022.

GROUP STATEMENT OF CASH FLOWS

for the year ended 30 June 2021	Note[1]	Reviewed 2021 R'million	Reviewed restated[2] 2020 R'million
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash operating profit	A	**8 874**	11 110
Changes in working capital		**648**	192
Cash generated from operations		**9 522**	11 302
Financing costs paid		**(1 207)**	(1 780)
Investment income received		**140**	149
Tax paid		**(1 630)**	(1 411)
Cash generated from operating activities		**6 825**	8 260
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure – property, plant and equipment	B	**(2 045)**	(2 039)
Proceeds received from disposal of property, plant and equipment		**38**	6
Capital expenditure – intangible assets	B	**(1 386)**	(651)
Proceeds received from disposal of intangible assets		**375**	244
Proceeds received from prior year disposal of Asia Pacific non-core pharmaceutical portfolio		**740**	389
Net proceeds received from disposal of Japanese business		**309**	4 229
Net proceeds received from disposal of European Thrombosis assets	H	**12 351**	–
Proceeds received from disposal of other non-current assets		**13**	86
Contractual adjustment – Nutritionals business consideration		**–**	(334)
Proceeds received from assets classified as held-for-sale		**–**	32
Payment of deferred, fixed and contingent consideration relating to prior year business transactions		**(563)**	(338)
Acquisition of subsidiary		**(69)**	–
Cash generated from investing activities		**9 763**	1 624
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		**14 668**	14 217
Repayment of borrowings		**(30 077)**	(25 475)
Repayment of lease liabilities		**(189)**	(166)
Purchase of treasury shares		**(50)**	(41)
Cash utilised in financing activities		**(15 648)**	(11 465)
Movement in cash and cash equivalents before currency translation movements		**940**	(1 581)
Currency translation movements		**(602)**	1 050
Movement in cash and cash equivalents		**338**	(531)
Cash and cash equivalents at the beginning of the year		**5 617**	6 148
Cash and cash equivalents at the end of the year		**5 955**	5 617
Operating cash flow per share (cents)			
From continuing operations		**1 499,7**	1 603,5
From discontinued operations		**(4,4)**	206,1
		1 495,3	1 809,6
DISCONTINUED OPERATIONS INCLUDED IN THE ABOVE			
Cash (utilised in)/generated from operating activities		**(20)**	941
Cash generated from investing activities		**13 579**	4 126
Cash and cash equivalents per the statement of cash flows		**–**	(109)
		13 559	4 958
RECONCILIATION OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents per the statement of financial position		**8 546**	7 093
Less: bank overdrafts		**(2 591)**	(1 476)
		5 955	5 617

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash-on-hand plus deposits held on call with banks less bank overdrafts.

[1] *Refer to notes in Supplementary Information.*
[2] *Refer to note G in Supplementary Information and Basis of Accounting for restatement as a result of discontinued operations.*

GROUP SUPPLEMENTARY INFORMATION

GROUP STATEMENT OF HEADLINE EARNINGS

for the year ended 30 June 2021	Change %	Reviewed 2021 R'million	Reviewed restated[1] 2020 R'million
HEADLINE EARNINGS			
Reconciliation of headline earnings			
Profit attributable to equity holders of the parent	3	**4 806**	4 664
Adjusted for			
Continuing operations			
– Net (reversal of)/impairment of property, plant and equipment (net of tax)		**(139)**	7
– Net impairment of intangible assets (net of tax)		**843**	1 282
– Impairment of goodwill (net of tax)		**127**	96
– Impairment of financial receivables (net of tax)		**–**	9
– Profit on the sale of tangible and intangible assets (net of tax)		**(132)**	(203)
– Profit on the sale of assets classified as held-for-sale (net of tax)		**–**	(14)
Discontinued operations			
– (Profit)/loss on sale of discontinued operations (net of tax)		**(397)**	194
	(15)	**5 108**	6 035
Headline earnings			
From continuing operations	21	**5 497**	4 557
From discontinued operations		**(389)**	1 478
	(15)	**5 108**	6 035
HEADLINE EARNINGS PER SHARE			
Headline earnings and diluted headline earnings per share (cents)			
From continuing operations	21	**1 204,3**	998,1
From discontinued operations		**(85,2)**	324,0
	(15)	**1 119,1**	1 322,1
NORMALISED HEADLINE EARNINGS			
Reconciliation of normalised headline earnings			
Headline earnings	(15)	**5 108**	6 035
Adjusted for			
Continuing operations			
– Restructuring costs (net of tax)		**291**	307
– Transaction costs (net of tax)		**225**	402
– Foreign exchange gains on acquisitions (net of tax)		**(76)**	(17)
– Product litigation costs (net of tax)		**41**	205
Discontinued operations			
– Restructuring costs (net of tax)		**154**	17
– Transaction costs (net of tax)		**171**	9
– Foreign exchange gain on disposals (net of tax)		**–**	(42)
	(14)	**5 914**	6 916
Normalised headline earnings			
From continuing operations	10	**5 978**	5 454
From discontinued operations		**(64)**	1 462
	(14)	**5 914**	6 916
Normalised headline and normalised diluted headline earnings per share (cents)			
From continuing operations	10	**1 309,7**	1 194,8
From discontinued operations		**(14,0)**	320,3
	(14)	**1 295,7**	1 515,1

[1] *Refer to note G in Supplementary Information and Basis of Accounting for restatement as a result of discontinued operations.*

GROUP SUPPLEMENTARY INFORMATION continued

GROUP SEGMENTAL ANALYSIS

Reviewed year ended 30 June 2021

	Sterile Focus Brands R'million	Regional Brands R'million	Total Commercial Pharmaceuticals R'million	Total manufacturing revenue R'million	Total R'million
Revenue	**10 691**	**17 183**	**27 874**	**9 892**	**37 766**
Cost of sales	**(4 384)**	**(7 853)**	**(12 237)**	**(7 740)**	**(19 977)**
Gross profit	**6 307**	**9 330**	**15 637**	**2 152**	**17 789**
Selling and distribution expenses					**(5 784)**
Contribution profit					**12 005**
Administrative expenses					**(3 340)**
Net other operating income					**237**
Depreciation					**1 043**
Normalised EBITDA[1]					**9 945**
Adjusted for					
Depreciation					**(1 043)**
Amortisation					**(594)**
Profit on sale of assets					**165**
Net impairment of assets					**(763)**
Restructuring costs					**(396)**
Transaction costs					**(201)**
Product litigation costs					**(41)**
Operating profit					**7 072**
Gross profit (%)	**59,0**	**54,3**	**56,1**	**21,9**	**47,1**
Selling and distribution expenses (%)					**15,3**
Contribution profit (%)					**31,8**
Administrative expenses (%)					**8,8**
Normalised EBITDA (%)					**26,3**

Reviewed restated[2] year ended 30 June 2020

	Sterile Focus Brands R'million	Regional Brands R'million	Total Commercial Pharmaceuticals R'million	Total manufacturing revenue R'million	Total R'million
Revenue	9 615	16 751	26 366	7 293	33 659
Cost of sales	(3 590)	(7 800)	(11 390)	(5 134)	(16 524)
Gross profit	6 025	8 951	14 976	2 159	17 135
Selling and distribution expenses					(5 699)
Contribution profit					11 436
Administrative expenses					(3 192)
Net other operating income					428
Depreciation					940
Normalised EBITDA[1]					9 612
Adjusted for					
Depreciation					(940)
Amortisation					(615)
Profit on sale of assets					223
Net impairment of assets					(1 458)
Restructuring costs					(413)
Transaction costs					(445)
Product litigation costs					(234)
Operating profit					5 730
Gross profit (%)	62,7	53,4	56,8	29,6	50,9
Selling and distribution expenses (%)					16,9
Contribution profit (%)					34,0
Administrative expenses (%)					9,5
Normalised EBITDA (%)					28,6

[1] *Normalised EBITDA represents operating profit before depreciation and amortisation adjusted for specific non-trading items as defined in the Group's accounting policy.*
[2] *Restated for discontinued operations and segmental classifications (Refer to Basis of Accounting).*

GROUP SUPPLEMENTARY INFORMATION continued

GROUP SEGMENTAL ANALYSIS continued

	Change				
	Sterile Focus Brands	Regional Brands	Total Commercial Pharmaceuticals	Total manufacturing revenue	Total
	%	%	%	%	%
Revenue	11	3	6	36	12
Cost of sales	22	1	7	51	21
Gross profit	5	4	4	0	4
Selling and distribution expenses					1
Contribution profit					5
Administrative expenses					5
Net other operating income					(45)
Depreciation					11
Normalised EBITDA[1]					3

[1] *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

for the year ended 30 June 2021	Reviewed 2021 R'million	Reviewed restated[1] 2020 R'million	Change %
COMMERCIAL PHARMACEUTICALS BY CUSTOMER GEOGRAPHY	**27 874**	26 366	6
Africa Middle East	**8 570**	8 368	2
Europe CIS	**5 314**	5 453	(3)
Asia	**5 117**	4 320	18
Australasia	**4 867**	4 230	15
Americas	**4 006**	3 995	0
MANUFACTURING REVENUE BY GEOGRAPHY OF MANUFACTURE			
Manufacturing revenue – finished dose form	**3 495**	1 378	>100
Europe CIS	**2 248**	672	>100
Africa Middle East	**693**	313	>100
Australasia	**554**	393	41
Manufacturing revenue – active pharmaceutical ingredients (Chemicals)	**5 154**	4 799	7
Europe CIS	**4 818**	4 312	12
Africa Middle East	**260**	372	(30)
Asia	**77**	115	(33)
Manufacturing revenue – active pharmaceutical ingredients (Biochem)	**1 243**	1 116	11
Europe CIS	**1 243**	1 116	11
TOTAL MANUFACTURING REVENUE	**9 892**	7 293	36
TOTAL REVENUE	**37 766**	33 659	12
SUMMARY OF REGIONS			
Europe CIS	**13 622**	11 553	18
Africa Middle East	**9 523**	9 053	5
Australasia	**5 421**	4 623	17
Asia	**5 194**	4 435	17
Americas	**4 006**	3 995	0
TOTAL REVENUE	**37 766**	33 659	12

[1] *Refer to note G in Supplementary Information and Basis of Accounting for restatement as a result of discontinued operations and segmental classifications.*

GROUP SUPPLEMENTARY INFORMATION continued

GROUP REVENUE SEGMENTAL ANALYSIS continued

COMMERCIAL PHARMACEUTICALS THERAPEUTIC AREA ANALYSIS

	Reviewed year ended 30 June 2021		
	Sterile Focus Brands R'million	Regional Brands R'million	Total R'million
BY CUSTOMER GEOGRAPHY			
Commercial Pharmaceuticals			
Africa Middle East	**513**	**8 057**	**8 570**
Europe CIS	**3 540**	**1 774**	**5 314**
Asia	**4 491**	**626**	**5 117**
Australasia	**754**	**4 113**	**4 867**
Americas	**1 393**	**2 613**	**4 006**
Total Commercial Pharmaceuticals	**10 691**	**17 183**	**27 874**

	Reviewed restated[1] year ended 30 June 2020		
	Sterile Focus Brands R'million	Regional Brands R'million	Total R'million
BY CUSTOMER GEOGRAPHY			
Commercial Pharmaceuticals			
Africa Middle East	457	7 911	8 368
Europe CIS	3 364	2 089	5 453
Asia	3 728	592	4 320
Australasia	683	3 547	4 230
Americas	1 383	2 612	3 995
Total Commercial Pharmaceuticals	9 615	16 751	26 366

	Change		
	Sterile Focus Brands %	Regional Brands %	Total %
BY CUSTOMER GEOGRAPHY			
Commercial Pharmaceuticals			
Africa Middle East	12	2	2
Europe CIS	5	(15)	(3)
Asia	20	6	18
Australasia	10	16	15
Americas	1	0	0
Total Commercial Pharmaceuticals	11	3	6

[1] *Refer to note G in Supplementary Information and Basis of Accounting for restatement as a result of discontinued operations and segmental classifications.*

NOTES

		Note	30 June 2021 R'million	30 June 2020 R'million
A.	**CASH OPERATING PROFIT**			
	Operating profit – continuing operations		**7 072**	5 730
	Operating profit – discontinued operations		**(434)**	1 690
	Total operating profit		**6 638**	7 420
	Non – cash items		**2 236**	3 690
			8 874	11 110
B.	**CAPITAL EXPENDITURE**			
	Incurred		**3 431**	2 690
	– Property, plant and equipment		**2 045**	2 039
	– Intangible assets		**1 386**	651
	Contracted		**862**	1 819
	– Property, plant and equipment		**571**	1 279
	– Intangible assets		**291**	540
	Authorised but not contracted for		**1 621**	2 534
	– Property, plant and equipment		**1 127**	2 175
	– Intangible assets		**494**	359
C.	**OPERATING PROFIT HAS BEEN ARRIVED AT AFTER CHARGING/ (CREDITING)**			
	Continuing operations			
	Depreciation of property, plant and equipment and right-of-use assets		**1 043**	940
	Amortisation of intangible assets		**594**	615
	Net impairment of tangible and intangible assets		**763**	1 458
	Impairment of tangible assets		**134**	9
	Impairment reversal of tangible assets		**(353)**	–
	Impairment of intangible assets	I	**1 264**	1 339
	Impairment reversal of intangibles assets	I	**(413)**	–
	Impairment of goodwill		**131**	96
	Net impairment financial receivables		**–**	14
	Profit on the sale of tangible and intangible assets		**(165)**	(223)
	Transaction costs		**201**	445
	Restructuring costs		**396**	413
	Product litigation costs		**41**	234
D.	**INVESTMENT INCOME**			
	Interest received		**140**	156
E.	**FINANCING COSTS**			
	Interest paid		**(994)**	(1 470)
	Debt raising fees on acquisitions		**(47)**	(45)
	Net losses on financial instruments		**(49)**	(8)
	Foreign exchange losses		**(147)**	(15)
	Fair value gains on financial instruments		**98**	7
	Notional interest on financial instruments		**(211)**	(182)
	Foreign exchange gains on acquisitions		**78**	17
			(1 223)	(1 688)
F.	**CURRENCY TRANSLATION (LOSSES)/GAINS**			
	Currency translation (losses)/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 year the stronger closing Rand translation rate reduced the Group net asset value.		**(8 370)**	10 282

F. CURRENCY TRANSLATION (LOSSES)/GAINS continued

	30 June 2021 R'million	30 June 2020 R'million
Average rates		
EUR – Euro	**18,362**	17,327
AUD – Australian Dollar	**11,484**	10,494
USD – US Dollar	**15,408**	15,677
CNY – Chinese Yuan Renminbi	**2,324**	2,229
MXN – Mexican Peso	**0,740**	0,759
BRL – Brazilian Real	**2,838**	3,478
GBP – British Pound	**20,707**	19,735
CAD – Canadian Dollar	**11,998**	11,659
RUB – Russian Ruble	**0,207**	0,234
Closing rates		
EUR – Euro	**16,959**	19,504
AUD – Australian Dollar	**10,725**	11,961
USD – US Dollar	**14,310**	17,360
CNY – Chinese Yuan Renminbi	**2,216**	2,457
MXN – Mexican Peso	**0,722**	0,752
BRL – Brazilian Real	**2,861**	3,170
GBP – British Pound	**19,757**	21,472
CAD – Canadian Dollar	**11,536**	12,749
RUB – Russian Ruble	**0,195**	0,244

G. DISCONTINUED OPERATIONS

Current year discontinued operations

Discontinued European business

In September 2020 the Group concluded an agreement (subject to conditions precedent which were fulfilled in November 2020) to divest the assets related to the commercialisation of Aspen's Thrombosis products in Europe to Mylan Ireland Limited ("Mylan"). Subsequent to this, Mylan also acquired the distribution rights and related assets for the French commercial Thrombosis business. The total purchase consideration (inclusive of inventory) was EUR680 million (R12 491 million) including an amount receivable in July 2021 of EUR7,6 million (R140 milion).

The discontinued European business comprises the European Thrombosis assets divested to Mylan until the date of disposal being 27 November 2020, the costs relating to its disposal, related Thrombosis product discontinuations and other product divestments. The results of the discontinued European business and the residual costs related to prior period disposals have been classified as discontinued operations in terms of IFRS 5. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

Prior year discontinued operations

Asia Pacific non-core pharmaceutical portfolio

During the financial year ended 30 June 2019, the Group divested and discontinued a portfolio of non-core pharmaceutical products in the Asia Pacific region and the results of these divestments and discontinuations were reported as discontinued operations and included in the "Prior Years" category of the discontinued operations statement of comprehensive income.

Nutritionals business

During the financial year ended 30 June 2019, the Group divested its Nutritionals business and the results were reported as discontinued operations and included in the "Prior Years" category of the discontinued operations statement of comprehensive income.

Japanese business

The Group divested its Japanese business effective 31 January 2020 and the results were reported as discontinued operations and included in the "Prior Years" category of the discontinued operations statement of comprehensive income.

Public sector ARVs

The Group concluded a transaction effective June 2020, in terms of which the commercialisation and distribution rights for its major public sector ARVs were licensed to Laurus, a leading Indian API manufacturer. In terms of the agreement Aspen would continue to toll manufacture the products for Laurus. The results were reported as discontinued operations and included in the "Prior Years" category of the discontinued operations statement of comprehensive income.

Summarised discontinued operations statement of comprehensive income

	European business R'million	Prior years discontinued R'million	Reviewed 30 June 2021 R'million
Revenue	**1 939**	**–**	**1 939**
Gross profit	**401**	**–**	**401**
Operating expenses	**(415)**	**–**	**(415)**
Selling and distribution expenses	**(387)**	**–**	**(387)**
Administrative expenses	**(28)**	**–**	**(28)**
Normalised EBITA	**(14)**	**–**	**(14)**
Depreciation	**16**	**–**	**16**
Normalised EBITDA	**2**	**–**	**2**
Adjusted for			
Depreciation	**(16)**	**–**	**(16)**
Transaction costs	**–**	**(223)**	**(223)**
Restructuring costs	**(197)**	**–**	**(197)**
Loss before tax	**(211)**	**(223)**	**(434)**
Tax	**(6)**	**51**	**45**
Loss after tax from discontinuing operations	**(217)**	**(172)**	**(389)**
Profit/(loss) on the sale of discontinued operations (after tax)	**517**	**(120)**	**397**
Profit/(loss) from discontinued operations	**300**	**(292)**	**8**
Basic earnings per share (cents)			**1,8**
Headline earnings per share (cents)			**(85,2)**
Normalised headline earnings per share (cents)			**(14,0)**

G. DISCONTINUED OPERATIONS continued

	European business R'million	Prior years discontinued[1] R'million	Reviewed restated 30 June 2020 R'million
Revenue	4 989	1 888	6 877
Gross profit	2 198	760	2 958
Operating expenses	(868)	(344)	(1 212)
Selling and distribution expenses	(829)	(288)	(1 117)
Administrative expenses	(39)	(56)	(95)
Normalised EBITA	1 330	416	1 746
Depreciation	26	5	31
Normalised EBITDA	1 356	421	1 777
Adjusted for			
Depreciation	(26)	(5)	(31)
Amortisation	–	(17)	(17)
Transaction costs	–	(12)	(12)
Restructuring costs	–	(27)	(27)
Operating profit	1 330	360	1 690
Foreign exchange gains on disposals	–	42	42
Profit before tax[2]	1 330	402	1 732
Tax	(170)	(84)	(254)
Profit after tax from discontinued operations	1 160	318	1 478
Loss on the sale of discontinued operations (after tax)	–	(194)	(194)
Profit from discontinued operations	1 160	124	1 284
Basic earnings per share (cents)			281,3
Headline earnings per share (cents)			324,0
Normalised headline earnings per share (cents)			320,3

[1] *The prior year revenue is split as follows*

	June 2020
Japanese business	1 434
Public sector ARVs	251
Asia Pacific non-core pharmaceutical portfolio	203
	1 888

[2] *Comparatives have been restated for financing costs and current year discontinued operations. Refer to the Basis of Accounting for detail.*

H. PROCEEDS RECEIVED FROM SALE OF DISCONTINUED OPERATIONS

PROCEEDS RECEIVED ON DISPOSAL OF EUROPEAN THROMBOSIS ASSETS	Reviewed 30 June 2021 R'million
PROCEEDS	
Proceeds receivable	12 491
Proceeds outstanding at year-end	(140)
Classified as current deferred receivables	(140)
Cash inflow per cash flow statement	12 351
ASSETS DISPOSED	
Non-current assets	
Goodwill	121
Intangible assets	10 011
Total non-current assets	10 132
Current assets	
Inventories	480
Total current assets	480
Total assets	10 612
LIABILITIES	
Current liabilities	
Other payables	23
Total current liabilities	23
Total liabilities	23
Net assets disposed	10 589
LIABILITIES RAISED AS PART OF DISPOSALS[1]	
Non-current liabilities	415
Net current liabilities	1 281
Net liabilities raised	1 696
Profit on sale of discontinued operations	206

[1] *The liabilities raised consist of contractual obligations and net realisable value inventory adjustments.*

I. IMPAIRMENT OF INTANGIBLE ASSETS

Impairment of intangible assets can be split as follows	Note	30 June 2021 R'million	30 June 2020 R'million
AstraZeneca Anaesthetics portfolio	1	**630**	–
Development costs	2	**182**	96
GSK OTC brands	3	**154**	286
US Brand	4	**115**	–
Specialist Global Brands	5	**113**	63
MSD brands		**31**	52
GSK Classic Brands distributed in Australia		**29**	133
South African Regional Brands		**2**	25
GSK Anaesthetics portfolio		**–**	20
Hydroxyprogesterone Caproate ("HPC")		**–**	640
Other		**8**	24
		1 264	1 339
Reversal of impairments can be split as follows	6		
Specialist Global Brands		**(221)**	–
GSK anaesthetics portfolio product		**(179)**	–
Other		**(13)**	–
		(413)	–
Net impairment of intangibles assets		**851**	1 339

The impairments have generally arisen as a result of a decline in the outlook of revenue and profitability but notable circumstances exist in the case of:
(1) Aspen was unsuccessful in a major volume- based procurement tender in China which has resulted in a material decrease in the revenue outlook for one product in that country
(2) Product development projects which were no longer technically or commercially feasible.
(3) Two brands, one sold in Brazil and the other in Nigeria that have experienced a high level of competitive pressure.
(4) Decline in sales outlook in the United States of Benztropine.
(5) Decline in sales outlook in the United States of one of the oncology products.
(6) The impairment reversals have generally arisen as a result of an improvement in the outlook of revenue and profitability.

With the exception of intangible assets fully written off, the carrying value of intangible assets impaired or with impairment reversals have been determined based on either fair value less costs to sell or value-in-use calculations, using a five-year forecast horizon.

Other key assumptions used (where appropriate and in relation to the material impairments) were:

	Growth in revenue (% per annum)[1]	Gross profit (% per annum)	Growth (% per annum)[2]	Pre-tax discount rate applied to cash flows (% per annum)
AstraZeneca Anaesthetics portfolio product	(14,4)	34,4	0,0	7,2
GSK OTC brands	7,0	27,1	0,0	17,6
Specialist Global Brands	1,2	40,9	0,0	9,7

[1] *Average compound average growth rate during the abovementioned five-year forecast.*
[2] *Average growth rate used to extrapolate cash flows beyond the abovementioned five-year forecast.*

J. ILLUSTRATIVE CONSTANT EXCHANGE RATE REPORT ON SELECTED FINANCIAL DATA

The Group has presented selected financial data 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 constant exchange rate report 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 the Revised Guide on Pro Forma Information by SAICA and the accounting policies of the Group as at 30 June 2021. The illustrative constant exchange rate report on selected financial data has been derived from the reviewed financial information and has been reported on by Aspen's auditors who have issued reporting accountant's reports thereon, which are available for inspection at the Group's registered office.

The Group's financial performance is impacted by numerous currencies which underlie the reported provisional 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 restated 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

	June 2021 average rates	June 2020 average rates
EUR – Euro	**18,362**	17,327
AUD – Australia Dollar	**11,484**	10,494
USD – US Dollar	**15,408**	15,677
CNY – Chinese Renminbi	**2,324**	2,229
MXN – Mexican Peso	**0,740**	0,759
BRL – Brazilian Real	**2,838**	3,478
GBP – British Pound	**20,707**	19,735
CAD – Canadian Dollar	**11,998**	11,659
RUB – Russian Ruble	**0,207**	0,234

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 recalculated by applying the actual effective tax rate to the restated profit before tax.

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

	Reviewed June 2021 (at 2021 average rates) R'million	Restated June 2020 (at 2020 average rates) R'million	Change at reported exchange rates %	Restated recalculated illustrative constant exchange rates June 2020 (at 2021 average rates) R'million	Change in constant exchange rates %
KEY CONSTANT EXCHANGE RATE INDICATORS					
Continuing operations					
Revenue	**37 766**	33 659	12	34 395	10
Gross profit	**17 789**	17 135	4	17 475	2
Normalised EBITDA[1]	**9 945**	9 612	3	9 872	1
Operating profit	**7 072**	5 730	23	5 847	21
Normalised headline earnings	**5 978**	5 454	10	5 580	7
Earnings per share (cents) (basic and diluted)	**1 051,1**	740,5	42	749,6	40
Headline earnings per share (cents) (basic and diluted)	**1 204,3**	998,1	21	1 020,8	18
Normalised headline earnings per share (cents) (basic and diluted)	**1 309,7**	1 194,8	10	1 222,4	7

[1] *Normalised EBITDA represents operating profit before depreciation and amortisation adjusted for specific non-trading items as defined in the Group's accounting policy.*

	Reviewed June 2021 (at 2021 average rates) %	Reviewed June 2020 (at 2020 average rates) %
Revenue currency mix		
EUR – Euro	**29**	27
ZAR – South African Rand	**18**	20
AUD – Australia Dollar	**13**	14
CNY – Chinese Yuan Renminbi	**10**	9
USD – US Dollar	**7**	7
MXN – Mexican Peso	**3**	3
BRL – Brazilian Real	**3**	3
GBP – British Pound	**2**	2
RUB – Russian Ruble	**2**	1
CAD – Canadian Dollar	**1**	1
Other currencies	**12**	13
Total	**100**	100

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

Reviewed year ended June 2021 (at 2021 average rates)

	Sterile Focus Brands R'million	Regional Brands R'million	Total Commercial Pharmaceuticals R'million	Total manufacturing revenue R'million	Total R'million
Revenue	10 691	17 183	27 874	9 892	37 766
Cost of sales	(4 384)	(7 853)	(12 237)	(7 740)	(19 977)
Gross profit	6 307	9 330	15 637	2 152	17 789
Selling and distribution expenses					(5 784)
Contribution profit					12 005
Administrative expenses					(3 340)
Net other operating income					237
Depreciation					1 043
Normalised EBITDA[1]					9 945
Adjusted for					
Depreciation					(1 043)
Amortisation					(594)
Profit on sale of assets					165
Net impairment of assets					(763)
Restructuring costs					(396)
Transaction costs					(201)
Product litigation costs					(41)
Operating profit					7 072
Gross profit (%)	59,0	54,3	56,1	21,9	47,1
Selling and distribution expenses (%)					15,3
Contribution profit (%)					31,8
Administrative expenses (%)					8,8
Normalised EBITDA (%)					26,3

[1] *Normalised EBITDA represents operating profit before depreciation and amortisation adjusted for specific non-trading items as defined in the Group's accounting policy.*

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

Illustrative constant exchange rate June 2020 (at 2021 average rates)[2]

	Sterile Focus Brands R'million	Regional Brands R'million	Total Commercial Pharmaceuticals R'million	Total manufacturing revenue R'million	Total R'million
Revenue	9 815	16 919	26 734	7 661	34 395
Cost of sales	(3 683)	(7 919)	(11 602)	(5 318)	(16 920)
Gross profit	6 133	8 999	15 132	2 343	17 475
Selling and distribution expenses					(5 807)
Contribution profit					11 668
Administrative expenses					(3 210)
Net other operating income					449
Depreciation					965
Normalised EBITDA[1]					9 872
Adjusted for					
Depreciation					(965)
Amortisation					(631)
Profit on sale of assets					237
Impairment of assets					(1 533)
Restructuring costs					(421)
Transaction costs					(449)
Product litigation costs					(263)
Operating profit					5 847
Gross profit (%)	62,5	53,2	56,6	30,6	50,8
Selling and distribution expenses (%)					16,9
Contribution profit (%)					33,9
Administrative expenses (%)					9,3
Normalised EBITDA (%)					28,7

Change

	Sterile Focus Brands %	Regional Brands %	Total Commercial Pharma %	Total manufacturing revenue %	Total %
Revenue	9	2	4	29	10
Cost of sales	19	(1)	5	46	18
Gross profit	3	4	3	(8)	2
Selling and distribution expenses					0
Contribution profit					3
Administrative expenses					4
Net other operating income					(47)
Depreciation					8
Normalised EBITDA[1]					1

[1] *Normalised EBITDA represents operating profit before depreciation and amortisation adjusted for specific non-trading items as defined in the Group's accounting policy.*
[2] *Restated for discontinued operations and segmental classifications (Refer to Basis of Accounting).*

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

	Reviewed June 2021 (at 2021 average rates) R'million	Illustrative constant exchange rate June 2020 (at 2021 average rates) R'million	Change %
COMMERCIAL PHARMACEUTICALS BY CUSTOMER GEOGRAPHY	27 874	26 734	4
Africa Middle East	8 570	8 319	3
Europe CIS	5 314	5 653	(6)
Asia	5 117	4 457	15
Australasia	4 867	4 623	5
Americas	4 006	3 682	9
MANUFACTURING REVENUE BY GEOGRAPHY OF MANUFACTURE			
Manufacturing revenue – finished dose form	3 495	1 446	>100
Europe CIS	2 248	707	>100
Africa Middle East	693	309	>100
Australasia	554	430	29
Manufacturing revenue – active pharmaceutical ingredients (Chemicals)	5 154	5 032	2
Europe CIS	4 817	4 549	6
Africa Middle East	260	371	(30)
Asia	77	113	(32)
Manufacturing revenue – active pharmaceutical ingredients (Biochem)	1 243	1 183	5
Europe CIS	1 243	1 183	5
TOTAL MANUFACTURING REVENUE	9 892	7 661	29
TOTAL REVENUE	37 766	34 395	10
SUMMARY OF REGIONS			
Europe CIS	13 622	12 092	13
Africa Middle East	9 523	8 999	6
Australasia	5 421	5 053	7
Asia	5 194	4 570	14
Americas	4 006	3 682	9
TOTAL REVENUE	37 766	34 395	10

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

	Reviewed June 2021 (at 2021 average rates)		
	Sterile Focus Brands R'million	Regional Brands R'million	Total R'million
BY CUSTOMER GEOGRAPHY			
Commercial pharmaceuticals			
Africa Middle East	**513**	**8 057**	**8 570**
Europe CIS	**3 540**	**1 774**	**5 314**
Asia	**4 491**	**626**	**5 117**
Australasia	**754**	**4 113**	**4 867**
Americas	**1 393**	**2 613**	**4 006**
Total Commercial Pharmaceuticals	**10 691**	**17 183**	**27 874**

	Illustrative constant exchange rate June 2020 (at 2021 average rates)		
	Sterile Focus Brands R'million	Regional Brands R'million	Total R'million
BY CUSTOMER GEOGRAPHY			
Commercial pharmaceuticals			
Africa Middle East	449	7 870	8 319
Europe CIS	3 483	2 170	5 653
Asia	3 853	604	4 457
Australasia	747	3 876	4 623
Americas	1 283	2 399	3 682
Total Commercial Pharmaceuticals	9 815	16 919	26 734

	Change		
	Sterile Focus Brands %	Regional Brands %	Total %
BY CUSTOMER GEOGRAPHY			
Commercial pharmaceuticals			
Africa Middle East	14	2	3
Europe CIS	2	(18)	(6)
Asia	17	4	15
Australasia	1	6	5
Americas	9	9	9
Total Commercial Pharmaceuticals	9	2	4

K. BASIS OF ACCOUNTING

The Group financial results contained in the provisional report are prepared in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports and the requirements of the Companies Act of South Africa. The Listings Requirements require provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 – Interim Reporting.

The accounting policies applied in the preparation of these provisional Group financial results are in terms of International Financial Reporting Standards and are consistent with those used in the annual financial statements for the year ended 30 June 2020 except for changes to the segmental analysis, as well as discontinued operations which are explained in detail below.

These provisional Group financial results have been prepared under the supervision of the Deputy Group Chief Executive, M G Attridge 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 which make up the Pharmaceutical segment have been revised as follows:

- Following the disposal of the European Thrombosis assets and related European Thrombosis product discontinuations, the Anaesthetic and Thrombosis therapeutic segments have been consolidated under the Sterile Focus Brands segment; and
- The Regional revenue segments have been consolidated into broader geographical regions which reflect the reshaped Aspen business structure simplifying segmental management and analysis.

The business segments which make up the Manufacturing segment have been revised with the active pharmaceutical ingredients segment being split into a Chemical and a Biochem segment which reflects the increased strategic focus on these business segments as part of the reshaped Aspen business structure.

RESTATEMENT OF DISCONTINUED OPERATIONS

Discontinued European business

In September 2020 the Group concluded an agreement (subject to conditions precedent which were fulfilled in November 2020) to divest the assets related to the commercialisation of Aspen's Thrombosis products in Europe to Mylan Ireland Limited ("Mylan"). Subsequent to this, Mylan also acquired the distribution rights and related assets for the French commercial Thrombosis business. The total purchase consideration (inclusive of inventory) was EUR680 million (R12 491 million) including an amount receivable in July 2021 of EUR7,6 million (R140 million).

The discontinued European business comprises the European Thrombosis assets divested to Mylan until the date of disposal being 27 November 2020, the costs relating to its disposal, related Thrombosis product discontinuations and other product divestments. The results of the discontinued European business and the residual costs related to prior period disposals have been classified as discontinued operations in terms of IFRS 5 and have been reported separately in the discontinued operations statement of comprehensive income including a restatement of comparative periods.

K. BASIS OF ACCOUNTING continued

FINANCE COSTS

The prior year finance costs previously shown as attributable to discontinued operations have been reclassified to be included in continuing operations. The resultant reclassification of the comparative numbers for continuing and discontinued operations is not material with the value of finance costs for the prior comparative period amounting to R74,0 million.

COVID-19

The Group's financial performance has not been materially impacted by COVID-19 and no asset impairments have arisen as a consequence of COVID-19.

SUBSEQUENT EVENTS

During August 2021, the Group concluded negotiations with the lenders of one of the Group's unsecured borrowings facilities to extend the maturity date of the facility from 1 July 2022 to 1 July 2023. This maturity date extension applies to R15,0 billion (EUR 887 million) of the Group's existing R16,1 billion (EUR 950 million) facility, with the remaining portion of that facility retaining its 1 July 2022 maturity date.

During August 2021, all conditions precedent relating to a new unsecured EUR 600 million 7-year amortising term loan (the "New Loan") were cleared. The New Loan is sourced from a club of development finance institutions. The proceeds of the New Loan will be used exclusively by the Group to repay and cancel existing loan facilities. The commercial terms, covenants and undertakings of the New Loan are materially similar to the Group's existing borrowings.

As a consequence of the above R16,1 billion (EUR 950 million) will be reclassified as non-current borrowings in the 2022 financial year as the subsequent events are non-adjusting for the current financial year.

REVIEW CONCLUSION

These reviewed provisional Group financial results for the year ended 30 June 2021 have been reviewed by the independent external auditors, Ernst & Young Inc. and their unmodified review report is available for inspection at the Company's registered office. The review was performed in accordance with ISRE 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. Any reference to future financial performance included in this announcement has not been reviewed or reported on by the Group's external auditors. The auditor's report does not necessarily report on all of the information contained in this announcement/financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of the auditor's report together with the accompanying financial information from the Group's registered office.

The illustrative constant exchange rate report on selected financial data has been derived from the reviewed financial information and has been reported on by Aspen's auditors in a reporting accountant's report which is available for inspection at the Company's registered office. This information has been prepared for illustrative purposes only and is the responsibility of the Group's Board of Directors.

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