

Interim Results Presentation

For the six months ended 31 December 2021



Healthcare. We Care.



DISCLAIMER

CAUTIONARY REGARDING FORWARD-LOOKING STATEMENTS

We may make statements that are not historical facts and relate to analyses and other information based on forecasts of future results and estimates of amounts not yet determinable. These are forward looking statements as defined in the U.S. Private Securities Litigation Reform Act of 1995. Words such as “prospects”, “believe”, “anticipate”, “expect”, “intend”, “seek”, “will”, “plan”, “indicate”, “could”, “may”, “endeavour” and “project” and similar expressions are intended to identify such forward looking statements but are not the exclusive means of identifying such statements. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and there are risks that predictions, forecasts, projections and other forward-looking statements will not be achieved. If one or more of these risks materialise, or should underlying assumptions prove incorrect, actual results may be very different from those anticipated. The factors that could cause our actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements are discussed in each year’s annual report.

Forward looking statements apply only as of the date on which they are made, and we do not undertake other than in terms of the Listings Requirements of the JSE Limited, any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. Any profit forecasts published in this report are unaudited and have not been reviewed or reported on by Aspen's external auditors.

DISCLOSURE NOTE

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:
 - » Commercial responsibility for Israel has been moved to Africa Middle East from Europe CIS and consequently the prior year numbers (December 2020: R63 million and June 2021: R122 million) have been restated to reflect this segmental change.

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.





GROUP CFO INSIGHTS

Aspen is in good shape and lean



- Sales (CER[†]) ↑ 10% and Expenses ↓ 2% (CER[†]) - strong levers for EBITDA growth
- Benefits of past reshaping start to be realised

Delivering on our organic sales growth targets (CER[†])



- Commercial Pharma ↑ 5%
- Manufacturing ↑ 30%
- Manufacturing (excluding FDF TRS* revenue) ↑ 10%
- Base organic growth ↑ 7%

Improved gross margins (CER[†]) despite challenging headwinds



- Commercial Pharma ↑ 58.5%
- Sterile Focus Brands ↑ 61.0%
- Regional Brands ↑ 56.9%
- Manufacturing (excluding FDF TRS*) ↑ 26.8%



GROUP CFO INSIGHTS

Double digit EBITDA and NHEPS Growth (CER[†])



- EBITDA ↑ 15%
- NHEPS ↑ 26%
- In line with previous guidance
- Stronger ZAR impacts reported earnings metrics by ↓ 5%

Improved return on investment



- Increased ROIC trend
- EBITDA margin 29.5% - highest over the last 5 years
- Capacity fill strategy bearing fruit

Manufacturing segment endured a challenging H1 2022 with recovery expected in H2 2022



- COVID impacted costs, efficiencies and supply chain
- Output challenges in SA Operations
- Fire at Alphamed facility in India
- Inflationary pressures contained



GROUP CFO INSIGHTS

Increased inventory investment to ensure sustainable supply to Commercial markets



- Stock-piling of critical materials
- Reduced H1 free cash flow but will mitigate future stock outs
- Seasonal increase in working capital expected to improve in H2
- Greater than 100% operating cash conversion rate targeted to be achieved by year end

Exciting developments enhance future prospects



- Aspenovax agreement concluded with Johnson & Johnson

Strong balance sheet to support growth

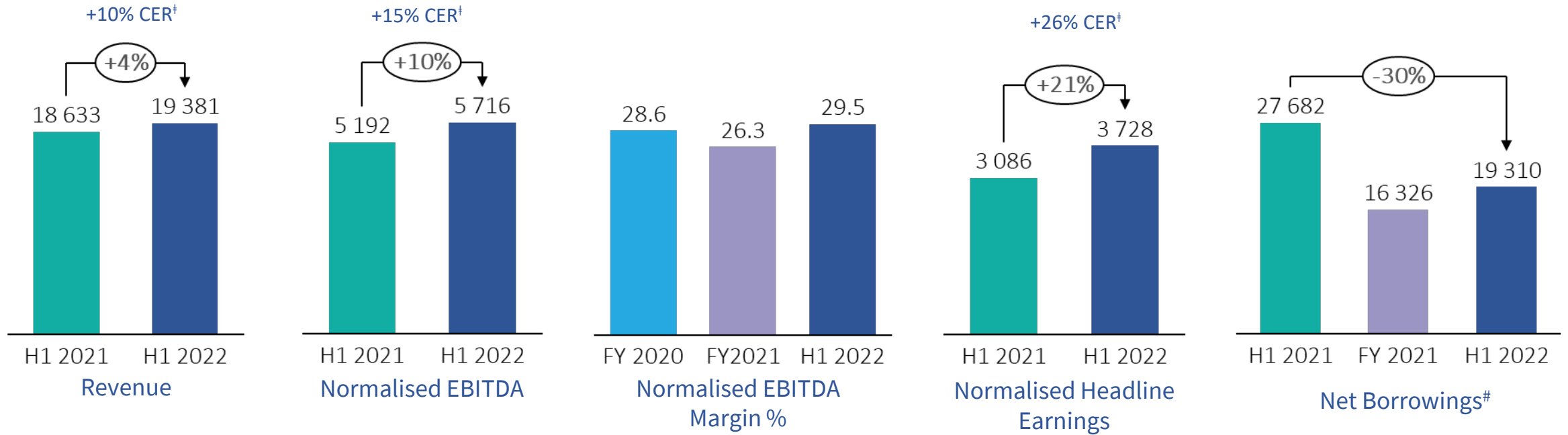


- Leverage ratio comfortably below target levels
- Stability for capital allocation decisions
- Flexibility for acquisitions, share buybacks and dividends
- Strategic sale of product portfolio to Acino for R1.8 billion
- Lower finance costs



FINANCIAL HIGHLIGHTS

CONTINUING



CURRENCY MIX

Currency contribution	H1 2022		FY 2021		H1 2022 average rate	H1 2021 average rate	% change
	Revenue	Normalised EBITDA	Revenue	Normalised EBITDA			
EUR	29%	14%	29%	17%	17.44	19.19	(9%)
ZAR	17%	10%	18%	16%			
AUD	14%	21%	13%	21%	10.99	11.75	(6%)
CNY	10%	22%	10%	23%	2.34	2.40	(3%)
USD	7%	(13%)	7%	(19%)	15.03	16.26	(8%)

- Stronger ZAR in H1 2022 reduces all earnings growth metrics by at least 5 percentage points.
- Lower EUR EBITDA mix following subdued performance from Manufacturing in Europe.
- Lower ZAR EBITDA as COVID vaccine manufacture revenue shifts mix to EUR but cogs in ZAR.
- Lower USD mix ongoing as Anaesthetic production site-transfers progress.
- Average rates for the 2 months to February 2022 indicate that H2 2022 Reported and CER[†] performance will be more aligned.

NORMALISED EBITDA

CONTINUING

R'million	H1 2022	% of revenue	H1 2021	% of revenue	% change	% change CER [†]
Revenue	19 381	100.0%	18 633	100.0%	4%	10%
Gross profit [‡]	9 395	48.5%	9 186	49.3%	2%	7%
Depreciation	582	3.0%	511	2.7%	14%	20%
Operating expenses	(4 287)	22.1%	(4 605)	24.7%	-7%	-2%
Net other operating income	26	0.1%	100	0.5%	-74%	-72%
Normalised EBITDA	5 716	29.5%	5 192	27.9%	10%	15%



Increased Manufacturing sales mix dilutes Group gross margin



Excluding FDF TRS*, Commercial Pharma and Manufacturing enjoyed improved gross margins



Reduction in operating expenses provided strong leverage boosting EBITDA growth and margins



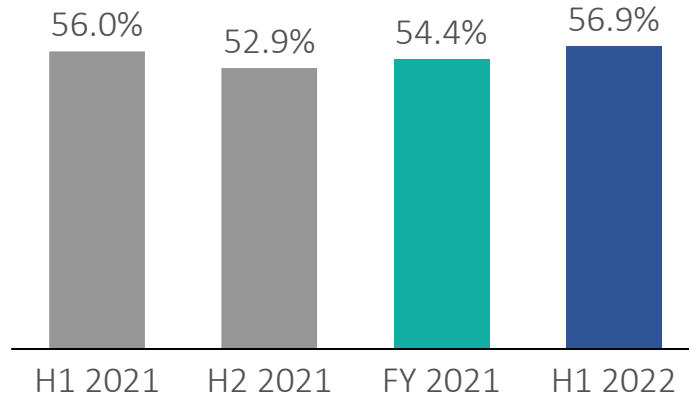
Improved EBITDA margin % consistent with previous investor guidance

GROSS PROFIT PERCENTAGE CER[†]

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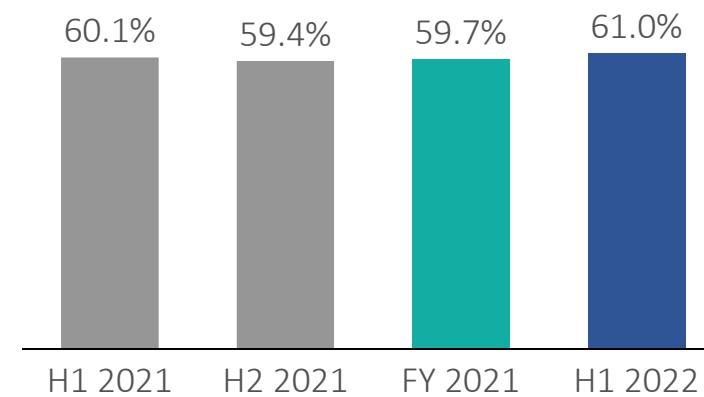
Regional Brands

Favourable higher margin sales mix in Africa Middle East and Americas coupled with supply cost savings



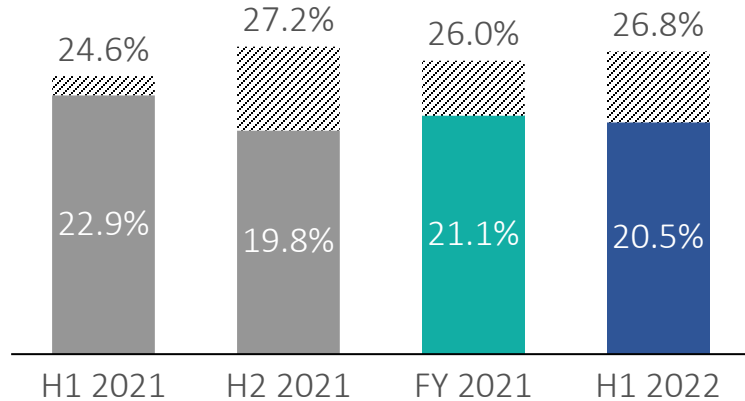
Sterile Focus Brands

Higher Anaesthetic margins outweighed reduced Thrombosis margins



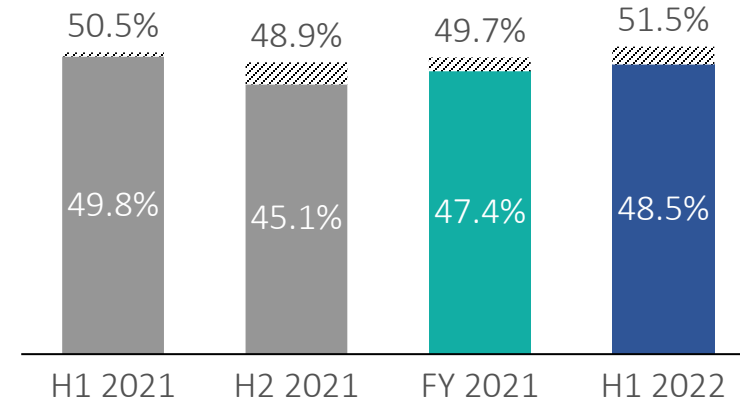
Manufacturing

Excluding FDF TRS*, gross margins improved with strong contributions from Chemicals and FDF



Group

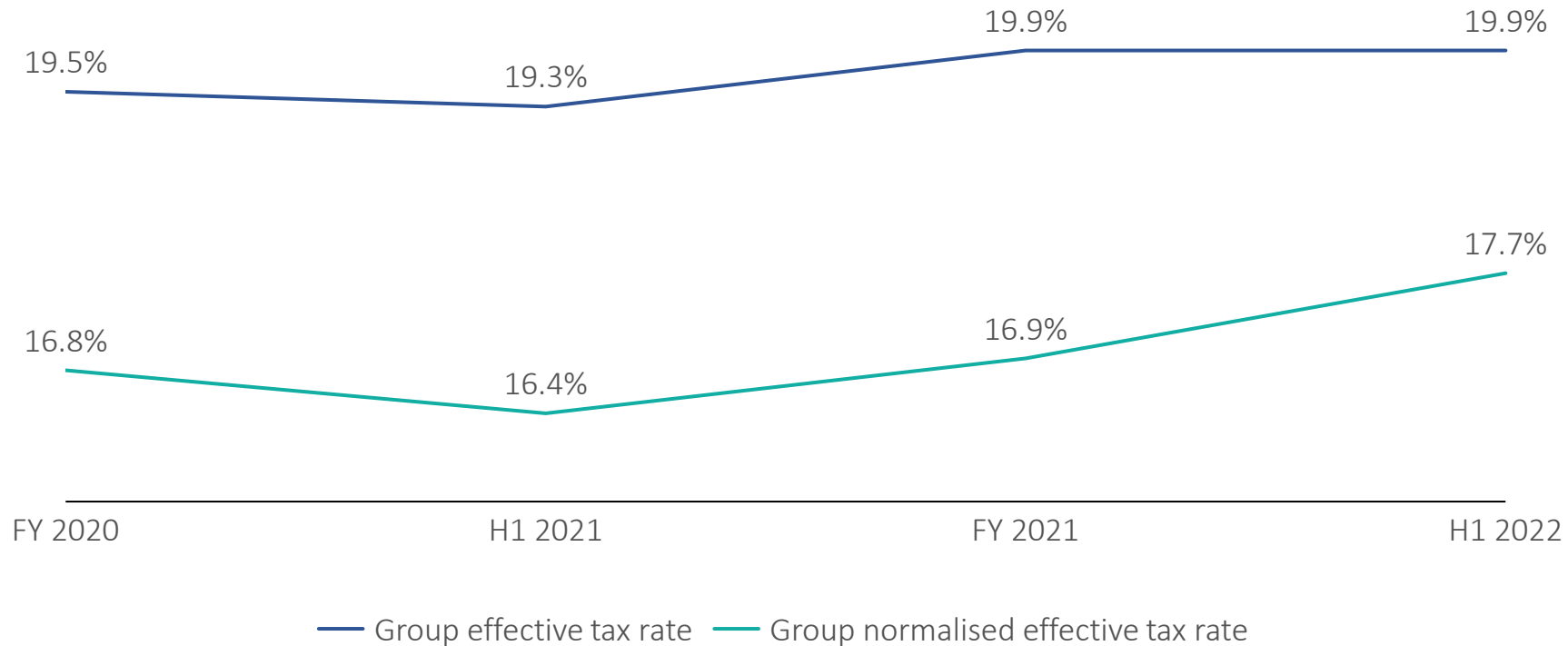
Increased mix from lower margin Manufacturing diluted Group gross margins



Gross profit percentage adjusted to exclude low/ no margin FDF TRS

EFFECTIVE TAX RATES

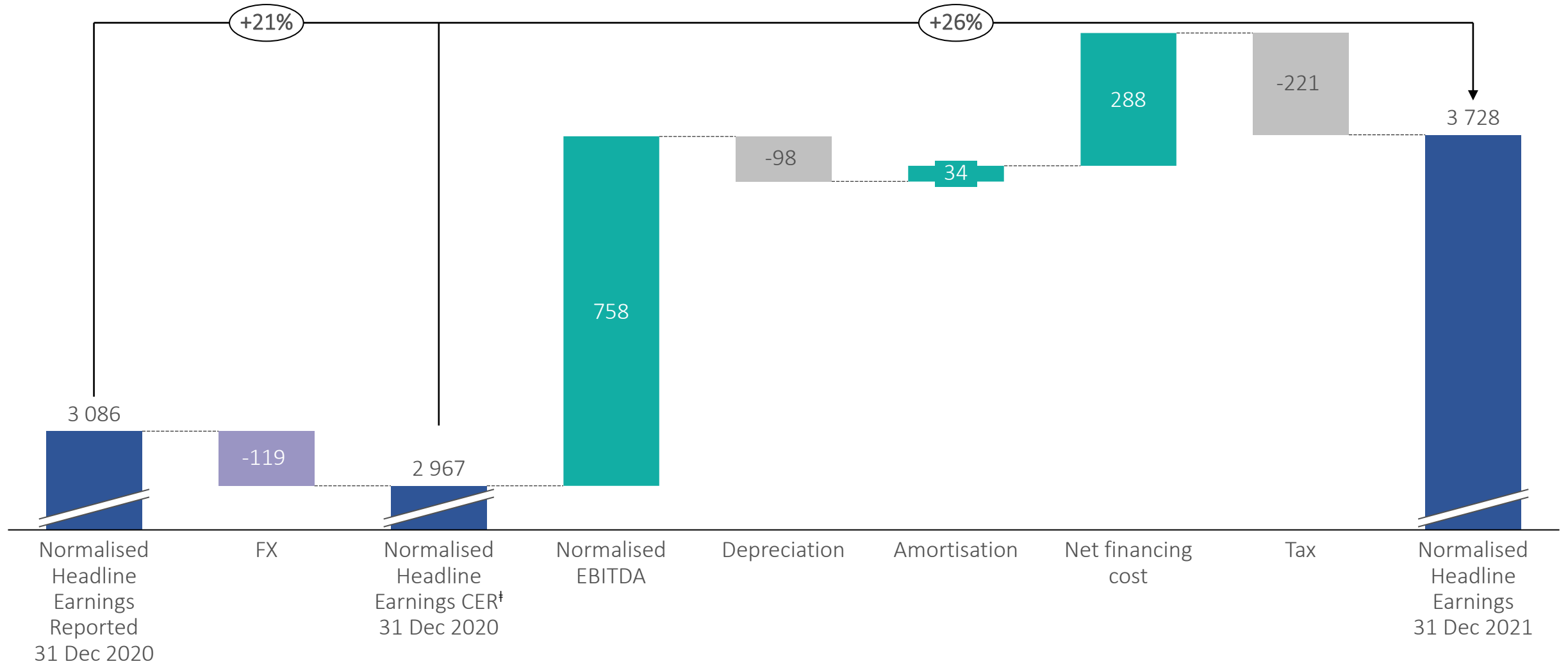
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- Increased contribution mix from Manufacturing increases H1 2022 Group tax rates
- It is anticipated that the FY 2022 Group normalised effective tax rate will not exceed the H1 2022 rate

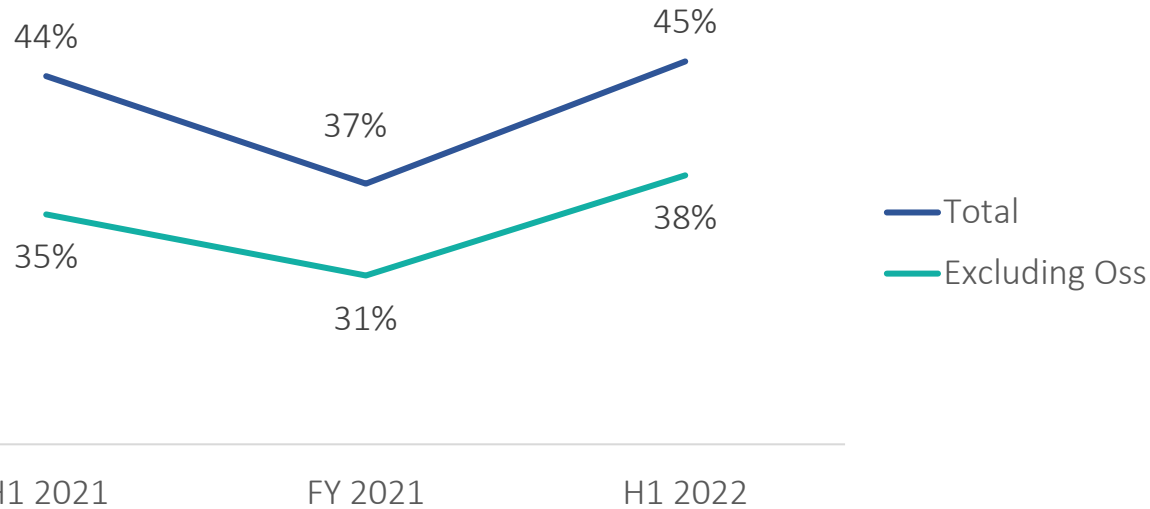
NORMALISED HEADLINE EARNINGS BRIDGE

CONTINUING R'MILLION

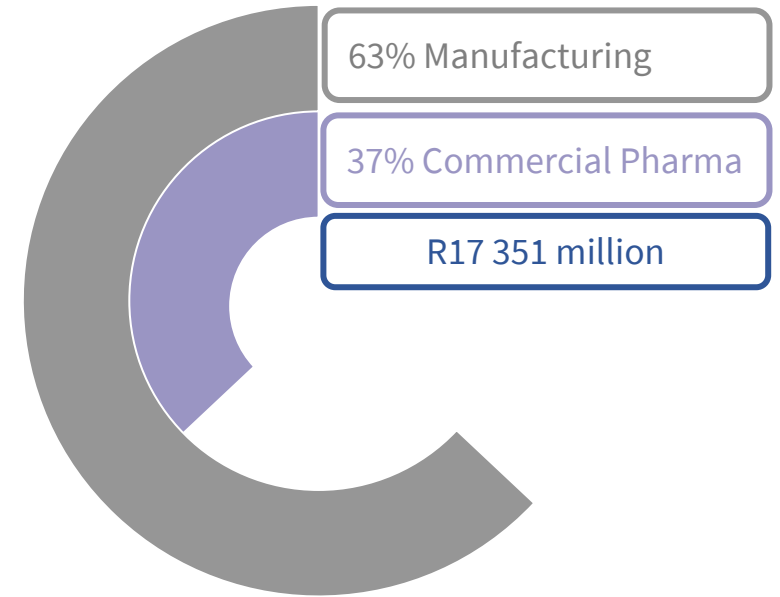


WORKING CAPITAL

Net working capital % of revenue[^]



Net working capital by segment %



Net working capital

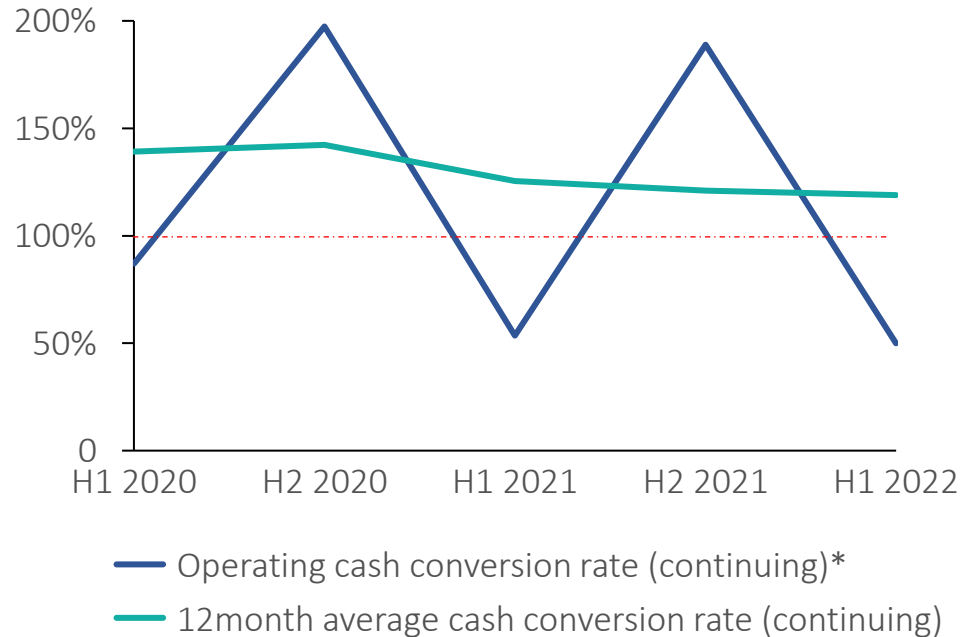
R'million	H1 2022	FY 2021 CER [†]	H1 2021 CER [†]
Total	17 351	14 775	16 684
Excluding Oss	12 701	10 538	11 150

- Net working capital ("NWC") ratios are marginally up versus H1 2021 notwithstanding increased strategic inventory investment
- NWC% is seasonal and expected to reduce in H2 2022 supported by increased output and sales from Manufacturing which will deplete stock-build

OPERATING CASH FLOW

CONTINUING AND DISCONTINUED

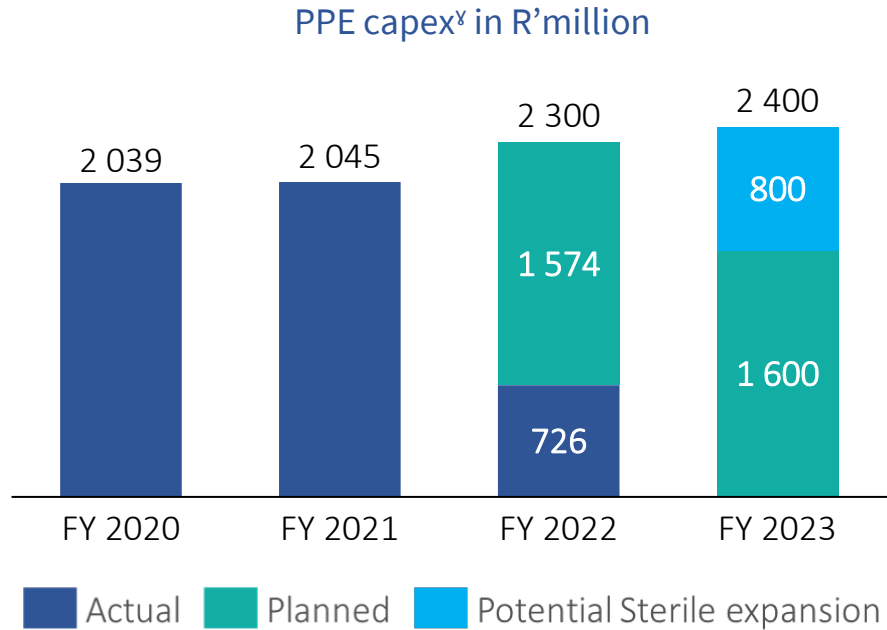
Operating cash conversion cycle



R'million	H1 2022	H1 2021	% change
Cash operating profit	5 263	4 823	9%
Changes in working capital	(2 301)	(1 411)	63%
Cash generated from operations	2 962	3 412	-13%
Net finance costs paid	(290)	(665)	-56%
Tax paid	(911)	(1 007)	-10%
Cash generated from operating activities	1 761	1 740	1%
<i>Continuing</i>	1 761	1 395	26%
<i>Discontinued</i>	-	345	-100%
Operating cash flow per share (cents)	385.8	381.2	1%

- Seasonal operating cash flow cycle which follows recurring trend
- Strategic inventory investment to support sustainable future supply to patients
- H2 2022 expected to show improvement and > 100% cash conversion rate targeted

CAPITAL EXPENDITURE



PPE CAPEX^y

- Low H1 2022 spend impacted by COVID related delays. Underspend will carry forward to H2 2022
- FY 2022 includes capex for the rehabilitation of the Alphamed site in India and initial vaccine capacity expansion capex
- Future Steriles capacity expansion strategy under review and expected to increase FY 2023 capex above previous guidance

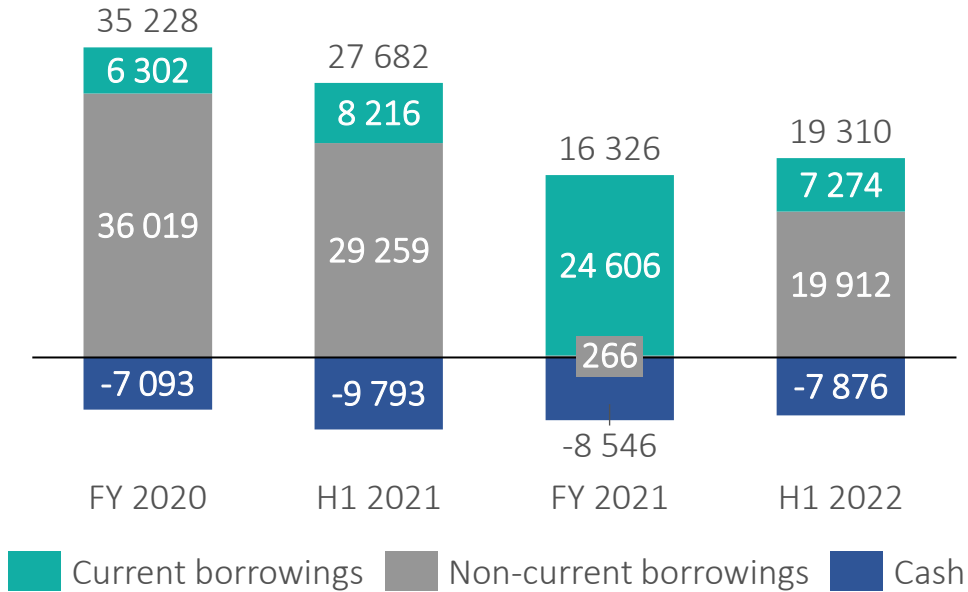
IP DEVELOPMENT CAPEX^y

- Comprises in-house product development and IT software
- Digitalisation projects are the major contributor to the planned spend in FY2022 of R1.0 billion
- Excludes net bolt-on acquisitions/ disposals^{**}



BORROWINGS

Net borrowings[»] in R'million



- Leverage ratio* well below Group ceiling of 3.0x and covenant level of 3.5x
- Oss loan owing to MSD of EUR 188 million due in September 2023 is excluded from Net Borrowings
- The maturity dates for the bulk of the Group's existing syndicated term debt facilities were successfully extended to 30 June 2023 from 30 June 2022

	H1 2022	FY 2021	H1 2021	FY 2020
Gearing	21%	20%	29%	34%
Interest cover ratio	11.41	8.57	6.78	6.53
Effective interest rate for the period**	3.47%	3.39%	3.24%	3.88%

FINANCIAL HIGHLIGHTS SUMMARY

**ASPEN IS IN
GOOD SHAPE AND
LEAN**

**DELIVERING ON OUR
ORGANIC SALES
GROWTH TARGETS
(CER[†])**

**IMPROVED GROSS
MARGINS (CER[†])
DESPITE
CHALLENGING
HEADWINDS**

**DOUBLE DIGIT
EBITDA AND
NHEPS GROWTH
(CER[†])**

**IMPROVED RETURN
ON INVESTMENT**

**MANUFACTURING
SEGMENT ENDURED
A CHALLENGING
H1 2022 WITH
RECOVERY
EXPECTED
IN H2 2022**

**INCREASED
INVENTORY
INVESTMENT TO
ENSURE
SUSTAINABLE
SUPPLY TO
COMMERCIAL
MARKETS**

**EXCITING
DEVELOPMENTS
ENHANCE FUTURE
PROSPECTS**

**STRONG BALANCE
SHEET TO SUPPORT
GROWTH**



PERFORMANCE

A SUCCESSFUL STORY OF ORGANIC GROWTH, CARE, HOPE AND FUTURE OPPORTUNITIES

Double
digit growth



Business
reshaped

Organic growth
across all
segments



Strengthened
the balance
sheet



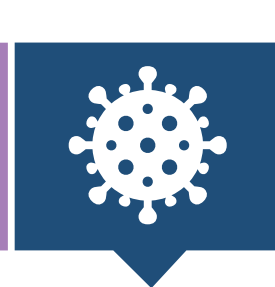
Critical global
capacities



Forefront of
equitable access



Contribution to
world for COVID
meds



Aspenovax
Caring for
Africa

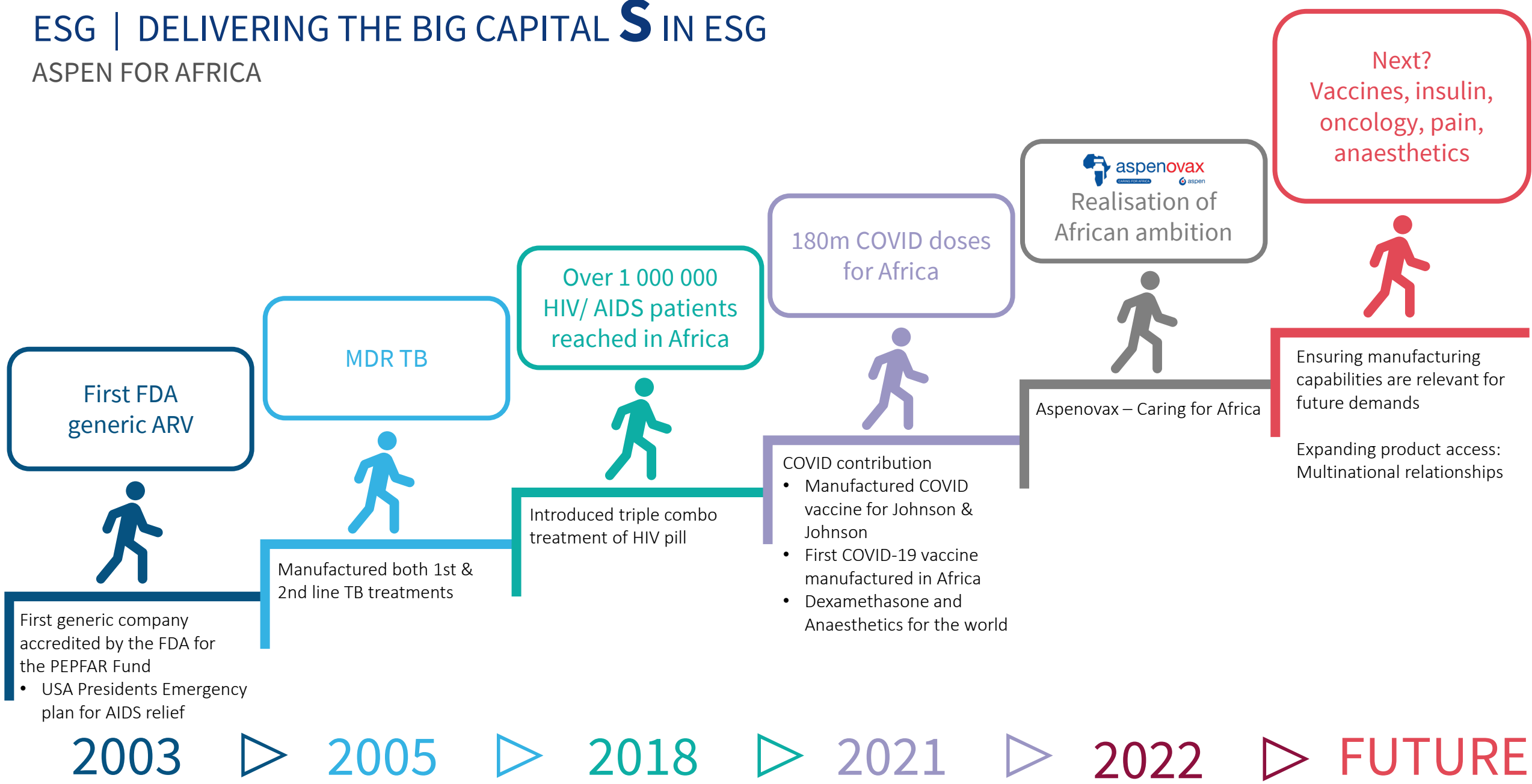


Capacities are
foundation for
future returns



ESG | DELIVERING THE BIG CAPITAL S IN ESG

ASPEN FOR AFRICA



GROUP REVENUE

CONTINUING

**ORGANIC GROWTH
ACROSS ALL
SEGMENTS**

R'million	H1 2022	H1 2021	% change	
			Reported	CER [†]
Commercial Pharma	14 261	14 331	0%	5%
Regional Brands	8 727	8 776	-1%	4%
Sterile Focus Brands	5 534	5 555	0%	5%
Manufacturing	5 120	4 302	19%	30%
Group revenue	19 381	18 633	4%	10%

- Another solid performance from both Commercial Pharma and Manufacturing
- Performance of all segments heavily impacted by COVID supply chain challenges
 - » Manufacturing segment most negatively impacted
- Commercial Pharma +6% CER[†] excluding EU oncology portfolio
- Manufacturing +10% CER[†] excluding FDF TRS^{*}
- Internal performance measure of organic growth +7% CER[†]
 - » Excludes FDF TRS^{*} & EU oncology portfolio

COMMERCIAL PHARMA | REGIONAL BRANDS

CONTINUING | REVENUE

**ANOTHER RESILIENT
PERFORMANCE LED
BY AUSTRALIA**

R'million	H1 2022	H1 2021	% change	
			Reported	CER [†]
Africa Middle East	3 961	4 059	-2%	0%
Australasia	2 303	2 082	11%	18%
Americas	1 361	1 329	2%	8%
Europe CIS	803	970	-17%	-10%
Asia	299	336	-11%	-4%
Regional Brands	8 727	8 776	-1%	4%

- Excluding Oncology brands
 - » Regional brands +6% CER[†]
 - » EU CIS +7% CER[†]
- Australia growth driven by OTC portfolio
- Africa Middle East
 - » Struggled with severe supply chain challenges
 - » SA still managed to grow +6% CER[†]
- Latam sustaining strong historic performance
- EU CIS performance benefiting from narrower focus

COMMERCIAL PHARMA | STERILES

CONTINUING | REVENUE

**MAINTAINING
STRONG MOMENTUM**

R'million	H1 2022	H1 2021	% change	
			Reported	CER [†]
Asia	2 426	2 262	7%	11%
Europe CIS	1 795	1 892	-5%	3%
Americas	718	736	-2%	2%
Australasia	353	397	-11%	-5%
Africa Middle East	242	268	-10%	-4%
Sterile Focus Brands	5 534	5 555	0%	5%

- Very credible performance across the board
 - » Prior year base was up 7%, positive COVID-19 impact
 - » EU CIS performance most noteworthy in this regard
- Supply chains were impacted by COVID-19
 - » Exacerbated by COVID-19 vaccines demand
 - Impacted manufacturing capacities, components and consumables
- Asia continues to perform
 - » +11 CER includes impact of Volume Based Procurement ("VBP") in Q2 for Naropin in China

MANUFACTURING REVENUE

CONTINUING | REVENUE

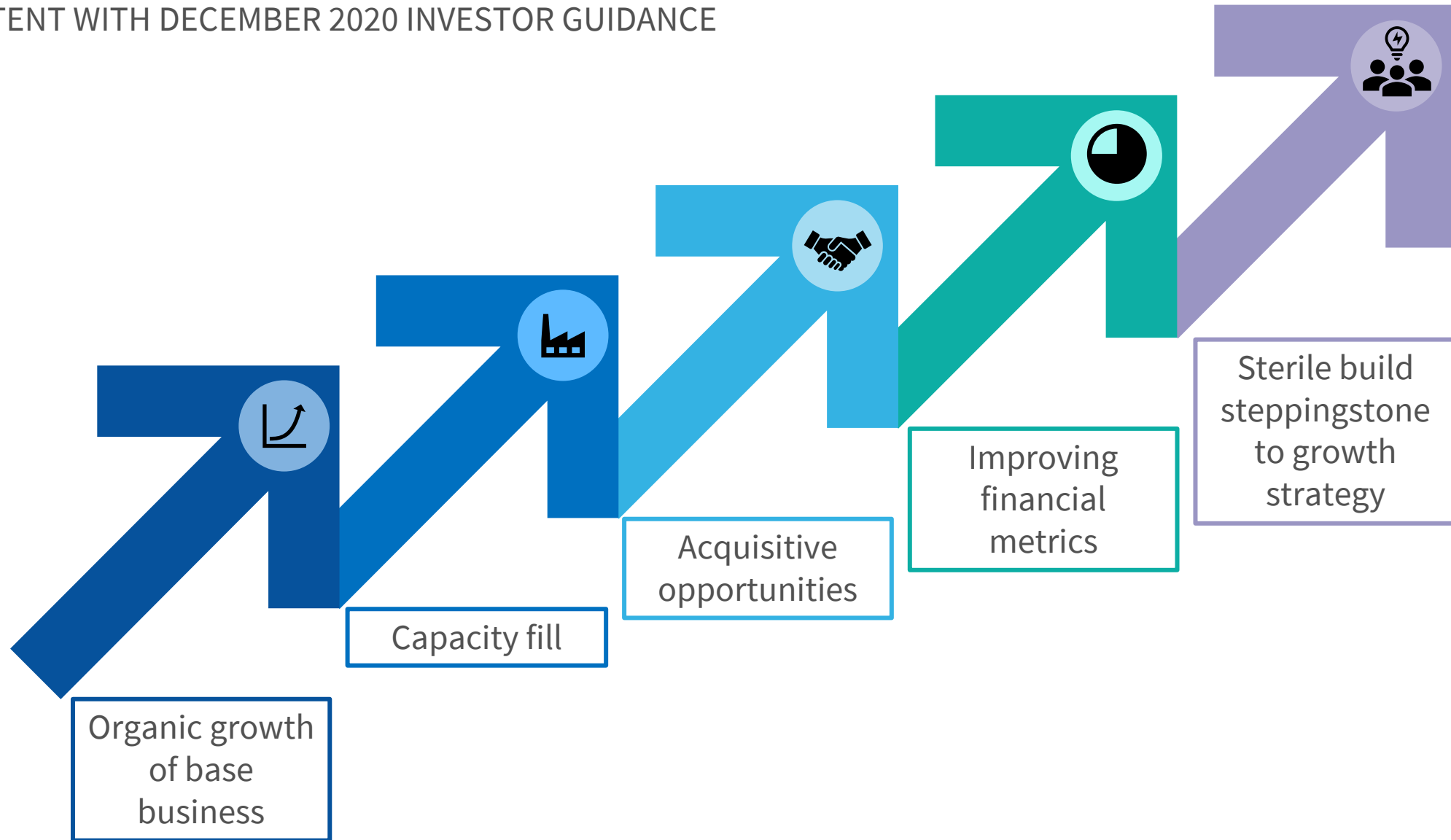
**COVID VACCINE
POSITIVE IMPACT**

R'million	H1 2022	H1 2021	% change	
			Reported	CER [†]
FDF	2 476	1 051	>100%	>100%
API - Chem	2 206	2 708	-19%	-11%
API - Biochem	438	543	-19%	-11%
Manufacturing	5 120	4 302	19%	30%

- Extremely challenging times to be in production
 - » Core reason for withdrawal of API disposal process
 - Team now fully re-focused on delivery of operational performance
 - » API division
 - Demand and production impacted by COVID
 - Rebound to growth in H2 and growth for the year
 - Future orders underpinned by contractual commitments
- FDF includes positive COVID-19 vaccine injection of ± R800 million
- Targeting strong H2 for Manufacturing

ASPEN STRATEGY

CONSISTENT WITH DECEMBER 2020 INVESTOR GUIDANCE



PERFORMANCE METRICS

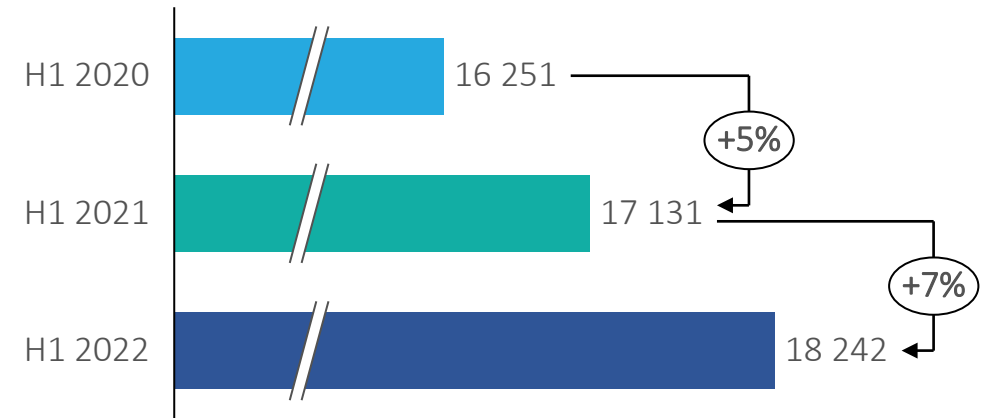
CER ORGANIC GROWTH OF 3 – 7% OF BASE BUSINESS*

ORGANIC GROWTH IS THE CORE FOCUS FOR THE ASPEN TEAM

- Base business is the cash generator and growth engine
- Performance in spite of COVID disruptions
- Sustained growth of base
 - » Innovative, evolving strategies
- OTX
 - » Novel approach
 - » Detailing of selected non-script driven products to doctors
 - » Doctor endorsed/ recommended products



Organic Growth Performance



PERFORMANCE METRICS

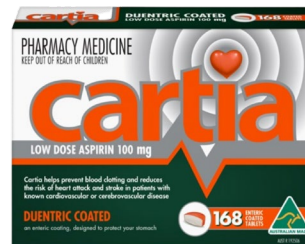
ORGANIC GROWTH - OUR BRANDED AUSTRALIAN BASE BUSINESS

OUR OTC / OTX PORTFOLIO HAS GROWN AT 19%

- Now represents 40% of Regional Brands revenue in Australia
- Not impacted by price cuts

MARKET LEADER IN 6 OTC / OTX CATEGORIES

- Maltofer - Iron deficiency (Oral)
- Ural - UTI management
- Cartia - Low dose aspirin
- Gastro-Stop - Anti-motility (Anti-diarrheals)
- Bio-Oil - Scar and stretchmark treatment
- Coloxyl - Plain stimulants and stool softeners



PERFORMANCE METRICS

ORGANIC GROWTH - OUR BRANDED SA BASE BUSINESS

OUR SA OTC / OTX BUSINESS HAS GROWN AT 25%

NON-NARCOTIC ANALGESICS

- Largest OTC class in SA private market
 - » Aspen share of category = 19%
 - » Mybulen is leading brand
 - Growth of 17%
 - Stilpane growing at 42%
 - Even with supply challenges



ANTI-SPASMODICS

- Hyospasmol - leading brand in this category
- Aspen share of category = 49%
- Growth of over 17%



PRESCRIBED IRON TREATMENT

- Ferrimed is the market leader
- Aspen share of category = 45%
- Growth of 7%

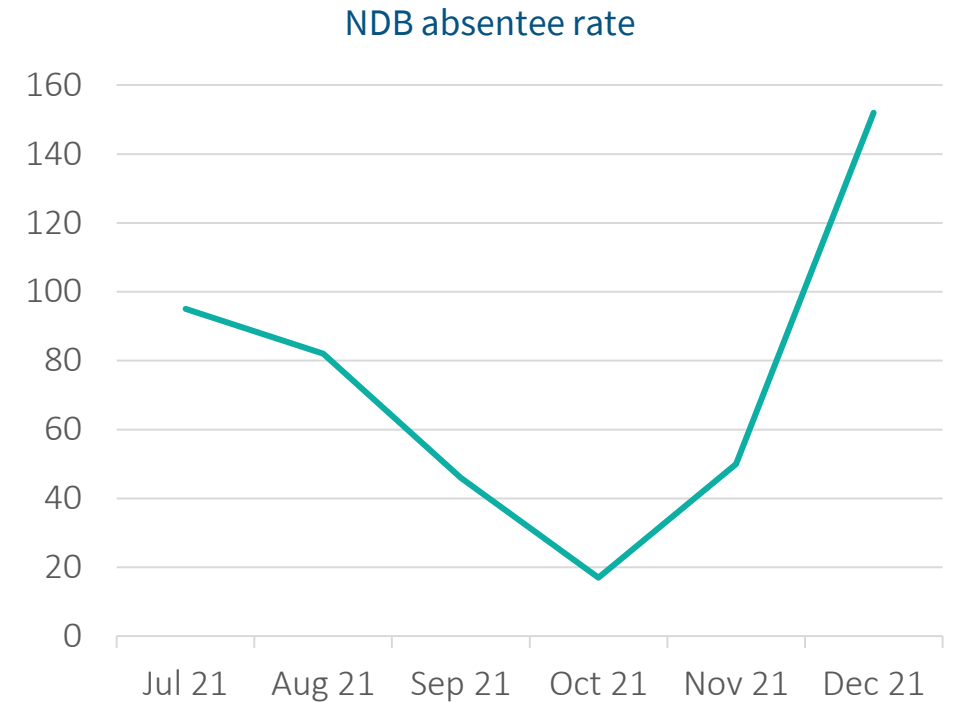


PERFORMANCE METRICS

CAPACITY FILL AND ANAESTHETIC SAVINGS EBITDA CONTRIBUTION OF R2.3 BILLION BY 2024

ON TARGET WITH AT LEAST 50% BY FY 2022

- R2.3 billion contribution
 - » R1.5 billion contribution from half of available capacity fill
 - » R0.8 billion Anaesthetic savings
- Combined savings as same capacity often needed for both
- COVID delays for NDB offset by quicker take on of vaccines in Gqeberha
- NDB COVID impacts
 - » NDB - machinery, technician delays and the regulatory backlog
 - » High absenteeism, project slots on the line reprioritized for immediate operational needs
 - » NDB - 80 million doses contracted- majority to be delivered CY24
- Confident that remaining available capacity will be utilized
 - » Timing for incremental contribution
 - Dependent on COVID outcomes and vaccine offtakes
 - Could be accelerated by Aspenovax volumes



PERFORMANCE METRICS

ACQUISITIONS

FOCUS OVER LAST FEW PERIODS HAS BEEN ON RESHAPE AND ASPENOVAX

- Commercial pharmaceutical portfolios largely completed

ANTICIPATE ACQUISITIVE ACTIVITY

- Targeting acquisitions of brands
 - » Expand portfolios across existing geographic footprint
 - » Focus areas include
 - Latin America - Bolster existing infrastructure
 - Africa - Branded/multinational opportunities leveraging Aspen positioning
 - Australia – Increase growing OTX presence
 - Diverse commercial sterile opportunities, linked to manufacturing and geographic capability



PERFORMANCE METRICS

COVID CHALLENGES

STRONG PERFORMANCE, DESPITE PRESSURES

- Supply, productivity and cost challenges

COVID SUPPLY RELATED IMPACTS

- Shortages of key ingredients and consumables
- In some facilities we had limited stock on hand
 - » With unknown and unpredictable supply/delivery schedule

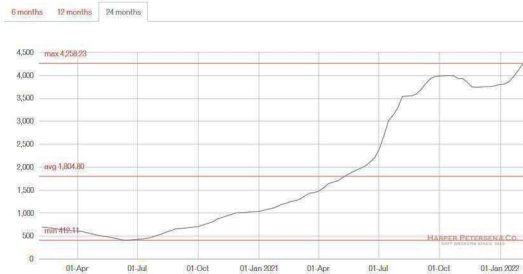
SA OPERATIONS WERE MORE IMPACTED BY THE OMICRON WAVE

- SA specific isolation and flights cancelled

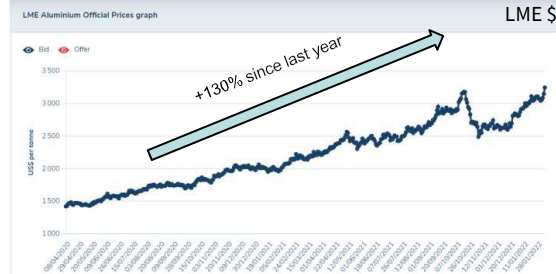
OUR THIRD-PARTY SUPPLIERS SIMILARLY IMPACTED

- Shortages and supply constraints most impacted Anaesthetics and the Middle East region

CONTAINER - HARPEX



ALUMINIUM +130%



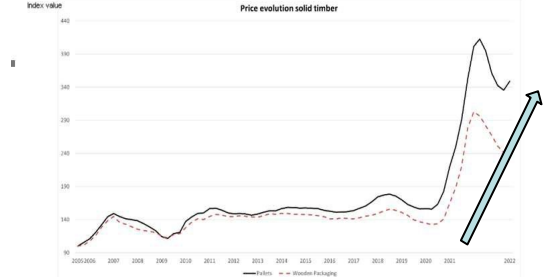
PLASTIC +100%



Materials impacted :

Plastic tubes, Bottles, caps, PVC foil, Flexible Sachets

PALLETS (TIMBER PRICE +125%)



PERFORMANCE METRICS

COVID CHALLENGES

COVID IMPACT TO PRODUCTIVITY HAS BEEN PROFOUND

- Absenteeism high and entire shifts cancelled
 - » One person positive all related workers in shift area, must isolate
- Severely affected our Manufacturing entities - both API and FDF
 - » Fundamental to withdrawal of API divestiture process

PRICING CHALLENGES

- Freight and transport costs have increased exponentially
 - » Function of supply constraints vs increased demand
 - » Energy costs increases even before Ukraine crisis
 - Weekly adjustments
- Inflationary cost pressures have increased
 - » Component, consumable and material costs
 - » Created pressure on salary and wage increase demands

THESE CHALLENGES PERSIST TODAY

- Duration hard to predict
- Much may depend on severity and reactions to future variants
- Resolution of geopolitical tensions
- Currently assessing impact and ability to pass on increasing costs
 - » Should the status quo continue

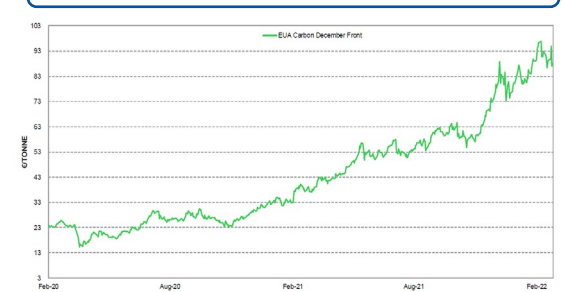
BRENT CRUDE OIL \$



Materials impacted:

Glass, Solvents, Oils, Plastics, as well as APIs

ENERGY (EUA CARBON PRICES)



FINANCIAL METRICS

PERFORMING AGAINST ALL METRICS

FINANCIAL METRICS ON TRACK

- Successful implementation of strategy
 - » Improving return metrics

TARGET

ACHIEVED

- Increase off base FY 2020 EBITDA margin of 25.8%



- 29.5% EBITDA margin

- EBITDA growth > Revenue growth



- EBITDA growth of 15% > Revenue growth of 10%

- NHEPS > EBITDA growth



- NHEPS growth of 26% greater than EBITDA growth of 15%

- Leverage ratio to be below 3x



- Significant Headroom



STERILE CAPACITY | A RELEVANT AND VALUABLE STRATEGIC CAPABILITY

Sterile demand continues to increase

- New chemical entity developments are largely sterile based
- Current COVID demand is in vials
 - » Trend towards prefilled syringes and preservative free blow fill seal
 - » Capacities we have within NDB
- Quality, diverse sterile capacity is expensive and remains constrained



COVID has catapulted Aspen's African sterile manufacture onto the global stage

- The South African facility is focused on the COVID vaccines
 - » Aspen will have additional vial capacity next year
 - » Needed for Anaesthetic and other vial products



Investment in global sterile capacity has and will prove defining for Aspen growth prospects

- Aspenovax is only a reality because of these capacities
- Needed for Anaesthetics and additional opportunities
 - » Manufacturing transitions/ regulatory periods long



Vaccine delivery has accelerated awareness of Aspen capabilities

- Resulted in numerous new business inquiries



PROSPECTS

BASE BUSINESS | HEADWINDS TO ORGANIC GROWTH

COVID CHALLENGES HAVE BEEN SIGNIFICANT

- These remain today
 - » Manufacturing, supply, logistics and related inflationary pressures

DIRECT AND KNOCK-ON RISKS OF RUSSIA/ UKRAINE HOSTILITIES

- Annualized sales about R1 billion, mainly in Russia
- Further impacts on commodities and energy prices

VBP IN CHINA REMAINS A REAL AND CONSTANT CHALLENGE

- Race to register and launch pipeline products

POTENTIAL FOR UNILATERAL PRICING DECREASES ON PRESCRIPTION MEDICINES IN AUSTRALIA

- Impact would be in 2023

FIRE IN ALPHAMED FACILITY

- Supply interruption to SA and impacted pipeline delivery
- Facility to be back online by August 2022

PROSPECTS

BASE BUSINESS | TAILWINDS TO ORGANIC GROWTH

OUR BASE BUSINESS ENJOYED SUSTAINED POSITIVE MOMENTUM

- Relevant product range in growing markets
- Improving margin profiles

ASPENOVAX TO DRIVE A MATERIAL INCOME STREAM FOR ASPEN

- Our contribution to our continent



WE HAVE A ROBUST PIPELINE TO SUPPORT OUR BASE BUSINESS

- Includes a broader registration of Anaesthetics portfolio IP
- Needed in China to offset VBP impacts

INCREASED CAPACITY UTILIZATION WILL DRIVE PROFITABILITY

- Confident, with timing the only uncertainty

NUMEROUS APPROACHES FROM VACCINE FOCUSED COMPANIES

- Leverage our distribution footprint
- Contribute towards product development
- Utilize our manufacturing footprint

PROSPECTS

VACCINE INEQUITY - REGIONAL MANUFACTURE HAS TO BE AN AFRICAN IMPERATIVE

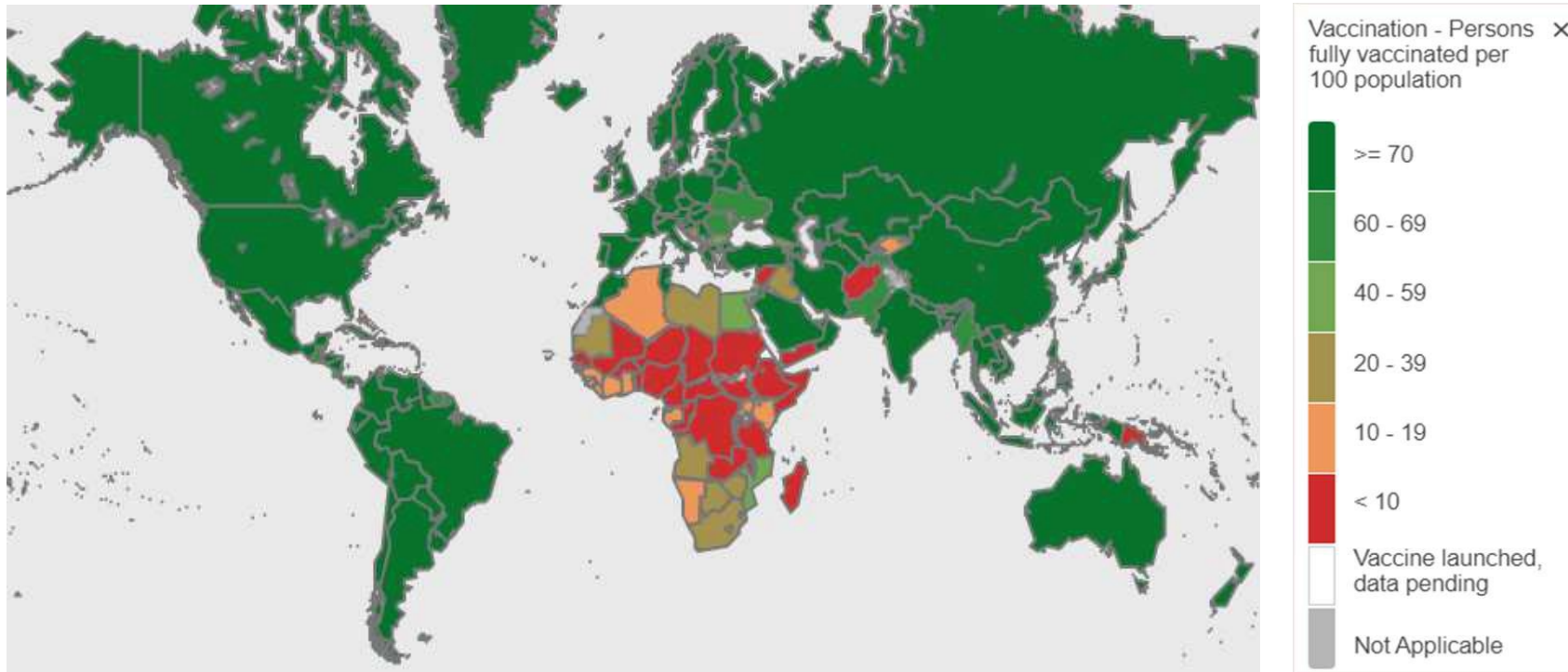
More than 10 billion doses administered globally, but inequities persist

10.4 billion vaccine doses administered globally as of Feb 25th, 2022

3.4 billion vaccine doses administered across participants

Strong global vaccine inequity persists – 22 participants have vaccinated less than 10% of the population (a decrease from 34 countries in January 2022)

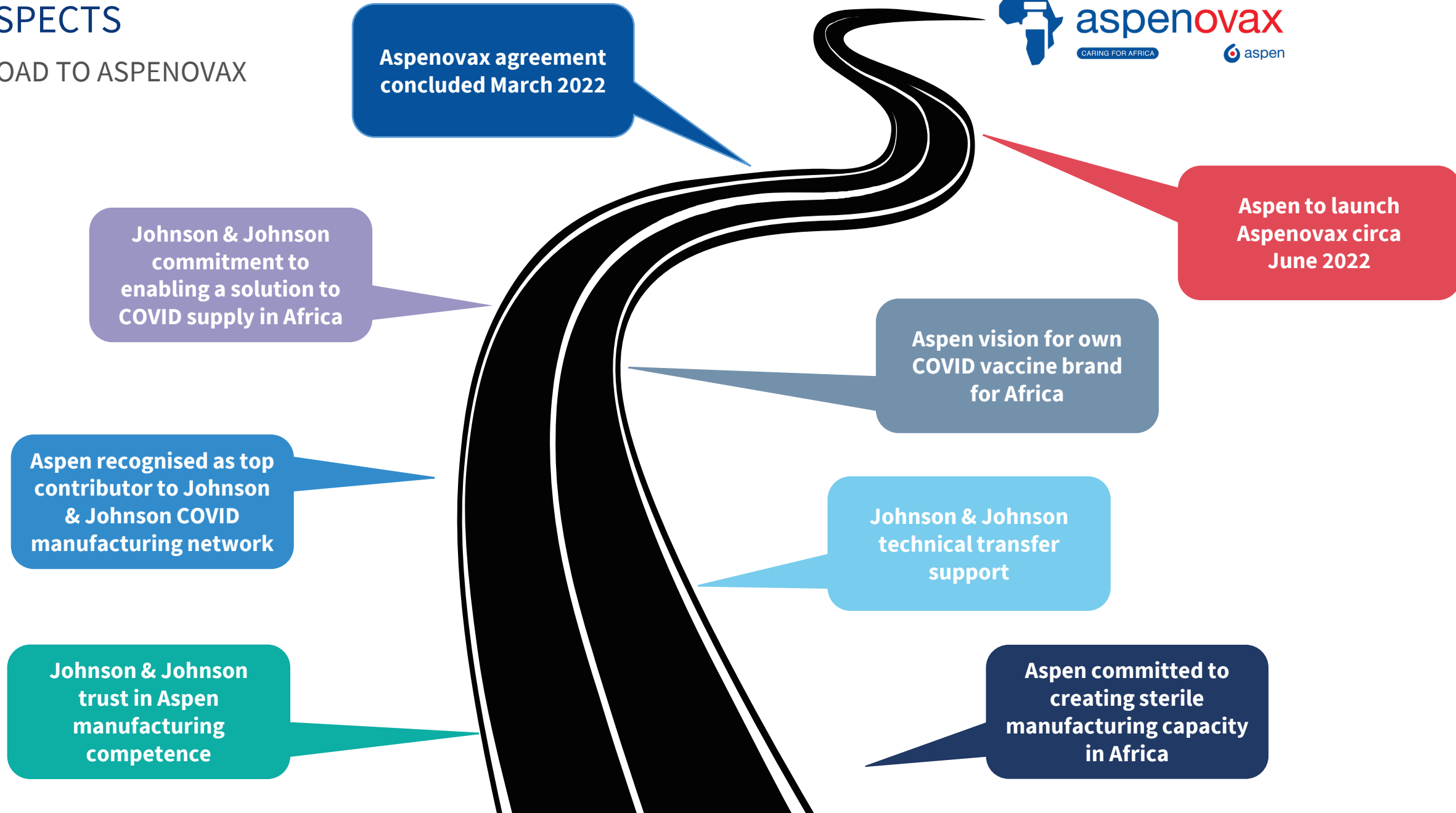
PERSONS FULLY VACCINATED PER 100 POPULATION



2

PROSPECTS

THE ROAD TO ASPENOVAX



PROSPECTS

ASPENOVAX – POTENTIAL FINANCIAL OUTCOMES

VARIABLES

- Volumes ordered
- Selling price per dose
- Cost of Goods per dose

RELEVANT FACTORS

- AVAT, COVAX, African Governments will be principal customers
- Vaccine pricing currently USD 5-10 per dose
- Formula based and heavily influenced by manufacturing yields achieved

OUTLOOK

- Shorter term volumes could be material driven by imperative to address COVID vaccine deficit in Africa
 - » Global focus on Africa now including stimulation of demand, base and booster requirements
- Will absorb material under recovery of overheads burdening current Manufacturing margins
 - » Contribution will increase base Manufacturing margins
 - » GP% should be incremental to overall Manufacturing margins



PROSPECTS

ASPENOVAX AS ENABLER



Alignment to our purpose to improve the health and quality of life for patients

Potential for improving returns from Aspenovax – commitment to reinvest in increasing capacity in Africa and a broader vaccine pipeline

Stimulated interest in partnering Aspen to enhance access – both Manufacturing and Commercial Pharma

Showcasing Aspen as trusted, quality manufacturer – extending also to Anaesthetics, Insulins, Oncology, Narcotics and other Vaccines

Demonstration of Aspen’s capabilities and expertise in Steriles

Contributing to global COVID vaccine equity

PROSPECTS

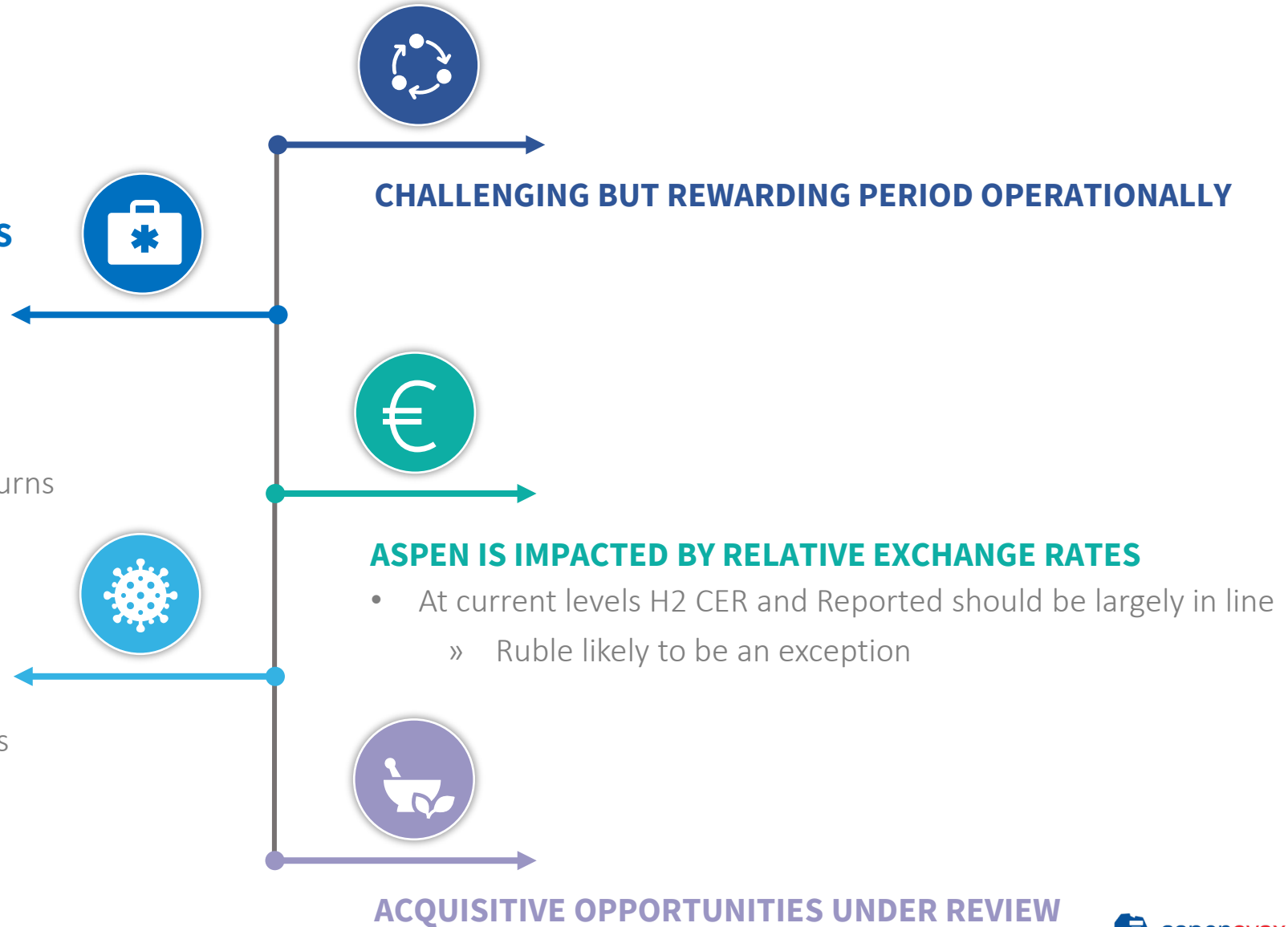
SUMMARY

RESHAPING DELIVERING MEANINGFUL RETURNS

- Better positioned Aspen business strategically
- Durable branded products – resilient margins
- Leading global sterile manufacturing platform
 - » Inspired investment ahead of the curve
 - » Foundation for superior future growth returns

NUMEROUS CHALLENGES TO OPERATIONS

- COVID, geopolitical tensions and related inflationary impacts
 - » Will impact supply chain, logistics and costs



PROSPECTS

SUMMARY

OUR MANUFACTURING OPERATIONS EXPECTED TO HAVE A MUCH STRONGER H2

- Aspenovax could also contribute to this half



THE OPPORTUNITY IS THERE BUT IT'S ONLY HALFTIME

- Our challenge is to sustain this performance in H2
- If we replicate H1
 - » We would more than double sales and margins achieved in FY 2013
 - ~ The year we started this transformation process
- Year-end debt not materially different from 2013
- NHEPS will be the highest in our history
- Our target is to deliver H2 in line with H1, but many geopolitical uncertainties



OUR COMMERCIAL PHARMACEUTICAL BUSINESS HAS PERFORMED WELL

- H2 vs H1 will have a revenue adjustment of R500m for divested products in SA and Naropin VBP
- Geopolitical tensions in Russia/ Ukraine impact to sterile brands



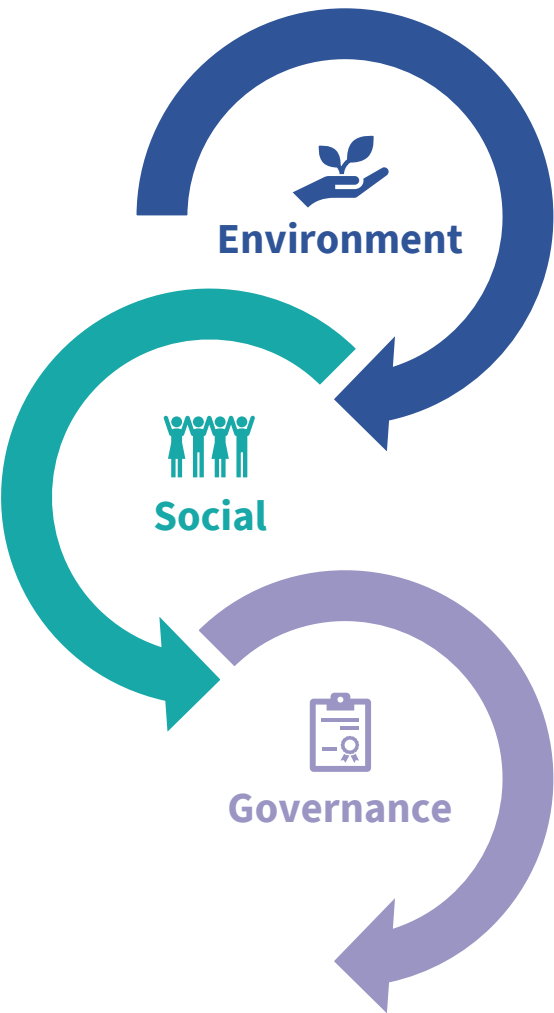
STRONG CASHFLOWS IN H2

- Target > 100% operating cash conversion for the year
- Operating cash flow conversion a standout feature of Aspen

**TO DELIVER WE NEED TO EXECUTE
NO TIME TO REST, NO CHANCE TO RUST**



APPENDIX 1 : ESG - FOCUSING OUR EFFORTS WHERE IT MATTERS



- Initiated development of Climate Change strategy and related roadmaps and targets
- Mitigation of electricity and water availability risks at SA Operations
- No significant environmental incidents
- Adopted disclosure aligned to TCFD

- Provide access to affordable high-quality medicines across a broad geography
- Responsive to emerging health crises in the world
- Engagement with governments, NGOs and partners on a COVID response for SA and Africa
- Support more than 200 corporate social investment projects
- Continued focus on equity, diversity and inclusion - 48% of our workforce are women
- Health and safety a business priority with zero occupational fatalities since 2013

- Increased engagement on remuneration policy and further transparency included in implementation report
- Diverse Board with well established corporate governance practices aligned to King IV
- Strengthened ethics and compliance programme consistently applied across Aspen
- Increased governance oversight on IT and cyber

ESG CREDENTIALS

UN Global Compact signatory

United Nations Women Empowerment Principles signatory

FTSE4GOOD constituent member

FTSE/JSE TOP 30 Responsible Investment Index

Integrated Report assessed as “Excellent” by EY

CDP Climate B- and CDP Water B

Level 4 B-BBEE

Ethical Culture assessed as Advanced*

APPENDIX 2: STRATEGIC POSITIONING

BRANDED, SPECIALTY PRODUCT PORTFOLIO

Sterile & Regional

Ongoing portfolio renewal through development, acquisitions and disposals

COMPLEX MANUFACTURING CAPABILITIES

FDF & API

Leverage of installed capacity creates opportunity for additional revenue streams, economies of scale and improved competitiveness

EXTENSIVE COMMERCIAL FOOTPRINT

Covering more than 50 countries

Delivering predictable annuity revenues and strong cash flows. Capacity to seamlessly absorb additions to portfolio

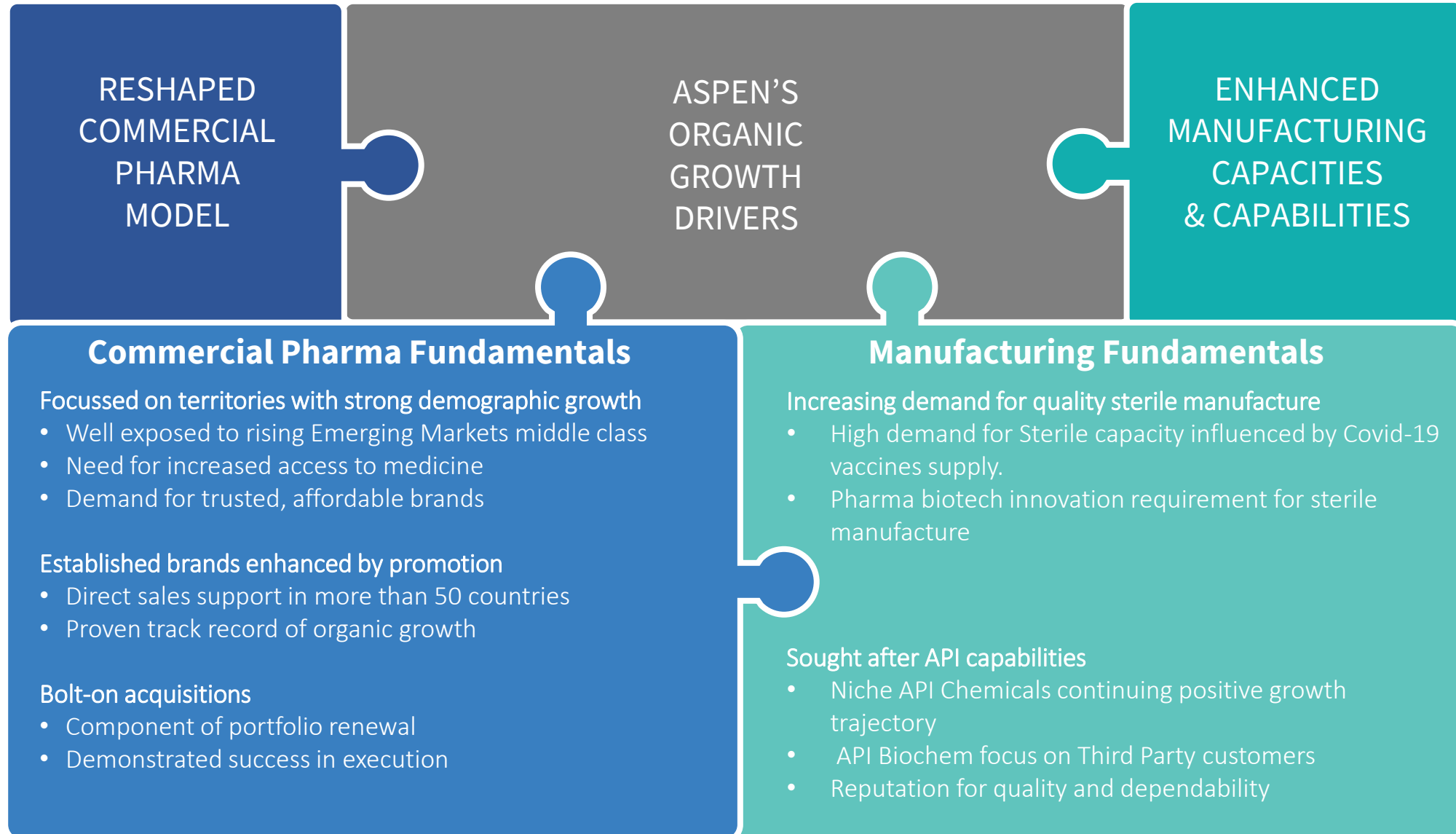
MULTI-NATIONAL PHARMA COLLABORATIONS

Organic growth driven by trusted specialty brands promoted by proven sales teams

Trusted manufacturing quality providing improved competitiveness and new revenue streams

Strong free cash flows allowing strategic reinvestment and returns to shareholders

APPENDIX 3: STRONG FUNDAMENTALS FOR ORGANIC GROWTH



APPENDIX 4: ABRIDGED STATEMENT OF COMPREHENSIVE INCOME

CONTINUING AND DISCONTINUED

R'million	H1 2022	H1 2021	% change	FY 2021
Net revenue	19 381	20 545	-6%	39 705
Cost of sales	(9 986)	(10 870)		(21 515)
Gross profit	9 395	9 675	-3%	18 190
<i>Gross profit margin</i>	<i>48.5%</i>	<i>47.1%</i>		<i>45.8%</i>
Operating expenses	(4 287)	(5 126)		(9 959)
Net other operating expenses	(550)	(1 020)		(1 593)
Depreciation	582	524		1 059
Amortisation	270	323		594
EBITDA	5 410	4 376	24%	8 291
<i>EBITDA margin</i>	<i>27.9%</i>	<i>21.3%</i>		<i>20.9%</i>
Depreciation	(582)	(524)		(1 059)
Amortisation	(270)	(323)		(594)
Operating profit	4 558	3 529	29%	6 638
Net financing costs	(364)	(697)		(1 083)
Profit before tax	4 194	2 832	48%	5 555
Tax	(834)	(577)		(1 146)
Profit after tax	3 360	2 255	49%	4 409
Profit on sale of discontinued operations	-	294		397
Profit for the year	3 360	2 549	32%	4 806
EPS (cents)	736	558	32%	1 053
HEPS (cents)	777	566	37%	1 119
NHEPS (cents)	816	699	17%	1 296

APPENDIX 5: ABRIDGED STATEMENT OF NORMALISED COMPREHENSIVE INCOME

CONTINUING

R'million	H1 2022	H1 2021	% change	H1 2021 (CER [†])	% change (CER [†])	FY 2021
Net revenue	19 381	18 633	4%	17 581	10%	37 766
Cost of sales	(9 986)	(9 447)	6%	(8 825)	13%	(19 977)
Gross profit	9 395	9 186	2%	8 756	7%	17 789
<i>Gross profit margin</i>	48.5%	49.3%		49.8%		47.1%
Operating expenses	(4 287)	(4 605)	-7%	(4 374)	-2%	(9 124)
Net other operating income	26	100	-74%	92	-72%	237
Depreciation	582	511	14%	484	20%	1 043
EBITDA	5 716	5 192	10%	4 958	15%	9 945
<i>EBITDA margin</i>	29.5%	27.9%		28.2%		26.3%
Depreciation	(582)	(511)	14%	(484)	20%	(1 043)
Amortisation	(270)	(323)	-16%	(304)	-11%	(594)
Operating profit	4 864	4 358	12%	4 170	17%	8 308
Net financing costs	(334)	(667)	-50%	(622)	-46%	(1 114)
Profit before tax	4 530	3 691	23%	3 548	28%	7 194
Tax	(802)	(605)	33%	(581)	38%	(1 216)
Profit after tax from continuing operations	3 728	3 086	21%	2 967	26%	5 978
NHEPS (cents)	816.4	676.2	21%	650.2	26%	1 310
Normalised effective tax rate	17.7%	16.4%		16.4%		16.9%

APPENDIX 6: NET FINANCING COSTS

CONTINUING

R'million	H1 2022	H1 2021	FY 2021
Net interest paid	(291)	(460)	(854)
Foreign exchange gain/ (losses)	50	(104)	(49)
Notional interest on financial instruments	(93)	(103)	(211)
Normalised net funding costs	(334)	(667)	(1 114)
Debt raising fees on acquisitions	(33)	(25)	(47)
Foreign exchange gains/(losses) on acquisitions	3	(5)	78
Reported net financing costs	(364)	(697)	(1 083)

The margins applicable to the Group's syndicated term and revolving loan agreements increase or decrease to the extent that the Group's most recently reported Leverage Ratio increases or decreases.

APPENDIX 7: RECONCILIATION OF NHEPS

CONTINUING AND DISCONTINUED

Cents	H1 2022	H1 2021	% change	H1 2021 (CER [†])	% change (CER [†])	FY 2021
Basic earnings per share (EPS)	736.2	558.4	32%	537.8	37%	1 052.9
Impairment of property, plant and equipment	0.3	0.3		0.3		29.1
Impairment of intangible assets	77.2	63.5		57.7		274.8
Insurance compensation on assets	(9.1)	-		-		-
Impairment of goodwill	1.7	14.2		13.0		27.8
Reversal of impairment of intangible assets	-	(0.5)		(0.5)		(90.2)
Reversal of impairment of property, plant and equipment	(1.3)	-		-		(59.5)
Profit on sale of discontinued operations	-	(64.4)		(58.6)		(87.0)
Profit on sale of tangible and intangible assets	(27.8)	(5.3)		(5.0)		(28.8)
Headline earnings per share (HEPS)	777.2	566.2	37%	544.7	43%	1 119.1
Restructuring costs	9.0	78.1		75.3		97.4
Transactions costs	33.2	40.3		37.2		86.7
Product litigation costs	0.8	12.9		12.5		9.1
Reversal of deferred consideration no longer payable	(3.2)	-		-		-
Foreign exchange (gains)/losses relating to acquisitions	(0.6)	1.1		1.1		(16.6)
Normalised HEPS	816.4	698.6	17%	670.8	22%	1 295.7

APPENDIX 8: RECONCILIATION OF NHEPS

CONTINUING

Cents	H1 2022	H1 2021	% change	H1 2021 (CER [†])	% change (CER [†])	FY 2021
Basic earnings per share (EPS)	736.2	498.8	48%	483.6	52%	1 051.1
Impairment of property, plant and equipment	0.3	0.3		0.3		29.1
Impairment of intangible assets	77.2	63.5		57.7		274.8
Insurance compensation on assets	(9.1)	-		-		-
Impairment of goodwill	1.7	14.2		13.0		27.8
Reversal of impairment of intangible assets	-	(0.5)		(0.5)		(90.2)
Reversal of impairment of property, plant and equipment	(1.3)	-		-		(59.5)
Profit on sale of tangible and intangible assets	(27.8)	(5.3)		(5.0)		(28.8)
Headline earnings per share (HEPS)	777.2	571.0	36%	549.1	42%	1 204.3
Restructuring costs	9.0	53.7		53.1		63.7
Transactions costs	33.2	37.4		34.4		49.2
Product litigation costs	0.8	13.0		12.5		9.1
Reversal of deferred consideration no longer payable	(3.2)	-		-		-
Foreign exchange (gains)/losses relating to acquisitions	(0.6)	1.1		1.1		(16.6)
Normalised HEPS	816.4	676.2	21%	650.2	26%	1 309.7

APPENDIX 9.1: GROUP STATEMENT OF FINANCIAL POSITION

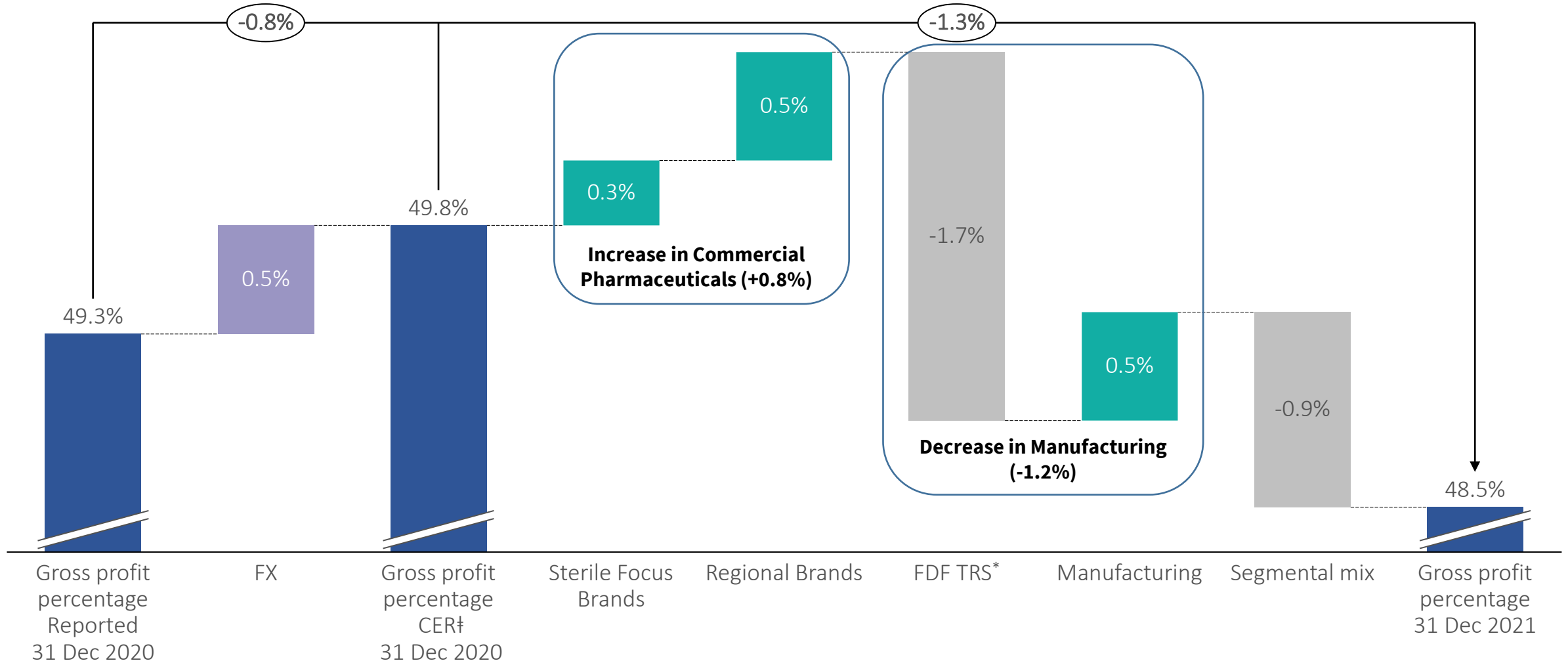
R'million	H1 2022	H1 2021	FY 2021
TOTAL ASSETS			
Non-current assets	80 828	80 760	76 979
Intangible assets	57 723	58 101	54 882
Property, plant and equipment	15 528	14 336	14 826
Right-of-use assets	385	487	400
Goodwill	4 943	4 923	4 621
Deferred tax assets	1 293	1 624	1 323
Contingent environmental indemnification assets	327	297	305
Other non-current assets	629	992	622
Current assets	36 514	43 449	32 705
Inventories	15 403	14 302	13 409
Receivables and other current assets	12 751	19 174	10 688
Cash and cash equivalents	7 876	9 793	8 546
Assets classified as held-for-sale	484	180	62
Total assets	117 342	124 209	109 684

APPENDIX 9.2: GROUP STATEMENT OF FINANCIAL POSITION

R'million	H1 2022	H1 2021	FY 2021
EQUITY AND LIABILITIES			
Shareholders equity	71 961	66 354	65 627
Non-current liabilities	26 760	37 770	7 306
Borrowings	19 912	29 259	266
Other non-current liabilities	3 546	4 419	3 732
Unfavourable and onerous contracts	294	670	463
Deferred tax liabilities	1 874	2 234	1 810
Contingent environmental indemnification liabilities	327	297	305
Retirement and other employee benefits	807	891	730
Current liabilities	18 621	20 085	36 751
Borrowings	7 274	8 216	24 606
Trade and other payables	9 718	8 906	9 213
Other current liabilities	1 251	2 553	2 528
Unfavourable and onerous contracts	378	387	353
Liabilities classified as held-for-sale	-	23	51
Total equity and liabilities	117 342	124 209	109 684

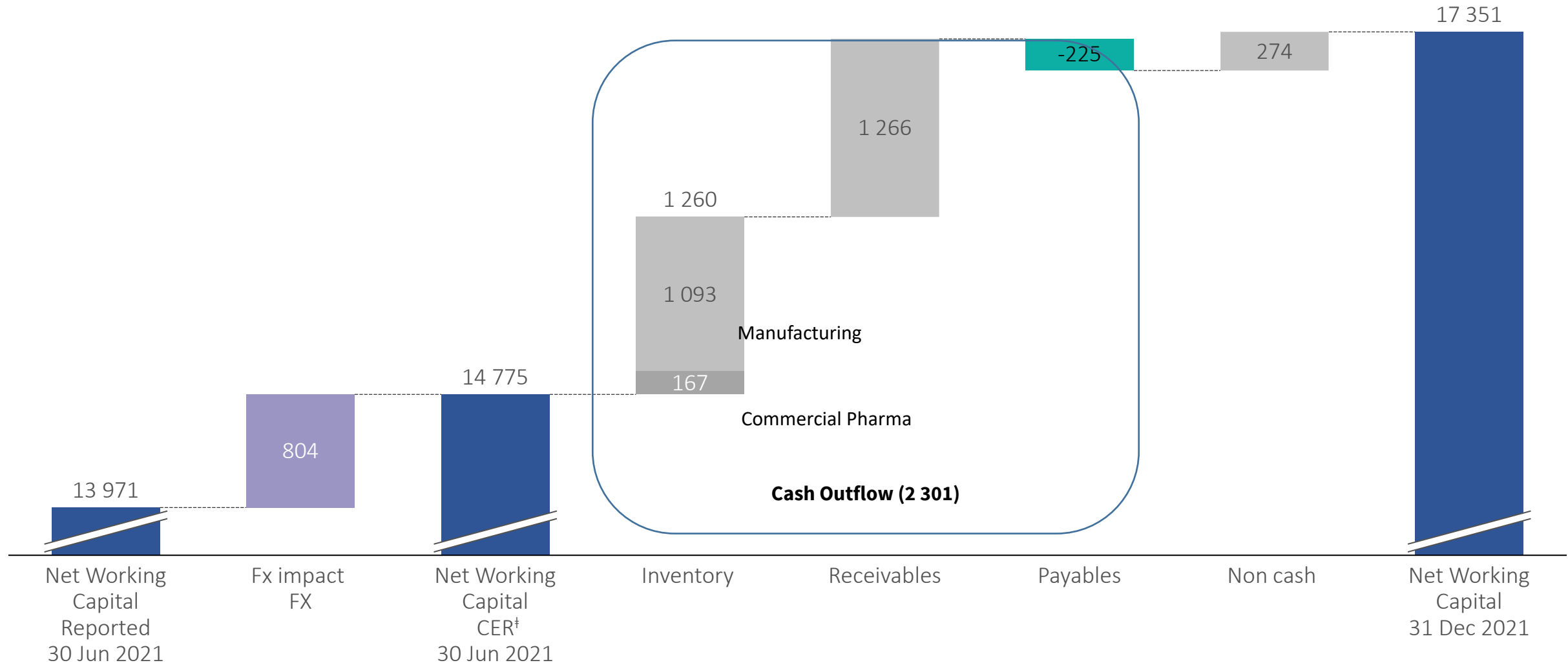
APPENDIX 10: GROSS PROFIT PERCENTAGE BRIDGE CER†

CONTINUING



APPENDIX 11 : NET WORKING CAPITAL BRIDGE CER[†]

R'MILLION



APPENDIX 12 : NET BORROWINGS BRIDGE

R'MILLION

