



ASPEN PHARMACARE HOLDINGS LIMITED AND ITS SUBSIDIARIES (“Aspen” or “the Group”)

(Registration number 1985/002935/06)

Share code: APN/ISIN: ZAE000066692

LEI: 635400ZYSN1IRD5QWQ94

Unaudited interim financial results for the six months ended 31 December 2020

COMMENTARY

GROUP HIGHLIGHTS (CONTINUING OPERATIONS)

Despite the many challenges arising from COVID-19, Aspen has maintained uninterrupted operations, including at our 15 manufacturing sites. This has been due to robust business continuity plans and, most importantly, the resilience and commitment of our employees. This has enabled us to continue to supply our medicines to patients in need across the world and to make an important contribution in assisting to combat the effects of the virus.

Group revenue for the six months ended 31 December 2020 grew 17% to R18,6 billion following 12% and 36% increases by Commercial Pharmaceuticals and Manufacturing, respectively. Commercial Pharmaceuticals delivered revenue growth across all regions and revenue also advanced in each of the Manufacturing segments. Normalised EBITDA was up 11% to R5,2 billion as well controlled operating expenses partially offset both a lower gross profit percentage and lower other operating income. Normalised headline earnings per share (“NHEPS”) increased 16% to R6,76, benefitting from reduced net financing costs.

Net borrowings declined to R27,7 billion from R35,2 billion at 30 June 2020. The reduction in net borrowings was supported by the upfront cash consideration from the completion of the divestment of the European Thrombosis assets and the relative strengthening of the ZAR. The leverage ratio¹, as at 31 December 2020, is 2,83 times against the banking covenant of 3,50 times. Operating cash flow was in line with our expectations, given the abnormally high inflows in the prior financial year. The outstanding consideration for the European Thrombosis assets, amounting to R7,0 billion², is receivable before the end of June 2021. This provides a further opportunity to reduce both debt and the leverage ratio.

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 higher growth at reported rates is due to the weakening of the average rate of the ZAR over the reporting period against the majority of the other currencies in which Aspen trades.

	Six months ended 31 December 2020			
	Reported H1 2021 R'million	Restated H1 2020 [^] R'million	Change at reported rates %	Change at CER [#] %
Continuing operations				
Revenue	18 633	15 984	17	6
Normalised EBITDA*	5 192	4 680	11	2
NHEPS** (cents)	676,2	585,1	16	7

[^] H1 2020 has been restated as a result of the discontinuation of operations in H1 2021.

[#] The CER % change is based upon the performance for the six months ended 31 December 2019 restated using the average exchange rates for the six months ended 31 December 2020.

* 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 Facilities Agreement.

² EUR 389 million at Aspen's 31 December 2020 exchange rate of ZAR 17,91 to EUR 1.

DISCONTINUED OPERATIONS

Discontinued operations for the six months ended 31 December 2020 include the European Thrombosis assets to date of disposal (being 27 November 2020), the costs relating to this disposal, related Thrombosis product discontinuations, other product divestments and the residual costs related to prior period disposals. Discontinued operations in the prior period includes the results of the operations classified as discontinued in the current period as well as those discontinued in the prior financial year, the most material of which was the Japanese Business.

SEGMENTAL PERFORMANCE (CONTINUING OPERATIONS)

Commercial Pharmaceuticals

Commercial Pharmaceuticals, which comprises Aspen's Regional Brands and Sterile Focus Brands, grew 12% (+4% CER) to R14,3 billion. Gross profit increased 8% (+1% CER) to R8,2 billion. The margin percentage was diluted by an unfavourable mix in Sterile Focus Brands as well as higher manufacturing and supply chain costs associated with the pandemic.

Regional Brands

Regional Brands revenue increased 7% (+1% CER) to R8,8 billion. COVID-19 continued to negatively affect demand for medicines treating communicable diseases, most notably in South Africa and Australia. Despite this, the affected regions of Africa Middle East (+2% CER) and Australasia (+4% CER) contributed to the growth of the segment with Asia (+6% CER) and Americas (+4% CER) also providing momentum.

Gross profit percentage was marginally higher for the period at 55,8% in spite of the higher costs associated with operating under COVID-19 conditions.

Sterile Focus Brands

Revenue from Sterile Focus Brands increased 20% (+7% CER) to R5,6 billion, benefitting from improved supply and tender management. COVID-19 driven demand added to strong gains in Europe CIS (+19% CER) while Asia (+1% CER) finished above the pre-COVID sales levels recorded in the comparative period.

A greater weighting of sales from lower margin products as well as higher costs associated with operating under COVID-19 conditions weighed on the gross profit percentage.

Manufacturing

Manufacturing revenue increased 36% (+17% CER) to R4,3 billion supported by positive performances from each of the Manufacturing segments despite various challenges brought about by the pandemic. Revenue was boosted by R244 million in terms of supply commitments related to recent transactions with Mylan/Viatris and Sandoz. Heparin API sold to third parties amounted to R473 million (H1 2020: R297 million (CER: R350 million)).

Gross profit increased 20% (-2% CER). A reduction in the gross margin percentage resulted from the dilution caused by transaction-related supply at low to no margin, incremental operating and supply chain costs as a result of the pandemic and a change in product mix.

PROSPECTS

The results achieved in the six months to 31 December 2020 demonstrate strong organic revenue growth. We continue to work actively on the technical transfer of the Janssen (a Johnson & Johnson company) COVID-vaccine to enable manufacture at our SA Manufacturing Operations. The technical transfer is expected to be completed during the second quarter of calendar year 2021 with commercial production contributing to our results toward the end of the current financial year.

Active portfolio management within the parameters of the defined capital allocation model will be undertaken where it is considered beneficial, entailing acquisitions and disposals of products to ensure a Commercial Pharma offering that remains aligned to the Group's areas of core focus. Under the capital allocation model, Aspen remains committed to the re-introduction of dividend payments, to be announced in conjunction with the preliminary results for the 2021 financial year.

The supply arrangements with Mylan/Viatris in terms of the European Thrombosis transaction will dilute the gross profit percentage. Several initiatives are in progress to improve the gross profit percentage over the medium term.

The business has proven to be in robust shape over the past six months and is positioned to maintain the current positive momentum. Provided we experience no further unexpected headwinds as a result of COVID-19, CER revenue and NHEPS growth percentages from continuing operations for the full financial year are expected to be at least at the levels achieved in the first half of the year. The manufacture of the COVID-vaccine at our SA Manufacturing Operations has the potential to assist in accelerating the achievement of our published capacity utilisation targets for Third Party Manufacturing. Reported results will be influenced by the relative movements of the exchange rates of the main currencies in which the Group trades.

By order of the Board

K D Dlamini
Chairman

S B Saad
Group Chief Executive

Woodmead
11 March 2021

CONDENSED GROUP STATEMENT OF FINANCIAL POSITION

	Unaudited 31 December 2020 R'million	Unaudited 31 December 2019 R'million	Audited 30 June 2020 R'million
ASSETS			
Non-current assets			
Intangible assets	58 101	60 153	73 040
Property, plant and equipment	14 336	12 612	14 232
Right-of-use assets	487	539	601
Goodwill	4 923	4 562	5 375
Deferred tax assets	1 624	1 161	1 714
Contingent environmental indemnification assets	297	242	324
Other non-current assets	992	476	1 145
Total non-current assets	80 760	79 745	96 431
Current assets			
Inventories	14 302	14 353	16 413
Receivables and other current assets	19 174	11 965	13 232
Cash and cash equivalents	9 793	5 953	7 093
Total operating current assets	43 269	32 271	36 738
Assets classified as held-for-sale	180	5 694	–
Total current assets	43 449	37 965	36 738
Total assets	124 209	117 710	133 169
SHAREHOLDERS' EQUITY			
Reserves	64 490	54 091	67 313
Share capital (including treasury shares)	1 864	1 869	1 902
Ordinary shareholders' equity	66 354	55 960	69 215
Non-controlling interests	–	2	2
Total shareholders' equity	66 354	55 962	69 217
LIABILITIES			
Non-current liabilities			
Borrowings	29 259	31 470	36 019
Other non-current liabilities	4 419	3 762	4 957
Unfavourable and onerous contracts	670	874	927
Deferred tax liabilities	2 234	1 938	2 701
Contingent environmental liabilities	297	242	324
Retirement and other employee benefits	891	753	945
Total non-current liabilities	37 770	39 039	45 873
Current liabilities			
Borrowings ¹	8 216	12 414	6 302
Trade and other payables	8 906	7 961	9 691
Other current liabilities	2 553	1 083	1 665
Unfavourable and onerous contracts	387	318	421
Total operating current liabilities	20 062	21 776	18 079
Liabilities classified as held-for-sale	23	933	–
Total current liabilities	20 085	22 709	18 079
Total liabilities	57 855	61 748	63 952
Total equity and liabilities	124 209	117 710	133 169

¹ Includes bank overdrafts.

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

	Notes ¹	Change %	Unaudited six months ended 31 December 2020 R'million	Unaudited restated ² six months ended 31 December 2019 R'million	Audited restated ² year ended 30 June 2020 R'million
CONTINUING OPERATIONS					
Revenue		17	18 633	15 984	33 659
Cost of sales			(9 447)	(7 557)	(16 524)
Gross profit		9	9 186	8 427	17 135
Selling and distribution expenses			(2 897)	(2 837)	(5 699)
Administrative expenses			(1 708)	(1 569)	(3 192)
Other operating income			129	277	515
Other operating expenses			(1 190)	(1 222)	(3 029)
Operating profit	B	14	3 520	3 076	5 730
Investment income	C		54	79	156
Financing costs	D		(751)	(810)	(1 688)
Profit before tax		20	2 823	2 345	4 198
Tax			(546)	(470)	(818)
Profit for the period/year from continuing operations		21	2 277	1 875	3 380
DISCONTINUED OPERATIONS					
Profit from discontinued operations	F		272	754	1 284
Profit for the period/year¹		(3)	2 549	2 629	4 664
OTHER COMPREHENSIVE INCOME, NET OF TAX³					
Currency translation (losses)/gains	E		(5 393)	(970)	10 282
Net gains from cash flow hedging in respect of business acquisition			13	118	67
Remeasurement of retirement and other employee benefits			–	(1)	1
Total comprehensive (loss)/income			(2 831)	1 776	15 014
Weighted average number of shares in issue ('000)			456,5	456,5	456,5
Diluted weighted average number of shares in issue ('000)			456,5	456,5	456,5
EARNINGS PER SHARE					
Basic and diluted earnings per share					
From continuing operations		21	498,8	410,8	740,5
From discontinued operations			59,6	165,2	281,3
		(3)	558,4	576,0	1 021,8

¹ See notes in Supplementary Information.

² Please see note F 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.

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

	Share capital (including 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	–	1 776	1 776	–	1 776
Profit for the period	–	2 629	2 629	–	2 629
Other comprehensive losses	–	(853)	(853)	–	(853)
Treasury shares purchased	(42)	–	(42)	–	(42)
Share-based payment expenses	–	15	15	–	15
BALANCE AT 31 DECEMBER 2019	1 869	54 091	55 960	2	55 962
BALANCE AT 1 JULY 2020	1 902	67 313	69 215	2	69 217
Total comprehensive income	–	(2 831)	(2 831)	–	(2 831)
Profit for the period	–	2 549	2 549	–	2 549
Other comprehensive losses	–	(5 380)	(5 380)	–	(5 380)
Treasury shares purchased	(50)	–	(50)	–	(50)
Deferred Incentive bonus shares exercised	12	(12)	–	–	–
Share-based payment expenses	–	18	18	–	18
Acquisition of non-controlling interest	–	2	2	(2)	–
BALANCE AT 31 DECEMBER 2020	1 864	64 490	66 354	–	66 354

DISTRIBUTION TO SHAREHOLDERS

No dividends have been paid or declared in both periods.

GROUP STATEMENT OF CASH FLOWS

	Notes ¹	Unaudited six months ended 31 December 2020 R'million	Unaudited restated ² six months ended 31 December 2019 R'million	Audited restated ² year ended 30 June 2020 R'million
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash operating profit		4 823	5 577	11 110
Changes in working capital		(1 411)	(1 217)	192
Cash generated from operations		3 412	4 360	11 302
Financing costs paid		(719)	(951)	(1 780)
Investment income received		54	62	149
Tax paid		(1 007)	(876)	(1 411)
Cash generated from operating activities		1 740	2 595	8 260
CASH FLOWS FROM INVESTING ACTIVITIES				
Capital expenditure – property, plant and equipment	A	(999)	(1 012)	(2 039)
Proceeds received on the sale of property, plant and equipment		3	3	6
Capital expenditure – intangible assets	A	(1 010)	(280)	(651)
Proceeds received on the sale of intangible assets		234	8	244
Proceeds received on prior year disposal of Asia Pacific non-core pharmaceutical portfolio		762	–	389
Net proceeds received on disposal of Japanese business	G	–	(87)	4 229
Net proceeds received on disposal of European Thrombosis assets	G	5 302	–	–
Proceeds received on sale of other non-current assets		5	67	86
Contractual adjustment – Nutritionals business consideration		–	(249)	(334)
Proceeds received on assets classified as held-for-sale		–	27	32
Payment of deferred, fixed and contingent consideration relating to prior year business acquisitions		(204)	(273)	(338)
Other investing activities cash outflows		(70)	(3)	–
Cash generated from/(utilised in) investing activities		4 023	(1 799)	1 624
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings		8 634	9 325	14 217
Repayment of borrowings		(12 822)	(11 792)	(25 475)
Repayment of lease liabilities		(95)	(49)	(166)
Treasury shares purchased		(50)	(42)	(41)
Cash utilised in financing activities		(4 333)	(2 558)	(11 465)
Movement in cash and cash equivalents before currency translation movements		1 430	(1 762)	(1 581)
Currency translation movements		(415)	(16)	1 050
Movement in cash and cash equivalents		1 015	(1 778)	(531)
Cash and cash equivalents at the beginning of the year		5 617	6 148	6 148
Cash and cash equivalents at the end of the period/year		6 632	4 370	5 617
Operating cash flow per share (cents)				
From continuing operations		305,7	418,1	1 603,5
From discontinued operations		75,5	150,4	206,1
		381,2	568,5	1 809,6
DISCONTINUED OPERATIONS INCLUDED IN THE ABOVE:				
Cash generated from operating activities		345	686	941
Cash generated from investing activities		6 270	(336)	4 126
Cash and cash equivalents per the statement of cash flows		–	(87)	(109)
		6 615	263	4 958
RECONCILIATION OF CASH AND CASH EQUIVALENTS				
Cash and cash equivalents per the statement of financial position		9 793	5 953	7 093
Less: Bank overdrafts		(3 161)	(1 583)	(1 476)
		6 632	4 370	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 See notes in Supplementary Information.

² Please see note F and Basis of Accounting for restatement as a result of discontinued operations.

GROUP SUPPLEMENTARY INFORMATION
GROUP STATEMENT OF HEADLINE EARNINGS

	Change %	Unaudited six months ended 31 December 2020 R'million	Unaudited restated ¹ six months ended 31 December 2019 R'million	Audited restated ¹ year ended 30 June 2020 R'million
HEADLINE EARNINGS¹				
Reconciliation of headline earnings				
Profit attributable to equity holders of the parent	(3)	2 549	2 629	4 664
Adjusted for:				
Continuing operations				
– Net impairment of property, plant and equipment (net of tax)		1	7	7
– Net Impairment of intangible assets (net of tax)		287	486	1 282
– Impairment of goodwill (net of tax)		65	–	96
– Impairment of financial receivables (net of tax)		–	–	9
– (Profit)/loss on the sale of tangible and intangible assets (net of tax)		(24)	5	(203)
– Profit on the sale of assets classified as held-for-sale (net of tax)		–	(19)	(14)
Discontinued operations				
– (Profit)/loss on sale of discontinued operations (net of tax)		(294)	40	194
	(18)	2 584	3 148	6 035
Headline earnings				
From continuing operations	11	2 606	2 354	4 557
From discontinued operations		(22)	794	1 478
	(18)	2 584	3 148	6 035
HEADLINE EARNINGS PER SHARE				
Headline earnings and diluted headline earnings per share (cents)				
From continuing operations	11	571,0	515,7	998,1
From discontinued operations		(4,8)	174,0	324,0
	(18)	566,2	689,7	1 322,1
NORMALISED HEADLINE EARNINGS				
Reconciliation of normalised headline earnings				
Headline earnings	(18)	2 584	3 148	6 035
Adjusted for:				
Continuing operations				
– Restructuring costs (net of tax)		245	134	307
– Transaction costs (net of tax)		171	171	402
– Foreign exchange losses/(gains) on acquisitions (net of tax)		5	(33)	(17)
– Product litigation costs (net of tax)		59	43	205
Discontinued operations				
– Restructuring costs (net of tax)		111	–	17
– Transaction costs (net of tax)		14	4	9
– Foreign exchange gain on acquisitions (net of tax)		–	–	(42)
	(8)	3 189	3 467	6 916
Normalised headline earnings				
From continuing operations	16	3 086	2 669	5 454
From discontinued operations		103	798	1 462
	(8)	3 189	3 467	6 916
NORMALISED HEADLINE EARNINGS PER SHARE				
Normalised headline and diluted headline earnings per share (cents)				
From continuing operations	16	676,2	585,1	1 194,8
From discontinued operations		22,4	174,5	320,3
	(8)	698,6	759,6	1 515,1

¹ Please see note F and Basis of Accounting for restatement as a result of discontinued operations.

GROUP SUPPLEMENTARY INFORMATION continued

GROUP SEGMENTAL ANALYSIS

	Unaudited six months ended 31 December 2020				
	Sterile Focus Brands R'million	Regional Brands R'million	Total Commercial Pharmaceuticals R'million	Manufacturing R'million	Total R'million
Revenue	5 555	8 776	14 331	4 302	18 633
Cost of sales	(2 278)	(3 876)	(6 154)	(3 293)	(9 447)
Gross profit	3 277	4 900	8 177	1 009	9 186
Selling and distribution expenses					(2 897)
Contribution profit					6 289
Administrative expenses					(1 708)
Net other operating income					100
Depreciation					511
Normalised EBITDA¹					5 192
<i>Adjusted for:</i>					
Depreciation					(511)
Amortisation					(323)
Profit on sale of assets					24
Net impairment of assets					(356)
Restructuring costs					(290)
Transaction costs					(148)
Product litigation costs					(68)
Operating profit					3 520
Gross profit (%)	59,0	55,8	57,1	23,5	49,3
Selling and distribution expenses (%)					15,5
Contribution profit (%)					33,8
Administrative expenses (%)					9,2
Normalised EBITDA (%)					27,9

Restated unaudited six months ended 31 December 2019

	Restated unaudited six months ended 31 December 2019				
	Sterile Focus Brands R'million	Regional Brands R'million	Total Commercial Pharmaceuticals R'million	Manufacturing R'million	Total R'million
Revenue	4 635	8 178	12 813	3 171	15 984
Cost of sales	(1 603)	(3 625)	(5 228)	(2 329)	(7 557)
Gross profit	3 032	4 553	7 585	842	8 427
Selling and distribution expenses					(2 837)
Contribution profit					5 590
Administrative expenses					(1 569)
Net other operating income					220
Depreciation					439
Normalised EBITDA¹					4 680
<i>Adjusted for:</i>					
Depreciation					(439)
Amortisation					(285)
Profit on sale of assets					8
Net impairment of assets					(495)
Restructuring costs					(132)
Transaction costs					(212)
Product litigation costs					(49)
Operating profit					3 076
Gross profit (%)	65,4	55,7	59,2	26,6	52,7
Selling and distribution expenses (%)					17,7
Contribution profit (%)					35,0
Administrative expenses (%)					9,8
Normalised EBITDA (%)					29,3

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 SEGMENTAL ANALYSIS continued

	Change				
	Sterile Focus Brands %	Regional Brands %	Total Commercial Pharmaceuticals %	Manufacturing %	Total %
Revenue	20	7	12	36	17
Cost of sales	42	7	18	41	25
Gross profit	8	8	8	20	9
Selling and distribution expenses					2
Contribution profit					13
Administrative expenses					9
Net other operating income					(55)
Depreciation					16
Normalised EBITDA¹					11

Audited restated 12 months ended 30 June 2020

	Sterile Focus Brands R'million	Regional Brands R'million	Total Commercial Pharmaceuticals R'million	Manufacturing 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 EBITDA¹					9 612
<i>Adjusted for:</i>					
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.

GROUP SUPPLEMENTARY INFORMATION continued

GROUP REVENUE SEGMENTAL ANALYSIS

	Unaudited six months ended 31 December 2020 R'million	Unaudited restated ¹ six months ended 31 December 2019 R'million	Change %	Audited restated ¹ 12 months ended 30 June 2020 R'million
COMMERCIAL PHARMACEUTICALS BY CUSTOMER GEOGRAPHY	14 331	12 813	12	26 366
Africa Middle East	4 264	4 089	4	8 368
Europe CIS	2 925	2 396	22	5 453
Asia	2 598	2 227	17	4 320
Australasia	2 479	2 093	18	4 230
Americas	2 065	2 008	3	3 995
MANUFACTURING REVENUE BY GEOGRAPHY OF MANUFACTURE				
Manufacturing revenue – finished dose form	1 051	628	67	1 378
Europe CIS	551	303	82	672
Australasia	274	170	61	393
Africa Middle East	226	155	46	313
Manufacturing revenue – active pharmaceutical ingredients (Chemicals)	2 708	2 154	26	4 799
Europe CIS	2 530	1 960	29	4 312
Africa Middle East	136	141	(4)	372
Asia	42	53	(21)	115
Manufacturing revenue – active pharmaceutical ingredients (Biochem)	543	389	40	1 116
Europe CIS	543	389	40	1 116
Total manufacturing revenue	4 302	3 171	36	7 293
TOTAL REVENUE	18 633	15 984	17	33 659
SUMMARY OF REGIONS				
Africa Middle East	4 626	4 385	5	9 053
Europe CIS	6 549	5 048	30	11 553
Asia	2 640	2 280	16	4 435
Australasia	2 753	2 263	22	4 623
Americas	2 065	2 008	3	3 995
TOTAL REVENUE	18 633	15 984	17	33 659

¹ Restated for discontinued operations and segmental classifications (refer to Basis of Accounting).

GROUP SUPPLEMENTARY INFORMATION continued
COMMERCIAL PHARMACEUTICALS THERAPEUTIC AREA ANALYSIS

Unaudited six months ended 31 December 2020

	Sterile Focus Brands R'million	Regional Brands R'million	Total R'million
BY CUSTOMER GEOGRAPHY			
Commercial Pharmaceuticals			
Africa Middle East	260	4 004	4 264
Europe CIS	1 900	1 025	2 925
Asia	2 262	336	2 598
Australasia	397	2 082	2 479
Americas	736	1 329	2 065
Total Commercial Pharmaceuticals	5 555	8 776	14 331

Restated unaudited six months ended 31 December 2019

	Sterile Focus Brands R'million	Regional Brands R'million	Total R'million
BY CUSTOMER GEOGRAPHY			
Commercial Pharmaceuticals			
Africa Middle East	222	3 867	4 089
Europe CIS	1 406	990	2 396
Asia	1 950	277	2 227
Australasia	374	1 719	2 093
Americas	683	1 325	2 008
Total Commercial Pharmaceuticals	4 635	8 178	12 813

Change

	Sterile Focus Brands %	Regional Brands %	Total %
BY CUSTOMER GEOGRAPHY			
Commercial Pharmaceuticals			
Africa Middle East	17	4	4
Europe CIS	35	4	22
Asia	16	21	17
Australasia	6	21	18
Americas	8	0	3
Total Commercial Pharmaceuticals	20	7	12

Restated 12 months 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

GROUP SUPPLEMENTARY INFORMATION continued

NOTES

	Unaudited six months ended 31 December 2020 R'million	Unaudited restated ¹ six months ended 31 December 2019 R'million	Audited restated ¹ year ended 30 June 2020 R'million
A. CAPITAL EXPENDITURE			
Incurred	2 009	1 292	2 690
– Property, plant and equipment	999	1 012	2 039
– Intangible assets	1 010	280	651
Contracted	1 346	1 894	1 819
– Property, plant and equipment	984	1 150	1 279
– Intangible assets	362	744	540
Authorised but not contracted for	1 759	2 585	2 534
– Property, plant and equipment	1 340	2 378	2 175
– Intangible assets	419	207	359
B. OPERATING PROFIT HAS BEEN ARRIVED AT AFTER CHARGING/ (CREDITING)			
Depreciation of property, plant and equipment and right-of-use assets	511	439	940
Amortisation of intangible assets	323	285	615
Net impairment of tangible and intangible assets	356	495	1 458
Net impairment of tangible assets	2	6	9
Net impairment of intangible assets	286	489	1 339
Net impairment of goodwill	68	–	96
Net impairment of financial receivables	–	–	14
Profit on the sale of tangible and intangible assets	(24)	(8)	(223)
Transaction costs	148	212	445
Restructuring costs	290	132	413
Product litigation costs	68	49	234
C. INVESTMENT INCOME			
Interest received	54	79	156
D. FINANCING COSTS			
Interest paid	(514)	(726)	(1 470)
Debt raising fees on acquisitions	(25)	(20)	(45)
Net losses on financial instruments	(104)	(11)	(8)
Foreign exchange (losses)/gains	(154)	2	(15)
Fair value gains/(losses) on financial instruments	50	(13)	7
Notional interest on financial instruments	(103)	(86)	(182)
Foreign exchange (losses)/gains on acquisitions	(5)	33	17
	(751)	(810)	(1 688)

¹ Restated for discontinued operations and segmental classifications (refer to Basis of Accounting).

NOTES

	Unaudited six months ended 31 December 2020 R'million	Unaudited restated ¹ six months ended 31 December 2019 R'million	Audited restated year ended 30 June 2020 R'million
E. 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 period the stronger closing Rand translation rate has reduced the Group net asset value.	(5 393)	(970)	10 282
Average rates			
EUR – Euro	19,187	16,300	17,327
AUD – Australian Dollar	11,748	10,054	10,494
USD – US Dollar	16,258	14,690	15,677
CNY – Chinese Yuan Renminbi	2,400	2,089	2,229
MXN – Mexican Peso	0,758	0,756	0,759
BRL – Brazilian Real	2,972	3,592	3,478
GBP – British Pound	21,223	18,511	19,735
CAD – Canadian Dollar	12,332	11,127	11,659
RUB – Russian Ruble	0,217	0,229	0,234
Closing rates			
EUR – Euro	17,912	15,693	19,504
AUD – Australian Dollar	11,291	9,826	11,961
USD – US Dollar	14,649	13,978	17,360
CNY – Chinese Yuan Renminbi	2,244	2,007	2,457
MXN – Mexican Peso	0,735	0,741	0,752
BRL – Brazilian Real	2,819	3,468	3,170
GBP – British Pound	20,014	18,546	21,472
CAD – Canadian Dollar	11,485	10,784	12,749
RUB – Russian Ruble	0,198	0,225	0,244

¹ Restated for discontinued operations and segmental classifications (refer to Basis of Accounting).

GROUP SUPPLEMENTARY INFORMATION continued**NOTES** continued**F. 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") for a purchase consideration of EUR666 million (R12 775 million) inclusive of inventory.

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 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.

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

	Discontinued European business R'million	Prior years discontinued operations R'million	Unaudited six months ended 31 December 2020 R'million
Revenue	1 912	–	1 912
Gross profit	489	–	489
Operating expenses	(396)	–	(396)
Selling and distribution expenses	(375)	–	(375)
Administrative expenses	(21)	–	(21)
Net other operating income	41	–	41
Normalised EBITA	134	–	134
Depreciation	13	–	13
Normalised EBITDA	147	–	147
<i>Adjusted for:</i>			
Depreciation	(13)	–	(13)
Transaction costs	(14)	–	(14)
Restructuring costs	(111)	–	(111)
Profit before tax	9	–	9
Tax	(31)	–	(31)
Loss after tax from discontinued operations	(22)	–	(22)
Profit/(loss) on the sale of discontinued operations (after tax)	380	(86) ²	294
Gross	9	(86)	(77)
Tax ¹	371	–	371
Profit/(loss) from discontinued operations	358	(86)	272
Basic earnings per share (cents)			59,6
Headline earnings per share (cents)			(4,8)
Normalised headline earnings per share (cents)			22,4

¹ The acquisition of the Thrombosis portfolio from GSK in 2013 was accounted for as a business combination under IFRS 3, in terms of which deferred tax liabilities were raised in relation to the intellectual property acquired. Following the disposal of the European Thrombosis assets to Mylan a proportionate value of the deferred tax liability has been realised and released in the discontinued operations statement of comprehensive income.

² Reassessment of liabilities related to the profit on sale of Nutritional business.

GROUP SUPPLEMENTARY INFORMATION continued**NOTES** continued**F. DISCONTINUED OPERATIONS** continued**Summarised discontinued operations statement of comprehensive income** continued

	Discontinued European business R'million	Prior years discontinued operations R'million	Unaudited restated six months ended 31 December 2019 R'million
Revenue	2 433	1 576 ¹	4 009
Gross profit	983	696	1 679
Operating expenses	(415)	(324)	(739)
Selling and distribution expenses	(396)	(274)	(670)
Administrative expenses	(19)	(50)	(69)
Net other operating income	–	16	16
Normalised EBITA	568	388	956
Depreciation	12	5	17
Normalised EBITDA	580	393	973
<i>Adjusted for:</i>			
Depreciation	(12)	(5)	(17)
Amortisation	–	(14)	(14)
Transaction costs	–	(6)	(6)
Profit before tax²	568	368	936
Tax	(64)	(78)	(142)
Profit after tax from discontinued operations	504	290	794
Loss on the sale of discontinued operations (after tax)	–	(40)	(40)
Profit after tax from discontinued operations	504	250	754
Basic earnings per share (cents)			165,2
Headline earnings per share (cents)			174,0
Normalised headline earnings per share (cents)			174,5

¹ Refer to footnote 1 on next page for breakdown of revenue

² Comparatives have been restated for financing costs and current year discontinued operations refer to Basis of Accounting for detail.

GROUP SUPPLEMENTARY INFORMATION continued

NOTES continued

F. DISCONTINUED OPERATIONS continued

Summarised discontinued operations statement of comprehensive income continued

	Discontinued European business R'million	Prior years discontinued operations R'million	Audited restated year ended 30 June 2020 R'million
Revenue	4 989	1 888 ¹	6 876
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
<i>Adjusted for:</i>			
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 tax²	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 period/year revenue is split as follows:

	December 2019	June 2020
Japanese Business	1 284	1 434
ARVs	134	251
Asia Pacific non-core pharmaceutical portfolio	158	203
	1 576	1 888

² Comparatives have been restated for financing costs and current year discontinued operations refer to Basis of Accounting for detail.

GROUP SUPPLEMENTARY INFORMATION continued**NOTES** continued**G. PROCEEDS RECEIVED FROM SALE OF DISCONTINUED OPERATIONS****Proceeds received on disposal of European Thrombosis assets**

	Unaudited six months ended 31 December 2020 R'million
Proceeds receivable	12 775
Proceeds outstanding for the period ending	(7 473)
Classified as current deferred receivables	(7 602)
Classified as current liabilities	129
Cash inflow per cash flow statement	5 302
ASSETS DISPOSED	
Non-current assets	
Goodwill	127
Intangible assets	10 540
Total non-current assets	10 667
Current assets	
Inventories	409
Total current assets	409
Total assets	11 076
Net assets disposed	11 076
LIABILITIES RAISED AS PART OF DISPOSALS¹	
Non-current liabilities	432
Current liabilities	1 258
Net liabilities raised	1 690
Profit on sale of discontinued operations	9

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

GROUP SUPPLEMENTARY INFORMATION continued**NOTES** continued**G. PROCEEDS RECEIVED FROM SALE OF DISCONTINUED OPERATIONS** continued**Proceeds received on disposal of Japanese business**

	Audited 30 June 2020 R'million
PROCEEDS	
Proceeds receivable	5 274
Proceeds outstanding at year-end ¹	(936)
Classified as current deferred receivables	(461)
Classified as non-current deferred receivables	(475)
Cash disposed of in subsidiary	(109)
Cash inflow per cash flow statement	4 229
ASSETS DISPOSED	
Non-current assets	
Property, plant and equipment	4
Right-of-use assets	22
Goodwill	45
Intangible assets	4 689
Total non-current assets	4 760
Current assets	
Inventories	427
Receivables and other current assets	403
Cash and cash equivalents	109
Total current assets	939
Total assets	5 699
LIABILITIES	
Non-current liabilities	
Borrowings	(3)
Retirement and other employee benefits	(4)
Deferred tax liability	(82)
Total non-current liabilities	(89)
Current liabilities	
Trade and other payables	(664)
Borrowings	(271)
Current tax liabilities	(32)
Total current liabilities	(967)
Total liabilities	(1 056)
Net assets disposed	4 643
Liabilities raised as part of disposals	
Non-current liabilities	471
Current liabilities	276
Net liabilities raised	747
Loss on sale of discontinued operations	(116)

¹ The future disposal consideration receivables are dependent upon the achievement of various supply related, licence extension and new business development milestones.

GROUP SUPPLEMENTARY INFORMATION continued

NOTES continued

H. ILLUSTRATIVE CONSTANT EXCHANGE RATE REPORT ON SELECTED FINANCIAL DATA

The Group has presented selected line items 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* 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 31 December 2020. The illustrative constant exchange rate report on selected financial data has not been reviewed or audited by the Group auditors.

The Group's financial performance is impacted by numerous currencies which underlie the reported trading results, where even within geographic segments, the Group trades in multiple currencies ("source currencies"). The constant exchange rate restatement has been calculated by adjusting the prior period's restated results at the current period's reported average exchange rates. Restating 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:

	December 2020 average rates	December 2019 average rates	June 2020 average rates
EUR – Euro	19,187	16,300	17,327
AUD – Australian Dollar	11,748	10,054	10,494
USD – US Dollar	16,258	14,690	15,677
CNY – Chinese Yuan Renminbi	2,400	2,089	2,229
MXN – Mexican Peso	0,758	0,756	0,759
BRL – Brazilian Real	2,972	3,592	3,478
GBP – British Pound	21,223	18,511	19,735
CAD – Canadian Dollar	12,332	11,127	11,659
RUB – Russian Ruble	0,217	0,229	0,234

Revenue, other income, cost of sales and expenses

For purposes of the constant exchange rate report the restated prior period's source currency revenue, other income, cost of sales and expenses have been restated 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 restated 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 recomputed by applying the actual effective tax rate to the restated profit before tax.

GROUP SUPPLEMENTARY INFORMATION continued

NOTES continued

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

	Reported December 2020 (December 2020 at December 2020 average rates) R'million	Reported restated December 2019 (December 2019 at December 2019 average rates) R'million	Change at reported exchange rates %	Illustrative constant exchange rates (December 2019 at December 2020 average rates) R'million	Change at constant exchange rates %	Illustrative constant exchange rates (June 2020 at December 2020 average rates) R'million
Key constant exchange rate indicators						
Continuing operations						
Revenue	18 633	15 984	17	17 503	6	35 474
Gross profit	9 186	8 427	9	9 137	1	17 945
Normalised EBITDA	5 192	4 680	11	5 103	2	10 118
Operating profit	3 520	3 076	14	3 315	6	6 198
Normalised headline earnings	3 086	2 669	16	2 882	7	5 724
<i>Earnings per share (cents) (basic and diluted)</i>	498,8	410,8	21	436,0	14	756,3
<i>Headline earnings per share (cents) (basic and diluted)</i>	571,0	515,7	11	561,1	2	1 049,9
<i>Normalised headline earnings per share (cents) (basic and diluted)</i>	676,2	585,1	16	631,4	7	1 254,1
				Reported December 2020 (December 2020 at December 2020 average rates) %	Restated reported December 2019 (December 2019 at December 2020 average rates) %	Restated reported June 2020 (June 2020 at December 2020 average rates) %
Revenue currency mix						
EUR – Euro				27	26	28
ZAR – South African Rand				17	19	19
AUD – Australian Dollar				14	14	14
CNY – Chinese Yuan Renminbi				10	10	9
USD – US Dollar				9	7	7
MXN – Mexican Peso				4	3	3
BRL – Brazilian Real				3	4	4
GBP – British Pound				2	2	2
CAD – Canadian Dollar				2	2	1
RUB – Russian Ruble				2	2	2
Other currencies				10	11	11
Total				100	100	100

GROUP SUPPLEMENTARY INFORMATION continued

NOTES continued

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

Group segmental analysis

	Unaudited year ended December 2020 (December 2020 at 2020 average rates)				Total R'million
	Sterile Focus Brands R'million	Regional Brands R'million	Total Commercial Pharmaceuticals R'million	Manufacturing R'million	
Revenue	5 555	8 776	14 331	4 302	18 633
Cost of sales	(2 278)	(3 876)	(6 154)	(3 293)	(9 447)
Gross profit	3 277	4 900	8 177	1 009	9 186
Selling and distribution expenses					(2 897)
Contribution profit					6 289
Administrative expenses					(1 708)
Net other operating income					100
Depreciation					511
Normalised EBITDA¹					5 192
<i>Adjusted for:</i>					
Depreciation					(511)
Amortisation					(323)
Profit on sale of assets					24
Net impairment of assets					(356)
Restructuring costs					(290)
Transaction costs					(148)
Product litigation costs					(68)
Operating profit					3 520
Gross profit (%)	59,0	55,8	57,1	23,5	49,3
Selling and distribution expenses (%)					15,5
Contribution profit (%)					33,8
Administrative expenses (%)					9,2
Normalised EBITDA (%)					27,9

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

NOTES continued

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

Group segmental analysis continued

**Illustrative constant exchange rate December 2019
(December 2019 at December 2020 average rates)**

	Sterile Focus Brands R'million	Regional Brands R'million	Total Commercial Pharmaceuticals R'million	Manufacturing R'million	Total R'million
Revenue	5 170	8 659	13 829	3 674	17 503
Cost of sales	(1 826)	(3 898)	(5 724)	(2 642)	(8 366)
Gross profit	3 344	4 761	8 105	1 032	9 137
Selling and distribution expenses					(3 093)
Contribution profit					6 044
Administrative expenses					(1 678)
Net other operating income					257
Depreciation					480
Normalised EBITDA¹					5 103
<i>Adjusted for:</i>					
Depreciation					(480)
Amortisation					(313)
Profit on sale of assets					11
Net impairment of assets					(582)
Restructuring costs					(194)
Transaction costs					(172)
Product litigation costs					(58)
Operating profit					3 315
Gross profit (%)	64,7	55,0	58,6	28,1	52,2
Selling and distribution expenses (%)					17,7
Contribution profit (%)					34,5
Administrative expenses (%)					9,6
Normalised EBITDA (%)					29,2

	Change				
	Sterile Focus Brands %	Regional Brands %	Total Commercial Pharmaceuticals %	Manufacturing %	Total %
Revenue	7	1	4	17	6
Cost of sales	25	(1)	8	25	13
Gross profit	(2)	3	1	(2)	1
Selling and distribution expenses					(6)
Contribution profit					4
Administrative expenses					2
Net other operating income					(61)
Depreciation					6
Normalised EBITDA¹					2

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

NOTES continued

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

Group segmental analysis continued

**Illustrative constant exchange rate June 2020
(June 2020 at December 2020 average rates)**

	Sterile Focus Brands R'million	Regional Brands R'million	Total Commercial Pharmaceuticals R'million	Manufacturing R'million	Total R'million
Revenue	10 187	17 305	27 492	7 982	35 474
Cost of sales	(3 874)	(8 129)	(12 003)	(5 526)	(17 529)
Gross profit	6 313	9 176	15 489	2 456	17 945
Selling and distribution expenses					(5 982)
Contribution profit					11 963
Administrative expenses					(3 303)
Net other operating income					467
Depreciation					991
Normalised EBITDA¹					10 118
<i>Adjusted for:</i>					
Depreciation					(731)
Amortisation					(652)
Loss on sale of assets					194
Net impairment of assets					(1 595)
Restructuring costs					(431)
Transaction costs					(446)
Product litigation costs					(259)
Operating profit					6 198
Gross profit (%)	62,0	53,0	56,3	30,8	50,6
Selling and distribution expenses (%)					16,9
Contribution profit (%)					33,7
Administrative expenses (%)					9,3
Normalised EBITDA (%)					28,5

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

NOTES continued

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

Group revenue segmental analysis

	Unaudited year ended December 2020 (December 2020 at 2020 average rates) R'million	Illustrative constant exchange rate December 2019 (December 2019 at December 2020 average rates) R'million	Change %	Illustrative constant exchange rate June 2020 (June 2020 at December 2020 average rates) R' million
COMMERCIAL PHARMACEUTICALS BY CUSTOMER GEOGRAPHY	14 331	13 829	4	27 492
Africa Middle East	4 264	4 162	2	8 420
Europe CIS	2 925	2 735	7	5 893
Asia	2 598	2 549	2	4 628
Australasia	2 479	2 444	1	4 730
Americas	2 065	1 939	6	3 821
MANUFACTURING REVENUE BY GEOGRAPHY OF MANUFACTURE				
Manufacturing revenue – finished dose form	1 051	722	46	1 503
Europe CIS	551	354	56	739
Australasia	274	198	38	440
Africa Middle East	226	170	33	324
Manufacturing revenue – active pharmaceutical ingredients (Chemicals)	2 708	2 494	9	5 243
Europe CIS	2 530	2 281	11	4 738
Africa Middle East	136	154	(11)	386
Asia	42	59	(29)	119
Manufacturing revenue – active pharmaceutical ingredients (Biochem)	543	458	19	1 236
Europe CIS	543	458	19	1 236
Total manufacturing revenue	4 302	3 674	17	7 982
TOTAL REVENUE	18 633	17 503	6	35 474
SUMMARY OF REGIONS				
Africa Middle East	4 626	4 486	3	9 130
Europe CIS	6 549	5 828	12	12 606
Asia	2 640	2 608	1	4 747
Australasia	2 753	2 642	4	5 170
Americas	2 065	1 939	6	3 821
TOTAL REVENUE	18 633	17 503	6	35 474

GROUP SUPPLEMENTARY INFORMATION continued

NOTES continued

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

Commercial Pharmaceuticals therapeutic area analysis

Unaudited year ended December 2020
(December 2020 at December 2020
average rates)

	Sterile Focus Brands R'million	Regional Brands R'million	Total R'million
BY CUSTOMER GEOGRAPHY			
Commercial Pharmaceuticals			
Africa Middle East	260	4 004	4 264
Europe CIS	1 900	1 025	2 925
Asia	2 262	336	2 598
Australasia	397	2 082	2 479
Americas	736	1 329	2 065
Total Commercial Pharmaceuticals	5 555	8 776	14 331

Illustrative constant exchange rate
December 2019 (December 2019 at
December 2020 average rates)

	Sterile Focus Brands R'million	Regional Brands R'million	Total R'million
BY CUSTOMER GEOGRAPHY			
Commercial Pharmaceuticals			
Africa Middle East	238	3 924	4 162
Europe CIS	1 601	1 134	2 735
Asia	2 232	317	2 549
Australasia	437	2 007	2 444
Americas	664	1 275	1 939
Total Commercial Pharmaceuticals	5 172	8 657	13 829

Change

	Sterile Focus Brands %	Regional Brands %	Total %
BY CUSTOMER GEOGRAPHY			
Commercial Pharmaceuticals			
Africa Middle East	9	2	2
Europe CIS	19	(10)	7
Asia	1	6	2
Australasia	(9)	4	1
Americas	11	4	6
Total Commercial Pharmaceuticals	7	1	4

Illustrative constant exchange rate June 2020
(June 2020 at December 2020 average rates)

	Sterile Focus Brands R'million	Regional Brands R'million	Total R'million
BY CUSTOMER GEOGRAPHY			
Commercial Pharmaceuticals			
Africa Middle East	470	7 950	8 420
Europe CIS	3 632	2 261	5 893
Asia	3 995	633	4 628
Australasia	764	3 966	4 730
Americas	1 326	2 495	3 821
Total Commercial Pharmaceuticals	10 187	17 305	27 492

GROUP SUPPLEMENTARY INFORMATION continued

NOTES continued

I. BASIS OF ACCOUNTING

The unaudited interim financial results for the six months ended 31 December 2020 have been prepared in accordance with International Financial Reporting Standards, IFRIC interpretations, the Listings Requirements of the JSE Limited, South African Companies Act, 2008 (as amended) and the presentation and disclosure requirements of IAS 34 – *Interim Reporting*. The accounting policies applied in the preparation of the unaudited interim financial results are in terms of International Financial Reporting Standards and are consistent with those applied in the annual financial statements for the year ended 30 June 2020 except for changes to the segmental analysis and discontinued operations which are explained in detail below.

These interim Group financial results have been prepared under the supervision of the Deputy Group Chief Executive, MG 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;
- 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”) for a purchase consideration of EUR666 million (R12 775 million) inclusive of inventory.

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 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..

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 restatement of the comparative numbers for continuing and discontinued operations is not material with the value of finance costs being reclassified from discontinued to continuing operations for the prior comparative period amounting to R56 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.

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Disclaimer

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