Ascendis Health Limited
(Registration number 2008/005856/06)
(Incorporated in the Republic of South Africa)
Share code: ASC
ISIN: ZAE000185005
("Ascendis Health" or "the Group")

Trading statement for the six months ended 31 December 2021

Ascendis Health is reporting normalised results from total operations which have been adjusted for once-off transaction-related and restructuring costs in the current and prior reporting periods.

In terms of paragraph 3.4(b) of the JSE Limited Listings Requirements, companies are required to publish a trading statement as soon as they are satisfied, with a reasonable degree of certainty, that the financial results for the period to be reported upon next will differ by at least 20% from those of the previous corresponding reporting period.

The Group Recapitalisation was concluded in October 2021 and the disposals of Animal Health and Respiratory Care Africa ("**RCA**"), were completed shortly thereafter. Therefore, the following entities will be included in the results until their respective effective dates of disposal:

- Remedica and Sunwave – effective close date 21 October 2021;
- Farmalider – effective close date 7 July 2021;
- RCA – effective close date 31 October 2021; and
- Animal Health – effective close date 30 November 2021.

Post the Group Recapitalisation, the Group comprised of the three South African businesses namely Medical Devices (excluding RCA), Pharma and Consumer Health (collectively referred to as "Remaining SA Operations").

Following the Recapitalisation Plan with the new lenders, Apex Management Services and Pharma-Q Holdings, which was announced after the end of the reporting period, the results of Pharma, Medical Devices and Nimue (which formed part of Consumer Health) are reported under discontinued operations.

The current period results will reflect the results of Consumer Health (excluding Nimue) as continuing operations, and the rest of the subsidiaries will be reflected as discontinued operations in line with the requirements of IFRS 5: Non-current assets held for sale and discontinued operations. The comparative results disclosed for the period ended 31 December 2020 ("**the prior corresponding period**") have been restated accordingly.

The reconciliation below provides a high-level overview of the impact of the restatement of discontinued operations:

				Continuing operations		
	Revenue	**Normalised EBITDA^{PM}**	**Loss from continuing operation after tax**	**Loss per share**	**Headline loss per share**	**Normalised headline loss per share^{PM}**
	R'000	**R'000**	**R'000**	**cents**	**cents**	**cents**
As reported 31 December 2020	**3 983**	**794**	**(303)**	**(62,7)**	**(31,1)**	**(9,0)**
Transfer to discontinuing operations	(3 487)	(850)	(390)	(81,3)	(108,9)	(109,5)
Restated 31 December 2020	**496**	**(56)**	**(693)**	**(144,0)**	**(140,0)**	**(118,5)**

The prior comparative period includes the results of Dezzo as follows: revenue of R215 million and normalised EBITDA^{PM} loss of R9 million. The divestment of Dezzo was completed effective on 28 February 2021.

The board of directors of Ascendis advise shareholders that it is reasonably certain that the results for the period ended 31 December 2021, when compared with the published results for the period ended 31 December 2020, will differ as follows:

Continuing operations[1]:

- Basic loss per share ("**LPS**") from continuing operations of between 112.3 cents and 91.9 cents per share compared to the restated LPS from continuing operations of 144.0 cents for the period ended 31 December 2020, representing an improvement of between 31.7 cents and 52.1 cents (22% and 36%).
- Headline loss per share ("**HLPS**") from continuing operations of between 126.1 cents and 103.1 cents compared to a restated HLPS from continuing operations of 140.0 cents for the period ended 31 December 2020, representing an improvement of between 13.9 cents and 36.9 cents (10% and 26%).
- Normalised headline loss per share ("**NHLPS**")^{PM} from continuing operations of between 100.0 cents and 81.9 cents compared to a restated NHLPS from continuing operations of 118.5 cents for the period ended 31 December 2020, representing an improvement of between 18.5 cents and 36.6 cents (16% and 31%).

Continuing operations (excluding Dezzo):

	Revenue	Normalised EBITDA^PM	Loss from continuing operation after tax	Continuing operations: Loss per share	Continuing operations: Headline loss per share	Continuing operations: Normalised headline loss per share^PM
	R'000	R'000	R'000	cents	cents	cents
As reported 31 December 2020	**3 983**	**794**	**(303)**	**(62,7)**	**(31,1)**	**(9,0)**
Transfer to discontinuing operations	(3 487)	(850)	(390)	(81,3)	(108,9)	(109,5)
Dezzo	(215)	9	10	2,0	2,0	2,0
Restated 31 December 2020 excluding Dezzo	**281**	**(47)**	**(683)**	**(142,0)**	**(138,0)**	**(116,4)**

Total operations:

- Basic earnings per share ("**EPS**") from total operations of between 43.7 cents and 53.4 cents per share compared to the restated LPS from total operations of 140.0 cents for the period ended 31 December 2020, representing an improvement of between 183.7 cents and 193.4 cents.
- Headline loss per share ("**HLPS**") from total operations of between 64.0 cents and 59.6 cents compared to a restated HLPS from total operations of 22.2 cents for the period ended 31 December 2020, representing a decline of between 41.8 cents and 37.4 cents.
- Normalised headline loss per share ("**NHLPS**") from total operations of between 22.66 cents and 22.54 cents compared to a restated NHLPS from total operations of 0.63 cents for the period ended 31 December 2020, representing a decline of between 22.03 cents and 21.91 cents.

Financial performance of continuing operations excluding head office costs

Continuing SA Operations	Dec-21 Revenue	Dec-20 Revenue	Revenue growth	Dec-21 Normalised EBITDA^PM	Dec-20 Normalised EBITDA^PM	Normalised EBITDA growth
	(R'm)	**(R'm)**	**(%)**	**(R'm)**	**(R'm)**	**(%)**
Consumer Health	298	281	6%	29,5	20,6	43%
Dezzo*	-	215	(100%)	0	(9,1)	(100%)
Total	**298**	**496**	**(40%)**	**29,5**	**11,5**	**156%**

** The comparatives of Pharma include revenue from Dezzo of R215 million and normalised EBITDA^PM loss of R9 million. The divestment of Dezzo was completed effective on 28 February 2021.*

Period-on-period revenue from continuing operations is expected to close within a range of R295 million to R301 million compared to R496 million.

Earnings from continuing operations was impacted by a combination of net funding costs, once-off transaction and restructure related costs as well as the current costs of the head office. Net funding costs decreased by 21% to R391 million, while once-off transaction and restructure related costs decreased by 48% to R61 million. Operating expenses include head office related costs.

This trading statement and operational update is the responsibility of the directors and the financial information on which this statement is based has not been reviewed or reported on by the external auditors.

***PM**: Normalised EBITDA, Normalised headline earnings and normalised headline earnings per share are alternative performance measures or non-IFRS measures. Further details regarding the computation of the performance measures and its purpose can be found on the company's website via: : https://ascendishealth.com/wp-content/uploads/2020/09/Ascendis-Health-Performance-Measures-30-June-2020.pdf*

***Note 1**: The comparatives have been restated for the change in discontinued operations by classifying the Ascendis Pharma, Nimue Skin, Ascendis Medical segments as discontinued operations in additional to the already classified discontinued operations recorded in December 2020.*

16 February 2022
Bryanston

Sponsor

questco
CORPORATE ADVISORY

Questco Corporate Advisory Proprietary Limited