



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

UPDATED PRO FORMA FINANCIAL INFORMATION IN RESPECT OF THE DISPOSAL OF PHARMA

Shareholders are referred to the circular issued by Ascendis Health on 13 September 2022 (the "**Circular**") as well as the announcement released on SENS on 27 September 2022 regarding the correction of an error in the allocation of headline earnings per share between the continued and discontinued operations in the *pro forma* financial effects contained in the Circular. The definitions and interpretations commencing on page 7 of the Circular apply throughout the updated *pro forma* financial information in respect of the disposal of Pharma. The purpose of this document is to update the *pro forma* financial information in respect of the disposal of Pharma and replaces **Annexures 4, 5 and 6** of the Circular only and does not constitute a supplementary circular. Shareholders are advised to read this updated *pro forma* financial information in respect of the disposal of Pharma together with the Circular and announcement released on SENS on 27 September 2022.

Due to the error in the allocation of headline earnings per share between the continued and discontinued operations, Shareholders are advised that the previously issued *pro forma* financial information, as included in the Circular, can no longer be relied upon and that the *pro forma* financial information and the reporting accountant's report issued thereon, have been retracted.

Changes to the *pro forma* financial information are indicated in red, impacting only the *pro-forma* statement of comprehensive income.

ANNEXURE 4: UPDATED *PRO FORMA* FINANCIAL INFORMATION OF THE PHARMA-Q/IMPERIAL PHARMA DISPOSAL

The definitions commencing on page 7 of the Circular have been used throughout this Circular.

Set out below is the updated consolidated *pro forma* statement of financial position and statement of profit or loss and other comprehensive income of Ascendis Health, showing the updated *pro forma* financial effects of the Pharma-Q/Imperial Pharma Disposal (the “**updated Pharma-Q *pro forma* financial information**”).

The updated Pharma-Q *pro forma* financial information has been prepared to illustrate the impact of the Pharma-Q/Imperial Pharma Disposal on the published financial information of Ascendis Health for the period ended 31 December 2021, based on the assumption that the Pharma-Q/Imperial Pharma Disposal took place on 1 July 2021 for purposes of the updated *pro forma* consolidated statement of profit or loss and other comprehensive income and on 31 December 2021 for purposes of the updated *pro forma* consolidated statement of financial position. Because of its nature, the updated Pharma-Q *pro forma* financial information may not fairly present Ascendis Health’s financial position, changes in equity, results of operations or cash flows after the Pharma-Q/Imperial Pharma Disposal.

The updated Pharma-Q *pro forma* financial information of Ascendis Health has been prepared using the accounting policies of the Ascendis Health Group as at 31 December 2021, which are in compliance with IFRS, in accordance with the applicable criteria of the Listings Requirements and in terms of the Guide on *Pro Forma* Financial Information issued by SAICA.

The updated Pharma-Q *pro forma* financial information, including the assumptions on which it is based and the financial information from which it has been prepared, is the responsibility of the Directors of Ascendis Health.

The updated Pharma-Q *pro forma* financial information should be read in conjunction with the reissued Independent Reporting Accountant’s reasonable assurance report thereon, which is presented in **Annexure 6** of this Circular.

On 27 September 2022 Shareholders were informed of an error in the allocation of headline earnings per share between the continued and discontinued operations in the *pro forma* financial effects contained in the Circular. Changes to the Pharma-Q *pro forma* financial information as a result of this error are indicated in red, impacting only the *pro-forma* statement of comprehensive income.

Updated pro forma consolidated statement of financial position for the six-months ended 31 December 2021

The updated pro forma consolidated statement of financial position as at 31 December 2021 has been prepared to show the impact of the Pharma-Q/Imperial Pharma Disposal as if it were effective 31 December 2021.

ZAR'000	Unadjusted SOFP as at 31 Dec 2021	Subsequent events	Subsequent events - Skin Disposal				Subsequent events -	Adjusted Pro Forma SOFP as at 31 Dec 2021
			Group Recapitalisation Transaction	Deconsolidation of Skin	Disposal consideration	Transaction fees		
Notes	1	2	3	4	5	6	7	8
Non-current assets								
Property, plant and equipment	125 765							125 765
Right-of-use assets	25 038							25 038
Intangible assets and goodwill	54 739							54 739
Other financial assets	13 014							13 014
Deferred tax assets	570							570
	219 126	-	-	-	-	-	-	219 126
Current assets								
Inventories	151 442							151 442
Trade and other receivables	163 654							163 654
Other financial assets	68 253							68 253
Current tax receivable	7 624							7 624
Cash and cash equivalents	223 358				(1 413)	(1 771)		220 174
	614 331	-	-	-	(1 413)	(1 771)	-	611 147
Assets classified as held for sale	909 456		(45 186)					864 270
Total assets	1 742 913	-	(45 186)	-	(1 413)	(1 771)	-	1 694 543
EQUITY:								
Stated capital	6 015 664						97 749	6 113 413
Reserves	95 220							95 220
Accumulated loss	(5 698 848)		(31 572)	101 918	(1 413)	(1 275)		(5 631 190)
Equity attributable to equity holders of parent	412 036	-	(31 572)	101 918	(1 413)	(1 275)	97 749	577 443
Non-controlling interest	-							-
Total equity	412 036	-	(31 572)	101 918	(1 413)	(1 275)	97 749	577 443
Non-current liabilities								
Borrowings and other financial liabilities	18 269							18 269
Deferred tax liabilities	69 053							69 053
Lease liabilities	20 475							20 475
Contract liabilities	-							-

ZAR'000	Unadjusted SOFP as at 31 Dec 2021	Subsequent events	Subsequent events - Skin Disposal				Subsequent events -	Adjusted Pro Forma SOFP as at 31 Dec 2021
			Group Recapitalisation Transaction	Deconsolidation of Skin	Disposal consideration	Transaction fees		
Notes	1	2	3	4	5	6	7	8
Current liabilities	107 797	-	-	-	-	-	-	107 797
Trade and other payables	137 389							137 389
Borrowings and other financial liabilities	563 650			(101 918)			(97 749)	363 983
Deferred vendor liabilities	-							-
Provisions	8 590							8 590
Contract liabilities	10 839							10 839
Lease liabilities	13 615							13 615
Derivative financial liabilities	-							-
Current tax payable	17 071					(496)		16 575
Bank overdraft	-							-
	751 154	-	-	(101 918)	-	(496)	(97 749)	550 991
Liabilities classified as held for sale	471 927		(13 614)					458 313
Total equities and liabilities	1 742 914	-	(45 186)	-	(1 413)	(1 771)	-	1 694 544
Number of Shares (000's)	489 470						143 000	632 470
NAV and diluted NAV per share (cents)	84.2							91.3
TNAV and diluted TNAV per share (cents)	72.9							82.6

Updated *pro forma* consolidated statement of financial position for the six-months ended 31 December 2021 (continued)

ZAR'000	Adjusted Pro Forma SOFP as at 31 Dec 2021	Pharma-Q/Imperial Pharma Disposal					Transaction expenses not specifically allocated to a particular transaction	Pro-Forma SOFP after the Pharma-Q/Imperial Pharma Disposal
		Deconsolidation of Pharma	Reversal of Group Consolidation entries	Disposal consideration	Transaction specific fees	MIP		
Notes	8	9	10	11	12	13	14	15
Non-current assets								
Property, plant and equipment	125 765							125 765
Right-of-use assets	25 038							25 038
Intangible assets and goodwill	54 739							54 739
Other financial assets	13 014							13 014
Deferred tax assets	570							570
	219 126	-	-	-	-	-		219 126
Current assets								
Inventories	151 442							151 442
Trade and other receivables	163 654							163 654
Other financial assets	68 253							68 253
Current tax receivable	7 624							7 624
Cash and cash equivalents	220 174			51 690	(7 116)	(14 286)	(14 128)	236 334
	611 147	-	-	51 690	(7 116)	(14 286)	(14 128)	627 307
Assets classified as held for sale	864 270	(323 685)	135 522					676 107
Total assets	1 694 543	(323 685)	135 522	51 690	(7 116)	(14 286)	(14 128)	1 522 540
EQUITY:								
Stated capital	6 113 413							6 113 413
Reserves	95 220							95 220
Accumulated loss	(5 631 190)	(67 103)	(49 809)	397 403	(7 116)	(10 286)	(13 436)	(5 381 536)
Equity attributable to equity holders of parent	577 443	(67 103)	(49 809)	397 403	(7 116)	(10 286)	(13 436)	827 097
Non-controlling interest	-	-	-					-
Total equity	577 443	(67 103)	(49 809)	397 403	(7 116)	(10 286)	(13 436)	827 097
Non-current liabilities								
Borrowings and other financial liabilities	18 269							18 269
Deferred tax liabilities	69 053							69 053
Lease liabilities	20 475							20 475
Contract liabilities	-							-
	107 797	-	-	-	-	-	-	107 797

ZAR'000	Adjusted Pro Forma SOFP as at 31 Dec 2021	Pharma-Q/Imperial Pharma Disposal					Transaction expenses not specifically allocated to a particular transaction	Pro-Forma SOFP after the Pharma-Q/Imperial Pharma Disposal
		Deconsolidation of Pharma	Reversal of Group Consolidation entries	Disposal consideration	Transaction specific fees	MIP		
Notes	8	9	10	11	12	13	14	15
Current liabilities								
Trade and other payables	137 389				-			137 389
Borrowings and other financial liabilities	363 983			(345 714)				18 269
Deferred vendor liabilities	-							-
Provisions	8 590							8 590
Contract liabilities	10 839							10 839
Lease liabilities	13 615							13 615
Derivative financial liabilities	-							-
Current tax payable	16 575			-		(4 000)	(692)	11 884
Bank overdraft	-							-
	550 991	-	-	(345 714)	-	(4 000)	(692)	200 586
Liabilities classified as held for sale	458 313	(256 582)	185 331					387 062
Total equities and liabilities	1 694 544	(323 685)	135 522	51 690	(7 116)	(14 286)	(14 128)	1 522 541
Number of Shares (000's)	632 470							632 470
NAV and diluted NAV per share (cents)	91.3							130.8
TNAV and diluted TNAV per share (cents)	82.6							122.0

Notes and assumptions:

1. Extracted, without adjustment, from the unaudited condensed consolidated financial statements of Ascendis Health for the six-months ended 31 December 2021.

Columns 2 – 8: Illustrating the impact of the Group Recapitalisation Transaction, the Skin Disposal and the Rights Offer as post balance sheet adjustments

2. The Group Recapitalisation Transaction has no effect on the *pro forma* consolidated statement of financial position.
3. Illustrates the deconsolidation of the assets and liabilities associated with the Skin Disposal, extracted without adjustment, from the unaudited condensed consolidated financial statements of Ascendis Health for the six-months ended 31 December 2021. Refer to note 4 of the Ascendis Health interim financial results for the six-months ended 31 December 2021 for the assets and liabilities associated with Skin.
4. Illustrates the disposal consideration actually received for the Skin Disposal. The actual consideration is depicted below:

	ZAR'000
Net disposal consideration	101 918

The cash proceeds were applied towards part settling the Austell Facility.

5. Once-off transaction costs of R1.41 million (including VAT) were incurred as a direct result of the Skin Disposal. The transaction costs were paid from internal cash reserves. No VAT may be claimed on the transaction costs and they are not considered tax deductible.
6. Once-off MIP costs to be paid in cash directly as a result of implementation of the Skin Disposal, net of the associated tax impact at 28%. The MIP costs consists of a contractual amount of R770 585, and a further discretionary amount approved by the Board of R1 million.
7. Illustrates the effects of the Rights Offer, entailing the issue of 143 000 000 shares at an issue price of R0.71 per share for a total gross consideration of R101.53 million. The amount is shown net of the transaction fees associated with the Rights Offer to the value of R3.78 million, which were capitalised. The cash proceeds will be applied towards part settling the Austell Facility.
8. Illustrates the *pro forma* SOFP after the impact of the Group Recapitalisation Transaction, the Skin Disposal and the Rights Offer.

Columns 9 – 15: Illustrating the impact of the Pharma-Q/Imperial Pharma Disposal

9. Illustrates the deconsolidation of the assets and liabilities associated with the Pharma-Q/Imperial Pharma Disposal, extracted, without adjustment, from the reviewed condensed combined historical financial information of the Pharma Reporting Entity for the six-months ended 31 December 2021, incorporated by reference in terms of Part E, paragraph 28 of this Circular. Given that the Pharma Reporting Entity was classified as held for sale on 31 December 2021 by Ascendis Health, all assets of the Pharma Reporting Entity were classified as “Assets Held for Sale” and all liabilities of the Pharma Reporting Entity were classified as “Liabilities Held for Sale”.
10. Consolidation adjustments comprise the reversal of consolidation and elimination journal entries relating to the consolidation of the Pharma Reporting Entity within the unaudited condensed consolidated financial statements of Ascendis Health for the six-months ended 31 December 2021.

11. Illustrates the disposal consideration expected to be received for the Pharma-Q/Imperial Pharma Disposal as if the Pharma-Q/Imperial Pharma Disposal occurred on 31 December 2021. The determination of the disposal adjustments will be finalised based on the actual position on the effective date of the Pharma-Q/Imperial Pharma Disposal. For the purpose of the *pro forma* consolidated financial statements, these adjustments have been calculated using the financial position as at 31 December 2021. The *pro forma* calculation is illustrated below:

	ZAR'000
Purchase consideration	375 000
Plus: net cash and working capital adjustments (based on the combined Pharma Reporting Entity SOFP as at 31 December 2021) as explained in paragraph 11.1 of Part B of this Circular	22 403
Net disposal consideration	397 403

The effect of a movement in the net debt and net working capital positions at the effective date will result in a rand-for-rand adjustment to the purchase consideration.

The cash proceeds will be applied towards settling the balance of the Austell Facility.

The excess cash, after taking into account proceeds from the Skin Disposal, the Rights Offer and the Pharma-Q/Imperial Pharma Disposal, is allocated to cash and cash equivalents as the total purchase consideration received exceeds the outstanding debt balance on the Austell Facility. The excess cash will be used to fund working capital and investment capital expenditure.

12. Once-off transaction costs of R7.12 million (including VAT) are expected to be incurred as a direct result of the Pharma-Q/Imperial Pharma Disposal. The transaction costs are assumed to be paid from internal cash reserves. No VAT may be claimed on the transaction costs and they are not considered tax deductible.
13. Once-off MIP costs to be paid in cash directly as a result of implementation of the Pharma-Q/Imperial Pharma Disposal, net of the associated tax impact at 28%, the MIP costs total a maximum of R14.29 million.
14. Additional once-off transaction costs of R11.66m (including VAT) are expected to be incurred that are not directly attributable to a particular transaction. The transaction costs will be paid from internal cash reserves and are not considered tax deductible.

In addition, once-off awards of R2.4m are to be paid in cash directly as a result of the implementation of the Pharma-Q/Imperial Pharma Disposal, net of the associated tax impact at 28%.

15. Illustrates the *pro forma* SOFP after the impact of the Group Recapitalisation Transaction, the Skin Disposal, the Rights Offer and the Pharma-Q/Imperial Pharma Disposal.

Updated pro forma consolidated statement of profit and loss and comprehensive income for the six-months ended 31 December 2021

The updated pro forma consolidated statement of profit and loss and comprehensive income as at 31 December 2021 has been prepared to show the impact of the Pharma-Q/Imperial Disposal as if it was effective 1 July 2021.

Notes	Unadjusted SOCI for the period ended 31 Dec 2021	Subsequent events	Subsequent events - Skin Disposal				Subsequent events -	Adjusted Pro Forma SOCI for the period ended 31 Dec 2021
		Group Recapitalisation Transaction	Deconsolidation of Skin	Disposal consideration	Transaction fees	MIP	Rights Offer	
	1	2	3	4	5	6	7	8
STATEMENT OF PROFIT AND LOSS								
Revenue	298 382							298 382
Cost of sales	(175 955)							(175 955)
Gross Profit	122 427	-	-	-	-	-	-	122 427
Other income	3 605							3 605
Selling and distribution costs	(24 394)							(24 394)
Administrative expenses	(112 498)							(112 498)
Net impairment loss on financial assets	(5)							(5)
Other operating expenses	(21 281)					(1 771)		(23 052)
Once off costs	(61 354)				(1 413)			(62 767)
Net impairment loss on assets	-							-
Operating profit/(loss)	(93 500)	-	-	-	(1 413)	(1 771)	-	(96 684)
Finance income	2 234							2 234
Finance costs	(391 372)	345 984		6 758			6 481	(32 149)
Profit/(loss) before taxation	(482 638)	345 984	-	6 758	(1 413)	(1 771)	6 481	(126 599)
(Tax expense) / credit	(7 876)	(96 875)		(1 892)	-	496	(1 815)	(107 963)
(Loss)/profit from continuing operations	(490 514)	249 108	-	4 866	(1 413)	(1 275)	4 667	(234 562)
Profit/(loss) from discontinuing operations	725 336							387 461
Profit (loss) from historical discontinued operations	956 194	(402 919)		70 346				623 622
(Loss)/profit from new discontinued operations	(230 858)		(5 303)					(236 161)
(Loss)/profit for the period	234 822	(153 810)	(5 303)	75 212	(1 413)	(1 275)	4 667	152 899
(Loss)/profit attributable to:								
Owners of the parent	233 876							151 953
Continuing operations	(491 460)							(235 508)
Discontinued operations	725 336							387 461
Non-controlling interest	946							946
	234 822							152 899

	Unadjusted SOCl for the period ended 31 Dec 2021	Subsequent events	Subsequent events - Skin Disposal				Subsequent events -	Adjusted Pro Forma SOCl for the period ended 31 Dec 2021
		Group Recapitalisation Transaction	Deconsolidation of Skin	Disposal consideration	Transaction fees	MIP	Rights Offer	
Notes	1	2	3	4	5	6	7	8
STATEMENT OF COMPREHENSIVE INCOME								
Other comprehensive income:								
Other comprehensive income items that are or may be reclassified to profit and loss								
Foreign currency translation reserve	(295 146)							(295 146)
Non-controlling interest relating to items that may be reclassified	-							-
Revaluation of property, plant and equipment	-							-
Income tax relating to items that will not be reclassified	-							-
Other comprehensive income/(loss) for the period net of tax	(295 146)	-	-	-	-	-		(295 146)
Total comprehensive (loss)/income for the year	(60 324)	(153 810)	(5 303)	75 212	(1 413)	(1 275)	4 667	(142 247)
Total comprehensive loss attributable to:								
Owners of the parent	(61 270)							(143 193)
Continuing operations	(411 410)							(530 654)
Discontinued operations	350 140							387 461
Non-controlling interest	946							946
	(60 324)							(142 247)
Profit/(loss) for the year	233 876							151 953
Headline earnings reconciliation - continuing obligations								
Net (profit)/loss on the sale of property, plant and equipment	(204)							(204)
Tax effect	57							57
(Profit)/loss on disposal of subsidiary	51							51
Tax effect	(18)							(18)
Impairment of investment	(60 191)							(60 191)

Notes	Unadjusted SOCI for the period ended 31 Dec 2021	Subsequent events	Subsequent events - Skin Disposal				Subsequent events -	Adjusted Pro Forma SOCI for the period ended 31 Dec 2021
		Group Recapitalisation Transaction	Deconsolidation of Skin	Disposal consideration	Transaction fees	MIP	Rights Offer	
	1	2	3	4	5	6	7	8
Headline earnings reconciliation - discontinuing obligations								
Net (profit)/loss on the sale of property, plant and equipment	(207)							(207)
Tax effect	-							-
(Profit)/loss on disposal of subsidiary	(766 531)			(70 346)				(836 877)
Tax effect	4 514							4 514
Goodwill, intangible assets and tangible assets impairment	256 626							256 626
Tax effect	(24 314)							(24 314)
Total Headline earnings	(356 341)	-	-	(70 346)	-	-		(508 611)
Weighted average Shares in Issue (000's)	481 494						143 000	624 494
Basic and diluted (loss)/earnings per share (cents) - total	48.6							24.3
Basic and diluted (loss)/earnings per share (cents) - continuing operations	(102.1)							(37.7)
Basic and diluted (loss)/earnings per share (cents) - discontinuing operations	150.6							62.0
Basic and diluted headline (loss)/earnings per share (cents) - total	(74.0)							(81.4)
Basic and diluted headline (loss)/earnings per share (cents) - continuing operations	(114.6)							(47.4)
Basic and diluted headline (loss)/earnings per share (cents) - discontinuing operations	40.6							(34.1)

Updated *pro forma* consolidated statement of profit and loss and comprehensive income for the six-months ended 31 December 2021
(continued)

ZAR'000	Adjusted Pro Forma SOCI for the period ended 31 Dec 2021	Pharma-Q/Imperial Pharma Disposal					Transaction expenses not specifically allocated to a particular transaction	Pro-Forma SOCI after the Pharma- Q/Imperial Pharma Disposal
		Deconsolidation of Pharma	Reversal of Group Consol entries	Disposal consideration	Transaction fees	MIP		
Notes	8	9	10	11	12	13	14	15
STATEMENT OF PROFIT AND LOSS								
Revenue	298 382							298 382
Cost of sales	(175 955)							(175 955)
Gross Profit	122 427	-	-	-	-	-	-	122 427
Other income	3 605							3 605
Selling and distribution costs	(24 394)							(24 394)
Administrative expenses	(112 498)							(112 498)
Net impairment loss on financial assets	(5)							(5)
Other operating expenses	(23 052)					(14 286)	(2 470)	(39 807)
Once off costs	(62 767)				(7 116)		(11 658)	(81 541)
Net impairment loss on assets	-							-
Operating profit/(loss)	(96 684)	-	-	-	(7 116)	(14 286)	(14 128)	(132 213)
Finance income	2 234							2 234
Finance costs	(32 149)			22 725				(9 424)
Profit/(loss) before taxation	(126 599)	-	-	22 725	(7 116)	(14 286)	(14 128)	(139 403)
(Tax expense) / credit	(107 963)			(6 363)	-	4 000	692	(109 634)
(Loss)/profit from continuing operations	(234 562)	-	-	16 362	(7 116)	(10 286)	(13 436)	(249 037)
Profit/(loss) from discontinuing operations	387 461							645 481
Profit (loss) from historical discontinued operations	623 622			280 491				904 113
(Loss)/profit from new discontinued operations	(236 161)	(14 040)	(8 431)					(258 632)
(Loss)/profit for the period	152 899	(14 040)	(8 431)	16 362	(7 116)	(10 286)	(13 436)	396 444
(Loss)/profit attributable to:								
Owners of the parent	151 953							395 498
Continuing operations	(235 508)							(249 983)
Discontinued operations	387 461							645 481
Non-controlling interest	946							946
	152 899							396 444

ZAR'000	Adjusted Pro Forma SOCI for the period ended 31 Dec 2021	Pharma-Q/Imperial Pharma Disposal					Transaction expenses not specifically allocated to a particular transaction	Pro-Forma SOCI after the Pharma-Q/Imperial Pharma Disposal
		Deconsolidation of Pharma	Reversal of Group Consol entries	Disposal consideration	Transaction fees	MIP		
Notes	8	9	10	11	12	13	14	15
STATEMENT OF COMPREHENSIVE INCOME								
Other comprehensive income: Other comprehensive income items that are or may be reclassified to profit and loss								
Foreign currency translation reserve	(295 146)							(295 146)
Non-controlling interest relating to items that may be reclassified	-							-
Revaluation of property, plant and equipment	-							-
Income tax relating to items that will not be reclassified	-							-
Other comprehensive income/(loss) for the period net of tax	(295 146)	-	-	-	-	-	-	(295 146)
Total comprehensive (loss)/income for the year	(142 247)	(14 040)	(8 431)	16 362	(7 116)	(10 286)	(13 436)	101 298
Total comprehensive loss attributable to:								
Owners of the parent	(143 193)							100 352
Continuing operations	(530 654)							(545 129)
Discontinued operations	387 461							645 481
Non-controlling interest	946							946
	(142 247)							101 298
Profit/(loss) for the year	151 953							395 498
Headline earnings reconciliation - continuing obligations								
Net (profit)/loss on the sale of property, plant and equipment	(204)							(204)
Tax effect	57							57
(Profit)/loss on disposal of subsidiary	51							51
Tax effect	(18)							(18)
Impairment of investment	(60 191)							(60 191)

ZAR'000	Adjusted Pro Forma SOCI for the period ended 31 Dec 2021	Pharma-Q/Imperial Pharma Disposal					Transaction expenses not specifically allocated to a particular transaction	Pro-Forma SOCI after the Pharma- Q/Imperial Pharma Disposal
		Deconsolidation of Pharma	Reversal of Group Consol entries	Disposal consideration	Transaction fees	MIP		
Notes	8	9	10	11	12	13	14	15
Headline earnings reconciliation - discontinuing obligations								
Net (profit)/loss on the sale of property, plant and equipment	(207)							(207)
Tax effect	-							-
(Profit)/loss on disposal of subsidiary	(836 877)			(280 491)				(1 117 369)
Tax effect	4 514			-				4 514
Goodwill, intangible assets and tangible assets impairment	256 626							256 626
Tax effect	(24 314)							(24 314)
Total Headline earnings	(508 611)	-	-	(280 491)	-	-	-	(545 557)
Weighted average Shares In Issue (000's)	624 494							624 494
Basic and diluted (loss)/earnings per share (cents) - total	24.3							63.3
Basic and diluted (loss)/earnings per share (cents) - continuing operations	(37.7)							(40.0)
Basic and diluted (loss)/earnings per share (cents) - discontinuing operations	62.0							103.4
Basic and diluted headline (loss)/earnings per share (cents) - total	(81.4)							(87.4)
Basic and diluted headline (loss)/earnings per share (cents) - continuing operations	(47.4)							(49.7)
Basic and diluted headline (loss)/earnings per share (cents) - discontinuing operations	(34.1)							(37.7)

Notes and assumptions

1. Extracted, without adjustment, from the unaudited condensed consolidated financial statements of Ascendis Health for the six-months ended 31 December 2021.

Columns 2 – 8: Illustrating the impact of the Group Recapitalisation Transaction, the Skin Disposal, and the Rights Offer as post balance sheet adjustments

2. Illustrates the reversal of the finance costs and related tax expense incurred before the Group Recapitalisation Transaction associated with the entities disposed of as part of the Group Recapitalisation Transaction on the assumption that the Group Recapitalisation Transaction was effective on 1 July 2021, amounting to an adjustment of R366.37 million. This is netted off against finance costs and related tax expense incurred on the Austell Facility for the six month period to 31 December 2021 in accordance with the terms of the Austell Loan Agreement on the assumption that the Austell Loan Agreement came into effect on 1 July 2021, amounting to R20.38 million. The terms of the Austell Loan Agreement give rise to an additional 2% charged on the facility should the Austell Pharma Disposal not be approved.

Further, the operating profit associated with the entities disposed of as part of the Group Recapitalisation Transaction, net of the MIP and transaction costs, amounting to R381.26 million is reversed on the assumption that the Group Recapitalisation Transaction was effective on 1 July 2021. Additional transaction costs of R21.66 million relating to the Group Recapitalisation Transaction were also incurred, as depicted below:

	R'000
(Profit)/loss from discontinued operations	(381 256)
Additional transaction costs	(21 662)
	(402 919)

3. Illustrates the deconsolidation of the profit associated with Skin from discontinued operations, as extracted, without adjustment, from the unaudited condensed consolidated financial statements of Ascendis Health for the six-months ended 31 December 2021. Refer to note 4 of the Ascendis Health interim financial results for the period ended 31 December 2021 for the profit associated with Skin.
4. The once-off profit on the Skin Disposal and the impact of the application of the disposal consideration to reduce interest-bearing borrowings is set out below:
 - 4.1. The profit on the Skin Disposal has been determined using the difference between the disposal consideration of R101.92 million (refer to note 4 of the *pro forma* consolidated statement of financial position) and the net asset value of Skin at 31 December 2021 (refer to note 3 of the *pro forma* consolidated statement of financial position), resulting in a profit of R70.35m.
 - 4.2. A reversal of the finance cost, which is expected to have an ongoing effect, has been determined based on the principal assumption that the settlement of the interest-bearing borrowings was effective 1 July 2021. The reversal of R6.76 million of finance costs associated with the part settlement of the Austell Facility (refer to note 4 of the *pro forma* consolidated statement of financial position) which incurred interest at the average rate of 13.26% per annum.
 - 4.3. A tax effect of R1.89 million, being a reversal of the tax benefit associated with the finance cost no longer incurred at the statutory rate of 28% (which will have a continuing effect).
 - 4.4. No capital gain or other expense is expected on the Skin Disposal.
5. Once-off transaction costs of R1.41 million (including VAT) were incurred as a direct result of the Skin Disposal. The transaction costs are paid from internal cash reserves, and are not considered tax deductible
6. Once-off MIP costs to be paid in cash directly as a result of implementation of the Skin Disposal, net of the associated tax impact at 28%.
7. A reversal of the finance cost, which is expected to have an ongoing effect, has been determined based on the principal assumption that the settlement of the interest-bearing borrowings was effective 1 July 2021. The reversal of R6.48 million of finance costs associated with the settlement of the Austell Facility (refer to note 7

of the *pro forma* consolidated statement of financial position) which incurred interest at the average rate of 13.26% per annum.

8. Illustrates the *pro forma* SOCI after the impact of the Group Recapitalisation Transaction, the Skin Disposal, and the Rights Offer.

Columns 9 – 15: Illustrating the impact of the Pharma-Q/Imperial Pharma Disposal

9. Illustrates the deconsolidation of the profit associated with the Pharma Reporting Entity, extracted from the reviewed condensed combined historical financial information of the Pharma Reporting Entity for the six-months ended 31 December 2021, incorporated by reference in terms of Part E, paragraph 28 of this Circular.
10. Consolidation adjustments comprise the reversal of consolidation and elimination entries relating to the consolidation of the Pharma Reporting Entity within the unaudited condensed consolidated financial statements of Ascendis Health for the six-months ended 31 December 2021.
11. The once-off profit on the Pharma-Q/Imperial Pharma Disposal and the impact of the application of the disposal consideration to reduce interest-bearing borrowings is set out below:
 - 11.1. The profit on the Pharma-Q/Imperial Pharma Disposal has been determined as the difference between the disposal consideration of R397.4 million (refer to note 11 of the *pro forma* consolidated statement of financial position) and net asset value of the Pharma Reporting Entity at 31 December 2021 (refer to notes 9 and 10 of the *pro forma* consolidated statement of financial position), resulting in a profit of R280.5 million.
 - 11.2. Reversal of the finance costs, which is expected to have a continuing effect, has been determined based on the principal assumption that the settlement of the interest-bearing borrowings was effective 1 July 2021. The reversal of R22.73 million finance costs associated with the settlement of the balance of the Austell Facility (refer to note 11 of the *pro forma* consolidated statement of financial position) which incurred interest at the average rate of 13.26% per annum.
 - 11.3. The excess cash will be used for working capital and investment capital expenditure and thus will not attract finance income.
 - 11.4. A tax effect of R6.36 million, being the reversal of the tax benefit associated with the finance cost no longer incurred (which will have a continuing effect).
 - 11.5. No capital gain or other expense is expected on the Pharma-Q/Imperial Pharma Disposal.
12. Once-off transaction costs of R7.12 million (including VAT) are expected to be incurred as a direct result of the Pharma-Q/Imperial Pharma Disposal. The transaction costs will be paid from internal cash reserves and are not considered tax deductible.
13. Once-off MIP costs to be paid in cash directly as a result of implementation of the Pharma-Q/Imperial Pharma Disposal, net of the associated tax impact at 28%.
14. Additional once-off transaction costs of R11.66 million (including VAT) are expected to be incurred that are not directly attributable to a particular transaction. The transaction costs will be paid from internal cash reserves and are not considered tax deductible.

In addition, once-off awards of R2.4m are to be paid in cash directly as a result of the implementation of the Pharma-Q/Imperial Pharma Disposal, net of the associated tax impact at 28%.

15. Illustrates the *pro forma* SOCI after the impact of the Group Recapitalisation Transaction, the Skin Disposal, the Rights Offer and the Pharma-Q/Imperial Pharma Disposal.

Save for the transaction and MIP costs, the profit on sale from the Group Recapitalisation Transaction, the profit on sale of Skin, and the profit on sale of the Pharma Reporting Entity, all adjustments are expected to have a continuing effect.

ANNEXURE 5: UPDATED *PRO FORMA* FINANCIAL INFORMATION OF THE AUSTELL PHARMA DISPOSAL

The definitions commencing on page 7 of the Circular have been used throughout this Circular.

Set out below is the updated consolidated *pro forma* statement of financial position and statement of profit or loss and other comprehensive income of Ascendis Health, showing the updated *pro forma* financial effects of the Austell Pharma Disposal (the “**updated Austell *pro forma* financial information**”).

The updated Austell *pro forma* financial information has been prepared to illustrate the impact of the Austell Pharma Disposal on the published financial information of Ascendis Health for the period ended 31 December 2021, based on the assumption that the Austell Pharma Disposal took place on 1 July 2021 for purposes of the updated *pro forma* consolidated statement of profit or loss and other comprehensive income and on 31 December 2021 for purposes of the updated *pro forma* consolidated statement of financial position. Because of its nature, the updated Austell *pro forma* financial information may not fairly present Ascendis Health’s financial position, changes in equity, results of operations or cash flows after the Austell Pharma Disposal.

The updated Austell *pro forma* financial information of Ascendis Health has been prepared using the accounting policies of the Ascendis Health Group as at 31 December 2021, which are in compliance with IFRS, in accordance with the applicable criteria of the Listings Requirements and in terms of the Guide on *Pro Forma* Financial Information issued by SAICA.

The updated Austell *pro forma* financial information, including the assumptions on which it is based and the financial information from which it has been prepared, is the responsibility of the Directors of Ascendis Health.

The updated Austell *pro forma* financial information should be read in conjunction with the reissued Independent Reporting Accountant’s reasonable assurance report thereon, which is presented in **Annexure 6** of this Circular.

On 27 September 2022 Shareholders were informed of an error in the allocation of headline earnings per share between the continued and discontinued operations in the *pro forma* financial effects contained in the Circular. Changes to the Austell *pro forma* financial information as a result of this error are indicated in red, impacting only the *pro-forma* statement of comprehensive income.

Updated pro forma consolidated statement of financial position for the six-months ended 31 December 2021

The updated pro forma consolidated statement of financial position as at 31 December 2021 has been prepared to show the impact of the Austell Pharma Disposal as if it were effective 31 December 2021.

ZAR'000	Unadjusted SOFP as at 31 Dec 2021	Subsequent events -	Subsequent events - Skin Disposal				Subsequent events -	Adjusted Pro Forma SOFP as at 31 Dec 2021
		Group Recapitalisation Transaction	Deconsolidation of Skin	Disposal consideration	Transaction fees	MIP	Rights Offer	
Notes	1	2	3	4	5	6	7	8
Non-current assets								
Property, plant and equipment	125 765							125 765
Right-of-use assets	25 038							25 038
Intangible assets and goodwill	54 739							54 739
Other financial assets	13 014							13 014
Deferred tax assets	570							570
	219 126	-	-	-	-	-	-	219 126
Current assets								
Inventories	151 442							151 442
Trade and other receivables	163 654							163 654
Other financial assets	68 253							68 253
Current tax receivable	7 624							7 624
Cash and cash equivalents	223 358				(1 413)	(1 771)		220 174
	614 331	-	-	-	(1 413)	(1 771)	-	611 147
Assets classified as held for sale	909 456		(45 186)					864 270
Total assets	1 742 913	-	(45 186)	-	(1 413)	(1 771)	-	1 694 543
EQUITY:								
Stated capital	6 015 664						97 749	6 113 413
Reserves	95 220							95 220
Accumulated loss	(5 698 848)		(31 572)	101 918	(1 413)	(1 275)		(5 631 190)
Equity attributable to equity holders of parent	412 036	-	(31 572)	101 918	(1 413)	(1 275)	97 749	577 443
Non-controlling interest	-							-
Total equity	412 036	-	(31 572)	101 918	(1 413)	(1 275)	97 749	577 443

ZAR'000	Unadjusted SOFP as at 31 Dec 2021	Subsequent events -	Subsequent events - Skin Disposal				Subsequent events -	Adjusted Pro Forma SOFP as at 31 Dec 2021
		Group Recapitalisation Transaction	Deconsolidation of Skin	Disposal consideration	Transaction fees	MIP	Rights Offer	
Notes	1	2	3	4	5	6	7	8
Non-current liabilities								
Borrowings and other financial liabilities	18 269							18 269
Deferred tax liabilities	69 053							69 053
Lease liabilities	20 475							20 475
Contract liabilities	-							-
	107 797	-	-	-	-	-	-	107 797
Current liabilities								
Trade and other payables	137 389							137 389
Borrowings and other financial liabilities	563 650			(101 918)			(97 749)	363 983
Deferred vendor liabilities	-							-
Provisions	8 590							8 590
Contract liabilities	10 839							10 839
Lease liabilities	13 615							13 615
Derivative financial liabilities	-							-
Current tax payable	17 071					(496)		16 575
Bank overdraft	-							-
	751 154	-	-	(101 918)	-	(496)	(97 749)	550 991
Liabilities classified as held for sale	471 927		(13 614)					458 313
Total equities and liabilities	1 742 914	-	(45 186)	-	(1 413)	(1 771)	-	1 694 544
Number of Shares (000's)	489 470						143 000	632 470
NAV and diluted NAV per share (cents)	84.2							91.3
TNAV and diluted TNAV per share (cents)	72.9							82.6

Updated *pro forma* consolidated statement of financial position for the six-months ended 31 December 2021 (continued)

Notes	Adjusted Pro Forma SOFP as at 31 Dec 2021	Austell Pharma Disposal					Transaction expenses not specifically allocated to a particular transaction	Pro-Forma SOFP after the Austell Pharma Disposal
		Deconsolidation of Pharma	Reversal of Group Consolidation entries	Disposal consideration	Transaction specific fees	MIP		
	8	9	10	11	12	13	14	15
Non-current assets								
Property, plant and equipment	125 765							125 765
Right-of-use assets	25 038							25 038
Intangible assets and goodwill	54 739							54 739
Other financial assets	13 014							13 014
Deferred tax assets	570							570
	219 126	-	-	-	-	-		219 126
Current assets								
Inventories	151 442							151 442
Trade and other receivables	163 654							163 654
Other financial assets	68 253							68 253
Current tax receivable	7 624							7 624
Cash and cash equivalents	220 174			101 488	(7 780)	(12 511)	(14 128)	287 243
	611 147	-	-	101 488	(7 780)	(12 511)	(14 128)	678 216
Assets classified as held for sale	864 270	(323 685)	135 522					676 107
Total assets	1 694 543	(323 685)	135 522	101 488	(7 780)	(12 511)	(14 128)	1 573 449
EQUITY:								
Stated capital	6 113 413							6 113 413
Reserves	95 220							95 220
Accumulated loss	(5 631 190)	(67 103)	(49 809)	447 202	(7 780)	(9 008)	(13 436)	(5 331 124)
Equity attributable to equity holders of parent	577 443	(67 103)	(49 809)	447 202	(7 780)	(9 008)	(13 436)	877 509
Non-controlling interest	-	-						-
Total equity	577 443	(67 103)	(49 809)	447 202	(7 780)	(9 008)	(13 436)	877 509
Non-current liabilities								
Borrowings and other financial liabilities	18 269							18 269
Deferred tax liabilities	69 053							69 053
Lease liabilities	20 475							20 475
Contract liabilities	-							-
	107 797	-	-	-	-	-	-	107 797

	Adjusted Pro Forma SOFP as at 31 Dec 2021	Austell Pharma Disposal					Transaction expenses not specifically allocated to a particular transaction	Pro-Forma SOFP after the Austell Pharma Disposal
		Deconsolidation of Pharma	Reversal of Group Consolidation entries	Disposal consideration	Transaction specific fees	MIP		
Notes	8	9	10	11	12	13	14	15
Current liabilities								
Trade and other payables	137 389							137 389
Borrowings and other financial liabilities	363 983			(345 714)				18 269
Deferred vendor liabilities	-							-
Provisions	8 590							8 590
Contract liabilities	10 839							10 839
Lease liabilities	13 615							13 615
Derivative financial liabilities	-							-
Current tax payable	16 575					(3 503)	(692)	12 381
Bank overdraft	-							-
	550 991	-	-	(345 714)	-	(3 503)	(692)	201 083
Liabilities classified as held for sale	458 313	(256 582)	185 331					387 062
Total equities and liabilities	1 694 544	(323 685)	135 522	101 488	(7 780)	(12 511)	(14 128)	1 573 450
Number of Shares (000's)	632 470							632 470
NAV and diluted NAV per share (cents)	91.3							138.7
TNAV and diluted TNAV per share (cents)	82.6							130.0

Notes and assumptions

1. Extracted, without adjustment, from the unaudited condensed consolidated financial statements of Ascendis Health for the six-months ended 31 December 2021.

Columns 2 – 8: Illustrating the impact of the Group Recapitalisation Transaction, the Skin Disposal and the Rights Offer as post balance sheet adjustments

2. The Group Recapitalisation Transaction has no effect on the *pro forma* consolidated statement of financial position.
3. Illustrates the deconsolidation of the assets and liabilities associated with the Skin Disposal, extracted without adjustment, from the unaudited condensed consolidated financial statements of Ascendis Health for the six-months ended 31 December 2021. Refer to note 4 of the Ascendis Health interim financial results for the six-months ended 31 December 2021 for the assets and liabilities associated with Skin.
4. Illustrates the disposal consideration actually received for the Skin Disposal. The actual consideration is depicted below:

	ZAR'000
Net disposal consideration	101 918

The cash proceeds were applied towards part settling the Austell Facility.

5. Once-off transaction costs of R1.41 million (including VAT) were incurred as a direct result of the Skin Disposal. The transaction costs were paid from internal cash reserves. No VAT may be claimed on the transaction costs and they are not considered tax deductible.
6. Once-off MIP costs to be paid in cash directly as a result of implementation of the Skin Disposal, net of the associated tax impact at 28%. The MIP costs consist of a contractual amount of R770 585, and a further discretionary amount approved by the Board of R1 million.
7. Illustrates the effects of the Rights Offer, entailing the issuing of 143 000 000 shares at an issue price of R0.71 per share for a total gross consideration of R101.53 million. The amount is shown net of the transaction fees associated with the Rights Offer to the value of R3.78 million, which were capitalised. The cash proceeds will be applied towards settling part of the Austell Facility.
8. Illustrates the *pro forma* SOFP after the impact of the Group Recapitalisation Transaction, the Skin Disposal and the Rights Offer.

Columns 9 – 15: Illustrating the impact of the Austell Pharma Disposal

9. Illustrates the deconsolidation of the assets and liabilities associated with the Austell Pharma Disposal, extracted, without adjustment, from the reviewed condensed combined historical financial information of the Pharma Reporting Entity for the six-months ended 31 December 2021, incorporated by reference in terms of Part E, paragraph 28 of this Circular. Given that the Pharma Reporting Entity was classified as held for sale on 31 December 2021 by Ascendis Health, all assets of the Pharma Reporting Entity were classified as “Assets Held for Sale” and all liabilities of the Pharma Reporting Entity were classified as “Liabilities Held for Sale”.
10. Consolidation adjustments comprise the reversal of consolidation and elimination journal entries relating to the consolidation of the Pharma Reporting Entity within the unaudited condensed consolidated financial statements of Ascendis Health for the six-months ended 31 December 2021.
11. Illustrates the disposal consideration expected to be received for the Austell Pharma Disposal as if the Austell Pharma Disposal occurred on 31 December 2021. The determination of the disposal adjustments will be finalised based on the actual position on the effective date of the Austell Pharma Disposal. For the purpose of the *pro forma* consolidated financial statements, these adjustments have been calculated using the financial position as at 31 December 2021. The *pro forma* calculation is illustrated below:

	ZAR'000
Purchase consideration	410 000
Plus: net cash and working capital adjustments (based on the combined Pharma Reporting Entity SOFP as at 31 December 2021) as explained in paragraph 14.1 of Part C of this Circular	37 202
Net disposal consideration	447 202

The effect of a movement in the net debt and net working capital positions at the effective date will result in a rand-for-rand adjustment to the purchase consideration.

The cash proceeds will be applied towards settling the balance of the Austell Facility.

The excess cash, after taking into account proceeds from the Skin Disposal, the Rights Offer and the Austell Pharma Disposal, is allocated to cash and cash equivalents as the total purchase consideration received exceeds the outstanding debt balance on the Austell Facility. The excess cash will be used to fund working capital and investment capital expenditure.

12. Once-off transaction costs of R7.78 million (including VAT) are expected to be incurred as a direct result of the Austell Pharma Disposal. The transaction costs are assumed to be paid from internal cash reserves. No VAT may be claimed on the transaction costs and they are not considered tax deductible.
13. Once-off MIP costs to be paid in cash directly as a result of implementation of the Austell Pharma Disposal, net of the associated tax impact at 28%, the MIP costs total a maximum of R12.51 million.
14. Additional once-off transaction costs of R11.66 million (including VAT) are expected to be incurred that are not directly attributable to a particular transaction. The transaction costs will be paid from internal cash reserves and are not considered tax deductible.

In addition, once-off awards of R2.4m are to be paid in cash directly as a result of the implementation of the Austell Pharma Disposal, net of the associated tax impact at 28%.

15. Illustrates the *pro forma* SOFP after the impact of the Group Recapitalisation Transaction, the Skin Disposal the Rights Offer and the Austell Pharma Disposal.

Updated Pro forma consolidated statement of profit and loss and comprehensive income for the six-months ended 31 December 2021

The updated pro forma consolidated statement of profit and loss and comprehensive income as at 31 December 2021 has been prepared to show the impact of the Austell Pharma Disposal as if it was effective 1 July 2021.

ZAR'000 Notes	Unadjusted SOCl for the period ended 31 Dec 2021	Subsequent events - Group Recapitalisation Transaction	Subsequent events - Skin Disposal				Subsequent events - Rights Offer	Adjusted Pro Forma SOCl for the period ended 31 Dec 2021
			Deconsolidation of Skin	Disposal consideration	Transaction fees	MIP		
	1	2	3	4	5	6	7	8
STATEMENT OF PROFIT AND LOSS								
Revenue	298 382							298 382
Cost of sales	(175 955)							(175 955)
Gross Profit	122 427	-	-	-	-	-	-	122 427
Other income	3 605							3 605
Selling and distribution costs	(24 394)							(24 394)
Administrative expenses	(112 498)							(112 498)
Net impairment loss on financial assets	(5)							(5)
Other operating expenses	(21 281)					(1 771)		(23 052)
Once off costs	(61 354)				(1 413)			(62 767)
Net impairment loss on assets	-							-
Operating profit/(loss)	(93 500)	-	-	-	(1 413)	(1 771)	-	(96 684)
Finance income	2 234							2 234
Finance costs	(391 372)	351 423		5 736			5 501	(28 713)
Profit/(loss) before taxation	(482 638)	351 423	-	5 736	(1 413)	(1 771)	5 501	(123 163)
(Tax expense) / credit	(7 876)	(98 398)		(1 606)	-	496	(1 540)	(108 925)
(Loss)/profit from continuing operations	(490 514)	253 024	-	4 130	(1 413)	(1 275)	3 961	(232 087)
Profit/(loss) from discontinuing operations	725 336							387 461
Profit (loss) from historical discontinued operations	956 194	(402 919)		70 346				623 622
(Loss)/profit from new discontinued operations	(230 858)		(5 303)					(236 161)
(Loss)/profit for the period	234 822	(149 894)	(5 303)	74 476	(1 413)	(1 275)	3 961	155 373
(Loss)/profit attributable to:								
Owners of the parent	233 876							154 427
Continuing operations	(491 460)							(233 033)
Discontinued operations	725 336							387 461
Non-controlling interest	946							946
	234 822							155 373
STATEMENT OF COMPREHENSIVE INCOME								
Other comprehensive income:								

ZAR'000 Notes	Unadjusted SOCl for the period ended 31 Dec 2021	Subsequent events - Group Recapitalisation Transaction	Subsequent events - Skin Disposal				Subsequent events - Rights Offer	Adjusted Pro Forma SOCl for the period ended 31 Dec 2021
			Deconsolidation of Skin	Disposal consideration	Transaction fees	MIP		
	1	2	3	4	5	6	7	8
Other comprehensive income items that are or may be reclassified to profit and loss								
Foreign currency translation reserve	(295 146)							(295 146)
Non-controlling interest relating to items that may be reclassified	-							-
Revaluation of property, plant and equipment	-							-
Income tax relating to items that will not be reclassified	-							-
Other comprehensive income/(loss) for the period net of tax	(295 146)	-	-	-	-	-		(295 146)
Total comprehensive (loss)/income for the year	(60 324)	(149 894)	(5 303)	74 476	(1 413)	(1 275)	3 961	(139 773)
Total comprehensive loss attributable to:								
Owners of the parent	(61 270)							(140 719)
Continuing operations	(411 410)							(528 179)
Discontinued operations	350 140							387 461
Non-controlling interest	946							946
	(60 324)							(139 773)
Profit/(loss) for the year	233 876							154 427
Headline earnings reconciliation - continuing obligations								
Net (profit)/loss on the sale of property, plant and equipment	(204)							(204)
Tax effect	57							57
(Profit)/loss on disposal of subsidiary	51							51
Tax effect	(18)							(18)
Impairment of investment	(60 191)							(60 191)
Headline earnings reconciliation - discontinuing obligations								
Net (profit)/loss on the sale of property, plant and equipment	(207)							(207)
Tax effect	-							-
(Profit)/loss on disposal of subsidiary	(766 531)							(836 877)
Tax effect	4 514				(70 346)			4 514
Goodwill, intangible assets and tangible assets impairment	256 626							256 626
Tax effect	(24 314)							(24 314)

ZAR'000 Notes	Unadjusted SOCl for the period ended 31 Dec 2021	Subsequent events - Group Recapitalisation Transaction	Subsequent events - Skin Disposal				Subsequent events - Rights Offer	Adjusted Pro Forma SOCl for the period ended 31 Dec 2021
			Deconsolidation of Skin	Disposal consideration	Transaction fees	MIP		
	1	2	3	4	5	6	7	8
Total Headline earnings	(356 341)	-	-	(70 346)	-	-		(506 136)
Weighted average Shares in Issue (000's)	481 494						143 000	624 494
Basic and diluted (loss)/earnings per share (cents) - total	48.6							24.7
Basic and diluted (loss)/earnings per share (cents) - continuing operations	(102.1)							(37.3)
Basic and diluted (loss)/earnings per share (cents) - discontinuing operations	150.6							62.0
Basic and diluted headline (loss)/earnings per share (cents) - total	(74.0)							(81.0)
Basic and diluted headline (loss)/earnings per share (cents) - continuing operations	(114.6)							(47.0)
Basic and diluted headline (loss)/earnings per share (cents) - discontinuing operations	40.6							(34.1)

**Updated pro forma consolidated statement of profit and loss and comprehensive income for the six-months ended 31 December 2021
(continued)**

ZAR'000	Adjusted Pro Forma SOCI for the period ended 31 Dec 2021	Austell Pharma Disposal					Transaction expenses not specifically allocated to a particular transaction	Pro-Forma SOCI after the Austell Pharma Disposal
		Deconsolidation of Pharma	Reversal of Group Consol entries	Disposal consideration	Transaction fees	MIP		
Notes	8	9	10	11	12	13	14	15
STATEMENT OF PROFIT AND LOSS								
Revenue	298 382							298 382
Cost of sales	(175 955)							(175 955)
Gross Profit	122 427	-	-	-	-	-	-	122 427
Other income	3 605							3 605
Selling and distribution costs	(24 394)							(24 394)
Administrative expenses	(112 498)							(112 498)
Net impairment loss on financial assets	(5)							(5)
Other operating expenses	(23 052)					(12 511)	(2 470)	(38 033)
Once off costs	(62 767)				(7 780)		(11 658)	(82 205)
Net impairment loss on assets	-							-
Operating profit/(loss)	(96 684)	-	-	-	(7 780)	(12 511)	(14 128)	(131 103)
Finance income	2 234							2 234
Finance costs	(28 713)			19 289				(9 424)
Profit/(loss) before taxation	(123 163)	-	-	19 289	(7 780)	(12 511)	(14 128)	(138 293)
(Tax expense) / credit	(108 925)			(5 401)	-	3 503	692	(110 131)
(Loss)/profit from continuing operations	(232 087)	-	-	13 888	(7 780)	(9 008)	(13 436)	(248 424)
Profit/(loss) from discontinuing operations	387 461							695 280
Profit (loss) from historical discontinued operations	623 622			330 290				953 912
(Loss)/profit from new discontinued operations	(236 161)	(14 040)	(8 431)					(258 632)
(Loss)/profit for the period	155 373	(14 040)	(8 431)	13 888	(7 780)	(9 008)	(13 436)	446 856
(Loss)/profit attributable to:								
Owners of the parent	154 427							445 910
Continuing operations	(233 033)							(249 370)
Discontinued operations	387 461							695 280
Non-controlling interest	946							946
	155 373							446 856
STATEMENT OF COMPREHENSIVE INCOME								
Other comprehensive income:								

ZAR'000	Adjusted Pro Forma SOCI for the period ended 31 Dec 2021	Austell Pharma Disposal					Transaction expenses not specifically allocated to a particular transaction	Pro-Forma SOCIs after the Austell Pharma Disposal
		Deconsolidation of Pharma	Reversal of Group Consol entries	Disposal consideration	Transaction fees	MIP		
Notes	8	9	10	11	12	13	14	15
Other comprehensive income items that are or may be reclassified to profit and loss								
Foreign currency translation reserve	(295 146)							(295 146)
Non-controlling interest relating to items that may be reclassified	-							-
Revaluation of property, plant and equipment	-							-
Income tax relating to items that will not be reclassified	-							-
Other comprehensive income/(loss) for the period net of tax	(295 146)	-	-	-	-	-	-	(295 146)
Total comprehensive (loss)/income for the year	(139 773)	(14 040)	(8 431)	13 888	(7 780)	(9 008)	(13 436)	151 710
Total comprehensive loss attributable to:								
Owners of the parent	(140 719)							150 764
Continuing operations	(528 179)							(544 516)
Discontinued operations	387 461							695 280
Non-controlling interest	946							946
	(139 773)							151 710
Profit/(loss) for the year	154 427							445 910
Headline earnings reconciliation - continuing obligations								
Net (profit)/loss on the sale of property, plant and equipment	(204)							(204)
Tax effect	57							57
(Profit)/loss on disposal of subsidiary	51							51
Tax effect	(18)							(18)
Impairment of investment	(60 191)							(60 191)
Headline earnings reconciliation - discontinuing obligations								
Net (profit)/loss on the sale of property, plant and equipment	(207)							(207)
Tax effect	-							-
(Profit)/loss on disposal of subsidiary	(836 877)			(330 290)				(1 167 168)
Tax effect	4 514			-				4 514
Goodwill, intangible assets and tangible assets impairment	256 626							256 626

ZAR'000	Adjusted Pro Forma SOCI for the period ended 31 Dec 2021	Austell Pharma Disposal					Transaction expenses not specifically allocated to a particular transaction	Pro-Forma SOCIs after the Austell Pharma Disposal
		Deconsolidation of Pharma	Reversal of Group Consol entries	Disposal consideration	Transaction fees	MIP		
Notes	8	9	10	11	12	13	14	15
Tax effect	(24 314)							(24 314)
Total Headline earnings	(506 136)	-	-	(330 290)	-	-	-	(544 943)
Weighted average Shares In Issue (000's)	624 494							624 494
Basic and diluted (loss)/earnings per share (cents) - total	24.7							71.4
Basic and diluted (loss)/earnings per share (cents) - continuing operations	(37.3)							(39.9)
Basic and diluted (loss)/earnings per share (cents) - discontinuing operations	62.0							111.3
Basic and diluted headline (loss)/earnings per share (cents) - total	(81.0)							(87.3)
Basic and diluted headline (loss)/earnings per share (cents) - continuing operations	(47.0)							(49.6)
Basic and diluted headline (loss)/earnings per share (cents) - discontinuing operations	(34.1)							(37.7)

Notes and assumptions

1. Extracted, without adjustment, from the unaudited condensed consolidated financial statements of Ascendis Health for the six-months ended 31 December 2021.

Columns 2 – 8: Illustrating the impact of the Group Recapitalisation Transaction, the Skin Disposal, and the Rights Offer as post balance sheet adjustments

2. Illustrates the reversal of the finance costs and related tax expense incurred before the Group Recapitalisation Transaction associated with the entities disposed of as part of the Group Recapitalisation Transaction on the assumption that the Group Recapitalisation Transaction was effective on 1 July 2021, amounting to an adjustment of R366.37 million. This is netted off against finance costs and related tax expense incurred on the Austell Facility for the six month period to 31 December 2021 in accordance with the terms of the Austell Loan Agreement on the assumption that the Austell Loan Agreement came into effect on 1 July 2021, amounting to R14.94 million.

Further, the operating profit associated with the entities disposed of as part of the Group Recapitalisation Transaction, net of the MIP and transaction costs, amounting to R381.26 million is reversed on the assumption that the Group Recapitalisation Transaction was effective on 1 July 2021. Additional transaction costs of R21.66 million relating to the Group Recapitalisation Transaction were also incurred, as depicted below:

	R'000
(Profit)/loss from discontinued operations	(381 256)
Additional transaction costs	(21 662)
	(402 919)

3. Illustrates the deconsolidation of the profit associated with Skin from discontinued operations, as extracted, without adjustment, from the unaudited condensed consolidated financial statements of Ascendis Health for the six-months ended 31 December 2021. Refer to note 4 of the Ascendis Health interim financial results for the period ended 31 December 2021 for the profit associated with Skin.
4. The once-off profit on the Skin Disposal and the impact of the application of the disposal consideration to reduce interest-bearing borrowings is set out below:
 - 4.1. The profit on the Skin Disposal has been determined using the difference between the disposal consideration of R101.92 million (refer to note 4 of the *pro forma* consolidated statement of financial position) and the net asset value of Skin at 31 December 2021 (refer to note 3 of the *pro forma* consolidated statement of financial position), resulting in a profit of R70.35 million.
 - 4.2. A reversal of the finance cost, which is expected to have an ongoing effect, has been determined based on the principal assumption that the settlement of the interest-bearing borrowings was effective 1 July 2021. The reversal of R5.74 million of finance costs associated with the part settlement of the Austell Facility (refer to note 4 of the *pro forma* consolidated statement of financial position) which incurred interest at the average rate of 11.26% per annum.
 - 4.3. A tax effect of R1.61 million, being a reversal of the tax benefit associated with the finance cost no longer incurred at the statutory rate of 28% (which will have a continuing effect).
 - 4.4. No capital gain or other expense is expected on the Skin Disposal.
5. Once-off transaction costs of R1.41 million (including VAT) were incurred as a direct result of the Skin Disposal. The transaction costs are paid from internal cash reserves, and are not considered tax deductible.
6. Once-off MIP costs to be paid in cash directly as a result of implementation of the Skin Disposal, net of the associated tax impact at 28%.
7. A reversal of the finance cost, which is expected to have an ongoing effect, has been determined based on the principal assumption that the settlement of the interest-bearing borrowings was effective 1 July 2021. The reversal of R5.50 million of finance costs associated with the settlement of the Austell Facility (refer to note 7 of the *pro forma* consolidated statement of financial position) which incurred interest at the average rate of 11.26% per annum.

8. Illustrates the *pro forma* SOCI after the impact of the Group Recapitalisation Transaction, the Skin Disposal, and the Rights Offer.

Columns 9 – 15: Illustrating the impact of the Austell Pharma Disposal

9. Illustrates the deconsolidation of the profit associated with the Pharma Reporting Entity, extracted, from the reviewed condensed combined historical financial information of the Pharma Reporting Entity for the six-months ended 31 December 2021, incorporated by reference in terms of Part E, paragraph 28 of this Circular.
10. Consolidation adjustments comprise the reversal of consolidation and elimination entries relating to the consolidation of the Pharma Reporting Entity within the unaudited condensed consolidated financial statements of Ascendis Health for the six-months ended 31 December 2021.
11. The once-off profit on the Austell Pharma Disposal and the impact of the application of the disposal consideration to reduce interest-bearing borrowings is set out below:
 - 11.1. The profit on the Austell Pharma Disposal has been determined as the difference between the disposal consideration of R447.2 million (refer to note 11 of the *pro forma* consolidated statement of financial position) and net asset value of the Pharma Reporting Entity at 31 December 2021 (refer to notes 9 and 10 of the *pro forma* consolidated statement of financial position), resulting in a profit of R330.29 million.
 - 11.2. Reversal of the finance costs, which is expected to have a continuing effect, has been determined based on the principal assumption that the settlement of the interest-bearing borrowings was effective 1 July 2021. The reversal of R19.29 million finance costs associated with the settlement of the balance of the Austell Facility (refer to note 11 of the *pro forma* consolidated statement of financial position) which incurred interest at the average rate of 11.26% per annum.
 - 11.3. The excess cash will be used for working capital and investment capital expenditure and thus will not attract finance income.
 - 11.4. A tax effect of R5.40 million, being the reversal of the tax benefit associated with the finance cost no longer incurred (which will have a continuing effect).
 - 11.5. No capital gain or other expense is expected on the Austell Pharma Disposal.
12. Once-off transaction costs of R7.78 million (including VAT) are expected to be incurred as a direct result of the Austell Pharma Disposal. The transaction costs will be paid from internal cash reserves and are not considered tax deductible.
13. Once-off MIP costs to be paid in cash directly as a result of implementation of the Austell Pharma Disposal, net of the associated tax impact at 28%.
14. Additional once-off transaction costs of R11.66 million (including VAT) are expected to be incurred that are not directly attributable to a particular transaction. The transaction costs will be paid from internal cash reserves and are not considered tax deductible.

In addition, once-off awards of R2.4m are to be paid in cash directly as a result of the implementation of the Austell Pharma Disposal, net of the associated tax impact at 28%.

15. Illustrates the *pro forma* SOCI after the impact of the Group Recapitalisation Transaction, the Skin Disposal, and the Rights Offer and the Austell Pharma Disposal.

Save for the transaction and MIP costs, the profit on sale of Skin, the profit on sale from the Group Recapitalisation Transaction, and the profit on sale of the Pharma Reporting Entity, all adjustments are expected to have a continuing effect.

Should Shareholders not approve the Austell Pharma Disposal and Ascendis Health fails to execute a sale agreement for the disposal of Pharma to Austell within two business days thereafter or certain milestone dates are

not met, default interest would become applicable as set out in paragraph 17.4 of Part E of the Circular. This would result in an additional R5.44 million *pro forma* interest charge before tax for the 6-month period ended 31 December 2021, resulting in an additional adjustment to the *pro forma* adjusted EPS and HEPS as set out below:

Cents per share	
Basic and diluted EPS (*)	(0.01)
Basic and diluted HEPS (*)	(0.01)

* Calculated as the default interest over the weighted average number of shares in issue for the interim period ended 31 December 2021 plus shares issued through the Rights Offer.

No default interest will become applicable should the Pharma-Q/Imperial Pharma Disposal not be approved by Shareholders and Ascendis Health concludes an agreement in respect of the Austell Pharma Disposal.

ANNEXURE 6: REISSUED INDEPENDENT REPORTING ACCOUNTANT'S REPORTS ON THE *PRO FORMA* FINANCIAL INFORMATION FOR THE PHARMA-Q/IMPERIAL PHARMA DISPOSAL AND THE AUSTELL PHARMA DISPOSAL

Report on the Assurance Engagement on the Compilation of Consolidated Pro Forma Financial Information included in a Circular

To the Directors of Ascendis Health Limited

1 Carey Street
Wynberg
Sandton
2090

We have completed our assurance engagement to report on the compilation of the updated consolidated pro forma financial information of Ascendis Health Limited ("Ascendis", the "Company", or "you") by the directors. On 13 September 2022, the Company issued a Circular to announce the following

- the disposal of the entire issued share capital of Medicine Developers International Proprietary Limited, Pharmachem Pharmaceuticals Proprietary Limited, Alliance Pharma Proprietary Limited and Ascendis Pharma Proprietary Limited ("Pharma") to:
 - an unincorporated joint venture between Pharma-Q Proprietary Limited and Imperial Logistics Limited (the "Pharma-Q Pharma Disposal"); or
 - Austell Pharmaceuticals Proprietary Limited ("Austell") (the "Austell Pharma Disposal")

(the "Proposed Transaction").

The updated pro forma financial information consists of the updated pro forma financial effects, the updated consolidated pro forma statement of financial position as at 31 December 2021, the updated consolidated pro forma statement of profit or loss and other comprehensive income for the six months ended 31 December 2021 and the related notes. This updated pro forma financial information replaces the previously issued pro forma financial information included in Annexure 4 and 5 of the Circular issued on 13 September 2022 and is included in the document titled "Ascendis Health Limited Updated Pro Forma Financial Information in Respect of the Disposal of Pharma" (the "Update").

The applicable criteria on the basis of which the directors have compiled the pro forma financial information are specified in the JSE Limited ("JSE") Listings Requirements and described in Annexure 4 and 5 of the Update.

The updated pro forma financial information has been compiled by the directors to illustrate the impact of the Proposed Transaction. As part of this process, information about the Company's financial position and financial performance has been extracted by the directors from the Company's financial statements for the period ended 31 December 2021, which is unaudited.

Directors' responsibility

The directors of the Company are responsible for compiling the pro forma financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in Annexure 4 and 5 of the Update.

Our independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Professional Conduct for Registered Auditors*, issued by the Independent Regulatory Board for Auditors' (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics

Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

The firm applies International Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountant's responsibility

Our responsibility is to express an opinion about whether the updated pro forma financial information has been compiled, in all material respects, by the directors on the basis of the applicable criteria specified in the JSE Listings Requirements and described in Annexure 4 and 5 of the Update based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the pro forma financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the company as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the pro forma financial information. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the updated pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in Annexure 4 and 5 of the Update.

Emphasis of Matter - reissue of pro forma financial information

We draw attention to Annexure 4 and 5 to the Update which indicates that the previously issued pro forma financial information for the year ended 31 December 2021, on which we issued a reporting accountant's report dated 05 September 2021, have been revised and reissued. As explained in Annexure 4 and 5 to the Update, this is to reflect the effects of the correction of the allocation of headline earning per share between continued and discontinued operations. Our opinion is not modified in respect of this matter.

PricewaterhouseCoopers Inc.
Director: Nqaba Ndiweni
Registered Auditor
Johannesburg, South Africa
27 September 2022