



REVIEWED CONDENSED
FINANCIAL STATEMENTS

CONSOLIDATED

For the year ended 30 June 2024

Introduction

Ascendis Health Limited presents its reviewed condensed consolidated financial statements for the year ended 30 June 2024. Ascendis Health Limited (“Ascendis”) is an investment holding company that is listed on the JSE. Ascendis and its subsidiaries (“the Group”) focuses on investing in the broader healthcare sector in Southern Africa. The Group’s investments span businesses and brands supplying health and wellness products, as well as the distribution of medical devices.

Financial Review:

For the 2024 financial year, the Group reported an operating profit of R46.4 million. This shift to profitability is a testament to the successful execution of various initiatives focused on reducing non-critical costs, stabilising operations, and driving optimisation through streamlined commercial and sales functions.

However, the Group faced a challenging operating environment, resulting in a 4.1% reduction in revenue compared to the previous period. This decline was primarily driven by a 14.8% reduction in revenue from The Scientific Group, a 10% reduction in revenue from The Compounding Pharmacy and the challenges encountered by Surgical Innovations during its business rescue process.

Cost Savings

Cost control remained a focal point for Ascendis in 2024, with significant reductions across various expense categories.

Despite the challenging revenue environment, Ascendis was able to improve slightly on its gross profit margin of 39.8%, up from 39.4% in the prior year. This improvement reflects the Group’s ongoing efforts to mitigate cost inflation pressures, particularly within its medical devices segment, through focussing on logistic costs, sales mix and strategic supplier partnerships.

Balance Sheet and Cash Flow

The Group’s balance sheet remains robust, with tangible net asset value growing by 15.8% to R571 million (R493 million in the prior year). This growth is primarily attributed to the reacquisition of control of Surgical Innovations on the 29 September 2023. Despite the once-off improvement in net asset value, several underlying portfolio companies presently remain unable to generate an acceptable return on their assets.

From a liquidity perspective, cash generation remains a key focus area of management with the cash position of the group worsening during the year despite having no external debt obligations. The Group cash flow was impacted by several factors, including the decline in revenue, an increase in net working capital following the acquisition of new agencies and significant delays in the receipt of payments from government hospitals, as well as once-off cash costs related to the proposed delisting transaction. At year-end, the Group had no long-term borrowings and maintained a positive cash balance with access to working capital facilities.

Restructuring

During the year under review, the restructuring and business rescue of Surgical Innovations was successfully finalised, leading to material annualised savings in rental expense as well as once off savings in historic interest and penalties imposed by SARS. Whilst the business still faces structural headwinds – management is confident that it is better placed to navigate these challenges going forward.

Management has also finalised the closure of the Group’s nutraceutical manufacturing business, Ascendis Supply Chain, and is currently evaluating its options in respect of the remaining property and assets within the business.

Delisting

Despite receiving overwhelming support from shareholders at the special general meeting held on 23 April 2024, the proposed delisting transaction lapsed on 20 July 2024 following an extended period of frustrating actions from a small group of minority shareholders. Despite exhausting all avenues, including an urgent court order against the Takeover Regulation Panel (which was found to have acted in a procedurally unfair manner), the offering consortium and Ascendis ultimately lost faith that the transaction would be imminently concluded.

Unfortunately, the delisting process was mired by procedural technicalities, overregulation and a lack of general pragmatism despite the overwhelmingly clear desire of the Group's shareholders. It once again highlights that Ascendis' current position as a listed micro-cap is neither investor friendly nor conducive to doing business. This outcome is disappointing for the Group and the vast majority of shareholders, given the material anticipated benefits of operating as a delisted entity together with the prospects of a near term liquidity event for exiting shareholders.

In light of this outcome, it is likely that the Group will need to reinstate certain structures and re-incur costs that had been cut in anticipation of the delisting, to the detriment of all shareholders. These measures are necessary to ensure continued compliance with the listing requirements of the JSE Limited ("JSE Listing Requirements") and to effectively execute the Group's strategy. Management and the board remain committed to exploring opportunities that will unlock value for shareholders, encouraged by the support received from key shareholders during this process.

Outlook

Ascendis' historic challenges have been addressed through immense and concerted efforts on the part of the various subsidiary management teams working together with Group management and the transition team (ACN Capital team) over the past few years. These efforts have positioned the individual businesses and the Group as a whole to capitalise on future growth and investment opportunities.

The Group will also continue to invest in its growing businesses where it is value-accretive and it is considering select acquisition opportunities in line with its strategy. Maintaining a conservative capital structure remains a priority, and the board may consider raising additional equity from shareholders to capitalise on emerging opportunities in the near term.

Bharti Harie
Independent non-executive chairman

Carl Neethling
Chief executive officer

Johannesburg
03 September 2024

Accounting policies

for the year ended 30 June 2024

Corporate information

Ascendis is a health and wellness investment holding company listed in the healthcare sector of the JSE. The group mainly focuses on supplying health and wellness products, as well as clinical and diagnostic medical devices. Ascendis holds controlling investments in a diverse portfolio of wellness and consumer brands, and medical device distribution businesses, listed below by segment:

Medical Devices which consists of:

- Surgical Innovations
- The Scientific Group
- Ortho-Xact
- InterV-Med
- Cardio-Tech (Cardaxes)

Consumer Brands:

- Ascendis Consumer Brands
- Chempure
- The Compounding Pharmacy of South Africa

Ascendis is incorporated and domiciled in South Africa. Ascendis has a primary listing on the JSE Stock Exchange and a secondary listing on the A2X Exchange. Ascendis is the ultimate parent company of the Group.

Basis of preparation

The Group reviewed condensed consolidated financial statements as at 30 June 2024 comprise of the Company and its subsidiaries (together referred to as the "Group").

The Group reviewed condensed consolidated financial statements have been prepared in accordance with the requirements of the JSE Listings Requirements, and the requirements of the Companies Act of South Africa (No 71 of 2008). The JSE Listings Requirements require annual financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of the International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"), the Financial Pronouncements as issued by the Financial Reporting Standards Council and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, as well as the IAS 34: Interim Financial Reporting.

The Group reviewed condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments and land and buildings that have been measured at fair value, where applicable, and assets held for sale that are measured at the lower of carrying amount and fair value less cost to sell.

The Group reviewed condensed consolidated financial statements are presented in South African Rand and all values are rounded to the nearest thousand (R'000), except where otherwise indicated.

Accounting policies

for the year ended 30 June 2024

Principal accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below and in the related notes to the Group reviewed condensed annual financial statements. The principal accounting policies are consistent with those applied in the prior year except for the mandatory adoption of amendments to IFRS effective 1 January 2023. The impact on the Group's financial reviewed condensed results, disclosures or comparative information as a result of these amendments is not significant.

Consolidation of subsidiaries

Consolidation of a subsidiary begins when the Group obtains control (acquisition date) over the subsidiary and ceases when the Group loses control (disposal date) over the subsidiary. The Group controls an entity when it is exposed or has rights to the variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether control exists, the Group considers all existing substantive rights that result in the current ability to direct relevant activities.

All intercompany transactions, balances and unrealised gains and losses on transactions between the Group companies are eliminated on consolidation.

The financial results of the subsidiaries, including those with a different reporting period, are prepared for the same reporting period as the Group, using consistent accounting policies. Accounting policies of subsidiaries have been changed, where necessary, to align any differences in the accounting policies with those of the Group.

Non-controlling shareholders are treated as equity participants, therefore all acquisitions of non-controlling interest or disposals by the Group of its interest in subsidiaries, where control is maintained subsequent to the disposal, are accounted for as equity transactions. Consequently, the difference between the fair value of the consideration transferred and the carrying amount of non-controlling interest purchased or disposed of, is recorded in equity.

Total comprehensive income is attributed to non-controlling interest even if this results in the non-controlling interests having a deficit balance.

Management estimates

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that may affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances. This forms the basis of making the judgements on the carrying values of assets or liabilities that are not otherwise readily apparent. Actual results may differ from these estimates. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period or in the period of the revision and future periods if the revision affects both current and future periods.

Auditors' review opinion

for the year ended 30 June 2024

These condensed consolidated financial statements for the year ended 30 June 2024 have been reviewed by Nexia SAB&T, who have expressed an unmodified review conclusion.

The review was performed in accordance with ISRE 2410 'Review of Financial Information Performed by the Independent Auditor of the Entity'.

The auditors' review report does not necessarily report on all of the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of the auditors' review report together with the accompanying financial information from the Company's registered office.

Group statement of financial position

at 30 June 2024

		Reviewed for twelve months ended 30 June 2024 R'000	Audited for twelve months ended 30 June 2023 R'000
	Note		
ASSETS			
Property, plant and equipment		196 617	119 507
Right-of-use assets		43 534	17 548
Intangible assets and goodwill		9 171	37 587
Other financial assets		730	4 132
Deferred tax assets		44 289	44 031
Non-current assets		294 341	222 805
Inventories		396 893	365 938
Trade and other receivables		321 511	269 232
Other financial assets		2 712	1 847
Current tax receivable		4 729	5 224
Derivative financial assets		-	872
Cash and cash equivalents		42 664	102 231
		768 509	745 344
Assets classified as held for sale	1	-	2 562
Current assets		768 509	747 906
Total assets		1 062 850	970 711
EQUITY			
Stated capital		6 156 825	6 156 825
Reserves		(16 546)	(16 472)
Accumulated loss		(5 522 009)	(5 577 456)
Total equity		618 270	562 897
LIABILITIES			
Borrowings and other financial liabilities		-	3 431
Deferred tax liabilities		891	8 099
Lease liabilities		33 441	15 875
Derivative financial liabilities		1 376	-
Non-current liabilities		35 708	27 405
Trade and other payables		364 357	313 841
Borrowings and other financial liabilities		-	26 376
Provisions		13 509	10 635
Contract liabilities		11 490	16 638
Lease liabilities		15 881	4 855
Derivative financial liabilities		545	-
Current tax payable		3 090	8 064
Current liabilities		408 872	380 409
Total liabilities		444 580	407 814
Total equity and liabilities		1 062 850	970 711

Group statement of profit or loss

for the year ended 30 June 2024

	Notes	Reviewed for twelve months ended 30 June 2024 R'000	Audited for twelve months ended 30 June 2023 R'000
Continuing operations			
Revenue	4	1 472 044	1 535 437
Cost of sales		(886 864)	(930 906)
Gross profit		585 180	604 531
Other income ⁽¹⁾	5	100 413	86 329
Selling and distribution costs	5	(88 799)	(102 770)
Administrative expenses	5	(361 223)	(474 122)
Net impairment loss on financial assets	5	(11 491)	(3 232)
Other operating expenses	5	(131 322)	(173 083)
Transaction and restructuring related costs	5	(17 445)	(34 848)
Net impairment loss on assets	5	(28 924)	(128 813)
Operating profit/(loss)		46 389	(226 008)
Finance income		6 459	9 519
Finance costs		(12 479)	(68 118)
Profit/(loss) before taxation		40 369	(284 607)
Tax income/(expense)		1 201	(1 635)
Profit/(loss) from continuing operations		41 570	(286 242)
Profit from discontinued operations	1	15 720	361 564
Profit for the period		57 290	75 322
Profit attributable to:			
Owners of the parent		57 290	75 322
Continuing operations		41 570	(286 242)
Discontinued operations		15 720	361 564
		57 290	75 322
Profit/(loss) per share from continuing operations			
Basic and diluted profit/(loss) per share (cents)	6	6.6	(47.2)
Total profit per share			
Basic and diluted profit per share (cents)	6	9.2	12.4

1) Other income includes the gain of R85.1m related to the re-acquisition of Surgical Innovations.

Group statement of comprehensive income for the year ended 30 June 2024

	Reviewed for twelve months ended 30 June 2024 R'000	Audited for twelve months ended 30 June 2023 R'000
Profit for the period	57 290	75 322
Other comprehensive income:		
Items that may be reclassified to profit and loss net of tax		
Foreign currency translation reserve	(75)	3 288
Revaluation of property, plant and equipment	-	(23 683)
Income tax relating to items that will not be reclassified	-	4 637
Other comprehensive loss for the period net of tax	(75)	(15 758)
Total comprehensive profit for the period	57 215	59 564
Total comprehensive loss attributable to:		
Owners of the parent	57 215	59 564
Continuing operations	41 495	(302 000)
Discontinued operations	15 720	361 564
	57 215	59 564

Group statement of changes in equity

for the year ended 30 June 2024

R'000	Stated capital	Foreign currency translation reserve	Revaluation reserve ⁽¹⁾	Other reserves	Retained income/ (Accumulated loss)	Total attributable to equity holders of the group	Total equity
Balance as at 1 July 2022	6 036 471	(1 058)	19 046	(18 702)	(5 633 954)	401 803	401 803
Profit for the period	-	-	-	-	75 322	75 322	75 322
Other comprehensive loss	-	3 288	(19 046)	-	-	(15 758)	(15 758)
Total comprehensive (loss)/income for the period	-	3 288	(19 046)	-	75 322	59 564	59 564
Proceeds from rights offer ⁽¹⁾	101 530	-	-	-	-	101 530	101 530
Release of treasury shares ⁽²⁾	18 824	-	-	-	(18 824)	-	-
Total contributions by and distributions to owners of the group recognised directly in equity	120 354	-	-	-	(18 824)	101 530	101 530
Balance as at 30 June 2023	6 156 825	2 230	-	(18 702)	(5 577 456)	562 897	562 897
Profit for the period	-	-	-	-	57 290	57 290	57 290
Other comprehensive income/(loss)	-	(75)	-	-	-	(75)	(75)
Total comprehensive income/(loss) for the period	-	(75)	-	-	57 290	57 215	57 215
Total contributions by and distributions to owners of the group recognised directly in equity	-	-	-	-	-	-	-
Balance as at 30 June 2024	6 156 825	2 155	-	(18 702)	(5 520 166)	620 112	620 112

⁽¹⁾ On 19 August 2022, the Rights Offer was concluded resulting in the group raising R101.53 million.

⁽²⁾ Treasury shares to the value of R18.8 million were released to equity in the prior year.

Group cash flow statement

for the year ended 30 June 2024

	Reviewed for twelve months ended 30 June 2024 R'000	Audited for twelve months ended 30 June 2023 R'000
Note		
Cash flows from operating activities		
Cash generated from /(utilised by) operations	9 558	(88 224)
Cash utilised by - discontinued operations	-	(8 873)
Interest income received	4 505	9 519
Interest paid	(11 660)	(40 196)
Income taxes paid	(7 379)	(12 613)
Net cash outflow from operating activities	(4 976)	(140 387)
Cash flows from investing activities		
Purchases of property, plant and equipment	(37 093)	(35 726)
Proceeds on the sale of property, plant and equipment	5 974	29 678
Purchases of intangibles assets	(8 707)	(123)
Proceeds on the sale of intangible assets	54	-
(Investment in)/Proceeds from disposal of other financial assets	(5 616)	49 692
Net cash inflow from investing activities - discontinued operations	21 928	432 203
Proceeds from disposal of subsidiaries - net of cash forfeited	21 928	432 203
Cash outflow from investing activities - discontinued operations	-	-
Net cash (outflow)/inflow from investing activities	(23 459)	475 724
Cash flows from financing activities		
Proceeds from issue of shares	-	101 530
Repayment of borrowings	(20 293)	(540 124)
Lease liabilities repaid	(10 840)	(11 797)
Net cash outflow from financing activities - discontinued operations	-	(137)
Net cash outflow from financing activities	(31 132)	(450 528)
Net decrease in cash and cash equivalents	(59 567)	(115 191)
Restricted cash balance at the beginning of the period	18 709	64 060
Other cash and cash equivalents balance at the beginning of the period	83 522	148 960
Cash and cash equivalents at beginning of period	102 231	213 020
Cash and cash equivalents at the beginning of the period - assets held for sale	-	4 402
Restricted cash balance at the end of the period	-	18 709
Cash and cash equivalents balance at the end of the period	42 664	83 522
Cash and cash equivalents at end of period	42 664	102 231

Notes to the group annual financial statements

for the year ended 30 June 2024

1. Discontinued operations and disposal of subsidiary

Disposal of manufacturing assets relating to the Supply Chain business

During the prior period, the Group commenced a process to wind down its Supply Chain business and the associated manufacturing capacity which has been successfully outsourced to a third party. Certain plant, machinery and equipment was successfully disposed of prior to 30 June 2023 whilst the remaining identified assets were disposed of in current financial period. These items were classified as held for sale in terms of IFRS 5 as at 30 June 2023. The Group still retains ownership of the building that was not classified as held for sale.

Discontinued operations for the period

R'000	Reviewed for twelve months ended 30 June 2024 R'000 Supply Chain	Audited for twelve months ended 30 June 2023 R'000 Pharma
Revenue	-	141 062
Expenses	-	(122 149)
Profit on sale of disposal group	15 720	350 184
Profit before tax	15 720	369 097
Tax expense	-	(7 533)
Profit after income tax expense of discontinued operations	15 720	361 564
Other comprehensive income	-	-
Total comprehensive income	15 720	361 564

Assets and liabilities classified as held for sale

The following assets and liabilities were classified as held for sale as at periods reported:

R'000	Reviewed for twelve months ended 30 June 2024 Supply chain R'000	Audited for twelve months ended 30 June 2023 Supply chain R'000
Property, plant and equipment	-	2 562
Assets held for sale	-	2 562
Net assets	-	2 562

Notes to the group annual financial statements for the year ended 30 June 2024

1. Discontinued operations and disposal of subsidiary (continued)

Disposal of subsidiaries

During the prior year, the Group sold its investment and interests in the Pharma business unit effective on 31 October 2022.

The carrying amount of assets and liabilities that were disposed were:

	Reviewed for twelve months ended 30 June 2024 R'000 Supply Chain	Audited for twelve months ended 30 June 2023 R'000 Pharma
Property, plant and equipment	2 562	462
Intangible assets and goodwill	-	51 243
Deferred tax assets	-	3 124
Current income tax receivable	-	205
Inventories	-	40 145
Trade and other receivables	-	67 694
Other financial assets	-	78
Cash and cash equivalents	-	2 621
Total assets	2 562	165 572
Trade and other payables	-	(60 281)
Provisions	-	(3 580)
Current income tax payable	-	(8 297)
Total liabilities	-	(72 158)
Carrying amount of net asset disposed	2 562	93 414
Total disposal consideration - cash	18 282	443 598
Gain on disposal	15 720	350 184
Net cash		
Cash received ⁽¹⁾	18 282	443 598
Less: Cash and cash equivalents balance of disposed subsidiaries	-	(2 621)
Net cash received on sale	18 282	440 977

⁽¹⁾ This amount was received in the 2023 financial period as a prepayment.

Notes to the group annual financial statements

for the year ended 30 June 2024

2. Reacquisition of control over subsidiary

Pursuant to a decision taken by the directors of Surgical Innovations Pty Ltd ("Surgical Innovations") to initiate business rescue proceedings during the prior financial year - the Group was required to recognise a deemed loss of control in terms of IFRS given that the Group no longer met the requirements for control over Surgical Innovations as at the 2023 financial year end.

In the period subsequent to year end, the business rescue plan was successfully approved by creditors and implemented by the Business Rescue Practitioner. A final distribution to creditors was settled on 29 September 2023 upon which Surgical Innovations successfully exited the business rescue process.

The Group accordingly reassumed control, in terms of IFRS, as from 29 September 2023 and has accordingly accounted for the reacquisition and consolidation of Surgical Innovations as from this date.

The total revenue generated by Surgical Innovations for the 3 months, before the deemed reacquisition, was R86.8million.

The carrying amount of assets and liabilities on the date when control was reassumed/lost over Surgical Innovations were:

	Reviewed for twelve months ended 30 June 2024 R'000 Surgical Innovations Reacquisition of control	Audited for twelve months ended 30 June 2023 R'000 Surgical Innovations Loss of control
Property, plant and equipment	89 720	33 203
Right-of-use assets	28 114	83 999
Current income tax receivable	1 413	5 213
Inventories	64 710	64 403
Trade and other receivables	48 822	67 586
Cash and cash equivalents	21 928	8 774
Total assets	254 707	263 178
Lease liabilities	(28 299)	(123 888)
Trade and other payables	(137 427)	(208 931)
Provisions	(3 783)	(3 716)
Total liabilities	(169 509)	(336 535)
Carrying amount of net asset reacquired/disposed ⁽¹⁾	85 198	(73 357)
Total consideration	-	-
Gain on reacquisition/disposal	85 198	73 357
Net cash		
Cash received	-	-
Less/Add: Cash and cash equivalents balance of subsidiary	21 928	(8 774)
Net cash received/disposed on purchase/sale	21 928	(8 774)

¹⁾ On successful conclusion of the business rescue process and payment of the final distribution to creditors (including SARS) - the remaining unutilised provision of R58m raised in respect of the SARS dispute within Surgical Innovations was released to the income statement, as well as the gain of R27.1m related to the re-acquisition of Surgical Innovations.

Notes to the group annual financial statements

for the year ended 30 June 2024

3. Group segmental analysis

	Reviewed for twelve months ended	Audited for twelve months ended
	30 June 2024 R'000	30 June 2023 R'000
Revenue split by segment		
Consumer Health	496 310	468 954
Pharma	-	141 062
Medical Devices	975 734	1 066 483
Less: Discontinued operations	-	(141 062)
Total revenue	1 472 044	1 535 437
Revenue by geographical location		
South Africa	1 472 044	1 676 499
Less: Discontinued operations	-	(141 062)
Total revenue	1 472 044	1 535 437

	2024 R'000	2023 R'000
Revenue by customer destination		
Africa	1 472 044	1 675 500
South Africa	1 365 584	1 585 394
Rest of Africa	106 460	90 106
Europe	-	941
Other	-	941
United Kingdom	-	58
Less: Discontinued operations	-	(141 062)
Total revenue	1 472 044	1 535 438

Notes to the group annual financial statements

for the year ended 30 June 2024

3.1 Group segmental analysis

Normalised EBITDA split by segment	Reviewed for twelve months ended 30 June 2024		Audited for twelve months ended 30 June 2023	
	R'000	%	R'000	%
Consumer Health	21 771	6%	(7 747)	-2%
Pharma	-	0%	33 875	24%
Medical Devices	69 071	27%	2 070	0%
Head office	(26 234)		(53 626)	
Less: Discontinued operations	-		(33 874)	24%
Total normalised EBITDA	64 607	18%	(59 302)	-4%

Reconciliation of normalised EBITDA to consolidated results	Notes	Reviewed for twelve months ended 30 June 2024	Audited for twelve months ended 30 June 2023
		R'000	R'000
Consolidated profit /(loss) before taxation from continuing		40 369	(284 607)
Finance income		(6 459)	(9 519)
Finance expense		12 479	68 118
Total impairment, amortisation and depreciation		85 971	205 215
EBITDA		132 360	(20 793)
Total transaction and restructuring related costs	5	17 445	34 848
Restructuring, disposal and retrenchment costs ⁽¹⁾	2	(85 198)	(73 357)
Total normalised EBITDA		64 607	(59 302)
Total normalised EBITDA attributable to the parent		64 607	(59 302)

⁽¹⁾ Refer to Note 2 for further details regarding the deemed disposal of Surgical Innovations.

Statement of financial position

Assets and liabilities split by segment	Reviewed for twelve months ended 30 June 2024		Audited for twelve months ended 30 June 2023	
	Assets R'000	Liabilities R'000	Assets R'000	Liabilities R'000
Consumer Health	261 930	(73 701)	323 017	(107 014)
Medical Devices	769 032	(321 762)	581 992	(229 423)
Head office	31 888	(49 117)	65 702	(71 377)
Total consolidated assets and (liabilities)	1 062 850	(444 580)	970 711	(407 814)

Notes to the group annual financial statements

for the year ended 30 June 2024

4. Revenue

Revenue	Reviewed for twelve months ended 30 June 2024 R'000	Audited for twelve months ended 30 June 2023 R'000
Revenue from contracts with customers		
Sale of goods - wholesale	1 313 896	1 311 057
Sale of equipment	53 122	108 097
Rendering of service	17 591	19 725
	1 384 609	1 438 879
Timing of revenue: revenue from contracts with customers		
Consumer Health		
Products transferred at a point in time	496 310	468 953
Medical		
Products transferred at a point in time	870 709	950 201
Services transferred over time	17 591	19 725
	1 384 609	1 438 879
Rental income - Medical segment ⁽¹⁾	87 435	96 558
Total revenue	1 472 044	1 535 437

⁽¹⁾ The group enters into operating lease arrangements where it places medical equipment at the customer for no cost and the customer is required to purchase the consumables from the group to be used exclusively with the capital equipment. The company recognises revenue from the use of equipment as operating lease income.

Notes to the group annual financial statements

for the year ended 30 June 2024

5. Other income and expenses by nature

Operating loss includes other income and expenses as detailed in this note.

Other income is recognised when the risks and rewards of ownership of the assets and services rendered is transferred to the counterparty. This includes any income relating to profit on disposal of property, plant and equipment, intangible assets and businesses as well as any foreign exchange gains, bad debt recoveries, tax refunds and services rendered.

	Reviewed for twelve months ended 30 June 2024 R'000	Audited for twelve months ended 30 June 2023 R'000
Other income		
Rental income ⁽¹⁾	240	732
Profit on the disposal of property, plant and equipment	-	9 399
Other income	14 975	2 841
Profit on reacquisition/loss of control over Surgical Innovations ⁽²⁾	85 198	73 357
	100 413	86 329

	Reviewed for twelve months ended 2024 R'000	Audited for twelve months ended 2023 R'000
Expenses by nature		
Administration costs	98 855	83 993
Advertising and promotions	55 697	51 763
Depreciation and amortisation	57 047	70 305
Distribution costs	35 424	38 578
Employee benefit expenses	269 432	323 948
Net impairment loss on financial assets	11 491	3 232
Foreign exchange loss	-	17 083
Travelling costs	11 999	13 098
SARS VAT dispute	-	53 046
Loss on the disposal of property, plant and equipment	639	-
Other expenses	18 831	52 453
Selling costs	33 420	45 708
	592 835	753 207
Cost of goods sold	886 864	930 906
Selling and distribution costs	88 799	102 770
Administrative expenses	361 223	474 122
Net impairment loss on financial assets	11 491	3 232
Other operating expenses	131 322	173 083
Operating expenses	592 835	753 207
Transaction and restructuring related costs ⁽³⁾	17 445	34 848
Net impairment loss on assets	28 924	128 813
	46 369	163 661

⁽¹⁾ Rental income relates to other items that are being leased other than medical equipment as per Note 4.

⁽²⁾ Refer to Note 2 for further details regarding the deemed disposal (prior year) and reacquisition (current year) of Surgical Innovations.

⁽³⁾ Transaction and restructuring related costs relate to the debt restructuring, disposals and delisting processes.

Notes to the group annual financial statements

for the year ended 30 June 2024

6. Earnings per share

	30 June 2024 R'000			30 June 2023 R'000		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
(a) Basic profit/(loss) per share						
Profit/(Loss) attributable to owners of the parent	41 569	15 720	57 289	(286 242)	361 564	75 322
Profit/(Loss)	41 569	15 720	57 289	(286 242)	361 564	75 322
Weighted average number of ordinary shares in issue			626 045 476			606 241 387
Basic profit/(loss) per share (cents)	6.6	2.5	9.2	(47.2)	59.6	12.4
(b) Headline earnings/(loss) per share						
Profit/(loss) attributable to owners of the parent	41 569	15 720	57 289	(286 242)	361 564	75 322
<i>Adjusted for:</i>						
Net loss/(profit) on the sale of property, plant and equipment	639	-	639	(9 172)	-	(9 172)
Tax effect	(173)	-	(173)	2 476	-	2 476
(Profit) on reacquisition or loss of control of subsidiary.	(85 198)	-	(85 198)	(73 357)	(350 184)	(423 541)
Tax effect	1 798	-	1 798	-	-	-
Goodwill, intangible asset and tangible asset impairment	28 924	-	28 924	128 812	-	128 812
Tax effect	-	-	-	(14 314)	-	(14 314)
(Profit)/loss on loss of control over subsidiary/disposal of investment asset	3 527	-	3 527	-	-	-
Impairment of loan	-	-	-	2	-	2
Headline earnings/(loss)	(8 914)	15 720	6 806	(251 795)	11 380	(240 415)
Weighted average number of shares in issue			626 045 476			606 241 387
Headline earnings/(loss) per share (cents)	(1.4)	2.5	1.1	(41.5)	1.9	(39.7)

Notes to the group annual financial statements

for the year ended 30 June 2024

7. Contingent liabilities

The Group applies judgement in assessing the potential outcome of uncertain legal and regulatory matters. The Group does not recognise contingent liabilities in the statement of financial position until events indicate that it is probable that an outflow of resources will take place and a reliable estimate can be made, at which time a provision is recognised.

The Group discloses contingent liabilities where material economic outflows are considered possible but not probable.

The Group is currently involved in three material disputes: (a) with a former advisor on a previous engagement; (b) with a shareholder of the Group concerning a loan that the shareholder alleges was guaranteed by Ascendis; and (c) with a service provider regarding certain services provided to the Group. The Group is in consultation with its legal counsel, assessing the potential outcome of these disputes on an ongoing basis. The Group does not foresee any material or significant exposure based on advice from legal representatives currently. As these disputes progress, management makes provision in respect of legal proceedings where appropriate.

8. Going concern

The group annual financial statements have been prepared on a going concern basis and the directors are satisfied that the group will continue its operations and meet its obligations for the foreseeable future. The Directors have evaluated the group's financial position, cash flow outlook, and available financing resources, considering various scenarios and potential risks. As of the statement of financial position date, the Directors believe that the Company's operational cash flows and available funding sources are sufficient to enable it to fulfill its commitments.

9. Events after reporting period

Transition to Investment Entity Reporting

In line with our decentralisation strategy to transition Ascendis from a conglomerate to a cost effective and decentralised investment holding company, Ascendis has undertaken extensive efforts to simplify its internal group and operating structure. This has included the elimination of shared services and centralised functions as well as instilling a culture of ownership and accountability within each business.

A key step as part of the transition to an investment holding company has been to appoint an investment manager to perform the investment management functions. ACN Capital IHC (Pty) Ltd (a related party), has been appointed as the investment manager of the Group ("Investment Manager") on an interim basis until the next annual general meeting at which point the appointment will be formalised. The total cost of the engagement does not exceed 0.25% of the total market capitalisation of Ascendis, immediately prior to the conclusion of the relevant agreement.

Going forward, the Group will receive strategic advice, financial support and management services from the Investment Manager, in order to maximise the investment return received by Ascendis shareholders from the underlying investees.

The Investment Manager will furthermore assume responsibility for directing capital allocation and will provide investment management and support services to shareholders of Ascendis under the supervision and guidance of the Board, with the ultimate objective being to invest; grow and unlock value in the form of investment income and capital appreciation of its underlying investees companies.

Notes to the group annual financial statements

for the year ended 30 June 2024

9. Events after reporting period (continued)

Accordingly, Ascendis will prospectively apply the investment entity exemption in terms of IFRS10.30 from 01 July 2024 and will measure its investments in its subsidiaries at fair value through profit or loss in accordance with IFRS 9. The board believes this change of the Ascendis' management and reporting structure will provide more relevant and valuable information to all stakeholders and will result in greater alignment with its strategy and objectives. It is further anticipated that this will simplify the Group's internal financial reporting structures and further reduce costs.

Administration

Country of Incorporation and domicile	South Africa
Registration number	2008/005856/06
Income tax number	9810/017/15/3
JSE and A2X share code	ASC
ISIN	ZAE000185005
Registered office	1 Carey Street Wynberg Gauteng 2191
Postal address	PostNet Suite #252 Private Bag X21 Bryanston 2021
Contact details	+27 (0)11 036 9600 info@ascendishealth.com www.ascendishealth.com
JSE sponsor	Valeo Capital Proprietary Limited
Auditors	Nexia SAB&T
Transfer secretaries	Computershare Investor Services Proprietary Limited Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196 Private Bag X9000, Saxonwold, 2132 Telephone: +27 (0)11 370 5000
Company secretary	Joseph Fine (B Soc Sci LLB) Joe.fine@ascendishealth.com
Directors	B Harie (Chairman)* Dr K Wellner* T De Bruyn~ HA Nolte* A Chetty* AC Neethling (CEO and acting CFO) <i>* Independent non-executive ~ Non-executive SL Mulaudzi retired at AGM on 30 November 2023 HA Nolte was appointed Non-executive Director on 19 March 2024 TJM Mbele was appointed Interim Chief Financial Officer on 30 July 2024</i>