Ascendis HEALTH

INTEGRATED ANNUAL REPORT

2024

CONTENTS

Our integrated report complies with the requirements of the South African Companies Act, 71 of 2008 ("Companies Act") and the JSE Listings Requirements (Ascendis is listed on the General Segment of the Main Board of the JSE Limited).

REVIEW OF 2024

Revenue from continuing operations ▼ R1 472 million (2023: R1 535m)	Gross profit ▲ 39.8% (2023: 39.4%)
Earnings per Share – Continuing operations 6.6 cents (Loss 2023: 47.2 cents)	Headline earnings per share – Continuing operations ▼ 9.2 cents (2023: 12.4 cents)
Operating profit R46.4 million (Loss 2023: 226.0 million)	Tangible net asset value ▲ 91 cents/share (2023: 81 cents)

INTRODUCING OUR REPORT

This integrated report is focused primarily on providing our shareholders and the broader investor community with insight into our business operations and strategic growth plans. We also recognise that several important stakeholder groups influence value creation in our business, including our lenders, customers, agencies and suppliers, bankers, regulators and employees.

Reporting scope and boundary

This integrated report covers the financial and non-financial performance of the continuing operations of Ascendis Health Limited and its subsidiaries ("Ascendis Health" or "Ascendis" or the "Group") for the financial year 1 July 2023 to 30 June 2024 ("FY24").

The financial reporting boundary covers the results of the South Africa-based businesses of Medical Devices and Consumer Health (refer to the Operational review on pages 19 to 23).

The audited annual consolidated financial statements for the year ended 30 June 2024 are available at www.ascendishealth.com. We continue to apply the principle of materiality in determining the content and disclosure in the report. The directors have identified material issues which could affect the group's ability to deliver its strategy and could have a material impact on the revenue and profitability of the Group (refer to material issues and risks on pages 6 and 7).

Reporting standards and compliance

Our integrated report complies with the requirements of the South African Companies Act, 71 of 2008 ("Companies Act") and the JSE Listings Requirements. Financial reporting complies with International Financial Reporting Standards (IFRS).

The Group has applied (or explained, as necessary) the principles of the King Report on Corporate Governance™ for South Africa, 2016 (King IV™) throughout the 2024 financial year and a schedule outlining the Group's application of King IV™ is available on our website at www.ascendishealth.com

The directors of Ascendis have confirmed that, to the best of their knowledge, Ascendis:

(i) complied with the provisions of the Companies Act, and

(ii) operated in accordance with its Memorandum of Incorporation, during the year under review.

Assurance

The integrated report has been reviewed by the board of directors ("board"), the audit and risk committee ("ARC"), executive management and the Group's corporate sponsor, but has not been independently assured.

The Group's independent auditor, Nexia SAB&T, has provided assurance on the annual financial statements and issued an unmodified audit opinion.

The non-financial and sustainability information disclosed in the report has been approved by the board's social, ethics and transformation committee. Accredited service providers have determined selected non-financial performance metrics, including market share data. Management has verified the processes for measuring all other non-financial information.

Forward-looking statements

Shareholders will note that the integrated report includes forward-looking statements which relate to the possible future financial position and results of the group's operations. These are not statements of fact but rather statements by management based on current estimates and expectations of future performance. No assurance can be provided that these forward-looking statements will prove to be correct, and shareholders are advised to exercise caution in this regard. The Group does not undertake to update or revise any of these forward-looking statements publicly, whether to reflect new information or future events. The forward-looking statements have not been reviewed or reported on by the Group's external auditor.

Board approval

The board has reviewed the integrated report and believes it fairly represents the Group's performance, material issues and risks, strategy and growth prospects. The ARC, which has oversight for the integrity of the integrated report, recommended the report for approval by the board, which subsequently approved the 2024 integrated report for release to stakeholders.

Bharti Harie
Independent Non-Executive Chairman

Carl Neethling
Chief Executive Officer

Lihle Mbele
Interim Chief Financial Officer

ABOUT US

ABOUT ASCENDIS HEALTH

INTRODUCING ASCENDIS HEALTH

Ascendis Health is a health and wellness investment holding company which markets and distributes a portfolio of leading brands, products and medical devices.

Established in 2008 and listed on the Johannesburg Stock Exchange ("JSE") main board in the healthcare sector (pharmaceuticals and biotechnology) since 2013, the Group has complemented its organic growth strategy by acquiring a diverse range of healthcare businesses, strong brands, agencies and dossiers.

The Company continues to operate in **two segments** through **eight operating companies:**

Consumer Health

(wellness, health supplements and speciality ingredients)

Consumer Health is one of the largest vitamin, mineral and supplement suppliers in South Africa, with brands such as Solal, Vitaforce, MenaCal7, Bettaway, Junglevite and being among the most established and recognised in their categories.

Consumer Health comprises three independently run consumer-focused businesses targeted at different segments of the value chain namely: Consumer Brands, Chempure, and Compounding Pharmacy.

(Refer to Operational review on pages 19 and 20)

Medical Devices

(distributor of medical devices, in vitro diagnostic products and orthopaedic equipment)

Medical Devices was previously composed of five distinct operating businesses: The Scientific Group, Surgical Innovations, Ortho-Xact, Cardio Tech (CardaXes) and InterV-Med. During 2024, Cardio Tech (CardaXes) and InterV-Med have been consolidated operationally in order to optimise common customer bases, requirements and product types. Medical Devices maintains long-standing relationships and holds exclusive distribution agreements with major multinational original equipment manufacturers. These partnerships allow Medical Devices to supply surgical, diagnostic and medical equipment that enhances patient outcomes in fields such as cardiovascular, acute care therapies and endoscopic solutions.

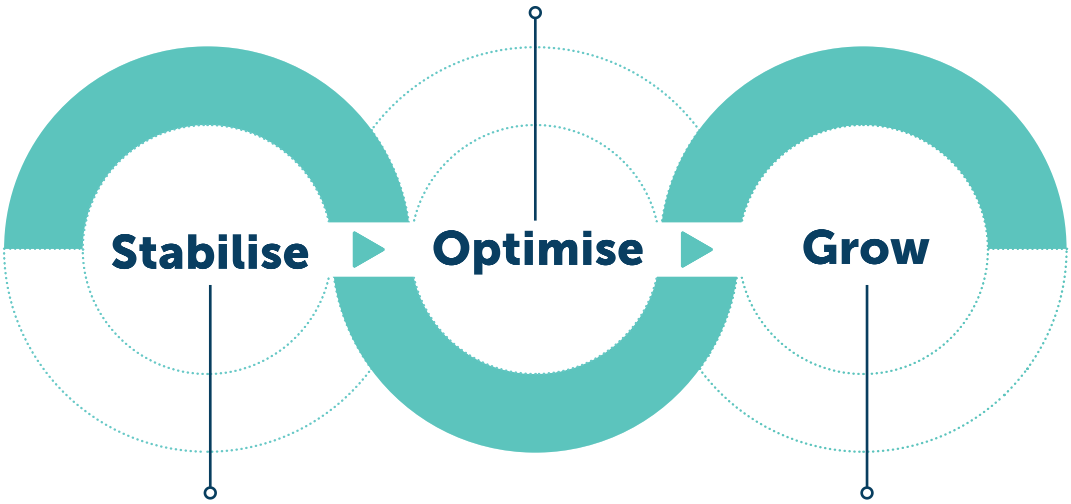
(Refer to Operational review on pages 21 to 23)

GROUP STRATEGY

Focused execution: stabilise, optimise and grow

Over the past 12 months, the senior management has implemented a three-pronged strategy aimed at steadying the Group, optimising its structure and processes and, ultimately, maximising growth and shareholder returns

- Transitioning to an investment holding company structure – improved capital allocation and portfolio management
- Decentralising head office functions, including treasury management
- Maintaining a culture of austerity and cost consciousness with significant cost reductions
- Implementing a sustainable group capital structure, including new working capital and ancillary banking facilities
- Deploying capital strategically in order to address the required legacy capital investment
- Optimising challenged business models after several years of liquidity constraints



- Enabling Group liquidity management
- Disposal/termination of non-performing agencies
- Allowing the Group to benefit from diversified revenue streams by retaining Medical Devices businesses
- Stabilising and enhancing governance structure within the Group through the transition team
- Consolidating and strengthening the Group's shareholder base
- Simplified internal group and operating structure

- Exploring alternative ways to maximise value for shareholders owing to cost and complexities of operating as a listed company, compounded by the lack of liquidity and operational flexibility
- Strategic acquisitions of value-accretive businesses that will contribute material growth
- Appointment of ACN Capital as investment manager
- Aligning management and shareholder incentives

MATERIAL ISSUES AND RISKS

Material issues which could impact positively or negatively on Ascendis Health's ability to deliver its strategy and on the revenue and profitability of the business, are considered and identified annually by the ARC, in consultation with executive management. The ARC then reports, and makes recommendations, on these issues to the board.

The board considers several internal and external factors in determining these material issues. These factors include the Group's strategy, trading and economic environments, competitor landscape, external opportunities and threats, legislation and regulation, and the needs, expectations and concerns of the group's primary stakeholders.

01 CURRENT GLOBAL ECONOMIC CRISIS AND IMPACT ON THE SA ECONOMY

Global economic and trading conditions could negatively impact revenue and profit growth.

Related risks

- Constrained consumer spending: Consumers are under pressure due to a high-interest rate climate, significant inflation, and an escalating cost of living
- The prevailing high inflationary environment in South Africa is intensifying cost pressures
- Increased pressure from medical aids amid a tough economic environment

Risk mitigation

- Assessing product offerings in Ascendis Consumer Brands and Medical Devices, and ensuring that we have market-aligned products, introducing promotions
- Taking advantage of strengthening Rand by fixing supply costs
- Focus on cost optimisation and reduction initiatives, especially with businesses undergoing Section 189 processes; taking a proactive approach to hiring and expense management
- Engaging with hospitals and proactively addressing price increases in order to limit margin compression

02 CASH FLOW, LIQUIDITY MANAGEMENT AND FUNDING

The sustainability of the business is dependent on efficient cash flow management and long-term liquidity.

Related risks

- Lack of liquidity to fund working capital requirements
- Delays in creditor payments
- Adverse creditor trading terms and limited supply of goods and services
- Trading under distressed financial conditions
- Delayed payments from public sector debtors

Risk mitigation

- Continuing corporate activities aimed at maintaining deleveraged Group
- Managing stock levels to reduce working capital fixed on Balance sheet
- Monitoring of forecasts and actual cash flows each week
- Significantly reducing transaction and restructuring-related costs as corporate activity has slowed
- Engaging with credit insurers to maintain and improve trade credit limits
- Optimising working capital and ancillary banking facilities
- Engaging public sector debt recovery specialist to assist with collecting public sector debtors

03 RETENTION OF KEY RESOURCES

Retaining key resources and ensuring leadership stability is critical to the delivery of the Group's strategy.

Related risks	Risk mitigation
• Experienced executives and skilled staff are in high demand both locally and internationally • Loss of key people and the challenge of retaining staff in the current climate of uncertainty and change within the Group • Instability among the leadership team could compromise the delivery of the Group's strategy • Incentive schemes are currently not attractive owing to below target performance	• Developing internal talent pipeline to address skills shortages • Establishing a list of essential personnel and implementing a succession plan to safeguard against turnover and the loss of institutional expertise • Assessing competitive remuneration packages for key staff • Formulating a short-term incentive plan to retain and incentivise key staff and executives • Communicating regularly with staff and aligning rewards, with heavier weighting towards segment performance • Implementing Personal Development Plans and incorporating blended learning programmes for all staff

04 PRODUCT INTEGRITY

As a healthcare business, it is paramount that our products are manufactured to the utmost standards, ensuring safety, customer satisfaction, and building trust in our brands.

Related risks	Risk mitigation
• Poor product quality could cause negative side-effects at the consumer or patient level • Customer claims from product failure could result in financial losses and reputational damage • Product recalls owing to poor standards would negatively impact trust in the brand as well as the profitability of the Group	• Outsourcing Consumer Health manufacturing function • Ensuring suppliers comply with international quality, health and safety standards, and ethical practices • Conducting regular site visits and audits of third-party supplier facilities • Ensuring adequate insurance cover for product recalls and possible product liability

STAKEHOLDER ENGAGEMENT

The Group defines its stakeholders as the people, groups or organisations directly impacted by its activities, as well as those whose activities could impact the Group. Management has a structured system of engagement in place to ensure that they provide timely, accurate and relevant information to stakeholder groups, and that interaction and communication with stakeholders is frequent and effective.

SHAREHOLDERS, INVESTORS AND LENDERS

Our largest stakeholders are strategic investors in South Africa and internationally. We enjoy a strong relationship with our primary lender, one of the large South Africa banks.

How Ascendis engaged

- Regular engagements with large shareholders
- Open door email and other access for all shareholders
- JSE SENS announcements, media releases and interim and annual results posted on the Ascendis website
- Ongoing engagement with lenders/bankers in respect of working capital and ancillary facilities
- Annual general meeting

What they require

- Transparency in disclosure
- Formulation and implementation of business recovery strategy and consistent value-creation initiatives
- Execution against strategy
- Positive financial results
- Appropriate management of capital expenditure, working capital and expenses
- Business stability and solvency
- Security over assets, ethical stewardship of investments and good corporate governance
- Fair executive remuneration and incentivisation
- Prioritisation of improving ESG credentials

What Ascendis delivered

- Release of voluntary and required SENS announcements and strategic press releases on key business developments and terms of material transactions
- Continued restructuring of the Group with improved accountability and transparency in line with decentralisation strategy and conversion to investment holding company reporting
- Demonstrable progress despite trading environment impact on operational performance
- Ongoing mitigation of funding and gearing risks
- A remuneration policy reflecting the group's cost-minimisation and value-creation objectives

CUSTOMERS

Ascendis has multiple customer channels including retail, pharmacies, hospitals, agents, distributors and state entities via tenders. Ascendis is a critical role player in healthcare transformation and products, equipment and consumables that improve patient outcomes and improve quality of life, while its business model impacts the cost of healthcare

How Ascendis engaged

- Engagements with pharmacy groups, suppliers, doctors, specialists and hospitals enable the business to partner to optimise patient and customers outcomes
- Engagements with main customers such as Dis-Chem, Clicks and other retail pharmacies to ensure continuity and supply of appropriate products to meet the changing consumer needs

What they require

- High-quality, affordable consumer health and medical products
- Supply of high-quality, safe and effective medical products through regulated channels
- Consistent, dependable and on-time supply of products

What Ascendis delivered

- Meeting demand for products and services in a tough trading environment
- Proactive innovation and adaptation to evolving trends, including the growing demand for holistic products and services catering to both physical and mental wellbeing
- Addressing the consumer's preference for premium quality products at competitive prices, while staying attuned to shifting trends

STAKEHOLDER ENGAGEMENT (CONTINUED)

AGENCIES

Providers of medical equipment and consumables with whom the Group has distribution agreements.

How Ascendis engaged

- Meetings (in-person and virtual)
- Conferences
- Performance audits
- Ongoing engagement to understand the research and development pipelines for the agencies

What they require

- Positioning of their brands as the preferred choice of hospitals, doctors, retail consumers and other stakeholders across the industry
- Protection of the goodwill of the business licensors' brands in South Africa
- Availability of technically competent staff who understand and can sell their equipment
- Achievement of target order quantities
- Capital investment to increase footprint and keep up with new technology

What Ascendis delivered

- Rationalising agencies by discontinuing sub-optimal relationships
- Concentrating on enhancing profitability with existing agency partnerships
- Prioritising the onboarding of new agencies that align with our objectives and are fit for purpose

SUPPLIERS

Providers of finished products, active pharmaceutical ingredients and raw materials, packaging and services.

How Ascendis engaged

- Procurement processes
- Consistent contact at service and management levels
- Audits of supplier production facilities
- Business rescue of Surgical Innovations

What they require

- Fair engagement terms and timely settlement
- A sustainable and mutually beneficial business partnership
- Ongoing reviews of service level performance against Ascendis' expectations

What Ascendis delivered

- Successful completion of Surgical Innovations' business rescue process, as a result of which supplier relationships have been strengthened
- Negotiation of extended payment terms in the short-term
- Development of B-BBEE suppliers in South Africa
- Engagement with credit insurers to restore supplier credit limits

REGULATORS

Department of Health and other government departments, regulatory bodies and local authorities in all jurisdictions.

As a company listed in South Africa, Ascendis Health is also regulated by the JSE.

How Ascendis engaged

- Site inspections by regulatory authorities
- Applications for authority to sell, price, market, and distribute medical products
- Participation in government programmes aimed at creating jobs and social upliftment

What they require

- Legal and regulatory compliance
- Business practices that ultimately make healthcare more affordable
- Positive or neutral social and environmental impact of operations
- Job creation
- Tax revenues
- Local investment

What Ascendis delivered

- Internal training on regulatory, compliance and governance developments
- Ongoing report submissions to various regulatory bodies in respect of the Group's compliance with selling, pricing, marketing, and distribution requirements

STAKEHOLDER ENGAGEMENT (CONTINUED)

EMPLOYEES

Ascendis management and staff who all play key roles in the execution of our strategy

Engagement issues, needs and expectations

- Direct engagements by supervisors and business management
- Internal communications
- Dedicated employee lifecycle management through the Human Capital Value chain

What they require

- Job security, skills development and career planning
- Equitable remuneration packages, performance incentives and benefit structures
- Gender equality, diversity and inclusivity
- Equitable policies, practices and procedures
- Employee health, safety and wellness
- Culture and values aligned to a strong Employee Value Proposition (EVP)

What Ascendis delivered

- Employee wellness programs and communication campaigns
- Regular updates and town hall meetings with staff, honest and transparent feedback
- Increased investment in skills programs, leadership development and Personal Development Plans incorporating blended learning techniques implemented for all staff
- Support and guidance provided to employees to guide staff through the Group transition and retrenchments in terms of Section 189A of the Labour Relations Act, 66 of 1995
- Implemented an effective performance management programme that drives productivity and purpose
- Implemented revised variable remuneration structures to increase retention, recognition, and alignment of management and key staff with the strategy.
- Implemented Employment Equity forums in each business to drive a culture of inclusivity.
- Review and implementation of policies to ensure fit for purpose policies
- Fit for purpose structure implementation to deliver on the strategy

LEADERSHIP REVIEW

LEADERSHIP REPORT

Introduction

FY24 has been a challenging year for Ascendis Health, characterised by the near completion of our efforts to stabilise and optimise our portfolio while seeking to delist from the JSE as a means to unlock value for shareholders.

The Group has made substantial progress in stabilising operations, with a marked reduction in operating costs as part of our optimisation efforts. However, we face ongoing challenges within several portfolio companies, particularly those struggling to generate sufficient returns on invested capital (ROIC) and positive cash flows.

This lack of adequate returns stems primarily from the history of irresponsible investment decisions and unsophisticated capital allocation processes that has been exacerbated by unsustainable cost structures and tempered growth in the areas where we operate in. Addressing these inefficiencies have become a priority for management, especially through comprehensive supply chain optimisation initiatives and a focus on our sales capabilities. Our goal is to ensure each business operates from a lean, robust platform that positions us for future growth.

As we shift focus to growth, Ascendis is intent on expanding sales while maintaining and enhancing margins. We have identified key areas for sales growth, including increasing market share through targeted marketing and sales efforts, as well as onboarding new agencies and pursuing selective acquisitions. To protect margins, we will continue refining our supply chain management and fostering closer relationships with strategic suppliers, but by also being mindful of the costs that are within our control.

Market Overview

Our portfolio companies have each been impacted by the general pressures facing the South African economy. With consumer confidence dampened by inflation, interest rates and job losses, we have had to navigate macroeconomic challenges that have had a notable impact on consumer behaviour, particularly in discretionary sectors such as health and wellness. Post-Covid, the demand for immunity-related products has waned, reflecting a shift in priorities as consumers face mounting financial pressures. In this context, the ability to adapt to changing consumer spending patterns will be crucial to sustaining growth in our portfolio companies. We are cautiously optimistic that a Government of National Unity and many months free of loadshedding will bring a positive change to the economy.

Despite these headwinds, the broader health and wellness market still holds promise. As consumers become more health-conscious in the long term, particularly around preventive care and wellness, Ascendis is well-positioned to capture this growing demand. Our brands in vitamins and supplements, such as Solal and MenaCal7, continue to be category leaders, with significant potential for further market penetration. Going forward, our strategic focus will shift toward a balance of consumer education and brand equity strengthening to ensure we capture the evolving market segments.

Our medical devices brands continue to deliver high quality in a sector that is under cost pressure. The sector continues to require increased cost of capital of investment, new product development and human capital headcount. Our medical devices companies have seen an increase in the overheads for agency requirements on technical services teams and product knowledge costs. The regulatory and compliance costs have also increased in preparation of the changes in regulatory requirements. This trend is not sustainable and we are looking at ways to address the market with an alternative approach.

Our Investments

Ascendis' investment philosophy remains rooted in identifying and nurturing growth opportunities within our existing portfolio while exploring new acquisitions that align with our broader strategy.

During FY24, we placed significant emphasis on consolidating the foundations of our portfolio businesses, with particular focus on those that exhibit high growth potential.

Unfortunately, many of management's plans for 2025 have been put on hold due to the failed delisting. The regulatory environment that allows small minorities to frustrate or even scupper value-accretive processes has caused us to go back to the drawing board on several matters. Although this is disappointing and frustrating, the team continues to look at smaller acquisitions and disposals that meet our return and strategic requirements.

In line with our ongoing transition from a conglomerate to a decentralised investment holding company, Ascendis has undertaken significant efforts to simplify its internal structure. A key step in this transformation has been the adoption of investment entity reporting, effective 1 July 2024, under IFRS 10.30. This allows us to measure our subsidiaries at fair value through profit or loss, aligning our financial reporting with the Group's strategic focus on optimising investment returns.

By applying the investment entity exemption, we aim to provide clearer, more relevant information to stakeholders and create greater alignment between our reporting and our operational strategy. This approach will also simplify the Group's internal financial reporting structures, reducing costs and streamlining decision-making processes.

Crucial to this shift has been the appointment of ACN Capital (Pty) Ltd as the interim investment manager of Ascendis Health. ACN Capital, a related party with a deep understanding of our portfolio and strategic vision, will be responsible for overseeing the investment management functions. Its role includes directing capital allocation, providing strategic guidance to subsidiary businesses and ensuring that value creation remains the core focus.

Restructuring

During FY24, Ascendis successfully executed several strategic restructuring initiatives aimed at streamlining operations, reducing costs and positioning the Group for sustainable growth. A key achievement was the business rescue of Surgical Innovations, which delivered significant annualised savings in rental expenses and reduced the Group's exposure to historic, incorrectly levied penalties and interest charges imposed by SARS.

The restructuring of Surgical Innovations allowed the business to emerge as a leaner and more focused entity, better equipped to navigate the structural challenges within the medical device industry. The decision to place the business into rescue proceedings was difficult but necessary to ensure the long-term viability of this important portfolio asset.

LEADERSHIP REPORT (CONTINUED)

In addition, management finalised the closure of the manufacturing facility of Ascendis Supply Chain, the Group's nutraceutical manufacturing business. The exit from this business was necessary to eliminate underperforming operations and release capital for higher-return ventures. While the closure of Ascendis Supply Chain led to once-off restructuring costs, it resulted in substantial long-term savings and a more focused business model going forward.

Shareholder Value Unlock

The failure of the proposed delisting in July 2024 was a significant disappointment for both the Group and the majority of shareholders. Despite the overwhelming support from key stakeholders at the April special general meeting, frustrating delays caused by minority shareholders derailed the process. The delisting was seen as an opportunity to operate with greater flexibility, free from the constraints of being publicly listed, and to achieve a liquidity event for shareholders seeking to exit.

In the absence of delisting, Ascendis will now refocus on operating effectively within the JSE listing requirements. This will require the reinstatement of structures and costs that had previously been streamlined in anticipation of delisting. While these measures may introduce short-term inefficiencies, they are necessary to ensure compliance until an alternative solution is found. The management and board remain committed to unlocking value for shareholders and will continue to explore alternative avenues, supported by the strong backing received during the delisting process.

Financial Review

Revenue

The Group reported a 4.1% decline in revenue during FY24, reflecting the challenges faced by some portfolio companies. This decline was largely driven by internal operational issues at The Scientific Group, compounded by external factors such as delayed payments from government hospitals and logistical challenges in the supply chain. However, some businesses, including CardaXes, InterV-Med, Chempure and ACB, saw modest growth due to new agency acquisitions and enhanced revenue models.

While the overall revenue picture is mixed, the varying performance across our portfolio underscores the importance of tailored strategies for each subsidiary. Our key takeaway is that while growth is achievable, it must be supported by efficient operations and a focused sales strategy to combat the current economic climate.

Cost Management

Group gross profit margins improved slightly to 39.8% despite the revenue decline, thanks to ongoing cost-saving measures. These improvements are a testament to the Group's continued focus on mitigating inflationary pressures, especially within the medical devices sector, by renegotiating supplier contracts and focusing on optimising logistics costs.

Our ongoing efforts to streamline operations led to a notable reduction in Head Office costs, positioning the Group on a more sustainable footing. This focus on operational efficiency will continue into FY25, where we anticipate further savings and margin improvements.

Balance Sheet and Cash Flow Challenges

Our balance sheet remains healthy, with tangible net asset value growing to R571 million, a 15.8% increase. This was primarily driven by the successful reacquisition of control of Surgical Innovations. However, the Group faces significant cash flow pressures, particularly due to increases in net working capital. These pressures have been exacerbated by delayed payments from public sector clients in one of the medical device businesses and the acquisition of new agencies.

The proposed delisting transaction incurred once-off costs that further contributed to negative cash flow generation during the year. Despite having no long-term borrowings, the Group's cash position remains under strain. Management has implemented strict cash flow monitoring and continues to explore additional financing options to address these challenges. At year-end, Ascendis maintained a positive cash balance and had access to working capital facilities to ensure operational liquidity.

Outlook

Looking ahead, Ascendis is well-positioned to capitalise on market trends that support long-term growth in the health and wellness sector. Our focus will remain on optimising our portfolio and building on the solid foundation laid in FY24. The strategic priorities for FY25 include:

- Expanding market share in high-growth sectors
- Maintaining and enhancing margins through supply chain optimisation and deeper supplier relationships
- Selective acquisitions that provide immediate synergies, strengthen market position and drive value creation for shareholders
- Continuing to position ourselves as a lean investment holding company, focusing on high-value, high-growth areas

Looking ahead, Ascendis will continue with various optimisation initiatives while exploring opportunities to unlock value for shareholders through divestments where Ascendis is no longer the best shareholder of a business. The Group will also continue to invest in its growing businesses where it is value-accretive and is considering select acquisition opportunities in line with its strategy. Maintaining a conservative capital structure remains a priority. The board may also consider raising additional equity from shareholders to capitalise on emerging opportunities in the near term

The board and management thank all staff for your support, patience and tenacity while we pivot Ascendis to a profitable and sustainable company going forward. We value your loyalty and hard work and look forward to emerging stronger in the coming years

Sincerely,

Carl Neethling
Chief Executive Officer

Bharti Harie
Independent Non-Executive Chairman

Lihle Mbele
Interim Chief Financial Officer

OPERATIONAL REVIEW

CONSUMER HEALTH

Revenue	Normalised EBITDA
R496 million (2023: R469 million)	R21.7 million (2023: R8 million loss)

Overview

Consumer Health comprises three independently run consumer-focused businesses targeted at different segments of the value chain:

- **Ascendis Consumer Brands:** Develops, markets and distributes branded vitamins, minerals, supplements and skin products
- **Chempure:** Imports and distributes speciality ingredients used in sports nutrition, food and beverages, health and wellness, as well as personal care industries
- **Compounding Pharmacy:** Speciality pharmacy which compounds personalised and speciality medications and wellness products, for patients and medical practitioners, from its premises in Bryanston, Gauteng. The facility includes a state-of-the-art Good Manufacturing Practice-compliant sterile laboratory

The Consumer Health division incorporates one of the largest vitamin, mineral and supplement (VMS) suppliers in South Africa, with market-leading brands Solal, Vitaforce, MenaCal7, Chela-range, Bettaway and Junglevites being among the most established and recognised in their categories. The division also represents globally reputable agencies, including DSM, Hilmar, Milk Specialities and Vitajoy.

CONSUMER HEALTH (CONTINUED)

Review of 2024 and outlook for 2025

Ascendis Supply Chain

As at 30 June 2024, the closure of the Supply Chain factory was concluded. The manufacturing services it previously supplied have been successfully outsourced to various third party manufacturers.

Ascendis Consumer Brands

The business continues to be impacted by changing consumer spending patterns due to macroeconomic pressures and the state of the economy. The market has recovered post the pandemic but has experienced a decline in the immunity-related products. As the consumer has been more health conscious, the business focused on relevant offerings.

The closure of the Supply Chain factory also had an impact on the Ascendis Consumer Brands business, as approximately 70% of the Consumer products were manufactured at the factory. As mentioned, the supply of these products has since been successfully transferred to a different GMP-approved third-party manufacturer.

From a personnel perspective, the business had a restructure to ensure that the team is fit for purpose. Focus has been on refining internal processes, better in-fill rates, relooking at relevant sales and marketing strategies. The focus for FY25 will be to maximise the value of the existing brands and products portfolio and to continue to monitor and manage procurement from new suppliers to ensure optimal in-fill rates. Additional sales and marketing focus will also be applied to remain competitive in what is still a challenging retail consumer market.

Compounding Pharmacy of South Africa (CPSA)

CPSA performed moderately in FY24 due to continued efficient inventory management and constant product portfolio innovation and improvement.

The Group is optimistic about the prospects of CPSA, driven by changing consumer behaviour and an increased focus on individual personalised healthcare post the pandemic.

CPSA is focused on growing its national footprint and further product development through innovation. In FY24 it introduced medical detailers to its team as part of its growth and marketing drive. In addition, marketing efforts will be focussing on consumer education primarily in the online and social media space.

Chempure

Over the past 30 years, Chempure has established itself as a trusted partner in the Active Nutrition, Health & Wellness, Food & Beverage, Pharmaceutical and Personal Care markets, supplying raw materials across multiple markets throughout Africa, Mauritius & Madagascar. Despite many global and local challenges in FY24, each sector experienced top line growth, attributed to technically astute and experienced sales and operations teams.

Looking forward to FY25, Chempure will continue to invest in diversifying Chempure's sales into new products, new customers and new markets while growing Chempure's existing customers. This will be achieved through Chempure's strategic partnerships with principals and key stakeholders which allow an offering of sustainable supply, competitive pricing and innovative new products that will drive growth of Chempure's market share.

MEDICAL DEVICES

Revenue*

R976 million

(2023: R1.1 billion)

▼ **12.7%**

Normalised EBITDA

R69 million

(2023: R2 million)

▲ **33.5%**

**excludes RCA*

	Revenue*			Normalised EBITDA[PM*]		
R'million	**June 2024**	June 2023	**% Change**	**June 2024**	June 2023	**% Change**
The Scientific Group	**285.1**	335.0	**(14.9%)**	**14,8**	28,3	**(47.7%)**
Surgical Innovations	**191.0**	519.9	**(63.3%)**	**-14.0**	-37.0	**62.2%**
Cardio Tech (CardaXes)*	**121.5**	20.6	**>100%**	**7,3**	4,11	**77.6%**
InterV-Med*	**161.7**	25.7	**529.2**	**47,6**	3,2	**>100%**
Ortho-Xact	**216.2**	211.4	**2.3%**	**13,3**	44,6	**(70.2%)**

Overview

Our Medical Devices business is a market leader in the distribution of medical devices and in vitro diagnostics. It has long-standing, well-entrenched and trusted relationships with key suppliers and is the exclusive distributor of leading, globally recognised and sought-after brands. Scale, geographic footprint and deep technical expertise position Medical Devices well as a partner of choice for multinationals looking to access South and sub-Saharan African markets and South African healthcare professionals looking for excellence in products and services.

Medical Devices serves private and public sector hospitals, laboratories and scientific institutions through a specialist team of sales and service personnel who install equipment, systems, sets and instruments purchased from suppliers at hospitals and laboratories. Income is generated from this installed base (placing and selling of assets) through sales of dedicated consumables, sets, reagents, technical service income, and in some instances rental and "pay per use". The products and services provided by Medical Devices improve healthcare outcomes and the quality of life of patients.

Medical Devices comprises of five businesses structured around specific market segments, operating in a market worth c.R40 billion.

Review of 2024

Medical Devices continue to improve on performance on the back of 2 major events during the last 12 months. Surgical Innovations successfully managed through a Business Rescue process and continues to increase sales monthly, while Ortho-Xact introduced new product lines and agencies after the loss of a key tender in KZN.

The Scientific Group was forced to introduce high quality, better priced agencies in the wake a large agency (BD) cancelling the distribution contract with TSG because of direct or alternative distribution channels.

Forced restructuring and positive new agency partnerships, mitigated the loss of sales and bottom line performance to an immaterial number.

Meanwhile, the radiology, cardiology and fluid management businesses, Cardio Tech (CardaXes) and InterV-Med continue to show growth, propelled by the further expansion of the Philips agency and the introduction of the Microport agency.

There was also progress in operational optimisation strategies, with a keen focus on refining warehouse operations, honing demand planning, and increasing governance.

MEDICAL DEVICES (CONTINUED)

The Scientific Group
Clinical Diagnostics, Life Sciences and POC

Therapeutic areas

- **Clinical Diagnostics** – Diagnostic instruments, reagents and consumables to pathology laboratories through instrument leases
- **Science** – Services the academic and scientific industries
- **Point of Care** – Cost and time-saving diagnostics at the patient's bedside

Key agencies

Surgical Innovations
Surgical, Cardiovascular, ACT and CardaXes

Therapeutic areas

- **Surgical** – GI, respiratory, ENT, urology, women's health, bariatric and general surgery
- **Acute Care Therapy** – Supplies equipment in circulatory and critical care support

Key agencies

Ortho-Xact
Orthopaedic Trauma, Reconstructive and Sports Medicine

Therapeutic areas

- Adult and paediatric limb deformity correction, internal and external fracture fixation solutions
- Specialised sports medicine and minimally invasive orthopaedic solutions

Key agencies

Outlook for FY25

The focus for the 2025 financial year will be on driving organic growth in each business unit and further expansion of new business areas. There is also a continued focus on reducing costs and slimming down to leaner and more efficient units.

Surgical Innovations and Ortho-Xact:

Both entities are intent on preserving their market presence, increasing efficiencies, and capitalising on cash-positive growth ventures. Business models are being reconsidered to migrate towards income sources demanding less capital outlay. An example of this shift is the integration of the Rejoin agency in Ortho-Xact, a purveyor of niche sports medicine and minimally invasive orthopaedic solutions. This venture stands as a pillar for tapping into the sports medicine arena's growth potential. The introduction and growth of the Canwell and De Soutter agencies will further bolster Ortho-Xact's offering.

Meanwhile, Surgical Innovations has been innovating its brand offerings, focusing on capital-efficient solutions that amplify consumable revenue streams. We are elated that Ascendis stands as the top-tier interventional diagnostic supplier for esteemed private hospital chains like Netcare and Mediclinic. Surgical Innovations intends increase and not increases its sales in the public sector in the coming year.

The Scientific Group, InterV-Med and Cardio Tech (CardaXes):

The Scientific Group is focussing on growing its product range and footprint in the Rest of Africa. On the other hand, InterV-Med and Cardio Tech's emphasis on interventional cardiology is poised to bolster both revenue and profitability.

Medical Devices Partnerships:

We are privileged to collaborate with international stalwarts like Olympus, Bayer, and Getinge — all pioneers in the realm of medical technology innovation. Our distribution accords allow for symbiotic relationships, bringing ground-breaking products to the market. We are also honing our strategies to ensure that revenue upticks are mirrored by fitting profit and cash returns.

Interv-Med
Cardiovascular

Therapeutic areas

- **Surgical** – Respiratory
- **Cardiovascular** – Market leader in contrast and automation

Key agencies

BAYER, ARGON MEDICAL DEVICES

Cardio Tech (CardaXes)
Cardiovascular

Therapeutic areas

- **CardaXes** – Specialised interventional cardiology and peripheral vascular

Key agencies

PHILIPS, MicroPort

Cardiohelp System
Extracorporeal Life Support

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE REPORT

Ascendis Health is committed to good corporate governance and ethical practices. The Group's governance framework is founded on the principles of accountability, integrity, transparency, ethical standards, fairness and compliance.

The board is responsible for ensuring compliance with and the implementation of legislation, regulation and governance codes.

Ascendis Health subscribes to the spirit of good corporate governance outlined in King IV™ and the Group continued to report in accordance with King IV™ for FY24. Governance processes have been implemented across the business and the directors confirm the Group has, in all material respects, applied the 16 principles of King IV™ and where it was unable to fully apply the principle, an explanation has been provided. The application and explanation of the group's implementation of each King IV™ principle, as required in terms of the JSE Listings Requirements, is reviewed and updated annually in the King IV™ Report which is available on the group's www.ascendishealth.com

Board of directors

Board charter

The board has a formal charter detailing the scope of authority, responsibility and functioning of the board. The charter is reviewed annually by the board. In terms of the charter, the directors retain overall responsibility and accountability for the following:

- Adopting strategic plans and setting performance objectives
- Approving financial results as well as financial objectives and targets
- Monitoring operational performance, competency and management
- Ensuring effective risk management and internal controls
- Complying with legislative, regulation and governance codes
- Ensuring the liquidity, solvency and going concern of the Group
- Overseeing the values, ethics and integrity of the Group
- Selecting, orientating and evaluating the directors
- Reviewing the terms of reference and composition of board committees
- Assessing the performance of board members, including the Chairman, CEO, CFO as well as the company secretary
- Ensuring directors' adherence to their fiduciary duties as well as duty of care and skill
- Ensuring appropriate remuneration policies and practices that are aligned to shareholders' interests
- Overseeing shareholder communications, stakeholder engagement and shareholder meeting resolutions
- Determining the dividend policy

Board composition

Ascendis Health has a unitary board structure which, at year end, comprised one Executive Director and five Non-Executive Directors. Five of the six Non-Executive Directors are classified as independent in terms of King IV™ and the JSE Listings Requirements, including the chairman. The independence of the Non-Executive Directors is reviewed and assessed by the board annually.

The following changes were made to the board during the year:

- Mr Lawrence Mulaudzi retired as a Non-Executive Director (and was not re-elected) with effect from 30 November 2023
- Mr HA Nolte was appointed as a Non-Executive Director with effect from 19 March 2024

In terms of the Group's governance structure, the roles of the Chairman (Bharti Harie, an Independent Non-Executive Director) and the CEO (Carl Neethling, an Executive Director) are separate and clearly defined. This division of responsibilities ensures a balance of authority and power, with no individual having unrestricted decision-making powers.

The executive management team of Carl Neethling (CEO) and Lihle Mbele (interim CFO) – in accordance with instructions from the board and continuous engagement with management – has overseen and managed the conversion of Ascendis Health to an investment holding company structure, with significant autonomy and responsibility devolved to the operating subsidiaries within the Ascendis Group. An appropriate capital structure and capital allocation framework has been put in place, which has ensured no senior debt being required and net working capital and asset-backed facilities for the business units being maintained and utilised prudently.

The appointment of directors is undertaken in a formal and transparent manner by the board, assisted by the Human capital committee.

CORPORATE GOVERNANCE REPORT (CONTINUED)

All Non-Executive Directors are subject to retirement by rotation and re-election by the shareholders at least once every three years, as determined in the Company's Memorandum of Incorporation. At the annual general meeting (AGM) held in November 2023, Amaresh Chetty and Lawrence Mulaudzi retired as Non-Executive Director; Amaresh Chetty was re-elected at that AGM.

The age, tenure, status and experience of each director are detailed on pages 31 to 33.

Key focus areas addressed by the board

The board's focus was primarily on setting a stable and sustainable foundation for the future of the Group. As part of this, the board had oversight of the following key areas during the financial year:

- Conversion of the Group from a conglomerate to an investing holding company (an 'investment entity' for purposes of IFRS10.30) process to delist Ascendis Health from the JSE (lapsed)
- Optimising governance structures, including the empowerment of boards at operating company level and ensuring the effectiveness of these boards
- Stabilising people and leadership, with a focus on succession planning, retention of key talent and supporting programmes to improve employee wellbeing during the period of instability through continued Group restructuring
- Continued restructuring of the head office to align with the needs of the smaller, post-group restructuring business
- Continued monitoring of the Group's liquidity and cash flow requirements, including the oversight of the negotiation of extended terms with vendors on deferred payments
- Strategic acquisitions and disposals across the Group

The board's focus areas are covered in further detail in the leadership review covered on pages 14 to 17.

Annual general meeting

At the AGM held on 30 November 2023, the required majority of shareholders supported all of the ordinary and special resolutions put forward, which were accordingly passed successfully.

Company secretary

The company secretary ensures that board procedures and all regulations and governance codes are applied. The company secretary provides guidance to directors on governance, compliance and their fiduciary duties and assists in the orientation of new directors. Directors have unrestricted access to the advice and services of the company secretary.

The board of directors has satisfied itself that the company secretary has the competence, and qualifications to perform the role, as required by the JSE Listings Requirements. The company secretary is not a director of the Company and has an arms'- length relationship with the board.

Board committees

The directors have delegated specific functions to committees to assist the board in meeting its oversight responsibilities.

The committees all have formal charters, and the directors confirm that the committees have functioned in accordance with these terms of reference during the financial year.

During the reporting period, the board reviewed and amended the committee composition following the changes to the board.

Audit and risk committee

Composition

Chairman: Amaresh Chetty (Independent Non-Executive Director)

Other members: Dr Karsten Wellner (Independent Non-Executive Director) and Bharti Harie (Independent Non-Executive Director)

All the members are elected by shareholders at the AGM each year.

The company secretary, external auditor, Executive Director and key management attend meetings by invitation.

The committee has a formal charter which has been approved by the board and is reviewed annually.

Role and responsibilities of the Audit and risk committee

The committee performed the following functions during the year:

- Reviewed the interim and condensed annual results to ascertain that the financial results are valid, accurate and fairly represent the Group's performance
- Had oversight of integrated reporting and confirmed the integrity of the integrated annual report, as well as any other form of public reporting or announcements containing financial information
- Reviewed the Group annual financial statements, ensuring they are compliant with accounting standards and legal requirements, and recommended them for approval by the board
- Ensured that the Company has established appropriate financial reporting procedures and that these procedures are operating, which includes consideration of all entities included in the consolidated group annual financial statements. The Company has access to all the financial

information of the Group to allow the Company to effectively prepare and report on the financial statements of the Group and Company

- Ensured that the ongoing corporate activity is appropriately accounted for and disclosed in the annual financial statements and other forms of public reporting or announcements containing financial information
- Reviewed and approved the ARC charters
- Confirmed the terms of engagement of the external auditor and had oversight of their work
- Reviewed and monitored the implementation of the policy relating to non-audit services by the external auditor
- Ensured that the scope of non-audit services did not compromise the independence of the external auditor
- Had oversight of the activities and co-ordination of the external audits
- Received feedback from management on systems of internal control
- Reviewed and received assurances on the independence and objectivity of the external auditor
- Reviewed and was satisfied with the competence of the external auditors and the designated audit partner and requested the information in paragraph 3.84(g)(ii) in their assessment of same
- Conducted an annual assessment of the committee and its members
- Considered and was satisfied with the appropriateness of the expertise and experience of the acting CFO (and thereafter interim CFO) and the finance department
- Reviewed the Group insurance cover in place and ensured that the Group was sufficiently covered
- Reviewed and updated the levels of authority framework
- Monitored the progress made to improve tax processes, controls and compliance across the Group, and considered whether the correct tax treatment had been applied
- Ensured that the Group has established appropriate financial reporting procedures and that those procedures are operating effectively

Human capital committee

The Human capital committee is responsible for matters pertaining to remuneration and nominations, including the remuneration report which is presented to the shareholders at the AGM for non-binding votes on the remuneration policy and the implementation thereof.

Composition

Chairman: Amaresh Chetty (Independent Non-Executive Director)

Other members: Bharti Harie (Independent Non-Executive Director) and Carl Neethling (Executive Director)

The human resources and transformation manager regularly attends meetings at the invitation of the committee.

Refer to the Remuneration report on pages 34 to 40.

Role and responsibilities of the Human capital committee

- Ensure the Group has a remuneration policy which is aligned with the Company's strategic objectives and goals, is competitive in the marketplace, and aligned to shareholders' interests
- Review and approve the remuneration of Executive Directors and senior managers
- Review and approve payments in terms of the annual Short-term Incentive scheme, based on performance measures
- Review and approve incentive schemes
- Propose annual fees for Non-Executive Directors for approval at the AGM
- Determine a long-term strategy for the retention and development of executives and key personnel
- Ensure effective succession planning is in place for executives and senior managers
- Ensure the board and its committees have an appropriate balance of skills, experience, gender and diversity
- Identify and nominate candidates for appointment to the board and committees
- Coordinate the annual board and committee evaluation process
- Review the performance of the Chairman and members of the board and committees annually, as well as the CEO, interim CFO, and company secretary
- Co-ordinate the induction programme for new directors and continuing development for all directors
- Recommend to shareholders the annual re-election of Non-Executive Directors by rotation and the appointment of Audit and risk committee members
- The Human capital committee has a policy on the promotion of broader diversity at board level specifically focusing on gender, age, race, culture, field of knowledge, skills and expertise and applies this policy in considering any changes to the board.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Social, ethics and transformation committee

Composition

Chairman: Dr Karsten Wellner (Independent, Non-Executive Director)

Other members: Amaresh Chetty (Independent, Non-Executive Director) and Bharti Harie (Independent, Non-Executive Director)

The human resources and transformation manager regularly attend meetings at the invitation of the committee.

The committee has implemented a Social, ethics and transformation committee charter which has been approved by the board and is reviewed annually.

Role and responsibilities of the Social, ethics and transformation committee

- Assist the board in determining the impact of the business on the environment, society and the economy
- Monitor the Group's activities relating to social and economic development, the environment, and health and public safety
- Advise the board on factors impacting the long-term sustainability of the business
- Monitor adherence to corporate citizenship principles and ethical behaviour
- Ensure the Group's interactions with stakeholders are guided by legislation and regulation
- Provide guidance on empowerment and transformation, labour and employment
- Oversee corporate social investment projects

Refer to the Social, ethics and transformation committee report on pages 41 to 44.

Board and committee attendance[1]

	Board	Audit and risk	Human capital	Social, ethics and transformation
Number of meetings	**4**	**5**	**2**	**2**
Bharti Harie	4	5	2	2
Dr Karsten Wellner	4	5	–	2
Rehann Nolte[2]	2	–	–	–
Amaresh Chetty	4	5	2	2
Carl Neethling	4	–	2	–
Theunis de Bruyn	4	–	–	–

Notes:

[1] *Committee meetings attendance in respect of committee members only, but other board members participate as invitees.*

[2] *Rehann Nolte only joined the board in in March 2024 and has attended all board meetings following his appointment.*

Risk management

The board is responsible for the governance and oversight of the risk management process and is assisted in this process by the Audit and risk committee. The executive responsible for risk matters ensures an efficient and effective enterprise risk management process operates across the Group. He is responsible for compiling and overseeing the implementation of the Group risk management policy and reports to the Audit and risk committee and board on risk management and mitigation measures.

The implementation of the business strategy is dependent on management taking calculated risks that are in the best interests of the Company and its stakeholders and ensuring that adequate controls are in place to mitigate the level of risk. Sound management of risk enables Ascendis Health to anticipate and respond to changes in the healthcare industry and make informed decisions under conditions of uncertainty.

The purpose of the risk management policy is to identify, assess, manage and monitor the risks to which the business is exposed. Risk registers are maintained and reviewed periodically in all the group's businesses as well as for the Group as a whole. Information technology governance forms an integral part of the Group's risk management process, with the Audit and risk committee assisting the board in meeting its responsibilities in this regard.

Management has implemented systems of internal controls and effective risk-based internal audits aimed at:

- Safeguarding assets and reducing the risk of loss, error, fraud and other irregularities
- Ensuring the accuracy and completeness of accounting records and reporting
- Preparing timely and reliable financial statements and information in compliance with relevant legislation
- Complying with generally accepted accounting policies and practices
- Increasing the probability of anticipating unpredictable risk
- Mitigating key risk exposures

The board confirms that the Group's risk management, mitigation and monitoring processes have been effective in limiting the impact of risks on the business in the past financial year. The board also ensures that its risk management is aligned to the King IV™ principles.

Accountability and compliance

Details of the systems of internal controls, as well as the external audit function, are contained in the Audit and risk committee report in the audited annual financial statements for the year ended 30 June 2024, available on the Group's website: www.ascendishealth.com

Legislative compliance

Legislative and regulatory compliance is monitored by the company secretary and the Group's internal legal department.

A regulatory universe process has been implemented and is managed with the divisional heads. There were no cases of material legislative or regulatory non-compliance, and no penalties or sanctions were imposed on the Group or any of its directors or officers during the year.

Ethics management

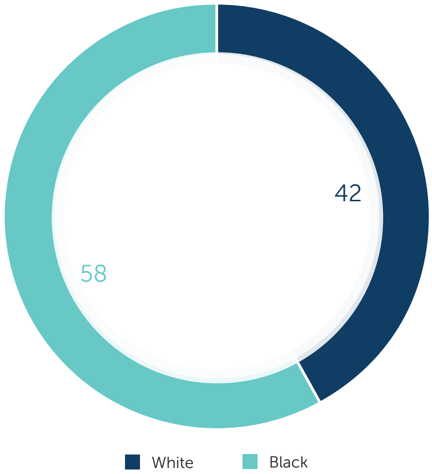
The board considers the ethics of the Group as critical to the successful operation of its businesses. Ethical practices and good corporate governance are key values of the Ascendis Health culture and are constantly promoted and measured in the regular activities of the employees and management. To this extent, Ascendis Health has established a code of ethics and policies on, among others, conflicts of interest, fraud, bribery and corruption, and sanctions.

Ascendis' employees are expected to report concerns or suspicion of human rights violations, unethical labour and business practices in Ascendis' business or any supplier tier at the earliest possible stage. If preferred, the employee can utilise our anonymous fraud and corruption hotline AscendEye. AscendEye is a 24-hour, toll-free fraud hotline available to all Ascendis Health employees, suppliers, consumers, contractors, subcontractors and agents to report suspected violations of Ascendis' code.

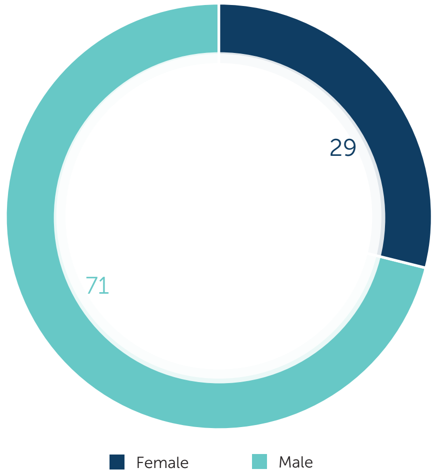
The hotline is independently administered by KPMG and information reported will be kept confidential, except as needed to conduct a full and fair investigation. The identity of the whistle-blower is protected. All received disclosures are categorised into high, medium or low priority and are subsequently reported appropriately.

BOARD PROFILE

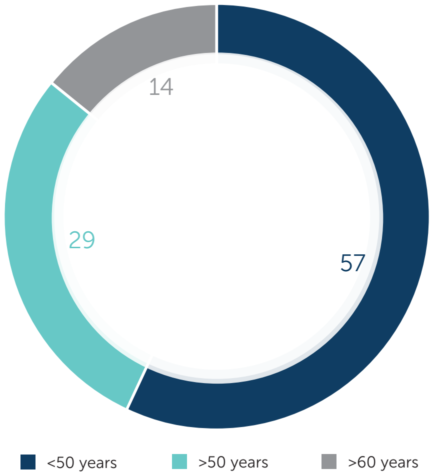
Board race diversity (%)



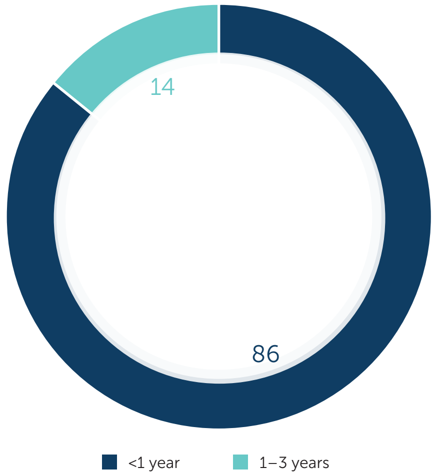
Board gender diversity (%)



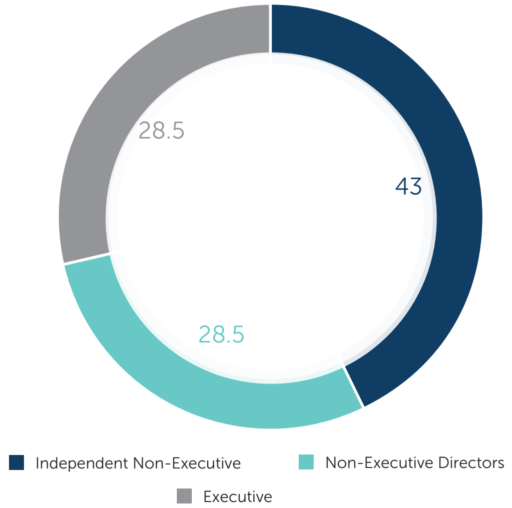
Board ages (%)



Board tenure (%)



Director classification (%)



CORPORATE GOVERNANCE

BOARD OF DIRECTORS

Carl Neethling (44)

Executive Director
CA(SA)
Appointed to the board in May 2022

Carl has extensive commercial experience having co-founded Acorn Private Equity, a leading alternative asset fund manager, in 2009.

He is a respected dealmaker and entrepreneur who serves in different positions on various company boards and, as Chief Investment Officer of Acorn, he oversees the management of more than R5 billion in assets alongside a highly regarded investment team.

Prior to founding Acorn, Carl was Global Investment Controller for all real estate and private equity investments at Westmont Group, in partnership with Goldman Sachs and other influential investors.

Carl has gained an extensive network through his vast business interests and has a unique mix of local and international experience that brings a well-tested perspective on value creation, management, and governance.

Bharti Harie (54)

Independent Non-Executive and Chairman of the board
LLM BA LLB
Appointed to the board in May 2022

Bharti is a seasoned director with over 10 years of experience, with experience in board deliberations relating to shareholder/stakeholder relations, traversing tough economic times and black swan events such as Covid-19 and business recovery planning.

She presently serves as an independent non-executive on the following boards, where she also is chairman of various sub-committees: Stefanutti Stocks Limited; Lenmed Investments Limited (Lenmed); Bell Equipment Sales South Africa; and St. David's Marist Brothers, Inanda.

Bharti has previously served as lead Independent Non-Executive Director of Ascendis Health Ltd.

Bharti is an Admitted Attorney, Notary and Conveyancer.

Amaresh Chetty (47)

Independent Non-Executive Director
BCom; Post-graduate Diploma in Business Management; Master of Business Administration; Certificates (Valuations; Corporate Restructuring; Mergers and Acquisitions)
Appointed to the board in May 2022

Amaresh has in excess of 20 years' investment and commercial experience with significant healthcare experience having previously completed a R1 billion empowerment transaction with Medi Clinic.

Amaresh has extensive capital markets experience supplemented with operational experience and transactions that have ranged from early stage to growth capital, replacement capital and leveraged buy-outs, and includes cross-border transactions.

He has previously served as Head of Private Equity at a family office and was a founder director of Ithuba, the operator of the South African national lottery.

Amaresh brings an extensive network of corporate relationships and currently holds several active directorship roles including on various audit, remco and investment sub-committees.

Theunis de Bruyn (56)

Non-Executive Director
CA(SA)
Appointed to the board in October 2022

Theunis is an accomplished businessman and qualified chartered accountant. He is the founder and managing director of Calibre Capital, a material shareholder in the Company, and he brings to the Company a wealth of broad experience across several sectors and business disciplines, including private equity, asset management and investment research. Theunis has been educated in South Africa (University of Pretoria and UNISA) and the United States of America (Harvard).

Dr Karsten Wellner (64)

Independent Non-Executive Director
Master's degree in Economics; PhD in International Economics (magna *cum* laude)
Appointed to the board in December 2021

Karsten has extensive top management and M&A experience with global healthcare and retail companies.

Karsten was the co-founder and Group CEO of Ascendis Health (Pty) Ltd, seeing the Company through its listing on the JSE and growth in its former years. He is the founder of GEC Consulting, has been a director of Alpha Pharm Western Cape and EC Holdings and worked for the listed global healthcare company, Fresenius, for 18 years in various countries and regions like Germany, Switzerland, Eastern Europe, the Middle East and South Africa.

Rehann Nolte (58)

Independent, Non-Executive Director
Bachelor of Accountancy degree from Stellenbosch University and an Honours B.Compt degree from the University of South Africa. Passed the Board Exam of the SA Institute of Chartered Accountants.
Appointed to the board in March 2024

Professionally, he has demonstrated leadership and financial acumen in a range of high-profile roles. As Financial Director at V3 Consulting Engineers Inc (now Kwezi V3), he played a key role in guiding the company's financial strategy. This experience was followed by a significant tenure as Financial Director at GWK Limited, a major agricultural enterprise in the Northern Cape. In the role of Financial Director and later Managing Director at ACG Fruit, he contributed to the company's strategic direction and operational success.

Currently, he applies a deep understanding of financial markets as a swing trader in the forex markets, leveraging a blend of analytical skills and market insight to navigate the complexities of currency trading.

REMUNERATION REPORT

PART 1: BACKGROUND INFORMATION

Remuneration philosophy

The Group's remuneration policy is aimed at creating a performance-based culture and strategy. The primary objective of the policy is to motivate management and employees to contribute to the Group's strategy by achieving operational and financial objectives and effectively managing operating expenditures.

The remuneration policy is based on the philosophy that the growth and sustainability of the Group's business is dependent on its ability to motivate and retain employees with competent skills and commitment to their scope of responsibilities, within a performance-based culture, and with ethical and responsible corporate citizenship.

Remuneration structure overhaul

During the 2024 financial year, the remuneration structure was disposed of and the committee, in consultation with senior management, formulated a new framework from first principles. To this end, the committee took cognisance of the newly introduced strategic objectives of the board, as well as the interventions that senior management had made in the business, including:

- organisational restructuring that flattened the top structures in the Group, ensuring that the CEO and CFO roles are more operational in nature;
- ensuring that people with the right competencies are placed in the appropriate roles at the right earnings level;
- alignment of incentive structures across the Group with performance outputs that drive shareholder value; and
- benchmarking of salaries, bearing in mind the reality of the Group's smaller size

Remuneration governance

The board is responsible for the remuneration policy and has delegated responsibility to the Human capital committee for the Group's remuneration practices.

The committee comprises three directors, namely, Amaresh Chetty (Chairman and Independent Non-Executive Director), Bharti Harie (Independent Non-Executive Director) and Carl Neethling (Executive Director) and conforms with the King IV™ guidelines. The committee is governed by a formal charter which is reviewed and approved annually by the board.

The committee meets at least three times a year and additional meetings can be held to discuss specific issues arising in the business. In the 2024 financial year, the committee met twice. The meetings are aligned to the review and approval of the budgeted remuneration for each year.

The Executive Directors are responsible for the implementation of the remuneration policy and ensuring that performance metrics are cascaded appropriately throughout the organisation.

The fees for Non-Executive Directors are reviewed annually by the committee and presented to the board for approval. These fees are then presented to shareholders for approval at the AGM.

During the financial year and to the date of this report, the committee addressed the following key matters:

- Provided input on revised remuneration structure to ensure staff are appropriately remunerated in accordance with their competencies and responsibilities
- Determined a revised short-term incentive model in line with the aforementioned revised strategic objectives in respect of remuneration for the 2024 financial year
- Determined and recommended to the board the proposed Non-Executive Directors' fees for the 2025 financial year, which resulted in the FY25 fees remaining the same as those for FY24. The proposal is aimed at equitable compensation to Non-Executive Directors during a period of multiple corporate actions while taking into consideration the current economic environment and the liquidity challenges faced by the company. This updated fee structure is discussed on page 44 and will be proposed to shareholders for approval at the forthcoming AGM
- Reviewed and approved the Remuneration policy and Implementation report for inclusion in the 2024 integrated annual report and presentation at the next AGM for shareholders' approval as non-binding resolutions

This remuneration report focuses on the remuneration of the Executive Directors and Non-Executive Directors for the period ended 30 June 2024.

Shareholder engagement and voting

The remuneration policy and the implementation report are subject to separate non-binding advisory votes at the AGM each year, in accordance with the recommendations of King IV™. In line with the requirements of King IV™, should either the remuneration policy or the implementation report receive 25% or more dissenting votes, management will engage directly with these shareholders to determine the reasons for the dissenting votes and take reasonable measures to address legitimate concerns. The steps taken to address legitimate and reasonable concerns will be disclosed in the following year's integrated report.

At the AGM held in November 2023, the holders of 94.2% of shares voted at the AGM voted in favour of the remuneration policy and the holders of 94.2% of shares voted at the AGM supported the implementation report in these non-binding advisory votes. These non-binding advisory votes thus passed with overwhelming support by shareholders and consequently, no further engagement with shareholders was required.

PART 2: REMUNERATION POLICY

Remuneration principles

The key principles embedded in the remuneration policy are designed to:

- Align remuneration practices with the delivery of the Group's strategy and ensure that remuneration of executive management is fair and responsible in the context of overall employee remuneration
- Ensure that executive reward schemes are aligned with shareholders' interests and are subject to performance conditions
- Develop and retain employees in the healthcare industry who contribute to the group's sustained business growth
- Establish remuneration packages that comprise annual guaranteed pay, performance-based bonuses for participating management teams who are key to the delivery of growth strategies and other appropriate benefits
- Recognise and reward employees by promoting a performance-based culture which incorporates both short- and long-term objectives
- Ensure the Group's remuneration structures are competitive in the market in comparison to similar size businesses
- Grant annual increases which are performance-based, in line with the responsibilities of the job and within the market benchmark and the employee development curve
- Encourage career path aspirations and develop succession planning within the Group
- Ensure compliance with applicable legislation and regulatory codes

Fair and responsible remuneration

The Group is aware of the societal tensions relating to minimum wages and the wage gap and is committed to adopting fair and responsible remuneration practices as a responsible corporate citizen.

The committee is required to ensure that executive remuneration is justifiable in the context of overall employee remuneration. The Group is committed to applying measures that will realise the principle of fair and reasonable remuneration, including:

- Equal pay for equal work
- Performance reviews
- Annual assessment of competitive remuneration packages for key personnel
- Position grade and development curve placement inform the benchmark percentile to ensure market competitive remuneration
- Increased investment in training and leadership development to facilitate promotional opportunities, retention, and ongoing professional and capability development
- Internal talent pipeline development programmes facilitated through personal development programmes established on a blended learning model
- Total payroll movement percentage determined by the board, as guided by the annual increase in the consumer price index and economic and employment market conditions

Remuneration practices

The complexities of the Group's business model are considered together with the regulatory environment within the healthcare sector in which the Group operates. The pay policy aims to pay employees on the 50th percentile on average. Skilled positions where it is difficult to source talent are paid at levels to retain the best skills and are generally paid between the 50th and 75th percentile.

Attrition savings are applied where necessary, to align human resource costs to business performance. Staff turnover is measured monthly and reported to the committee and the Social, ethics and transformation committee, and the underlying reasons are assessed in terms of risk to the Company.

Diversity and gender-based appointments continue to improve employment equity and employee diversity.

Future incentive scheme

The committee has approved a revised future Short-Term Incentive (STI) scheme for management and key personnel aimed at delivering shareholder value through operational excellence, in the form of short- and longer-term objectives.

The scheme comprises both financial and personal KPIs, with the highest weighting geared towards financial targets in line with the Group's strategy. The scheme has also been capped at a maximum of 32% of annual earnings for staff who participate in Category A (Top and Senior Management

staff) and a maximum of 16% of annual earnings for staff who participate in Category B (Other staff), which the committee believes is fair and reflective of the operating environment, size of business and industry benchmarks.

Prescribed officers

The prescribed officers of Ascendis Health in terms of the Companies Act are the Executive Directors and their remuneration is disclosed annually in the implementation report.

REMUNERATION REPORT (CONTINUED)

Executive Directors' (CEO and managing directors) remuneration structure and design

In FY22-FY23 Executive Directors were remunerated in line with legacy employment and incentive agreements and the committee has since embarked on a revision and implementation of an appropriate executive-level remuneration structure for FY24 that is aligned to the size and key objectives of the underlying portfolio companies, and which is in alignment with the Group's strategy.

The remuneration structure of the Executive Directors is based on:

Guaranteed pay		Variable pay
Core component of remuneration. It is set to reflect the market value of the role within a 50th to 75th percentile.		**Encourages achievement of mid- to long-term targets**
Base salary	**Benefits**	**STI (Category A)**
Market-related salary based on role within the size of the business and prescribed performance.	Benefits include medical aid, provident fund, disability, life and funeral cover and access to an employee assistance programme (EAP).	The STI incentivises the achievement of strong operational results. Targets are based on a 12-month view aligned with the reporting period and taken in the context of the longer-term goals of the Group. Targets are both financial and non-financial. The financial targets constitute 75% of the STI and are based on an average weighted achievement of 90% of FCF*, ROIC** and Personal KPIs, weighted as follows: • 50% on ROIC • 25% on FCF • 25% of the STI is based on personal KPIs which include: I. Setting and implementation of the business strategy II. Internal and business controls development III. Talent management IV. STIs are capped at a maximum of 32% of total annual guaranteed pay respectively.

** FCF – free cash flow*

*** ROIC – Return on Invested Capital*

Other management and staff (functional heads and key staff)

Senior managers and staff receive an annual guaranteed salary, which includes retirement and healthcare benefits. Salaries may include premiums of up to 25% for scarce and critical skills and positions. A performance-based, market-related annual salary increase is applied dependent on the financial position of the Company.

Selected other management and staff receive discretionary awards based on their financial performance and their participation in key projects.

the variable portion will is based on a performance-based annual bonus, which comprises financial and non-financial objectives contained within the STI scheme under Category B.

Guaranteed pay		Variable pay
Core component of remuneration. It is set to reflect the market value of the role within a 50th to 75th percentile.		**Encourages achievement of mid- to long-term targets**
Base salary	**Benefits**	**STI (Category B)**
Market-related salary based on role within the size of the business and prescribed performance.	Benefits include medical aid, provident fund, disability, life and funeral cover and access to an EAP	The STI incentivises achievement of strong operational results. Targets are based on a 12-month view aligned with the reporting period and taken in the context of the longer-term goals of the Group. Targets are both financial and non-financial. The financial targets constitute 50% of the STI and are based on an average weighted achievement of 90% of FCF, ROIC and Personal KPIs, weighted as follows: • 35% on ROIC • 15% on FCFT • 50% of the STI is based on personal KPIs which include: V. Setting and implementation of the business strategy VI. Internal and business controls development VII. Talent management VIII. STIs are capped at a maximum of 16% of total annual guaranteed pay respectively.

Non-Executive Directors

In the annual review of the Non-Executive Directors' fees, the committee takes into consideration external benchmarking surveys such as the Institute of Directors SA Non-Executive Directors' Fees Guide. In addition, the proposed directors' fees consider the level of responsibility and activity of each director in the meetings of the board and its committees.

The Non-Executive Directors are paid a quarterly fee for their services as directors as well as for serving on the board committees. The fees are based on the number of meetings planned for the year as well as regulatory and governance responsibilities.

In accordance with best corporate governance practices, Non-Executive Directors do not participate in the Group's incentive schemes, nor do they have employment contracts with the Group.

REMUNERATION REPORT (CONTINUED)

PART 3: IMPLEMENTATION REPORT

Details of the remuneration paid to Executive and Non-Executive Directors for the financial year ended 30 June 2024 are provided in this section of the report. The committee is satisfied that the remuneration policy has been consistently applied in the 2023/4 financial year and that there have been no deviations from this policy.

Disclaimer: Executive and Non-Executive remuneration may seem low in comparison to prior years due to tenure.

Total directors' remuneration

	2024 R'000	2023 R'000
Executive Directors	**2 189**	less than 1
Non-Executive Directors		
• set annual fees	**2 116**	2248
• other services	**n/a**	n/a
• additional fee for extraordinary meetings	**n/a**	n/a
Total	**4 305**	2 248

Staff increases

In respect of the 2024 Non-Executive Directors' remuneration, the committee endorsed an average 9% reduction in the total aggregated fees per position relative to the fees for 2023. The committee also took a decision to apply an average 5% increase for the staff in the business units, effective 1 July 2023.

For the 2024 financial year, the committee awarded 5% total payroll movement for lower income earners and selected staff in line with the financial performance of the respective businesses.

Executive Directors' emoluments

The committee has assessed the achievement of the financial and individual KPI of the CEO for the year ended 30 June 2024. The remuneration is set out below:

	Basic salary R	**Bonus R**	**Incentives R**	**Benefits and costs R**	**Termination cost R**	**Total**
C Neethling	**2 158 000**	**–**	**–**	**31 000**	**–**	**2 189 000**
Total	**2 158 000**	**–**	**–**	**31 000**		**2 189 000**

Non-Executive Directors' fees

The remuneration of Non-Executive Directors has been reviewed by the committee, taking into consideration the reduced size of the Group, the industry and complexity of the business, the continued large volume of ad hoc board and committee meetings, the time commitment required of the Non-Executive Directors and the level of experience, skills and knowledge the Non-Executive Directors bring to the board.

Shareholders approved the following Non-Executive Directors' fees for 2024 at the AGM held in November 2023:

Fees paid in FY24	R'000
Chairman of the board	647
Member of the board	252
Chairman of the Audit and risk committee	193
Member of the Audit and risk committee	90
Chairman of the Human capital committee	97
Member of the Human capital committee	59
Chairman of the Social, ethics and transformation committee	98
Member of the Social, ethics and transformation committee	51

The fees comprised an annual fee based on the positions fulfilled by each director, with the expectation of attendance at a pre-determined minimum number of meetings per annum: board (four meetings); Audit and risk committee (three meetings);

Human capital committee (two meetings); and Social, ethics and transformation committee (two meetings).
All travel and accommodation expenses incurred by directors to attend board and committee meetings are paid by the Company. A combination of virtual and in-person meetings were held.

The fees paid for the 2024 financial year represent an average 9,1% reduction in the fees per position from the 2023 financial year.

At the AGM to be held on 29 November 2024, the following amended fee structure will be proposed to shareholders for the 2024 financial year:

(R'000)	Approved fees for FY24	Proposed fees for FY25
Position		
Chairman	647	**647**
Board member	252	**252**
Audit and risk committee Chairman	193	**193**
Audit and risk member	90	**90**
Social, ethics and transformation committee Chairman	98	**98**
Social, ethics and transformation committee member	51	**51**
Human capital committee Chairman	97	**97**
Human capital committee member	59	**59**

REMUNERATION REPORT (CONTINUED)

Directors' and associates' shareholdings (as at 30 June 2024)

2023 Directors	**Direct beneficial shares**	**Indirect beneficial shares**	**Indirect non-beneficial shares**	**Total**
SL Mulaudzi	**–**	**56 321 482**	**–**	**56 321 482**
AC Neethling	**9 097 350**	**65 947 438**	**–**	**75 044 788**
K Wellner	**1 278 124**	**–**	**2 365**	**1 280 489**
B Harie	**4 602**	**245 923**	**–**	**250 525**
A Chetty	**–**	**–**	**–**	**–**
T De Bruyn	**–**	**78 072 509**	**–**	**78 072 509**
Total	**10 380 076**	**200 587 352**	**2 365**	**210 969 793**

2024 Directors	Direct beneficial shares	Indirect beneficial shares	Indirect non-beneficial shares	Total
CA Neethling	9 097 350	58 233 058	–	67 330 408
K Wellner	1 278 124	–	2 365	1 280 489
B Harie	4 200	245 923	–	250 123
HA Nolte	–	–	–	–
A Chetty	–	–	–	–
T De Bruyn		126 493 990		126 493 990
Total	10 380 076	184 972 971	–	195 355 412

Subsequent to the reporting period, a change in AC Neethling shares was noted as follows: Direct beneficial shares Nil; Indirect beneficial Shares 92 731 867.

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE REPORT

The board's Social, ethics and transformation committee (SETC) is a statutory committee which assists in monitoring the Group's business behaviour and ensuring that it reflects the ethical, transformative and sustainability objectives of the larger Group. The SETC is governed by terms of reference which detail its duties in terms of the Companies Act, the JSE Listings Requirements and King IV™, as well as responsibilities delegated to it by the board.

This report is presented in accordance with the requirements of the Companies Act.

Role and responsibilities of the SETC

The SETC acts in terms of the delegated authority of the board and is a central part of the Group's governance structure. It assists in monitoring the Group's activities and disclosures in terms of legislation, regulation and codes of best practices relating to:

- Social and economic development
- Ethics practices
- Good corporate citizenship
- Consumer relationships
- Labour and employment
- Transformation, empowerment, gender and diversity
- The impact of the Group's products or services on the environment, society and the economy
- Health and safety standards

The SETC also advises the board on any social, ethical or transformation issues that may impact the long-term sustainability of the business. The SETC monitors functions required in terms of the Companies Act and its regulations and ensures appropriate short-, medium- and long-term targets are set by management.

Composition and functioning

The SETC comprises Independent Non-Executive Directors Dr Karsten Wellner (Chairman), Bharti Harie and Amaresh Chetty. Executive and operational management, including the Group transformation and human resources manager, attend meetings at the invitation of the SETC.

The effectiveness of the SETC is assessed as part of the annual board and SETC evaluation process.

Activities

The SETC met twice during the 2024 financial year. While the primary emphasis for the Group during this period centred on debt and corporate restructuring and corporate initiatives, the SETC maintained its vigilance in assessing the Company's progress across various domains. These included human resources, corporate social responsibility, employment equity, B-BBEE and transformation, black management development, and adherence to environmental, health, and safety regulations. The SETC also retained its responsibility for ensuring the effective implementation of all required health and safety protocols. Its activities are summarised below and are disclosed as recommended by the King IV™ principles.

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE REPORT (CONTINUED)

Corporate social investment

Ascendis Health Group is acutely aware of South Africa's malnutrition crisis. Recent data indicates that malnutrition afflicts two out of every three children under five. Disturbingly, acute malnutrition, spanning both moderate and severe cases, underpins a third of all child in-hospital deaths in the country.

Our products are designed to bolster weakened immune systems in both children and adults, actively combating the nation's malnutrition statistics. To amplify our impact, we have donated vitamins to numerous children and old age homes. In FY24, we welcomed partnerships with Othandweni Children's Home, TLC Children's Home, Seven Passes, and Doctors for Life, intensifying our support for underserved communities by prioritising child and our elders health.

Our commitment to Corporate Social Investment (CSI) pivots on fostering partnerships and collaborations. Ascendis actively unites with governmental bodies, non-profit entities, and community-based organisations, pooling resources to reinforce and magnify positive health outcomes.

CSI Donations FY24:

Fiscal	Name of Organisation	NPO Number	Details of Stock	Value of Donation	Date of Donation
FY24	Doctors for Life	030-091 NPO	Stock	R43 360,00	27 June 2024
FY24	TLC Children's Home	054-364 NPO	Stock	R5 957,23	28 May 2024
FY24	Wings of Inspiration Care Centre	930054064 PBO	Stock	R26 605,00	26 June 2024
FY24	Women for Change	219908 NPO	Stock	R80 000,00	23 April 2024
FY24	Women for Change	219908 NPO	Stock	R322 080,00	24 May 2024
FY24	Moth Cottesloe Homes (NGO for elderly)	001562 NPO	Stock	R206 625,00	June 2024

Transformation

The SETC has set objectives for each of the five elements of the revised DTI Codes of Good Practice on Black Economic Empowerment (B-BBEE) and maintains the responsibility for monitoring and reviewing all aspects of the group's B-BBEE strategies. The Group's B-BBEE rating improved from a Level 3 in FY23 to a Level 2 in FY24.

The SETC has taken steps to secure top management's dedication to B-BBEE by integrating it into KPI measurements.

The Group initiates a baseline assessment consistent with the published Economic Active Population statistics, which establish the foundation for the transformation targets agreed upon with each portfolio company.

These targets are then translated into KPIs. Performance relative to these KPIs is evaluated monthly during regular business review cycles and is overseen by both the Human capital committee and the SETC.

Furthermore, the Group has updated its recruitment procedures to enhance fairness and inclusivity, mandating top management's approval for every new hire. The Group, in conjunction with its newly established Employment Equity Committees in its underlying portfolio companies, has revised the recruitment to include the use of new recruitment platforms and an inclusive interview panel format, ensuring that new recruits are interviewed by a diverse and inclusive interview panel.

Employee support and retention

In accordance with the Group's strategy as a whole, and in response to the risks identified in relation to the potential loss of key resources within the Group's staff, the Social, ethics and transformation committee prioritised enhancing the Employee Value Proposition (EVP) of the Group in the following ways:

1. **Internal development of talent pipeline to address skills shortages**

   The Group has identified skills deficiencies within the industries in which we operate. To bridge these gaps, we have collaborated with pertinent SETAs, introducing learnerships for existing staff. This initiative not only cultivates our upcoming leadership from within but also fosters a culture of continuous growth and mentorship.

2. **Employee health and wellness**

   As the Group operates in the healthcare industry, the Company recognises the long-term benefits of healthy living and actively promotes programmes that are focused on enhancing the health and wellbeing of its employees.

   As part of the commitment to "making tomorrow healthier", the Company continues to implement and promote internal programmes including fitness development, health awareness topics, occupational health and safety training, provision of medical benefits, a smoke-free workplace, and ongoing fitness challenges focused on nutrition and mental wellbeing. Employees also benefit from the annual Discovery Wellness Day where testing and screenings are undertaken to ensure monitoring and awareness of their health status.

   The Company employee assistance programmes, ICAS and Strove, are available to provide counselling and intervention for those suffering from issues such as burnout, stress and depression.

3. **Personal development plans incorporating blended learning programmes implemented for all staff**

   Employees undergo the Ascendis Health Talent Assessment annually, whereby employees in conjunction with management prepare a dedicated Personal Development Plan based on the outcome of the assessment which includes both the employee and business aspirations for the year. Once concluded, the appropriate development channels are identified by the dedicated Learning and Development department and employees benefit from both formal and informal training, as well as Coaching and Mentorship programmes administrated by subject matter experts.

4. **Talent management put in place to mitigate staff turnover**

   The Group strongly believes in a holistic approach to talent management without losing sight of the aspirations and requirements of each individual employee, which forms the base of our EVP. The Group has multiple learning and development opportunities for employees supported by strong leadership and reinforced by our culture and values. Employees have access to several employee engagement initiatives throughout their tenure with the Group, which include but is not limited to recognition, enablement, development, retention, and support programmes.

5. **Critical staff list and associated successor programme put in place to mitigate turnover, and loss of institutional knowledge**

   Through the talent assessment conducted annually, staff critical to the Group strategy are identified in conjunction with a potential successor. The critical staff and their successors form part of a formalised development programme to ensure that our critical talent is developed in line with their aspirations and to prepare them for the next level within the organisation.

   The critical employees identified, in turn, act as mentors to the identified successors in order to equip the successor with the required skills and knowledge to move to the next level once the critical employee is promoted or moves to another position within the Group.

6. **Increased investment in training and leadership development**

   The Group has partnered with several educational institutions to provide industry/functional training for its staff and utilises the SETA-funded programmes to develop and improve the capability of both employed and unemployed individuals.

   In FY24, the Group onboarded over 30 learners onto its learnership programmes with the aim of developing talent within the various industries and disciplines in which we operate.

7. **Development of a Short-Term Incentive (STI) scheme that comprises an annual bonus based on KPIs (Category A- 75% Financial/ 25% KPI and Category B – 50% Financial/50% KPI)**

   The Group identified several areas of improvement within its underlying company portfolios and has developed an STI scheme to achieve its strategic objectives by developing a reward structure that drives the correct behaviour, aligns shareholder value and rewards staff for the achievement of KPIs.

8. **Implementation of an effective Performance Management programme that drives productivity and purpose**

   Each underlying portfolio company within the Group has set strategic objectives, which have been converted into operational objectives. The operational objectives have been filtered to each occupational level within the portfolio companies to ensure that staff understand the strategy and performance criteria, and to enable them to contribute to the Group's strategic objections meaningfully. The financial objectives are measured informally monthly and formally bi-annually, through a business unit review process.

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE REPORT (CONTINUED)

Environment, health and safety

The SETC plays an important role in furthering the Group's environmental objectives. These environmental, health and safety (EHS) development objectives continue to be centred on identifying opportunities for environmental sustainability and development and energy saving.

Culture of safety

The group's EHS department continues to monitor and evaluate incidents and report findings to the committee.

The group's companies are audited internally by the EHS department annually, as measured against local legislation and ISO standards (9001, 14001 45001 and 13485).

During the year, emphasis was also placed on ensuring that all mandatory legal training was completed.

Furthermore, the Group exhibited its dedication to safeguarding the health and welfare of its workforce by establishing a secure and health-conscious workplace. This commitment also extended to environmental conservation, as evidenced by the ongoing enforcement of an EHS policy, which is prominently communicated and prominently displayed across all its sites. A detailed EHS Framework (with set procedures, documents, registers and forms) – placing the focus on managing EHS through legal compliance and risk management – continued to be applied.

Energy and water saving

Monitoring water and energy usage metrics is vital for the Group as it supports cost savings, environmental responsibility, and compliance with regulations. Efficiently managing our water and energy resources not only aligns with our commitment to environmental stewardship but also yields tangible benefits for our bottom line. By meticulously tracking these metrics, we can identify opportunities for cost reduction and operational efficiency improvements.

The Group also installed a solar PV System at two of its branches, demonstrating the Group's commitment to sustainable energy practices but also providing a step towards reducing operational costs and carbon footprint. This eco-friendly initiative aligns with our broader vision for environmental responsibility and energy efficiency.

The Group monitors its water consumption closely to ensure responsible use of water across all sites. Many factors influence the water-usage statistics in our companies, including bathroom facilities that have low water usage functions, and further actions include the implementation of water-saving taps.

Recycling and waste management

Closely monitoring waste and recycling metrics is essential for the Group. By tracking these metrics diligently, we can identify opportunities to reduce waste, optimise resource utilisation, and lower operational costs. Furthermore, our commitment to efficient waste management aligns with our corporate responsibility and sustainability goals.

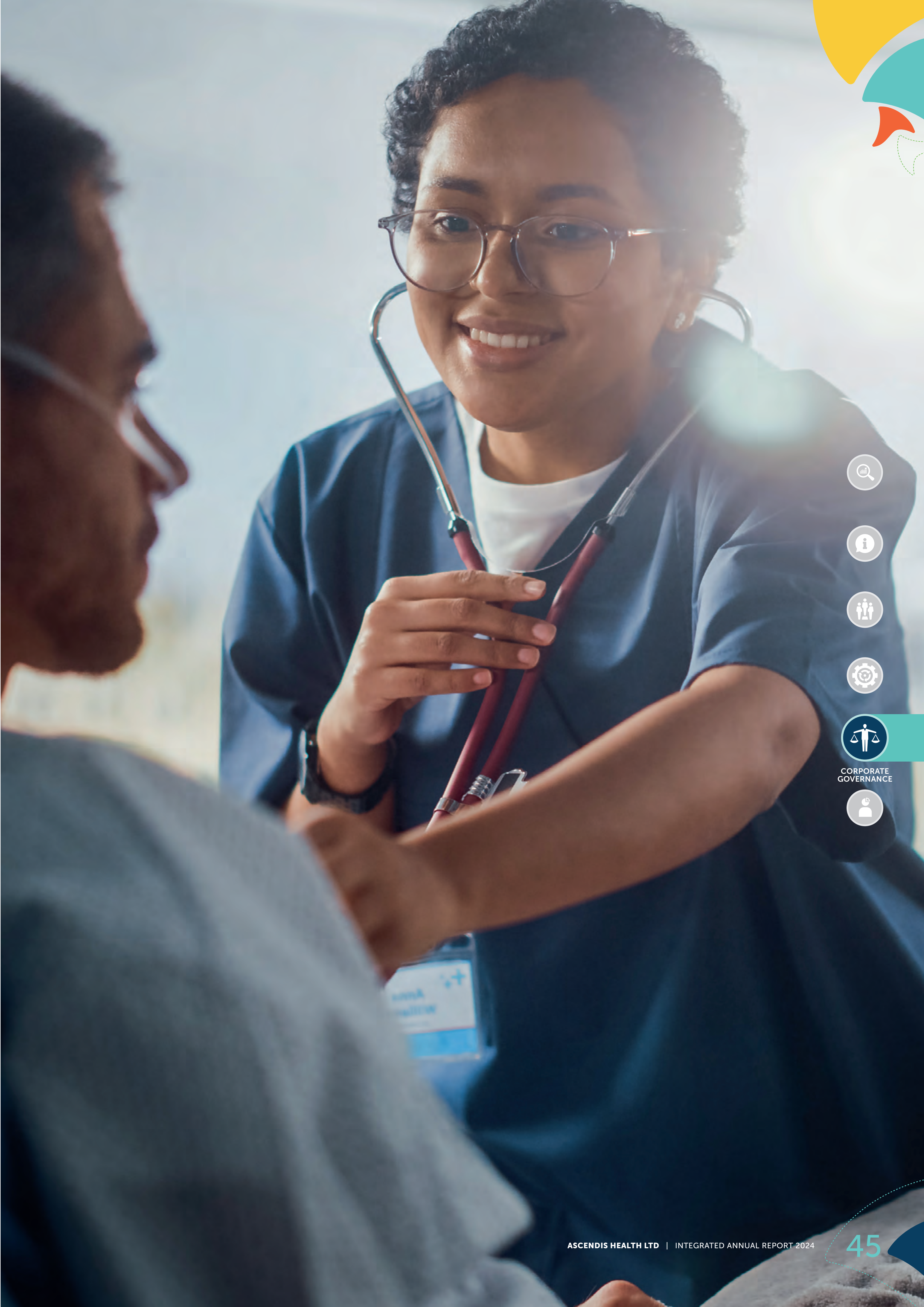
Additionally, in a world increasingly focused on sustainable practices, proactive monitoring of waste and recycling metrics helps us stay compliant with evolving regulations and mitigate potential risks. In short, our oversight of waste and recycling metrics reflects our dedication to sustainable growth, responsible corporate citizenship, and the protection of shareholder interests. The Group continues to monitor and measure waste management against internal objectives to reduce and reuse non-toxic material and recycle at source, with all Group companies actively sorting recycling waste.

The Medical Devices business has a well-established waste sorting and separation facility with efforts focused on the recycling of cardboard, paper, plastic and tetrapack.

Conclusion

In FY24, while the Group's primary focus remained on tackling financial challenges, navigating a complex operational environment, and carrying out strategic restructures and corporate initiatives, the SETC remained instrumental in driving the Group's social, ethical, and transformational agendas. The SETC is satisfied that it has performed in accordance with legislative requirements, acknowledging that despite the Group's downsized scale and limited resources, it continues to fulfil the social, ethical, and transformational mandates outlined by the Companies Act and King IV™. Our commitment to corporate citizenship and transformation objectives remains unwavering.

Dr Karsten Wellner
Chairman
Social, ethics and transformation committee



CORPORATE GOVERNANCE

SHAREHOLDER INFORMATION

as at 30 June 2024

30 June 2024 **Spread of ordinary shareholders**	**Number of shares**	**Percentage of shares**	**Number of shares**	**Percentage of shares**
Public shareholders	**430 396 360**	**68.1%**	415 075 683	65.6%
Non-public shareholders				
– Directors and associates of the Company	**195 355 010**	**30.9%**	210 969 793	33.4%
– Treasury shares (own holdings)	**6 718 589**	**1.1%**	6 424 483	1.0%
Total	**632 469 959**	**100.0%**	632 469 959	100.0%

According to the Company's register of shareholders, read in conjunction with the Company's register of disclosure of beneficial interests made by registered shareholders acting in a nominee capacity, the following shareholders held 5% or more of the issued share capital at 30 June 2024:

	30 June 2024		**30 June 2023**	
Major beneficial shareholders holding 5% or more	**Number of shares**	**Percentage of shares**	**Number of shares**	**Percentage of shares**
Calibre Investment Holdings (Pty) Ltd	**126 493 990**	**20.0%**	78 072 509	12.3%
International Finance Corporation	**61 686 663**	**9.8%**	61 686 663	9.8%
Kefolile Health Investments (Pty) Ltd	**56 321 482**	**8.9%**	56 321 482	8.9%
Cresthold (Pty) Ltd	**48 187 648**	**7.6%**	44 087 648	7.0%
Alpvest Equities (Pty) Ltd	**47 802 918**	**7.6%**	47 802 918	7.6%
Dendrobium Capital (Pty) Ltd	**38 006 922**	**6.0%**	36 741 922	5.8%

30 June 2024 **Distribution of registered shareholdings**	**Number of shareholders**	**Percentage of shareholders**	**Number of shares**	**Percentage of shares**
1 – 1 000	**12228**	**82.5%**	1 529 831	0.2%
1 001 – 10 000	**1853**	**12.5%**	6 223 837	1.0%
10 001 – 100 000	**568**	**3.8%**	19 184 581	3.0%
100 001 – 1 000 000	**120**	**0.8%**	35 556 858	5.6%
1 000 001 shares and over	**52**	**0.4%**	569 974 852	90.1%
	14 821	**100.0%**	632 469 959	100.0%

SHAREHOLDERS' DIARY

Annual general meeting	29 November 2024
Results and reporting:	
Interim results to December 2024	March 2025
Audited Annual results to June 2025	September 2025
Publication of 2025 integrated annual report	October 2025

NOTES

CORPORATE INFORMATION

Ascendis Health Limited

Registration number	2008/005856/06
Income tax number	9810/017/15/3
JSE share code	ASC
ISIN	ZAE000185005
Registered office	1 Carey Street, Wynberg, Sandton, 2090
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 (Pty) Ltd
Auditors	Nexia SAB&T (appointed 6 April 2024) PricewaterhouseCoopers Inc. (terminated 17 March 2024)
Transfer secretaries	Computershare Investor Services Proprietary Limited Rosebank Towers, 15 Biermann Avenue Rosebank, 2196 Private Bag X9000, Saxonwold, 2132 Telephone +27 11 370 5000
Company secretary	Joseph Fine (B. Soc Sci LLB) joe.fine@ascendishealth.com
Directors	B Harie (Chairman)* AC Neethling (CEO) A Chetty* T De Bruyn~ Dr. K Wellner* HA Nolte* ** 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*

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