



Ascendis
HEALTH LIMITED

UNAUDITED INTERIM RESULTS

For the six months ended 31 December 2024



Introduction

Ascendis Health Limited (“Ascendis” or “the company”) or including its subsidiaries (“the Group”), presents its interim financial statements for the six-month period ending 31 December 2024. Ascendis operates within the healthcare sector, focusing on supplying health and wellness products (“Consumer” segment) and distributing medical devices (“Medical” segment).

In line with its strategy, Ascendis has met the requirements of an “Investment Entity” under IFRS 10 and transitioned from a conglomerate to a cost-effective and decentralised investment holding company. ACN Capital IHC (Pty) Ltd, an experienced and professional fund manager, is the investment manager of the Group (“Investment Manager”). The Investment Manager oversees capital allocation, delivers valuable investment management and support services and, under the Board’s supervision, aims to unlock shareholder value through investment income, capital appreciation, and profitable exits.

Accordingly, Ascendis has prospectively applied the Investment Entity exemption in terms of IFRS10.30 from 1 July 2024 and measured its investments in its subsidiaries at fair value through profit or loss per IFRS 9. Subsidiaries that provide investment-related services are not measured at fair value but are consolidated. The changes have not been applied retrospectively and accordingly, Ascendis’ consolidated interim financial statements for the six months ended 31 December 2024 have been prepared on a materially different basis compared to those of previous years.

An investment company prioritises transparency and ensures a continuous, active process to assess whether the group is acting in the financial best interest of its shareholders. It offers a cost-effective way to align management’s decisions and actions with shareholder interests by proactively evaluating the return on investment for each business within the Group’s portfolio. Additionally, it enables the Group to bring in equity partners at the portfolio company level and provide equity incentives for management at the investment level with relative ease.

As a result, it is more appropriate to report on net asset value as a performance metric and it has therefore been resolved to adopt Net Asset Value as the Group’s relevant financial measure. As the company transitioned to an Investment Entity, the most relevant metric for assessing its value and performance will be Net Asset Value Per Share, as this metric reflects the value of the Group’s investments. Unless a disposal occurs, the reported earnings (or losses) are primarily unrealised gains or losses, driven by fluctuations in the value of the underlying investment portfolio. In light of the aforementioned, the below year-on-year financial information is not comparable.

On 31 December 2024 the Ascendis Net Asset Value was valued at R659m (December 2023: R642m), with the Medical segment representing 35% of the value and the Consumer segment representing 65%.

The earnings per share for total operations were 6.4 cents (December 2023: 12.7 cents) and post the R8.9m adjustment for the first day implementation of the fair value gain through profit and loss, the headline earnings per share for total operations were 5 cents (Restated December 2023: 3.4 cents). In light of the aforementioned preparation change, the year-on-year financial information is not comparable.

Despite challenges such as subdued consumer spending and government payment delays, Ascendis’ investee companies successfully navigated these obstacles, leveraging strategic planning to grow and capitalise on market opportunities.

Medical Portfolio

The Medical portfolio consists of five investee entities: The Scientific Group, Surgical Innovations, InterV Med, Cardio Tech and Ortho Xact. Operations extend across the medical sector providing life-changing technology within the private and government sectors.

The portfolio was valued at R217m at 1 July 2024 and showed growth of 16.5% (R36m) to 31 December 2024 (R252m). Despite the challenges of government collections that has exerted pressure on net working capital, the companies remained resilient.

The portfolio made great strides to strengthen relationships with the agencies and suppliers in the six months to improve net working capital and expand the service offerings. Post the business rescue of Surgical Innovations in the prior year, there has been support from its agencies to ensure service excellence is maintained but it remains under pressure operationally and from a cash flow perspective. The Scientific Group has been able to onboard new agencies upon the exit of other agencies which has resulted in additional business.

Cardio Tech has managed to launch several projects in the cardiology division with outstanding results. Through the improved cash position of the Group, Ortho Xact has been able to acquire two strategic agencies in the orthopaedic division.

Overall, the portfolio is performing well and management remains optimistic as investee companies seek new technologies and adapt strategy to maximise the offerings. New partnerships have been forged which have opened doors to new opportunities.

Consumer Portfolio

The Consumer portfolio is made up of three investee companies: Ascendis Consumer Brands, Chempure and The Compounding Pharmacy of South Africa. Operations span across the wellness retail space to provide nutraceuticals, specialised medicine and high-quality ingredients.

The portfolio was valued at R463m at 1 July 2024 and showed growth of 1% (R4.8m) to 31 December 2024 (R468m). The portfolio experienced many challenges given the state of the South African economy, such as subdued consumer spending and product pricing pressure at the retail level. The decreased foot fall within retail impacted Ascendis Consumer Brands but continuous review of the strategy has resulted in the entity maintaining market share and is in a position to bring new products to the market. Through effective debt management, a strategic acquisition was completed to expand the offering in the weight management segment.

The Compounding Pharmacy of South Africa is stable in comparison to the prior year, and there is continued focus on expanding its geographical footprint and securing market share. Regulations remain a restrictive challenge in expansion of the product offering but through strategic planning the entity has been able to protect the existing market share.

Strategic forecasting and demand planning has been key to Chempure's success, enabling it to secure new business by offering competitive pricing and availability of inventory. Continuous engagement with partners and suppliers has yielded very positive results and these engagements remain a key focus for the entity to unlock new offerings and gain market share.

Overall, the Consumer portfolio has been able to defend its market share well considering the state of the economy and is well positioned to penetrate new geographies and segments to expand.

Subsequent events:

Through the assessment of the entities, an opportunity arose to capitalise on synergies between InterV Med and Cardio Tech to create one investee company. The process involved aligning with our agency partners and customers to ensure a smooth transition and no interruption in supply. The merger is effective 1 Jan 2025.

Dividends:

The directors have decided not to declare a dividend but remain optimistic about the performance of the Ascendis portfolio.

Outlook:

Looking ahead, the board of directors reports that the future outlook of the Group remains positive driven by the focus to capitalise on market opportunities to grow its businesses through new product offerings, new customers and geographies, new agencies, capacity expansion, and potential acquisitions.

It is imperative that new business development initiatives are built on optimised operating platforms. Continued efforts to improve demand planning, inventory management, revenue models, and streamline commercial and sales functions will be prioritised to drive efficiency and enhance profitability across all businesses.

The return of load-shedding and its impact is a concern to the Group and the Group is bolstering its systems to ensure that there is no interruption to our supply chain and to mitigate loss of inventory.

Cost efficiencies are a continuous theme from the prior years and the Group continues to constantly re-evaluate the resources available, ensuring the Group is fit for purpose. Efforts to aggressively reduce and restructure costs over the years have yielded positive results, with significant reductions seen across various cost categories. The annualised head office entities EBITDA / or (costs) are projected at R25m. These reductions over the years underscore the Group's commitment to prudent cost management and operational efficiency.

Cash flow management is vital to the Group and there has been effective management of the available resources. Whilst this is a positive development, ongoing macroeconomic and structural challenges underscore the need for ongoing prudent balance sheet management and strategic capital allocation.

Commentary

Bharti Harie
Independent non-executive chairman

Carl Neethling
Chief executive officer

Lihle Mbele
Chief financial officer

Johannesburg
27 March 2025

Condensed group statement of profit or loss and comprehensive income

for the six months ended 31 December 2024

	Notes	Six months ended 31 December 2024 Unaudited R'000	Six months ended 31 December 2023 Unaudited R'000	Year ended 30 June 2024 Audited R'000
Continuing operations				
Revenue	7	-	737,551	1,472,044
Cost of sales		-	(435,632)	(886,864)
Gross profit		-	301,919	585,180
Other income ⁽¹⁾	8	-	71,525	100,413
Net fair value (loss)/gain	1	49,499	-	-
Selling and distribution costs		-	(43,050)	(88,799)
Administrative expenses	8	(1,233)	(179,918)	(361,223)
Net impairment loss on financial assets		-	183	(11,491)
Other operating expenses	8	(538)	(71,238)	(131,322)
Transaction and restructuring related costs		(6,281)	(5,631)	(17,445)
Net impairment loss on assets		-	(26,111)	(28,924)
Operating profit/(loss)		41,447	47,679	46,389
Finance income		7,144	18,880	6,459
Finance costs		(4,649)	(5,144)	(12,479)
Management Fee		(3,500)	-	-
Profit/(loss) before taxation		40,442	61,415	40,369
Tax (expense)/income		(122)	2,392	1,201
Profit/(loss) from continuing operations		40,320	63,807	41,570
Profit from discontinuing operations	2	-	15,720	15,720
Profit for the period		40,320	79,527	57,290
Profit/(loss) attributable to:				
Owners of the parent		40,320	79,527	57,290
Continuing operations		40,320	63,807	41,570
Discontinued operations	2	-	15,720	15,720
		40,320	79,527	57,290
Profit/(loss) per share from continuing operations				
Basic and diluted profit/(loss) per share (cents)	6	6.4	10.2	6.6
Total profit per share				
Basic and diluted profit per share (cents)	6	6.4	12.7	9.2

1) Other income in the prior year includes the gain of R85.1m related to the reacquisition of Surgical Innovations.

2) On 1 July 2024 Ascendis concluded that the Group met the requirements of an Investment Entity in accordance with the requirements as set out in IFRS 10. The company's investments are measured at Fair Value Through Profit and Loss ("FVTPL") in accordance with IFRS 9. At the time of measurement R8.9m was recognised as a gain through FVTPL and remeasured at 31 December 2024. Fair value is determined in accordance with IFRS 13.

Condensed group statement of financial position at 31 December 2024

	Notes	Six months ended 31 December 2024 Unaudited R'000	Six months ended 31 December 2023 Unaudited R'000	Year ended 30 June 2024 Audited R'000
ASSETS				
Property, plant and equipment		51	195,878	196,617
Right-of-use assets		-	51,265	43,534
Intangible assets and goodwill		-	12,657	9,171
Other financial assets		730	4,132	730
Investment non-current	1	719,878	-	-
Deferred tax assets		-	43,729	44,289
Non-current assets		720,659	307,661	294,341
Inventories		-	401,516	396,893
Trade and other receivables		1,862	324,596	321,511
Other financial assets		1,326	2,645	2,712
Loans to related parties	4	92,267	-	-
Current tax receivable		1,854	4,876	4,729
Derivative financial assets		-	716	-
Cash and cash equivalents		2,853	80,027	42,664
		100,162	814,376	768,509
Current assets		100,162	814,376	768,509
Total assets		820,821	1,122,037	1,062,850
EQUITY				
Stated capital		6,156,825	6,156,825	6,156,825
Reserves		(16,455)	(16,469)	(16,546)
Accumulated loss		(5,481,689)	(5,497,929)	(5,522,009)
Equity attributable to equity holders of parent		658,681	642,427	618,270
Total equity		658,681	642,427	618,270
LIABILITIES				
Borrowings and other financial liabilities		-	1,966	-
Deferred tax liabilities		-	442	891
Lease liabilities		-	41,187	33,441
Non-current liabilities		-	43,595	35,708
Trade and other payables		46,226	362,774	364,357
Borrowings and other financial liabilities		-	6,083	-
Provisions		849	13,414	13,509
Contract liabilities		-	16,065	11,490
Lease liabilities		-	14,814	15,881
Current tax payable		1,809	2,644	3,090
Bank overdraft		63,893	20,221	-
Loans from related parties	4	49,363	-	-
Current liabilities		162,140	436,015	408,872
Total liabilities		162,140	479,610	444,580
Total equity and liabilities		820,821	1,122,037	1,062,850

On 1 July 2024 Ascendis concluded the Group met the requirements of an Investment Entity, in accordance with the requirements as set out in IFRS 10, the company's investments are measured at Fair Value Through Profit and Loss ("FVTPL") in accordance with IFRS 9.

Condensed group statement of changes in equity

for the six months ended 31 December 2024

R'000	Stated capital	Foreign currency translation reserve	Revaluation reserve	Other reserves	Retained income/ (Accumulated loss)	Total attributable to equity holders of the group	Total equity
Balance as at 1 July 2023	6,156,825	2,230	-	(18,702)	(5,577,456)	562,898	562,898
Profit for the period	-	-	-	-	79,527	79,527	79,527
Other comprehensive income	-	3	-	-	-	3	3
Total comprehensive income for the period	-	3	-	-	79,527	79,530	79,530
Balance as at 31 December 2023	6,156,825	2,233	-	(18,702)	(5,497,929)	642,427	642,427
Loss for the period	-	-	-	-	(24,080)	(24,080)	(24,080)
Other comprehensive loss	-	(77)	-	-	-	(77)	(77)
Total comprehensive income/(loss) for the period	-	(77)	-	-	(24,080)	(24,157)	(24,157)
Balance as at 30 June 2024	6,156,825	2,156	-	(18,702)	(5,522,009)	618,270	618,270
Profit for the period	-	-	-	-	40,320	40,320	40,320
Other comprehensive income	-	91	-	-	-	91	91
Total comprehensive income for the period	-	91	-	-	40,320	40,411	40,411
Balance as at 31 December 2024	6,156,825	2,247	-	(18,702)	(5,481,689)	658,681	658,681

Condensed group statement of cash flows

for the six months ended 31 December 2024

	Notes	Six months ended 31 December 2024 Unaudited R'000	Six months ended 31 December 2023 Unaudited R'000	Year ended 30 June 2024 Audited R'000
Cash flows from operating activities				
Cash (utilised)/from by operations		(1,865)	(16,829)	7,905
Interest income received		7,144	2,289	4,505
Interest paid		(4,649)	(4,507)	(11,660)
Income taxes paid		(6,065)	(6,700)	(8,858)
Net cash outflow from operating activities		(5,435)	(25,747)	(8,108)
Cash flows from investing activities				
Purchases of property, plant and equipment		-	(17,027)	(37,093)
Proceeds on the sale of property, plant and equipment		-	3,578	5,974
Purchases of intangible assets		-	(35)	(8,707)
Proceeds on the sale of intangible assets		-	-	54
Loans advanced to related parties		42,904	-	-
Net cash and cash equivalents deconsolidated ⁽¹⁾		(139,787)	-	-
(Repayment of)/Proceeds from disposal of other financial assets		(1,386)	(751)	(2,484)
Proceeds from disposal of subsidiaries - net of cash forfeited	3.2	-	21,928	21,928
Net cash inflow from investing activities		(98,269)	7,693	(20,327)
Cash flows from financing activities				
Proceeds from issue of shares		-	-	-
Repayment of borrowings		-	(20,293)	(20,293)
Lease liabilities repaid		-	(4,078)	(10,840)
Net cash outflow from financing activities		-	(24,371)	(31,132)
Net decrease in cash and cash equivalents		(103,704)	(42,425)	(59,567)
Restricted cash balance at the beginning of the period		-	18,709	18,709
Other cash and cash equivalents balance at the beginning of the period		42,664	83,522	83,522
Cash and cash equivalents at beginning of period		42,664	102,231	102,231
Restricted cash balance at the end of the period		-	-	-
Cash and cash equivalents balance at the end of the period		(61,040)	59,806	42,664
Cash and cash equivalents at end of period		(61,040)	59,806	42,664

⁽¹⁾ As a result of IFRS 10 implementation, the net result of disposals of an investment asset are reflected in investing activities.

Basis of preparation and approval

Basis of preparation

The condensed consolidated interim financial statements for the six months ended 31 December 2024 comprise of the company and its subsidiaries.

The condensed consolidated interim financial statements have been prepared in accordance with the requirements of the JSE Listings Requirements, and the requirements of the Companies Act of South Africa (No 71 of 2008). The JSE Listings Requirements require interim financial statements to be prepared in accordance with and containing the information required by IAS34: Interim Financial Reporting, the framework concepts and the measurement and recognition requirements of the International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS®), the Financial Pronouncements as issued by the Financial Reporting Standards Council and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee.

The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 30 June 2024, which have been prepared in accordance with IFRS. The condensed consolidated interim financial statements and any forward looking information have not been externally reviewed or audited. The unaudited condensed interim financial statements for the six months ended 31 December 2024 have been prepared under the supervision of the chief financial officer, Mrs Lihle Mbele CA (SA). The condensed consolidated interim financial results are the responsibility of the directors and were approved by the board on 26 March 2025.

On 1 July 2024, the company concluded to meet the requirements as set out in IFRS 10 of an Investment Entity, based on the assessment and in accordance with IFRS 10, the company is therefore required to recognise its investments at Fair Value Through Profit and Loss ("FVTPL") together in accordance with IFRS 9. To this end, the company no longer consolidates the subsidiaries ("investments") it controls. However, wholly owned subsidiaries that provide investment related services, such as management services (i.e. those wholly owned subsidiaries comprising of Ascendis' head office operations), are not accounted for at fair value through profit or loss and continue to be consolidated.

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

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

Principal accounting policies

The principal accounting policies applied in the preparation of the condensed consolidated interim financial statements are consistent with those applied for the consolidated annual financial statements for the year ended 30 June 2024, except for the mandatory adoption of amendments to IFRS effective 1 January 2023. The impact on the Group's financial results, disclosures or comparative information as a result of these amendments is not significant.

Notes to the condensed group interim financial statements for the six months ended 31 December 2024

1. Investments in subsidiaries

On 1 July 2024, Ascendis concluded that it meets the definition of an Investment Entity, as its focus on wealth creation for its shareholders has not changed and the performance of its investments is measured with reference to the fair value of each investment in Ascendis' drive to meet its strategic objective of maximising wealth through capital appreciation, investment income or both.

As required by IFRS 9, in accordance with IFRS 10, the Group measures and classifies the majority of its financial assets at fair value through profit or loss, with any resultant gain or loss recognised in investment valuation gains/losses. Fair value is determined in accordance with IFRS 13.

Statement of financial position items carried at fair value include investments in equity instruments.

The Group applies a number of methodologies to determine and assess the reasonableness of the investments' fair value, which may include the following:

- Earnings multiple, including Enterprise Value ("EV") /EBITDA and price/earnings (P/E) multiples. The primary valuation models utilised for valuing unlisted portfolio investments are the EV/EBITDA multiple model and the market-related net asset value of investments, or a combination of both. Budgeted, year to date, and forecast EBITDA were considered (all normalised), excluding once off adjustments. Management performed a detailed assessment of sustainable EBITDA which are incorporated in the calculations.
- Unlisted investments have been valued using the maintainable earnings model or, if more appropriate, attributable net asset value. The maintainable earnings model is based on normalised maintainable EBITDA to which an appropriate multiple is applied taking account for each investee individually its size, industry, growth rate, comparable and recent transactions, and then adjusted for normalised net cash/debt.

Prior to the conversion of the company to an investment entity, the investments in Ascendis Health SA Holdings (Pty) (Ltd) were carried at cost. The portfolio companies have been classified as financial assets measured at FVTPL. Ascendis values its unlisted portfolio companies using the earnings multiples valuation method. The portfolio companies of the Group are detailed below:

Portfolio Company	Industry Classification	Listing	Share Holding
Chempure (Pty) Ltd	Consumer Health	Unlisted	100%
Ascendis Consumer Brands (Pty) Ltd	Consumer Health	Unlisted	100%
Compounding Pharmacy of South Africa (Pty) Ltd	Consumer Health	Unlisted	100%
K2013126193 (Pty) Ltd	Consumer Health	Unlisted	100%
K2013197766 (Pty) Ltd	Consumer Health	Unlisted	100%
Ascendis Supply Chain (Pty) Ltd	Consumer Health	Unlisted	100%
Surgical Innovations (Pty) Ltd	Medical Devices	Unlisted	100%
The Scientific Group (Pty) Ltd	Medical Devices	Unlisted	100%
Ortho-Xact (Pty) Ltd	Medical Devices	Unlisted	100%
Cardio-Tech (Pty) Ltd	Medical Devices	Unlisted	100%
InterV Med (Pty) Ltd	Medical Devices	Unlisted	100%
Elixir Brands (Pty) Ltd	Head Office	Unlisted	100%
Ascendis Spain Holdings SL	Head Office	Unlisted	100%
Klipspringer Products (Pty) Ltd	Head Office	Unlisted	100%

The following entities: Elixir Brands (Pty) Ltd, Ascendis Spain Holdings SL and Klipspringer Products (Pty) Ltd are included in the medical devices and consumer health segments.

Notes to the condensed group interim financial statements for the six months ended 31 December 2024

1. Investment in subsidiaries (continued)

Investment holdings include the fair value of the company's investment in Ascendis Health SA Holdings (Pty) Ltd and comprises mainly of the fair value of its investments, assets and liabilities held by its underlying subsidiaries, summarised as follows:

31 December 2024	Six Months ended	Six Months ended	Six Months ended	Six Months ended
	Equity Value	Equity Value	Equity Value	Equity Value
	1 July 2024 R'000	31 December 2024 R'000	31 December 2023 R'000	30 June 2024 R'000
Consumer Health	462,663	467,588	-	-
Medical Devices	216,696	252,290	-	-
Total investments	679,359	719,878	-	-

	Fair Value Gain/(Loss)	Fair Value Investment	Fair Value Gain/(Loss)	Fair Value Investment	Investment Income
	Initial recognition	Initial recognition	Gain/(Loss)		Interest income
	1 July 2024 R'000	1 July 2024 R'000	31 December 2024 R'000	31 December 2024 R'000	31 December 2024 R'000
Consumer Health	233,022	462,663	4,925	467,588	892
Medical Devices	(224,041)	216,696	35,594	252,290	3,341
	8,981	679,359	40,519	719,878	4,233

No dividends were declared during the period.

All the portfolio companies are subsidiaries of Ascendis Health SA Holdings (Pty) Ltd. These subsidiaries have not been consolidated based on the parent's change in status to an investment entity but instead have been accounted for as financial assets at FVTPL in accordance with IFRS 9.

Notes to the condensed group interim financial statements for the six months ended 31 December 2024

1. Investments in subsidiaries (continued)

Financial risk factors

The Group's activities as an Investment Entity expose it mainly to price risk (including market risk, cash flow and fair value interest rate risk), credit risk and liquidity risk applicable to trade receivables and trade payables.

The condensed interim financial statements do not include all financial risk management information and disclosures set out in the consolidated annual financial statements, and therefore they should be read in conjunction with the consolidated annual financial statements for the year ended 30 June 2024.

Risk management continues to be carried out throughout the Group under policies approved by the respective boards of directors.

Level 1 inputs

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions.

If an entity holds a position in a single asset or liability and the asset or liability is traded in an active market, the fair value of the asset or liability is measured within Level 1 as the product of the quoted price for the individual asset or liability and the quantity held by the entity, even if the market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Level 2 inputs

Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs

Level 3 inputs are unobservable inputs for the asset or liability.

Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

Notes to the condensed group interim financial statements for the six months ended 31 December 2024

1. Investments in subsidiaries (continued)

The fair value of financial assets and liabilities carried at amortised cost approximates their fair value, while those measured at fair value in the statement of financial position can be summarised as follows:

31 December 2024	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
Investments			719,878	719,878
	-	-	719,878	719,878

Notes to the condensed group interim financial statements for the six months ended 31 December 2024

2. Discontinued operations and disposal of subsidiary

Disposal of manufacturing assets relating to the Supply Chain business

During the prior period, the Group commenced a process to wind down its Supply Chain business and the associated manufacturing capacity which has been successfully outsourced to a third party. Certain plant, machinery and equipment was successfully disposed of prior to 30 June 2023 whilst the remaining identified assets were disposed of in the subsequent period to 31 December 2023. These items were classified as held for sale in terms of IFRS 5 as at 30 June 2023. The Group still retains ownership of the building that was not classified as held for sale.

Discontinued operations for the period

R'000	Six Months ended 31 December 2024 Unaudited R'000 Supply Chain	Six Months ended 31 December 2023 Unaudited R'000 Supply Chain	Year ended 30 June 2024 Audited R'000 Pharma
Revenue	-	-	-
Expenses	-	-	-
Profit on sale of disposal group	-	15,720	15,720
Profit before tax	-	15,720	15,720
Tax expense	-	-	-
Profit after income tax expense of discontinued operations	-	15,720	15,720
Other comprehensive income	-	-	-
Total comprehensive income	-	15,720	15,720

Notes to the condensed group interim financial statements for the six months ended 31 December 2024

2. Discontinued operations and disposal of subsidiary (continued)

Disposal of subsidiaries

During the prior period, the Group disposed of the plant, machinery and equipment that were previously classified as held for sale.

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

	Six months ended 31 December 2024 Unaudited R'000 Supply Chain	Six months ended 31 December 2023 Unaudited R'000 Supply Chain	Year ended 30 June 2024 Audited R'000 Supply Chain
Property, plant and equipment	-	2,562	2,562
Total assets	-	2,562	2,562
Current income tax payable	-	-	-
Total liabilities	-	-	-
Carrying amount of net asset disposed	-	2,562	2,562
Total disposal consideration - cash	-	18,282	18,282
Gain on disposal	-	15,720	15,720
Net cash			
Cash received	-	18,282	18,282
Less: Cash and cash equivalents balance of disposed subsidiaries	-	-	-
Net cash received on sale	-	18,282	18,282

Notes to the condensed group interim financial statements for the six months ended 31 December 2024

3. Reacquisition of control over subsidiary

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

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

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

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

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

	Six months ended 31 December 2024 Unaudited R'000 Surgical Innovations	Six months ended 31 December 2023 Unaudited R'000 Surgical Innovations Restated*	Year ended 30 June 2024 Audited R'000 Surgical Innovations
Property, plant and equipment ⁽¹⁾	-	89,720	89,720
Right-of-use assets	-	28,114	28,114
Current income tax receivable	-	1,413	1,413
Inventories	-	64,710	64,710
Trade and other receivables	-	48,822	48,822
Cash and cash equivalents	-	21,928	21,928
Total assets	-	254,707	254,707
Lease liabilities	-	(28,299)	(28,299)
Trade and other payables	-	(137,427)	(137,427)
Provisions	-	(3,783)	(3,783)
Total liabilities	-	(169,509)	(169,509)
Carrying amount of net asset reacquired/disposed*	-	85,198	85,198
Total disposal consideration	-	-	-
Gain on reacquisition/disposal	-	(85,198)	85,198
Net cash			
Cash received	-	-	-
Less/Add: Cash and cash equivalents balance of subsidiary	-	(21,928)	(21,928)
Net cash received/disposed on purchase/sale	-	(21,928)	(21,928)

¹⁾The acquisition value indicated above for property, plant and equipment is an initial estimate based on the net carrying amount. The company is still in the process of determining the fair value of property, plant and equipment, which is expected to be finalised in the current financial year. The adjustment will be accounted for retrospectively once completed.

*31 December 2023 carrying amount of net asset reacquired have been restated from R27m to R85m to include the once off adjustment of the vat liability provision reversal.

Notes to the condensed group interim financial statements for the six months ended 31 December 2024

4. Related Party

Related Party	Six months ended 31 December 2024 R'000 Unaudited
Loans to related party	
Ascendis Consumer Brands (Pty) Ltd	20,772
The Scientific Group (Pty) Ltd	11,989
Ortho-Xact (Pty) Ltd	34,037
Cardio Tech (Pty) Ltd	3,913
InterV Med (Pty) Ltd	14,717
Elixr Brands (Pty) Ltd	2,706
Klipspringer Products (Pty) Ltd	3,000
Current Asset	92,267
Loans from related party	
Chempure (Pty) Ltd	(13,853)
The Compounding Pharmacy of South Africa (Pty) Ltd	(332)
Elixr Brands (Pty) Ltd	(1,018)
Surgical Innovations (Pty) Ltd	(6,063)
The Scientific Group (Pty) Ltd	(233)
Cardio Tech (Pty) Ltd	(1,166)
InterV Med (Pty) Ltd	(18,739)
Ascendis Supply Chain (Pty) Ltd	(7,960)
Current Liabilities	(49,363)

The amount due to/ (from) related party bears are held at head office entities to the investees at market related interest rates.

Notes to the condensed group interim financial statements for the six months ended 31 December 2024

5. Group segmental analysis

The Group has two reportable segments, namely its Medical Devices and Consumer Health segments.

- **Consumer Health**, incorporating all of the Ascendis over-the-counter (OTC) and complementary and alternative consumer products. The segment is operating predominantly in the South African market
- **Medical Devices**, incorporating the supply of medical devices and consumables. The segment is operating predominantly in the South African market.

(a) Statement of profit or loss and other comprehensive income measures applied from continuing operations.

	Fair Value gain/(loss) on investments R'000	Investment Income R'000	Other income and expenses R'000	Headline Earnings R'000	SOTP Value R'000
31 December 2024 (Unaudited)					
Consumer Health	238,181	-	-	238,181	467,588
Medical Devices	(188,682)	-	-	(188,682)	252,290
Other	-	2,495	(11,553)	(9,180)	-
	49,499	2,495	(11,553)	40,319	719,878

	Six months ended 31 December 2024 Unaudited R'000	Six months ended 31 December 2023 Unaudited R'000	Year ended 30 June 2024 Audited R'000
Revenue split by segment			
Consumer Health	-	254,209	496,310
Medical Devices	-	483,342	975,734
Total revenue	-	737,551	1,472,044

Revenue by geographical location			
South Africa	-	737,551	1,472,044
Total revenue	-	737,551	1,472,044

Notes to the condensed group interim financial statements for the six months ended 31 December 2024

5. Group segmental analysis (continued)

	Six months ended 31 December 2024	Six months ended 31 December 2023	Year ended 30 June 2024
	Unaudited	Unaudited	Audited
Normalised EBITDA^{PM} split by segment	R'000	R'000	R'000
Consumer Health	32,966	14,970	21,771
Medical Devices	69,720	80,801	69,071
Head office	(67,431)	(13,134)	(26,235)
Less: Discontinued operations	-	-	-
Total normalised EBITDA^{PM}	35,255	82,637	64,607

*Normalised EBITDA performance refers to the operational performance of the segments. Ascendis Health SA Holdings (Pty) Ltd reflects the net disposals of the fair value recognition which includes dormant entities.

	Six months ended 31 December 2024	Six months ended 31 December 2023	Year ended 30 June 2024
	Unaudited	Unaudited	Audited
Reconciliation of normalised EBITDA^{PM} to consolidated results	R'000	R'000	R'000
Consolidated loss before taxation from continuing operations	40,442	61,415	40,369
Finance income	(6,844)	(18,880)	(6,459)
Finance expense	4,349	5,144	12,479
Total impairment, amortisation and depreciation	8	56,509	57,047
Total impairment on assets	-	-	28,924
EBITDA	37,955	104,188	132,360
Total transaction and restructuring related costs ⁽¹⁾	6,281	(21,551)	17,445
Restructuring, disposal and retrenchment costs ⁽²⁾	-	-	(85,198)
Initial recognition on investment in subsidiaries ⁽³⁾	(8,981)	-	-
Total normalised EBITDA^{PM} attributable to the parent	35,255	82,637	64,607

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

2) Refers to the loss of control of a subsidiary and subsequent reacquisition note 3 for further details regarding the deemed disposal of Surgical Innovations.

3) Refer to Note 1 for further details on the initial recognition of investment in subsidiaries.

Notes to the condensed group interim financial statements for the six months ended 31 December 2024

5. Group segmental analysis (continued)

Assets and liabilities split by segment	Six months ended 31 December 2024 Unaudited R'000		Six months ended 31 December 2023 Unaudited R'000		Year ended 30 June 2024 Audited R'000	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Consumer Health	-	-	256,475	(44,181)	261,930	(73,701)
Medical Devices	-	-	842,816	(372,439)	769,032	(321,762)
Head office	820,821	162,140	22,746	(62,990)	31,888	(49,117)
Total consolidated assets and (liabilities)	820,821	162,140	1,122,037	(479,610)	1,062,850	(444,580)

Notes to the condensed group interim financial statements for the six months ended 31 December 2024

6. Earnings per share

	Six months ended 31 December 2024 Unaudited			Six months ended 31 December 2023 Unaudited Restated*			Year ended 30 June 2024 Audited		
	R'000			R'000			R'000		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
(a) Basic profit/(loss) per share									
Profit/(Loss) attributable to owners of the parent	40,320	-	40,320	63,807	15,720	79,527	41,569	15,720	57,290
Profit/(Loss)	40,320	-	40,320	63,807	15,720	79,527	41,569	15,720	57,290
Weighted average number of ordinary shares in issue		626,045,476			626,045,476			626,045,476	
Basic profit/(loss) per share (cents)	6.4	-	6.4	10.2	2.5	12.7	6.6	2.5	9.2
(b) Headline earnings/(loss) per share									
Profit/(loss) attributable to owners of the parent	40,320	-	40,320	63,807	15,720	79,527	41,569	15,720	57,289
<i>Adjusted for:</i>									
Net loss/(profit) on the sale of property, plant and equipment	-	-	-	1,364	-	1,364	639	-	639
Tax effect	-	-	-	(368)	-	(368)	(173)	-	(173)
Profit on disposal of subsidiary	-	-	-	-	-	-	-	-	-
Profit on reacquisition and loss of control of subsidiary*	-	-	-	(85,198)*	-	(85,198)*	(85,198)	-	(85,198)
Goodwill, intangible asset and tangible asset	-	-	-	26,111	-	26,111	28,924	-	28,924
Tax effect	-	-	-	-	-	-	1,798	-	1,798
Initial recognition on investment gain	(8,981)	-	(8,981)	-	-	-	-	-	-
Loss of subsidiary/disposal of an investment asset	-	-	-	-	-	-	3,527	-	3,527
Headline earnings/(loss)*	31,339	-	31,339	5,716*	15,720	21,436*	(8,914)	15,720	6,806
Weighted average number of shares in issue		626,045,476			626,045,476			626,045,476	
Headline earnings/(loss) per share (cents)*	5.0	-	5.0	0.9*	2.5	3.4*	(1.4)	2.5	1.1

*31 December 2023 headline earnings per share have been restated from 12.7 (as previously reported) to 3.4 cents per share as a result of the reacquisition of Surgical innovations from an accounting perspective during the prior period. The once off gain has been adjusted to reflect normalised headline earnings. Refer to note 3 for further info.

Notes to the condensed group interim financial statements for the six months ended 31 December 2024

7. Revenue

	Six months ended 31 December 2024 Unaudited R'000	Six months ended 31 December 2023 Unaudited R'000	Year ended 30 June 2024 Audited R'000
Revenue			
Revenue from contracts with customers			
Sale of goods - wholesale	-	654,678	1,313,896
Sale of equipment	-	27,365	53,122
Rendering of service	-	10,689	17,591
	-	692,732	1,384,609
Timing of revenue: revenue from contracts with customers			
Consumer Health			
Products transferred at a point in time	-	254,209	496,310
Services transferred over time	-	-	-
Medical			
Products transferred at a point in time	-	427,834	870,709
Services transferred over time	-	10,689	17,591
	-	692,732	1,384,610
Rental income - Medical segment	-	44,819	87,435
Total revenue	-	737,551	1,472,045

Post implementation to an Investment Entity on the 1 July 2024, in accordance with IFRS 9, Revenue is accounted for in the fair value through profit or loss.

Notes to the condensed group interim financial statements for the six months ended 31 December 2024

8. Analysis of material expenses and other income

Profit/(loss) for the half-year includes the following items that are deemed material due to their nature, size or incidence:

	Six months ended 31 December 2024 Unaudited R'000	Six months ended 31 December 2023 Unaudited R'000	Year ended 30 June 2024 Audited R'000
Administration expense			
Salaries and wages	-	130,255	269,432
Consulting fees	237	9,828	19,846
Audit fees	648	3,138	4,416
Insurance costs	-	2,891	5,732
License costs	-	3,484	8,453
Management fee	3,500	-	-
General expenses	642	-	-
Transaction and restructuring related costs	6,281	-	-
Other expenses			
Foreign exchange loss	237	-	-
Impairment, amortisation and depreciation	8	56,509	85,971
Travelling expenses	-	6,206	11,999
Motor Vehicle expenses	-	6,657	13,527
Other income			
Foreign exchange gain	-	(4,857)	(7,916)
Net fair value (gain)/loss	(49,499)	-	-
SARS VAT Dispute Provision released ⁽¹⁾	-	(43,174)	-
Profit on loss of control over Surgical Innovations ⁽²⁾	-	(27,182)	(85,198)
	-	-	-

Post implementation to an Investment Entity on the 1 July 2024, in accordance to IFRS 9, all other income and expenses for investee entities are accounted for in the fair value through profit and loss account ("FVTPL").

⁽¹⁾ During the prior period, as a result of the successful business rescue process, the payment of the final distribution to creditors (including SARS) concluded and the remaining provision raised of R43.1m in respect of the SARS dispute within Surgical Innovations was released.

⁽²⁾ Refer to the reacquisition and loss of control of subsidiary note 3, for further details regarding the deemed reacquisition and disposal of Surgical Innovations during the prior year.

Notes to the condensed group interim financial statements for the six months ended 31 December 2024

7. Contingent liabilities

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

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

The Group is currently involved in one material dispute: a shareholder of the Group alleges that a loan made (not to the company) by that shareholder was guaranteed by Ascendis. The Group is in consultation with its legal counsel, assessing the potential outcome of these disputes on an ongoing basis. The Group does not foresee any material or significant exposure based on advice from legal representatives currently. As the dispute progresses, management makes provision in respect of legal proceedings where appropriate.

8. Going concern

The Group has assessed its cash flow forecasts and borrowings profile and is of the view that it has sufficient liquidity to meet its obligations as they become due.

9. Events after reporting period

After the reporting period, through assessment of the entities, an opportunity arose to capitalise on synergies between InterV Med (Pty) Ltd and Cardio Tech (Pty) Ltd to create one investee company. This was a lengthy process that involved aligning with our agency partners and customers to ensure a smooth transition and no interruption in supply. The merger is effective 1 Jan 2025.

There are no material events which occurred after the reporting date and up to the date of this report.

Administration

Country of Incorporation and domicile	South Africa
Registration number	2008/005856/06
Income tax number	9810/017/15/3
JSE and A2X share code	ASC
ISIN	ZAE000185005
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JSE sponsor	Valeo Capital Proprietary Limited
Auditors	Nexia SAB&T
Transfer secretaries	Computershare Investor Services Proprietary Limited Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196 Private Bag X9000, Saxonwold, 2132 Telephone: +27 (0)11 370 5000
Company secretary	Joseph Fine (B Soc Sci LLB) joe.fine@ascendishealth.com
Directors	B Harie (Chairman)* L Mbele^ K Wellner* T De Bruyn~ HA Nolte* A Chetty* AC Neethling * <i>Independent non-executive</i> ~ <i>Non-executive</i> ^ <i>Appointed 02 December 2024</i>



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