

Chair's review

At Aspen, we are focused on **delivering our Purpose, while creating positive, long-term value for our stakeholders and society** as a whole.

The Group is well on its way to realising its ambitions to deliver growth and generate stronger shareholder returns.



Kuseni Dlamini
Chair

A purpose-driven strategy

Every day, our medicines contribute to improving health and making life better for patients in over 115 countries. At Aspen, our Purpose guides and motivates our decisions and actions as we position the Group as a global pharmaceutical company, delivering enduring value for our stakeholders. Our commitment to increasing access to high quality, affordable medicines and reducing patient inequality forms the foundation of our strategy.

Through strategic acquisitions and divestments, we continue to refine our product portfolio to serve diverse patient populations and ensure sustainable growth. Our agreements with Eli Lilly Export S.A. ("Lilly") for Southern Africa, Viartis Inc ("Viatris") for Latin America and Sandoz AG ("Sandoz") for China have expanded our presence in these emerging markets, while securing access for patients to pipeline therapies from these companies.

Our investments in expanding our sterile manufacturing capacity, a critical enabler for enhancing access to medicines, have progressed positively. Successful transfers of manufacturing contracts into our facilities have cemented Aspen's reputation as a reliable partner of choice for multinational pharmaceutical companies.

Looking forward, we see significant opportunities in both our Commercial and Manufacturing segments, including entering the rapidly growing glucagon-like peptide-1 ("GLP-1") market for breakthrough diabetes and obesity treatments. We are confident in delivering growth and generating stronger shareholder returns.

Key features of 2024

Revenue increased by 10% (5% CER) to R44,7 billion

Record second half revenue performance with strong contributions from both Commercial Pharmaceuticals and Manufacturing.

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Sterile manufacturing agreements executed

Positive progress on the technical transfer and execution of strategic manufacturing agreements lay the foundation for returns on our sterile manufacturing platform.

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Increased dividend declared

A dividend of 359 cents (gross) per ordinary share declared, up 5% from 342 cents per share in the prior year.

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Sustainability strategy for meaningful action

Sustainability goals, measures and targets determined to galvanize sustainability strategy implementation.

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Chair's review continued

The pharmaceutical industry remains resilient in a turbulent global context

We operate in a turbulent global context marked by geopolitical uncertainties, rapid technological advancements, and shifting economic dynamics. The International Monetary Fund's latest outlook (October 2024) projects global growth of 3,2% for 2024 and 2025, during which time emerging markets and developing economies are expected to grow by 4,0%. This suggests some stabilisation, with global inflation gradually returning to target levels. However, downside risks remain, including escalating regional conflicts and a continuation of the trend towards protectionist policies that could impact global trade and investment flows.

The pharmaceutical industry, meanwhile, continues to outpace global growth projections. IQVIA estimates that the global medicine market, at invoice price levels, will grow at a compound annual growth rate of 5% to 8% through 2028, reaching approximately USD2,3 trillion. This growth is fuelled by scientific breakthroughs, regulatory shifts, and increasing healthcare demands. While demand for innovative therapies remains robust, the industry faces ongoing pressure to address drug pricing, ensure transparency, and build secure, resilient supply chains.

In response to this complex operating context, we are focused on maintaining our strategic position by enhancing operational resilience and flexibility while strengthening our partnerships, to ensure we remain competitive and responsive to the evolving landscape.

Group performance and shareholder returns

This year has seen significant achievements and milestones. Despite an uncertain global context, our focus on executing our strategy and pursuing value-accretive opportunities has resulted in solid results for FY2024 with a promising outlook for FY2025 and beyond. We have seen consistent growth across key countries and regions, supported by disciplined execution and resilience provided by our diversified portfolio. Streamlining operations and leveraging technology have improved productivity and operational efficiency. We are well-positioned to capitalise on emerging market opportunities and maintain momentum, supported by our solid foundation and forward-looking business strategy.

Reflecting this performance, and the Board's confidence in prospects for future growth and cash generation, a dividend of 359 cents per ordinary share was declared, an increase of 5% over the prior year, resulting in R1 602 million of retained income flowing to shareholders in September 2024.

A Sustainability Strategy to drive meaningful impact

Sustainability remains a cornerstone of our Business Strategy. We uphold the principles of the UN Global Compact as we aim to drive a positive impact in the SDGs that we have identified as being areas where we can make a difference. This year, we formalised our Sustainability Strategy and approved 16 sustainability goals, supported by milestones, measures and targets, for meaningful change. These goals span key areas such as patient access to medicines, environmental impact, social responsibility, and governance. Our priority sustainability goals and targets are presented alongside.

We engage with our investors, funders, customers and other stakeholders on environmental, social and governance issues and work towards achieving improved transparency in our communication and disclosures. We remain abreast of the rapidly changing regulatory environment impacting sustainability-related reporting, initiating EU Corporate Sustainability Reporting Directive ("CSRD") and IFRS Sustainability Standard readiness projects. We are proud to have retained our position in the Top 30 of

the FTSE/JSE Responsible Investment Index and remain a constituent of the FTSE4Good Index. We are also pleased that our Integrated Report for 2023 was rated as "Excellent" in this year's EY Integrated Reporting Awards.

Our priority sustainability goals and targets

As part of our ongoing commitment to sustainable business practices, I am pleased to present our new sustainability goals and targets, which will guide our efforts in creating long-term value for both the Group and its stakeholders. Set out below are our four priority sustainability goals where we are driving Group-wide performance against the stated targets. We intend to report progress against these targets from FY2025 onwards.

Sustainability pillar

Patients



Goal

Improve the health and quality of life of millions of people by increasing access to our portfolio of affordable, quality medicines.

Target

By FY2030, increase the number of patients reached (especially in emerging markets) with our critical medicines over the FY2024 baseline.

Our People



Goal

Achieve diversity and inclusivity in our workforce.

Target

By FY2030, achieve gender balance in top management positions globally.

Society



Goal

Maintain high governance and ethical standards.

Target

Each year, achieve 100% implementation of the Aspen Group ethics and compliance programme.

Environment



Goal

Reduce our carbon emissions in alignment with the goals of the Paris Agreement.

Target

By FY2030, reduce absolute combined Scope 1 and 2 carbon emissions by 50% over the FY2020 baseline year. By 2050, achieve net-zero carbon emissions in our operations.

Note: Our Sustainability Strategy (page 45) covers 16 goals, all supported by measures, milestones and targets that will be monitored internally.

Chair's review continued

Ethical leadership

Over the past year, we have remained steadfast in our commitment to ethical leadership, the cornerstone of our corporate culture and decision-making processes. The Group's ethics programme, endorsed by the Group Chief Executive, and supported by the Group Ethics Committee (executive), receives close oversight from the Social & Ethics and the Audit & Risk Committees. This programme reinforces our values of integrity, transparency, and accountability at every level of the organisation, ensuring that our leaders serve as role models for ethical behaviour. Through robust governance frameworks, continuous ethical training, and a zero-tolerance policy for misconduct, we foster an environment where doing the right thing is paramount. Our focus on ethical leadership strengthens trust with our stakeholders and enhances our long-term reputation and resilience.

Keeping our people safe

Safety is our paramount priority, and keeping our people safe is an unremitting endeavour. We continue to focus on reinforcing a strong safety culture across our operations. Despite maintaining our health and safety incident rates within tolerance levels, we were deeply saddened by the loss of a team member in a motor vehicle accident while she was conducting sales activities in South Africa. We extend our deepest condolences to her family, friends, and colleagues.

A focus on governance

Sound corporate governance practices are vital for creating and sustaining shareholder value and ensuring that behaviour is ethical, legal, and transparent – thereby reducing the risk of value erosion. Our Board is committed to continuously improving our corporate governance principles, policies, and practices by remaining abreast of evolving regulations and best practices. In line with our pursuit of best-practice governance, we focus on the four governance outcomes as envisioned by King IV and believe that we apply the principles outlined by the Code. The Board has noted the changes to the Companies Act, particularly areas requiring more transparent reporting and enhanced engagement with shareholders. Work has commenced on bridging the gap in our current practices to ensure we are well-positioned to meet these regulations when they become effective.

The diversity and experience of the Board is vital to support the delivery of our strategy and to value creation. The Board's composition and maturity continues to improve, ensuring we have the relevant skills and experience for effective oversight. Following a vacancy, I was pleased to welcome Neo Dongwana as an independent non-executive director to the Board in March 2024. Neo's experience as a non-executive director will significantly contribute to the Board's deliberations. She will also serve as a member of the Audit & Risk Committee. In March 2024, Reginald Haman, the Group Chief Corporate Officer, was appointed as an Executive Director. As the executive leading the Group's governance, enablement and assurance functions, Reginald's strategic input will be invaluable. Raeesa Khan was appointed as the Group Company Secretary effective January 2024.

While our Board's experience and skill sets are largely appropriate, we recognise the need to bolster the Board with international pharmaceutical industry experience. The Remuneration & Nomination Committee is actively addressing this.

Key Board outcomes

- Oversight of the Group's overall strategic performance
- Approval of key transactions and contract manufacturing agreements
- Approval of dividends
- Approval of the Group's sustainability strategy, goals and targets
- Succession planning for key executives

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Poised for growth

Our business philosophy of “doing well by doing good” continues to drive both our success and our positive impact on society. This approach underscores our belief that long-term profitability and responsible business practices are mutually reinforcing. Despite a challenging socio-political and economic backdrop, we are confident that our strategic direction and our operational setup allow us to navigate the current market environment successfully. Our employees go above and beyond the call of duty every day in pursuit of our mission to provide high quality affordable medicines. Our talented and committed teams consistently demonstrate their ability to adapt, creating a resilient and high-performance business poised to seize emerging opportunities.

I extend my gratitude to Stephen, the executives, and our Aspen team worldwide for their dedication to our mission and values. I also thank my fellow directors for their wise counsel and unwavering diligence in executing our mandate. We remain grateful to our shareholders and other stakeholders for their ongoing engagement and support.

Kuseni Dlamini
Chair