

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

## TRANSACTION UPDATE RELATING TO ASCENDIS' ACQUISITION OF REMEDICA

Ascendis shareholders ("Shareholders") are referred to the circular dated 12 July 2016 (the "Circular") relating to the acquisition of the entire issued share capital of Remedica Holdings Limited ("Remedica") from Margrit Pattichis, Charalambos Pattihis and Goldbond Trading and Investments Ltd (collectively, the "Sellers") (the "Acquisition") and the subsequent announcements released on the Stock Exchange News Service ("SENS") of the JSE Limited ("JSE") regarding the Acquisition, the last of which was dated 26 August 2016 and informed Shareholders that the Acquisition was implemented. In terms of the Acquisition, a deferred payment of €90 million is payable to the Sellers on 25 August 2019 ("Deferred Payment").

The Board of Ascendis ("Board") has given due consideration to the continued implementation of the Company's growth strategy whilst maintaining an optimal capital structure. The Board has considered various options in formulating a financing strategy that would allow Ascendis to support its growth strategy in the most efficient manner. To this end, the Board has resolved to raise equity to repay a portion of the Company's medium term debt obligations in order to reduce its debt position to a level which the Board considers to be more in line with its target capital structure and which will provide sufficient flexibility to pursue its growth strategy.

The Board has therefore elected to settle a portion of the Deferred Payment in advance of its due date. The Sellers have agreed that this portion may be settled at a discount to its outstanding value. Thus, Ascendis has entered into a deed of variation ("Deed of Variation") with the Sellers, to *inter alia*, amend the terms of the Deferred Payment, as set out below:

- In terms of the Acquisition, the Deferred Payment is payable to the Sellers on 25 August 2019 (being the third anniversary of the date on which the Acquisition was implemented). It has been agreed to reduce the Deferred Payment to €86.2 million (previously €90 million), and accelerate the repayment of €46.2 million of the reduced deferred payment ("Accelerated Payment"). The Accelerated Payment will be funded using the proceeds of the Rights Offer as announced on SENS on 1 November 2017;
- In terms of the Acquisition, Ascendis issued shares to the value of €10 million to Charalambos Pattihis at R22.00 per share on closing of the Acquisition, as part payment of the purchase consideration, which shares were subject to a lock-in period of 3 years. In terms of the Deed of Variation, the lock-in period on these shares will expire on signature of the Deed of Variation;  
(collectively, "the Amendments").

Further to the expiry of the lock-in, in the event that the Sellers wish to dispose of their shares the shares will be placed by way of a private placement process.

The implementation of the Amendments is expected to have the following benefits:

- result in a significant reduction of c.50% of outstanding non-current deferred vendor consideration payments, thereby reducing Ascendis' overall indebtedness;
- reduce repayment risk by settling anticipated near term obligations earlier; and
- address foreign exchange risk by settling a portion of Euro-denominated vendor liabilities at current rates.

The Amendments have been considered by the Board and Ascendis' legal advisors, who have all confirmed that, in the context of the overall transaction, the Amendments are not material or inconsistent with the terms of the Acquisition as approved by Shareholders. Furthermore, the reporting accountants have confirmed that the Amendments do not have a material effect on the previously calculated pro forma financial effects as disclosed in the Circular nor Ascendis' annual results for the period ended 30 June 2017. Consequently, no additional Shareholder approval is required to affect the Amendments.

13 November 2017

Johannesburg  
Sponsor  
Investec Bank Limited

Legal Advisors to Ascendis  
Cliffe Dekker Hofmeyr Inc.

Reporting Accountant to Ascendis  
PricewaterhouseCooper Ltd