

## THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 5 of this Circular have been used in this front cover.

If you are in any doubt as to the action you should take, please consult your CSDP, broker, banker, legal advisor, accountant or other professional advisor immediately.

### ACTION REQUIRED

If you have disposed of all your Shares in Ascendis, then this Circular should be handed to the purchaser of such Shares or to the broker, CSDP, banker or other agent through whom the disposal was effected.

Ascendis Shareholders are referred to page 3 of this Circular, which sets out the detailed action required of them in respect of this Circular.

**Ascendis does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of a Dematerialised Shareholder to notify such Shareholder of the details of this Circular.**

This Circular is issued in compliance with the Listings Requirements, for the purpose of providing information with regards to Ascendis and the Rights Offer.

The Rights that are represented by the Form of Instruction in respect of the Letters of Allocation are valuable and may be sold on the JSE. Letters of Allocation can, however, only be traded in dematerialised form and accordingly, all Letters of Allocation have been issued in dematerialised form.

Ascendis Shareholders will have the right to apply for any excess Rights Offer Shares not taken up by other Shareholders subject to such rights being transferable upon renunciation of the Letters of Allocation, and any such excess Rights Offer Shares will be attributed equitably. In this regard, the attention of Shareholders is drawn to paragraph 2.4 of this Circular which sets out in detail the basis on which excess applications will be attributed.

The Rights Offer Shares, upon their issue, will rank *pari passu* with all other Shares of the same class. There are no conversion or redemption provisions relating to the Rights Offer Shares.

The allocation of Rights Offer Shares will be such that only whole numbers of Rights Offer Shares will be issued and Shareholders will be entitled to rounded numbers of Rights Offer Shares based on the conventional rounding principle (as set out in Annexure 2 to this Circular).

The Rights Offer may be affected by the laws of the relevant jurisdictions of foreign Shareholders. Such foreign Shareholders should inform themselves about and observe any applicable legal requirements of such jurisdictions in relation to all aspects of this Circular that may affect them, including the Rights Offer. It is the responsibility of any foreign Shareholder to satisfy himself as to the full observation of the laws and regulatory requirements of the relevant jurisdiction in connection with the Rights Offer, including the obtaining of any governmental, exchange control or other consent or the making of any filings which may be required, the compliance with other necessary formalities, the payment of any issue, transfer or other taxes or other requisite payments due in such jurisdiction. The Rights Offer is governed by the laws of South Africa and is subject to any applicable laws and regulations, including the Exchange Control Regulations. Any foreign Shareholder who is in doubt as to his position, including without limitation, his tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay. In this regard, the attention of foreign Shareholders is drawn to paragraphs 6 and 7 of this Circular which sets out in detail the position of foreign Shareholders.



## Ascendis Health Limited

(Incorporated in the Republic of South Africa)

(Registration number 2008/005856/06)

JSE share code: ASC ISIN: ZAE000185005

("Ascendis" or "the Company")

## CIRCULAR TO SHAREHOLDERS

relating to:

- **a fully underwritten renounceable Rights Offer to raise R750 million through an offer of 37,501,366 Rights Offer Shares at a Rights Offer Issue Price of R20.00 each, in the ratio of 8.365 Rights Offer Shares for every 100 Ascendis Shares held on Friday, 1 December 2017, which Rights Offer opens on Monday, 4 December 2017;**

and enclosing:

- **a Form of Instruction for Ascendis Shareholders (for use by Certificated Shareholders only).**

**Corporate advisor and  
Underwriter**



**Sponsor**



**Legal advisor**



Date of issue: 28 November 2017

This Circular is only available in English. Copies of this Circular may be obtained at the registered offices of the Company at the address set out in the "Corporate Information" section of the Circular from Tuesday, 28 November 2017 to Friday, 15 December 2017 or on the Company's website [www.ascendishealth.co.za](http://www.ascendishealth.co.za) from Tuesday, 28 November 2017.

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## CORPORATE INFORMATION

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### Company secretary and registered office

Andy Sims  
CA(SA)  
31 Georgian Crescent East  
Bryanston  
Gauteng, 2191  
(PostNet Suite #252, Private Bag X21, Bryanston, 2021)

### Transfer Secretaries

Computershare Investor Services Proprietary Limited  
(Registration number 2004/003647/07)  
Ground Floor  
Rosebank Towers  
15 Biermann Avenue  
Rosebank, 2196  
(PO Box 61051, Marshalltown, 2107)  
Telephone: +27 11 370 5000

### Legal advisor

Cliffe Dekker Hofmeyr Incorporated  
(Registration number 2008/018923/21)  
11 Buitengracht Street  
Cape Town, 8001  
(PO Box 695, Cape Town, 8000)

**Place of incorporation of Ascendis:** South Africa

**Date of incorporation of Ascendis:** 5 March 2008

### Sponsor

Investec Bank Limited  
(Registration number 1969/004763/06)  
100 Grayston Drive  
Sandown  
Sandton, 2196  
(PO Box 785700, Sandton, 2146)

### Corporate advisor

Coast2Coast Capital Proprietary Limited  
(Registration number 2006/000073/07)  
Block A, Silverwood  
Steenberg Office Park  
Cape Town, 7945  
South Africa  
(PostNet Suite #257, Private Bag X26, Tokai, 7966)

### Underwriter

Gane Holdings Proprietary Limited  
(Registration number 2005/025373/07)  
Block A, Silverwood  
Steenberg Office Park  
Cape Town, 7945  
South Africa  
(PostNet Suite #257, Private Bag X26, Tokai, 7966)

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## IMPORTANT DATES AND TIMES

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2017

|                                                                                                                                                                                                                 |                        |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| Declaration date announcement released on SENS on                                                                                                                                                               | Tuesday, 21 November   |
| Finalisation date announcement released on SENS on                                                                                                                                                              | Thursday, 23 November  |
| Circular together with Form of Instruction published on the Ascendis website                                                                                                                                    | Tuesday, 28 November   |
| Last day to trade in Ascendis Shares in order to participate in the Rights Offer                                                                                                                                | Tuesday, 28 November   |
| Listing and trading of Letters of Allocation on the JSE under JSE code: ASCN and ISIN: ZAE000251526                                                                                                             | Wednesday, 29 November |
| Ascendis Shares commence trading on the JSE ex-Rights Offer entitlement                                                                                                                                         | Wednesday, 29 November |
| Rights Offer Circular and Form of Instruction distributed to Certificated Shareholders                                                                                                                          | Thursday, 30 November  |
| Record Date for determination of Shareholders entitled to participate in the Rights Offer ( <b>Initial Record Date</b> )                                                                                        | Friday, 1 December     |
| Dematerialised Shareholders will have their accounts at their CSDP or broker credited with Letters of Allocation at 09:00                                                                                       | Monday, 4 December     |
| Certificated Shareholders on the Register will have their Letters of Allocation credited to their accounts held with the Transfer Secretaries at 09:00 on                                                       | Monday, 4 December     |
| Rights Offer opens at 09:00                                                                                                                                                                                     | Monday, 4 December     |
| Rights Offer Circular distributed to those Dematerialised Shareholders who have elected to receive documents in hard copy                                                                                       | Tuesday, 5 December    |
| Last day to trade Letters of Allocation on the JSE                                                                                                                                                              | Tuesday, 12 December   |
| In respect of Certificated Shareholders wishing to sell all or some of their Letters of Allocation, Form of Instruction to be lodged with the Transfer Secretaries by 12:00 on                                  | Tuesday, 12 December   |
| Rights Offer Shares listed and trading commences on the JSE                                                                                                                                                     | Wednesday, 13 December |
| In respect of Certificated Shareholders (or their renounees) wishing to exercise all or some of their Rights, payment to be made and Form of instruction to be lodged with the Transfer Secretaries by 12:00 on | Friday, 15 December    |
| Rights Offer closes at 12:00                                                                                                                                                                                    | Friday, 15 December    |
| Record Date for Letters of Allocation ( <b>Final Record Date</b> )                                                                                                                                              | Friday, 15 December    |
| Rights Offer Shares issued                                                                                                                                                                                      | Monday, 18 December    |
| Dematerialised Shareholders' accounts updated and debited by CSDP or broker (in respect of payment for Rights Offer Shares)                                                                                     | Monday, 18 December    |
| Certificates distributed to Certificated Shareholders (in respect of the Rights Offer Shares)                                                                                                                   | Monday, 18 December    |
| Results of Rights Offer announced on SENS                                                                                                                                                                       | Monday, 18 December    |
| Refunds (if any) to Certificated Shareholders in respect of unsuccessful excess applications made                                                                                                               | Wednesday, 20 December |
| Dematerialised Shareholders' accounts updated and debited by their CSDP or broker (in respect of successful excess applications)                                                                                | Wednesday, 20 December |
| Certificates distributed to Certificated Shareholders (in respect of successful excess applications)                                                                                                            | Wednesday, 20 December |

1. All references to dates and times are to local dates and times in South Africa.
2. Dematerialised Shareholders are required to inform their CSDP or broker of their instructions in terms of the Rights Offer in the manner and time stipulated in the agreement governing the relationship between the Shareholder and their CSDP or broker.
3. Share certificates may not be dematerialised or rematerialised between Wednesday, 29 November 2017 and Friday, 1 December 2017, both days inclusive.
4. Dematerialised Shareholders will have their accounts at their CSDP or broker automatically credited with their rights and Certificated Shareholders will have their rights credited to their accounts at the Transfer Secretaries.
5. CSDPs effect payment in respect of Dematerialised Shareholders on a delivery-versus-payment method.

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## ACTION REQUIRED BY SHAREHOLDERS

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The definitions and interpretations commencing on page 5 of this Circular apply to this important legal notices section.

### ACTION REQUIRED BY QUALIFYING CERTIFICATED SHAREHOLDERS

If you are a Qualifying Certificated Shareholder, a Form of Instruction (*pink*) is enclosed with this Circular and a Letter of Allocation will be created in electronic form with the Transfer Secretaries to afford you the same Rights and opportunities as those who have already dematerialised their Ascendis Shares.

If you do not wish to subscribe for all of the Rights allocated to you as reflected in the Form of Instruction (*pink*), you may either dispose of or renounce all or part of your Rights.

If you wish to dispose of all or part of your Rights, you must complete Form A in the enclosed Form of Instruction (*pink*) and return it to the Transfer Secretaries so that it is received by no later than 12:00 on Tuesday, 12 December 2017. The Transfer Secretaries will endeavour to procure the sale of your Rights on the JSE on your behalf and to remit the proceeds less any applicable fees in accordance with your instructions. In this regard, neither the Transfer Secretaries nor Ascendis will have any obligation or be responsible for any loss or damage whatsoever in relation to or arising from the timing of such sales, the price obtained or the failure to dispose of such Rights. Please note that the last day to trade Letters of Allocation is Tuesday, 12 December 2017.

If you wish to renounce all or part of your Rights in favour of any named renounee, you must complete Form B in the enclosed Form of Instruction (*pink*), and the renounee must complete Form C in the enclosed Form of Instruction (*pink*), and return it to the Transfer Secretaries so as to be received by no later than 12:00 on Friday, 15 December 2017.

Payment for the Rights Offer Shares subscribed for: (i) must be made in full by banker's draft drawn on a registered commercial bank (each of which should be crossed and marked "not transferable"), or EFT (into the designated bank account, details of which are available from the Transfer Secretaries); (ii) must be paid in Rand; and (iii) if made by banker's draft or proof of payment by EFT, must be lodged, posted or emailed, as the case may be, together with the completed Form of Instruction (*pink*), as follows:

**By hand to:**

**Ascendis – Rights Offer**

c/o Computershare Investor Services Proprietary Limited  
Rosebank Towers  
15 Biermann Avenue  
Rosebank  
2196  
South Africa

**By post to:**

**Ascendis – Rights Offer**

c/o Computershare Investor Services Proprietary Limited  
PO Box 61763  
Marshalltown  
2107  
South Africa

**By email to:** [corporate.events@computershare.co.za](mailto:corporate.events@computershare.co.za)

The Transfer Secretaries will not be responsible for any loss and/or damage whatsoever in relation to or arising from the late or non-receipt of emailed Forms of Instruction or owing to Forms of Instruction being forwarded to any other email address other than that provided above. Notwithstanding anything to the contrary, it is the Qualifying Shareholder's responsibility to ensure that their Form of Instruction (*pink*) is received by the Transfer Secretaries.

If you take up your full Rights and you wish to apply for additional Rights Offer Shares, you must complete the enclosed Form of Instruction (*pink*) in accordance with the instructions contained therein and remit sufficient funds to cover your total application.

If the required documentation and payment have not been received in accordance with the instructions contained in the enclosed Form of Instruction (*pink*), either from the Qualifying Certificated Shareholder or from any person in whose favour the Rights have been renounced, by 12:00 on Friday, 15 December 2017, then the Rights of that Qualifying Certificated Shareholder to those unsubscribed Rights Offer Shares will be deemed to have been declined and the Rights will lapse for such Qualifying Certificated Shareholder.

## **ACTION REQUIRED BY QUALIFYING DEMATERIALIZED SHAREHOLDERS**

If you are a Qualifying Dematerialised Shareholder, the printed Form of Instruction (*pink*) is not applicable to you. Your CSDP or broker will credit your account with the number of Rights to which you are entitled and you should receive notification from your CSDP or broker in this regard. If your CSDP or broker does not contact you, you should contact your CSDP or broker and provide them with your instructions.

If you do not wish to subscribe for all of the Rights allocated to you, you may either dispose of or renounce all or part of your Rights.

If you wish to dispose of all or part of your Rights, you are required to instruct your CSDP or broker as to the number of Rights you wish to dispose of. Please note that the last day to trade Letters of Allocation is Tuesday, 12 December 2017.

If you wish to renounce all or part of your Rights in favour of any named renounee, you are required to instruct your CSDP or broker as to the number of Rights you wish to renounce and in favour of whom you wish to renounce those Rights.

If you wish to subscribe for all or part of your Rights, you are required to instruct your CSDP or broker as to the number of Rights Offer Shares for which you wish to subscribe.

If you take up your full Rights and you wish to apply for additional Rights Offer Shares, you are required to instruct your CSDP or broker as to the number of additional Rights Offer Shares for which you wish to subscribe.

CSDPs effect payment on a delivery-versus-payment basis.

Instructions to your CSDP or broker must be provided in the manner and time stipulated in the custody agreement governing the relationship between yourself and your CSDP or broker. If your CSDP or broker does not obtain instructions from you, they are obliged to act in terms of the mandate granted to them by you or, if the mandate is silent in this regard, the Rights of such Qualifying Dematerialised Shareholder may lapse.

Ascendis does not take responsibility and will not be held liable for any failure on the part of any CSDP or broker to notify you of the Rights Offer and/or to obtain instructions from you to subscribe for the Rights Offer Shares and/or to dispose of the Rights allocated.

Qualifying Dematerialised Shareholders are required to inform their CSDP or brokers of their instructions in terms of the Rights Offer in the manner and time stipulated in the agreement governing the relationship between the Qualifying Dematerialised Shareholder and their CSDP or broker. Qualifying Dematerialised Shareholders are advised to contact their CSDP or broker as early as possible to establish what the cut-off dates and times are for acceptance of the Rights Offer, as set out in the custody agreement, as this may be earlier than the proposed closing time of the Rights Offer.

## **NON-RESIDENT SHAREHOLDERS AND RESTRICTED SHAREHOLDERS**

Additional information for Non-Resident Shareholders and the treatment of Restricted Shareholders' Rights is provided in paragraphs 6 (*Exchange Control Regulations*) and 7 (*Non-Residents*) of the Rights Offer Circular.

## **ACTION REQUIRED IF YOU HAVE DISPOSED OF YOUR SHARES**

If you have disposed of all of your Ascendis Shares, this Circular should be forwarded to the purchaser to whom, or the CSDP, broker, banker or agent through whom, you disposed of such Shares, but not if the purchaser or transferee is in the United States, Australia, any other Excluded Jurisdiction or any other jurisdiction where to do so may constitute a violation of local securities laws or regulations.

### **NOTE:**

**If you are in any doubt as to what action you should take, you should consult your CSDP, broker, banker, legal advisor, accountant or other professional advisor immediately.**

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## DEFINITIONS AND INTERPRETATIONS

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In this Circular and the Annexures hereto, unless a contrary intention is indicated, an expression which denotes a gender includes the other genders, a natural person includes a juristic person and vice versa, the singular includes the plural and vice versa, and the expressions set out in the first column bear the meanings assigned to them in the second column.

|                                           |                                                                                                                                                                                                                                             |
|-------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| "Ascendis" or "the Company"               | Ascendis Health Limited (Registration number 2008/005856/06), a public company incorporated in accordance with the laws of South Africa and listed on the JSE;                                                                              |
| "Ascendis Shares" or "Shares"             | no par value ordinary shares in the share capital of Ascendis;                                                                                                                                                                              |
| "Ascendis Shareholders" or "Shareholders" | the holders of issued Ascendis Shares listed on the JSE;                                                                                                                                                                                    |
| "Authorised Dealer"                       | a person authorised to deal in foreign exchange as contemplated in the Exchange Control Regulations;                                                                                                                                        |
| "Business Day"                            | any day other than a Saturday, Sunday or official public holiday in South Africa;                                                                                                                                                           |
| "Certificated Shares"                     | Ascendis Shares which are evidenced by physical Documents of Title which have not yet been surrendered for Dematerialisation in terms of Strate;                                                                                            |
| "Certificated Shareholders"               | holders of Certificated Shares;                                                                                                                                                                                                             |
| "Circular" or "Rights Offer Circular"     | all documents and Annexes bound herein, dated Tuesday, 28 November 2017;                                                                                                                                                                    |
| "Coast2Coast"                             | Coast2Coast Capital Proprietary Limited (Registration number 2006/000073/07), a private company registered and incorporated in accordance with the laws of South Africa, in which Gary Shayne has an indirect beneficial majority interest; |
| "Common Monetary Area"                    | collectively, South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;                                                                                                                                              |
| "CSDP"                                    | a Central Securities Depository Participant appointed by a shareholder for purposes of, and in regards to, Dematerialisation and to hold and administer securities or an interest in securities on behalf of a shareholder;                 |
| "Dealworth"                               | Dealworth Limited (registration number HE357111), a company incorporated and registered in the Republic of Cyprus, and a 99.9% indirectly owned subsidiary of Ascendis;                                                                     |
| "Dematerialisation"                       | the process whereby Certificated Shares are converted to an electronic form as uncertificated shares and recorded in the Sub-Register of shares maintained by a CSDP;                                                                       |
| "Dematerialised Shares"                   | Ascendis Shares which have been incorporated into the Strate system, title to which is no longer represented by physical Documents of Title;                                                                                                |
| "Dematerialised Shareholders"             | holders of Dematerialised Shares;                                                                                                                                                                                                           |
| "Directors" or "the Board"                | the board of directors of Ascendis as set out on page 8 of the Circular;                                                                                                                                                                    |
| "Documents of Title"                      | share certificates and/or certified transfer deeds and/or balance receipts or any other documents of title in respect of Ascendis Shares;                                                                                                   |
| "EFT"                                     | electronic funds transfer;                                                                                                                                                                                                                  |
| "Emigrant"                                | an emigrant from South Africa whose address is outside the Common Monetary Area;                                                                                                                                                            |
| "Euro" or "€"                             | the Euro, the official currency of the Eurozone and European Union;                                                                                                                                                                         |
| "Exchange Control Regulations"            | the Exchange Control Regulations of South Africa issued under the Currency and Exchanges Act (Act 9 of 1933), as amended;                                                                                                                   |

|                                         |                                                                                                                                                                                                                                                                                                                                           |
|-----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Excluded Jurisdiction”                 | the United States, Canada, Japan, Australia and any other jurisdiction where the extension or making of the Rights Offer would be unlawful or in contravention of certain regulations;                                                                                                                                                    |
| “Final Record Date”                     | the record date for determining the persons to whom the Rights Offer Shares will be issued, being Friday, 15 December 2017;                                                                                                                                                                                                               |
| “Form of Instruction”                   | the form of instruction in respect of the Letter of Allocation reflecting the entitlement of Certificated Shareholders to subscribe for Rights Offer Shares and on which Certificated Shareholders should indicate whether they wish to take up, sell or renounce all or some of their rights, which form is enclosed with this Circular; |
| “Gane Holdings”                         | Gane Holdings Proprietary Limited (Registration number 2005/025373/07), a private company registered and incorporated in accordance with the laws of South Africa, a wholly owned subsidiary of Coast2Coast Capital Proprietary Limited;                                                                                                  |
| “Group”                                 | Ascendis and its subsidiaries;                                                                                                                                                                                                                                                                                                            |
| “Initial Record Date”                   | the record date for determination of Shareholders entitled to participate in the Rights Offer, being Friday, 1 December 2017;                                                                                                                                                                                                             |
| “JSE”                                   | the JSE Limited (Registration number 2005/022939/06), a public company duly incorporated in accordance with the laws of South Africa and licensed as an exchange under the Financial Markets Act (Act No. 19 of 2012);                                                                                                                    |
| “Last Practicable Date”                 | the last practicable date prior to finalisation of this Circular, being Friday, 24 November 2017;                                                                                                                                                                                                                                         |
| “Letters of Allocation”                 | renounceable nil paid letters of allocation to be issued to Shareholders in electronic form, conferring the right to subscribe and pay for a <i>pro rata</i> portion of the allotment of Rights Offer Shares and which are also referred to in this Circular, in respect of holders of Certificated Shares, as the Form of Instruction;   |
| “Listings Requirements”                 | the JSE Listings Requirements, as amended from time to time;                                                                                                                                                                                                                                                                              |
| “Non-Resident”                          | a person resident outside the Common Monetary Area;                                                                                                                                                                                                                                                                                       |
| “Prospectus Directive”                  | Directive 2003/71/EC (and any amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU;                              |
| “Qualifying Certificated Shareholder”   | a Qualifying Shareholder holding Certificated Shares;                                                                                                                                                                                                                                                                                     |
| “Qualifying Dematerialised Shareholder” | a Qualifying Shareholder holding Dematerialised Shares;                                                                                                                                                                                                                                                                                   |
| “Qualifying Shareholder”                | a registered Shareholder recorded in the register at 17:00 on the Initial Record Date, excluding Restricted Shareholders (whose Rights will be sold by the Transfer Secretaries on the JSE for the benefit of such Restricted Shareholders);                                                                                              |
| “Rand” or “R”                           | the South African Rand, the lawful currency of South Africa;                                                                                                                                                                                                                                                                              |
| “Register”                              | the register of Certificated Shareholders maintained by the Transfer Secretaries, including the Sub-Register;                                                                                                                                                                                                                             |
| “Remedica”                              | Remedica Holdings Limited (registration number HE 3559), a company incorporated and registered in the Republic of Cyprus;                                                                                                                                                                                                                 |
| “Remedica Acquisition”                  | the direct and indirect acquisition by Ascendis (through Dealworth), of 100% of the shares in Remedica from the Remedica Sellers, which acquisition was implemented on 25 August 2016;                                                                                                                                                    |
| “Remedica Sellers”                      | Margrit Pattichis and Charalambos Pattichis;                                                                                                                                                                                                                                                                                              |



|                                    |                                                                                                                                                                                                                                                                                                 |
|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Restricted Shareholders”          | Shareholders with registered addresses or who are resident or who hold Shares on behalf of a person located in an Excluded Jurisdiction, and any other Shareholder who is not entitled to participate in the Rights Offer pursuant to the restrictions set out in paragraph 7 of this Circular; |
| “Right/s”                          | the entitlement to subscribe for Rights Offer Shares at the Rights Offer Issue Price pursuant to the Rights Offer;                                                                                                                                                                              |
| “Rights Offer”                     | the fully underwritten renounceable rights offer by Ascendis to raise R750 million by way of an offer to Shareholders to subscribe for 8.365 Rights Offer Shares for every 100 Ascendis Shares held by them on the Initial Record Date at an issue price of R20.00 per Share;                   |
| “Rights Offer Issue Price”         | the issue price of R20.00 per Rights Offer Share issued pursuant to the Rights Offer;                                                                                                                                                                                                           |
| “Rights Offer Shares”              | the 37,501,366 Ascendis Shares to be issued pursuant to the Rights Offer;                                                                                                                                                                                                                       |
| “Securities Transfer Tax” or “STT” | Securities Transfer Tax in terms of the Securities Transfer Tax Act, 2007 (Act No. 25 of 2007);                                                                                                                                                                                                 |
| “SENS”                             | the Stock Exchange News Service, being the news service operated by the JSE;                                                                                                                                                                                                                    |
| “Shareholders”                     | holders of Ascendis Shares, including Certificated Shareholders and Dematerialised Shareholders;                                                                                                                                                                                                |
| “South Africa”                     | the Republic of South Africa;                                                                                                                                                                                                                                                                   |
| “Strate”                           | Strate Proprietary Ltd (Registration number 1998/022242/07), a private company duly incorporated in accordance with the laws of South Africa, which is a registered central securities depository and which is responsible for the electronic settlement system on the JSE;                     |
| “Sub-Register”                     | the list of shareholders maintained by a CSDP and forming part of the Register;                                                                                                                                                                                                                 |
| “Transfer Secretaries”             | Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07), a private company duly incorporated under the laws of South Africa;                                                                                                                                   |
| “Underwriter”                      | Gane Holdings Proprietary Limited (Registration number 2005/025373/07), a private company registered and incorporated in accordance with the laws of South Africa, a wholly owned subsidiary of Coast2Coast Capital Proprietary Limited;                                                        |
| “Underwriting Agreement”           | the agreement relating to the underwriting of the Rights Offer by the Underwriter; details of which are set out in paragraph 3;                                                                                                                                                                 |
| “U.S.”                             | the United States of America; and                                                                                                                                                                                                                                                               |
| “VAT”                              | value added taxation, in terms of the Value Added Tax Act (Act 89 of 1991), as amended.                                                                                                                                                                                                         |



## Ascendis Health Limited

(Incorporated in the Republic of South Africa)

(Registration number 2008/005856/06)

JSE share code: ASC ISIN: ZAE000185005

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### DIRECTORS

#### Executive

Dr K Wellner (*Chief Executive Officer*)

CB Sampson (*Managing Director*)

K Futter (*Chief Financial Officer*)

#### Non-executive

JA Bester (*Chairman*)#

M Bomela#

CD Dillon

B Harie#

Dr K Pather#

GJ Shayne

#Independent

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## CIRCULAR TO ASCENDIS SHAREHOLDERS

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### 1. INTRODUCTION AND RATIONALE FOR THE RIGHTS OFFER

Given the acquisitive nature of Ascendis, the Board has been considering the optimal capital structure for the Company and formulating a financing strategy that would allow Ascendis to support its acquisitive growth strategy in the most efficient manner. To this end, the Board has decided to pursue a fully underwritten Rights Offer to Shareholders to raise an amount of R750 million. Funds raised will be used to settle a portion of the deferred payment owing to the Remedica Sellers, as set out below.

As announced on SENS on 26 August 2016, Ascendis implemented the Remedica Acquisition on 25 August 2016. In terms of the Remedica Acquisition, a deferred payment of €90,000,000 is payable to the Remedica Sellers on 25 August 2019 (being the third anniversary of the date on which the Remedica Acquisition was implemented). As further announced on SENS on 13 November 2017, the parties to the Remedica Acquisition have entered into a deed of variation, in terms whereof, among other things, they have agreed to reduce the deferred payment of €90,000,000 to the sum of €86,227,811, and accelerate the payment of a €46,227,811 portion of the reduced deferred payment ("Accelerated Payment") to the fifth business day after the date on which the last of the conditions to the deed of variation has been fulfilled. The last condition will be fulfilled on the date that Ascendis receives the full proceeds of the Rights Offer, being Wednesday, 20 December 2017, and the Accelerated Payment will accordingly become due on Friday, 29 December 2017. The proceeds of the Rights Offer will be used to fund the Accelerated Payment.

The purpose of this Circular is to advise Shareholders of the terms and conditions of the Rights Offer and provide Shareholders with instructions on participating in the Rights Offer.

### 2. PARTICULARS OF THE RIGHTS OFFER

#### 2.1 Terms of the Rights Offer

Ascendis hereby offers a total of 37,501,366 Rights Offer Shares for subscription to Qualifying Shareholders, upon the terms and conditions set out in this Circular and, insofar as Qualifying Certificated Shareholders are concerned, also as set out in the Form of Instruction (*pink*).

In terms of the Rights Offer:

- Qualifying Shareholders are hereby offered renounceable Rights to subscribe for 8.365 Rights Offer Shares for every 100 Shares held by them on the Initial Record Date at the Rights Offer Issue Price. These Rights will take the form of Letters of Allocation which will be issued to Qualifying Shareholders recorded in the Register at the close of trade on the Initial Record Date;

- Qualifying Shareholders who hold Letters of Allocation can elect, in whole or in part, to:
  - sell their Letters of Allocation;
  - renounce their Letters of Allocation;
  - allow their Letters of Allocation to lapse; or
  - take up their *pro rata* share of the Rights Offer Shares at the Rights Offer Issue Price based on their holding of Letters of Allocation on the Final Record Date, being Friday, 15 December 2017;
- The Rights Offer is fully underwritten, as detailed in paragraph 3 (*Underwriting*);
- Qualifying Shareholders may apply for excess Rights Offer Shares not taken up by other Shareholders on the basis described in paragraph 2.4 (*Excess applications*);
- The Rights Offer Shares will, upon allotment and issue, rank *pari passu* with all other existing Ascendis Shares and shall be fully paid up and freely transferable.

## 2.2 Rights Offer Issue Price

The Rights Offer Issue Price of R20.00 per Rights Offer Share represents:

- a premium of 4.6% to the 30-day volume weighted average traded price (“VWAP”) on Tuesday, 31 October 2017, being the date immediately prior to which the Company first announced its intention to undertake the Rights Offer; and
- a 14% premium to the 30-day VWAP on Friday, 24 November 2017.

## 2.3 Entitlement

Ascendis Shareholders will receive the right to subscribe for 8.365 Rights Offer Shares for every 100 Shares held on the Initial Record Date (being Friday, 1 December 2017).

Qualifying Shareholders who hold less than 100 Shares or who do not hold a multiple of 100 Shares, will be entitled, in respect of such holdings, to participate in the Rights Offer in accordance with the entitlement set out in Annexure 2. In accordance with the JSE Listings Requirements, in respect of fractional entitlements that arise, all allocations will be rounded down to the nearest whole number if they are less than 0.5, and rounded up to the nearest whole number if they are equal to or greater than 0.5, and no cash portion will be payable for any fractional entitlement.

Qualifying Certificated Shareholders will have their Rights credited to their accounts held with the Transfer Secretaries on their behalf. The enclosed Form of Instruction (*pink*) reflects the number of Rights Offer Shares for which the Qualifying Certificated Shareholder is entitled to subscribe. The procedure to be followed by Qualifying Certificated Shareholders for the acceptance, sale or renunciation of their Rights is reflected on the Form of Instruction (*pink*).

Qualifying Dematerialised Shareholders will not receive a printed Form of Instruction (*pink*) but will have their Rights to subscribe for Rights Offer Shares credited in electronic form to their account held by their appointed CSDP or broker. The CSDP or broker will advise Qualifying Dematerialised Shareholders of the procedure to be followed and the timing for the acceptance, sale, renunciation or lapsing of such Rights.

The Letters of Allocation to which the Form of Instruction (*pink*) relates are negotiable and can be traded on the JSE.

## 2.4 Excess applications

Ascendis Shareholders will have the right to apply for any excess Rights Offer Shares not taken up by other Shareholders subject to such rights being transferable upon renunciation of the Letters of Allocation, and any such excess Shares will be attributed equitably, taking cognisance of the number of Shares and Rights held by the Shareholder just prior to such allocation, including those taken up as a result of the Rights Offer, and the number of excess Rights applied for by such Shareholder.

Certificated Shareholders who wish to apply for Rights Offer Shares in addition to those allocated to them in terms of the Rights Offer, may do so by indicating the number of additional Rights Offer Shares that they wish to subscribe for in Blocks (7) and (8) on the Form of Instruction and by enclosing payment, in accordance with paragraph 4.1.5. of this Circular, for such additional Rights Offer Shares with their subscription. The completed Form of Instruction, together with payment, should be lodged with the Transfer Secretaries at the addresses set out in the “Corporate Information” section of this Circular, so as to be received by the Transfer Secretaries by no later than 12:00 on Friday, 15 December 2017.

Dematerialised Shareholders who wish to apply for Rights Offer Shares in addition to those allocated to them in terms of the Rights Offer, should advise their CSDP or broker, in terms of the agreement entered into between them and their CSDP or broker, as to the number of additional Rights Offer Shares for which they wish to apply and ensure that they have sufficient funds in their account.

An announcement will be published on SENS on Monday, 18 December 2017 stating the results of the Rights Offer and the basis of allocation of any excess applications.

EFT payments refunding monies in respect of unsuccessful applications for additional Rights Offer Shares by Certificated Shareholders will be made to the relevant applicants on or about Wednesday, 20 December 2017. No interest will be paid on monies received in respect of unsuccessful applications.

### 3. **UNDERWRITING AND MINIMUM SUBSCRIPTION**

The Rights Offer is substantially fully underwritten to the extent of R750 million by the Underwriter and is not conditional on a minimum subscription.

No underwriting fee is payable by the Company to the Underwriter or Coast2Coast.

The Board has made due and careful enquiry to confirm that the Underwriter can meet its underwriting commitments in terms of the Underwriting Agreement.

Details of the Underwriter, as required in terms of the Listings Requirements, are set out in Annexure 3 to this Circular.

There have been no commissions, discounts or brokerages paid or payable in respect of underwriting of this Rights Offer within the preceding 3 years.

### 4. **PROCEDURE FOR ACCEPTANCE, RENUNCIATION AND SALE OF RIGHTS**

#### 4.1 **Certificated Shares**

##### 4.1.1 **Acceptance**

###### *Qualifying Certificated Shareholder*

Full details of the procedure for acceptance of the Rights Offer by Qualifying Certificated Shareholders are contained in the Form of Instruction (*pink*) enclosed with this Circular. It should be noted that:

- acceptances are irrevocable and may not be withdrawn;
- acceptances may be made only by means of the enclosed Form of Instruction (*pink*);
- any instruction to sell or renounce all or part of the Rights may only be made by means of the Form of Instruction (*pink*);
- the properly completed Form of Instruction (*pink*) together with proof of EFT payment or banker's draft (in the case of foreign Shareholders) in Rand in payment of the aggregate Rights Offer Issue Price payable for the relevant Rights Offer Shares must be received by the Transfer Secretaries at the address set out under "Action required by Shareholders – Action Required by Qualifying Certificated Shareholders", by no later than 12:00 on Friday, 15 December 2017. All acceptances of the Rights Offer sent by post by the beneficial holders will be accepted provided the envelope is received by no later than 12:00 on Friday, 15 December 2017;
- the Form of Instruction (*pink*) to take up the Rights in question will be regarded as complete only when proof of EFT payment or banker's draft (in the case of Non-Resident Shareholders) has been cleared for payment;
- such payment will constitute an irrevocable acceptance of the Rights Offer upon the terms and conditions set out in this Circular and in the Form of Instruction (*pink*);
- the Transfer Secretaries should be contacted on +27 11 370 5000 during business hours from 08:00 to 16:30 in order to obtain the necessary banking details; and
- if any Form of Instruction (*pink*) is not received as set out above, the Rights Offer will be deemed to have been declined and the Right to subscribe for the Rights Offer Shares in terms of the Form of Instruction (*pink*) will lapse regardless of who holds it.

###### *Qualifying Dematerialised Shareholder*

If you are a Qualifying Dematerialised Shareholder, you will not receive a printed Form of Instruction (*pink*). You should receive notification from your CSDP or broker regarding your Rights.

If you wish to follow your Rights, you are required to notify your duly appointed CSDP or broker of your acceptance of the Rights Offer in the manner and time stipulated in the custody agreement governing the relationship between yourself and your CSDP or broker.

Ascendis takes no responsibility and will not be held liable for any failure on the part of any CSDP or broker to notify you of the Rights Offer and/or to obtain instructions from you to subscribe for the Rights Offer Shares and/or to dispose of your Rights.

#### 4.1.2 **Renunciation or sale of Rights**

Ascendis has issued all Letters of Allocation in Dematerialised form and the electronic record for Certificated Shares is being maintained by the Transfer Secretaries. This has made it possible for Certificated Shareholders to enjoy the same Rights and opportunities as Dematerialised Shareholders.

Qualifying Certificated Shareholders not wishing to subscribe for all or some of the Rights Offer Shares allocated to them as reflected in the Form of Instruction (*pink*), may sell or renounce all or some of their Rights or allow them to lapse.

Qualifying Certificated Shareholders who wish to sell all or some of the Rights Offer Shares allocated to them as reflected in the Form of Instruction (*pink*), must complete the relevant section of the Form of Instruction (*pink*) and return it to the Transfer Secretaries in accordance with the instructions contained therein, to be received by no later than 12:00 on Tuesday, 12 December 2017.

The Transfer Secretaries will endeavour to procure the sale of the Rights on the JSE on behalf of such Qualifying Certificated Shareholders and will remit the proceeds in accordance with the payment instructions reflected in the Form of Instruction (*pink*), net of brokerage charges and associated expenses. Neither the Transfer Secretaries nor Ascendis nor any broker appointed by it will have any obligation or be responsible for any loss or damage whatsoever in relation to or arising out of the timing of such sales, the price obtained or any failure to sell such Rights. References in this paragraph to a Qualifying Certificated Shareholder include references to the person or persons executing the Form of Instruction (*pink*) and any person or persons on whose behalf such person or persons executing the Form of Instruction (*pink*) is/are acting. In the event of more than one person executing the Form of Instruction (*pink*), the provisions of this paragraph shall apply to them, jointly and severally.

Qualifying Certificated Shareholders who do not wish to sell all or some of the Rights to the Rights Offer Shares allocated to them as reflected in the Form of Instruction (*pink*), and who do not wish to subscribe for Rights Offer Shares offered in terms of the Form of Instruction (*pink*), but who wish to renounce their Rights, must complete the relevant section of the Form of Instruction (*pink*) and return it to the Transfer Secretaries in accordance with the instructions contained therein to be received by no later than 12:00 on Friday, 15 December 2017.

Qualifying Certificated Shareholders who wish to subscribe for only a portion of the Rights Offer Shares allocated to them must indicate the number of Rights Offer Shares for which they wish to subscribe on the Form of Instruction (*pink*).

If by 12:00 on Friday, 15 December 2017, Qualifying Certificated Shareholders do nothing in response to this Rights Offer, their Rights will lapse.

#### 4.1.3 **Lapse of Rights**

##### *Qualifying Shareholders*

The Rights of Qualifying Certificated Shareholders who fail to instruct the Transfer Secretaries as to what action they intend to take or fail to comply with the procedures set out in this section, within the timelines stipulated, will lapse and such Qualifying Shareholders will not be entitled to any payment under the terms of the Rights Offer.

Qualifying Dematerialised Shareholders who do not subscribe for, sell or renounce their Rights risk their Rights lapsing if they fail to act in terms of the instructions received from their CSDP or broker. Should such Rights lapse, they will not be entitled to any payment under the terms of the Rights Offer.

None of Ascendis, the Transfer Secretaries or any CSDP or broker appointed by them will be responsible for any loss or damage whatsoever suffered by such Qualifying Shareholders in relation to the lapsing of their Rights.

### *Restricted Shareholders*

If a premium can be obtained over the expenses of the sale, the Transfer Secretaries will endeavour to sell the Rights of Restricted Shareholders, with registered addresses in or who are resident in or located in the United States or in any other Excluded Jurisdiction on the Initial Record Date, on the JSE for the benefit of such Restricted Shareholders in accordance with this section. Any premium over the expenses of the sale of a Restricted Shareholder's Rights (including applicable taxes, brokerage fees and commissions) shall be remitted to such Restricted Shareholder.

None of Ascendis, the Transfer Secretaries or any CSDP or broker appointed by them or Ascendis will have any obligation or be responsible for any loss or damage whatsoever in relation to or arising out of the timing of such sales or the remittance of the net proceeds of such sales.

#### 4.1.4 **Payment**

The amount due on acceptance of the Rights Offer is payable in Rand.

#### 4.1.5 **Payment terms**

A duly completed Form of Instruction (*pink*), together with proof of EFT payment or bank overdraft, must be lodged by Certificated Shareholders and/or their renounees by no later than 12:00 on Friday, 15 December 2017 in accordance with the instructions contained in the Form of Instruction (*pink*) and clearly marked "Ascendis – Rights Offer" at the addresses set out under "Required action by Qualifying Certificated Shareholders".

Forms of Instruction which are not posted must be emailed to [corporate.events@computershare.co.za](mailto:corporate.events@computershare.co.za). The Transfer Secretaries will not be responsible for any loss and/or damage whatsoever in relation to or arising from the late or non-receipt of emailed election forms or owing to Forms of Instruction being forwarded to any other email address other than those provided above. Forms of Instruction shall be deemed to be received on the date reflected in the Transfer Secretaries' electronic systems. Notwithstanding anything to the contrary, it is the Shareholder's responsibility to ensure that their Form of Instruction (*pink*) is received by the Transfer Secretaries.

The Transfer Secretaries should be contacted on +27 11 370 5000 during business hours from 08:00 to 16:30 in order to obtain the necessary banking details for the purposes of making EFT payments.

The above is in respect of the subscription for Rights Offer Shares only.

All bankers' drafts received (in the case of foreign Shareholders) by the Transfer Secretaries will be deposited immediately for payment. In the event that any banker's draft (in the case of foreign Shareholders) is dishonoured, Ascendis, in its sole discretion, may treat the relevant acceptance as void or may tender delivery of the relevant Rights Offer Shares to which it relates against payment in cash of the aggregate Rights Offer Issue Price for such Rights Offer Shares. Money received in respect of an application which is rejected or otherwise treated as void by Ascendis, or which is otherwise not validly received in accordance with the terms stipulated in this paragraph, will be refunded (without interest) by way of an EFT in Rand to the applicant concerned on or about Wednesday, 20 December 2017. If Ascendis is not able to effect the refund by EFT for any reason whatsoever, then the relevant refund will be held by Ascendis until collected by the applicant. No interest in respect of such refund will be paid by Ascendis.

#### 4.1.6 **Share certificates**

Certificates in respect of Rights Offer Shares will be distributed by registered post by the Transfer Secretaries, at the risk of the Certificated Shareholders concerned, on or about Wednesday, 20 December 2017. As Ascendis uses the certified transfer deeds and other temporary Documents of Title procedure approved by the JSE, only "block" certificates will be issued in respect of Rights Offer Shares.

#### 4.1.7 **Transaction Costs**

Qualifying Certificated Shareholders wishing to sell all or some of their Rights will be liable to pay a cost of R154.48 (all inclusive of VAT) for trades of less than or equal to R40,000 and R154.48 (all inclusive of VAT) plus 0.35% of the value of trades for amounts greater than R40,000.

## 4.2 **Dematerialised shares**

### 4.2.1 **Acceptance, renunciation or sale of Rights**

The CSDP or broker appointed by Qualifying Dematerialised Shareholders is obliged to contact such Shareholders to ascertain:

- whether such Qualifying Dematerialised Shareholders wish to follow their Rights in terms of the Rights Offer or renounce their Rights and in respect of how many Rights Offer Shares; or
- whether such Qualifying Dematerialised Shareholders wish to apply for excess Rights Offer Shares and if so, how many excess Rights Offer Shares they wish to apply for; and
- if such Qualifying Dematerialised Shareholders do not wish to follow all or any of their Rights, whether they wish to sell their Rights and how many of their Rights they wish to sell.

If you are not contacted by your CSDP or broker, you should contact your CSDP or broker and furnish them with your instruction. Should a CSDP or broker not obtain instructions from a Qualifying Dematerialised Shareholder, they are obliged to act in terms of the mandate granted to them by such Qualifying Dematerialised Shareholder, or if the mandate is silent in this regard, they are obliged not to accept the Rights on behalf of such Shareholder.

### 4.2.2 **Payment**

Your CSDP or broker will effect payment directly on your behalf, in Rand, on Monday, 18 December 2017 on a delivery-versus-payment basis.

### 4.2.3 **Rights Offer Shares**

Qualifying Dematerialised Shareholders will have their accounts credited with the Rights Offer Shares subscribed for in terms of the Rights Offer, on Monday, 18 December 2017.

## 5. **REPRESENTATIONS AND WARRANTIES**

### 5.1 **Qualifying Certificated Shareholders**

Any person accepting and/or renouncing their Rights by completing the Form of Instruction (*pink*) represents and warrants to the Company that, except where proof has been provided to the Company's satisfaction that such person's use of the Form of Instruction (*pink*), the Letters of Allocation or the Rights Offer Shares, as the case may be, will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) such person is not accepting their Rights from within the United States or any other Excluded Jurisdiction; (ii) such person is not in any jurisdiction in which it is unlawful to make or accept an offer to subscribe for Rights Offer Shares or transfer the Letters of Allocation; and (iii) such person is not accepting for the account of a person located within the United States or any other Excluded Jurisdiction unless (a) the instruction to accept was received from a person outside the United States or any other Excluded Jurisdiction and (b) the instructing person has advised such person that it has the authority to give such instruction and that it has investment discretion or authority over such account or such person is not acquiring Rights Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Rights Offer Shares into the United States or any other Excluded Jurisdiction. The Company may treat as invalid any acceptance or purported acceptance of the allotment of Rights Offer Shares comprised in the Form of Instruction (*pink*) if it: (i) appears to the Company to have been executed in or dispatched from the United States or any other Excluded Jurisdiction or otherwise in a manner which may involve a breach of the laws of any jurisdiction or if it believes the same may violate any applicable legal or regulatory requirement; (ii) provides an address in the United States or any other Excluded Jurisdiction for delivery of definitive share certificates for Rights Offer Shares (or any jurisdiction outside South Africa in which it would be unlawful to deliver such certificates); or (iii) purports to exclude the warranty required by this paragraph.

### 5.2 **Qualifying Dematerialised Shareholders**

Any person who makes a valid acceptance in accordance with the procedures set out in paragraph 5 represents and warrants to the Company that, except where proof has been provided to the Company's satisfaction that such person's use of the Letters of Allocation or the Rights Offer Shares, as the case may be, will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) such person is not accepting their Rights from within the United States or any other Excluded Jurisdiction; (ii) such person is not in any jurisdiction in which it is unlawful to make or accept an offer to subscribe for Rights Offer Shares; and (iii) such



person is not accepting for the account of a person located within the United States or any other Excluded Jurisdiction unless (a) the instruction to accept was received from a person outside the United States or any other Excluded Jurisdiction and (b) the instructing person has advised such person that it has the authority to give such instruction and that it has investment discretion or authority over such account or such person is not acquiring Rights Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Rights Offer Shares into the United States or any other Excluded Jurisdiction.

## 6. EXCHANGE CONTROL REGULATIONS

The following summary is intended only as a guide and is, therefore, not comprehensive. If Shareholders are in any doubt as to the appropriate course of action to take, they are advised to consult their professional advisor.

### 6.1 Non-Residents

In terms of the Exchange Control Regulations, Non-Resident Qualifying Shareholders, excluding former residents (Emigrants), of the Common Monetary Area will be allowed to:

- exercise Rights allocated to them in terms of the Rights Offer;
- purchase Letters of Allocation on the JSE; and
- subscribe for the Rights Offer Shares arising in respect of the Letters of Allocation purchased on the JSE provided that payment is received through normal banking channels in foreign currency or Rand from a Non-Resident account.

All applications by Non-Residents for the above purposes must be made through an Authorised Dealer. Electronic statements issued in terms of Strate and any Share certificates issued pursuant to such applications will be endorsed "Non-Resident".

### 6.2 Emigrants

Where a Right becomes due to a former resident (Emigrant) of the Common Monetary Area, which Right is based on Shares blocked in terms of the Exchange Control Regulations, then only Emigrant blocked funds may be used to:

- take up the Rights allocated to them in terms of the Rights Offer;
- purchase Letters of Allocation on the JSE; and
- subscribe for the Rights Offer Shares arising in respect of the Letters of Allocation purchased on the JSE.

All applications by Emigrants using blocked funds for the above purposes must be made through the Authorised Dealer controlling their blocked assets.

New share certificates issued to an Emigrant will be endorsed "Non-Resident" and placed under the control of the Authorised Dealer through whom the payment was made. The proceeds due to Emigrants from the sale of the Letters of Allocation, if applicable, will be returned to the Authorised Dealer for credit of such Emigrants' blocked accounts.

Where the Emigrant's Shares are in Dematerialised form with a CSDP or broker, any Shares issued pursuant to the use of Emigrant blocked funds will be credited to their blocked share accounts at the CSDP or broker controlling their blocked portfolios. The electronic statement issued in terms of Strate will be dispatched by the CSDP or broker to the address of the Emigrant in the records of the CSDP or broker.

Any Qualifying Shareholder resident outside the Common Monetary Area who receives this Circular and/or Form of Instruction (*pink*) should obtain advice as to whether any governmental and/or other legal consent is required and/or any other formality must be observed to enable a subscription to be made in terms of such Form of Instruction (*pink*).

## 7. NON-RESIDENTS

The Rights Offer does not constitute an offer in the Excluded Jurisdictions and this Circular and Form of Instruction (*pink*) should not be forwarded or transmitted by you to any person in any territory other than where it is lawful to make such an offer.

Although Letters of Allocation may be credited to the CSDP's or broker's securities accounts of Dematerialised Shareholders registered as such on the Record Date of the Rights Offer: (i) with a registered address, or resident, in one of the Excluded Jurisdictions, including in the United States, or who hold on behalf of persons located in the United States, or who hold on behalf of any person on a non-discretionary basis who is in the United States, or



any state of the United States, such crediting of Letters of Allocation do not constitute an offer to such Restricted Shareholders and such Restricted Shareholders will not be entitled to take up or transfer Letters of Allocation in the Rights Offer or acquire Rights Offer Shares unless such action would not result in the contravention of any registration or other legal requirement.

Restricted Shareholders should consult their professional advisors to determine whether any governmental or other consents are required or other formalities need to be observed to allow them to take up the Rights Offer, or trade the Rights to which they are entitled.

Shareholders holding Shares on behalf of persons who are Restricted Shareholders are responsible for ensuring that taking up the Rights Offer, or trading in their entitlements under that offer, does not breach regulations in the relevant overseas jurisdictions.

To the extent that Restricted Shareholders are not entitled to participate in the Rights Offer or trade the Rights to which they are entitled as a result of the aforementioned restrictions, the Transfer Secretaries shall endeavour to sell the entitlement to such Rights on the JSE for the benefit of such Restricted Shareholders, in accordance with this section ("Sale"). The net proceeds of such Sale, after deducting any expenses incurred in connection to the Sale including applicable taxes, brokerage fees and commissions, shall be remitted to such Restricted Shareholders.

None of Ascendis, the Transfer Secretaries or any CSDP or broker appointed by them or Ascendis, will have any obligation or be responsible for any loss or damage whatsoever in relation to, or arising out of, the timing of such Sales or the remittance of the net proceeds of such Sales.

Specific restrictions relating to certain jurisdictions are set out below.

#### **7.1 Canada, Australia and Japan**

This Circular will not be sent and should not be forwarded to Shareholders with registered addresses in Canada, Australia or Japan. Letters of Allocation may not be transferred, sold or delivered in or into any of those jurisdictions.

The Letters of Allocation have not been and will not be registered under the Securities Act of Canada or with any security regulatory authority of any state or other jurisdiction in Canada and may not be offered or sold within Canada.

In addition, due to restrictions under the securities laws of Australia and Japan, no offer of the Letters of Allocation are being offered nor is the Rights Offer being made in terms of this Circular to Shareholders with registered addresses in, or to residents of Australia or Japan.

#### **7.2 United States of America**

This Circular, the Letters of Allocation and the Rights Offer Shares have not been approved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of such regulatory authorities passed upon or endorsed the merits of the Rights Offer or the accuracy or adequacy of this Circular. Any representation to the contrary is a criminal offence in the United States.

The Letters of Allocation and the Rights Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, transferred or delivered, directly or indirectly, within the United States.

Accordingly, the Company is not offering the Letters of Allocation or the Rights Offer Shares into the United States and this Circular does not constitute nor will it constitute an offer or an invitation to apply for, or an offer or an invitation to acquire, any Letters of Allocation or Rights Offer Shares in the United States. This Circular will not be sent to any Shareholder in, or with a registered address in, the United States. Any person who acquires Letters of Allocation or Rights Offer Shares will be deemed to have declared, warranted and agreed, by accepting delivery of this Circular; exercising their Rights or selling their Letters of Allocation or accepting delivery of the Letters of Allocation or the Rights Offer Shares that it is not, and that at the time of acquiring the Letters of Allocation or the Rights Offer Shares it will not be, in the United States or acting on behalf of, or for the account or benefit of, a person on a non-discretionary basis in the United States or any state of the United States.

In addition, until 40 days after the commencement of the Rights Offer, an offer, sale or transfer of the Rights Offer Shares or the Letters of Allocation within the United States by a dealer (whether or not participating in the Rights Offer) may violate the registration requirements of the U.S. Securities Act.

### 7.3 **Member states of the European Economic Area**

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") with effect from and including the relevant implementation date, no Rights Offer Shares or Letters of Allocation have been offered or will be offered pursuant to the Rights Offer to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Rights Offer Shares or Letters of Allocation which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in the Relevant Member State, all in accordance with the Prospectus Directive, except, with effect from and including the relevant implementation date, offers of Rights Offer Shares or Letters of Allocation which will be made in that Relevant Member State:

- to any person or legal entity which is a qualified investor as defined under the Prospectus Directive;
- to fewer than 100, or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) in such Relevant Member State subject to obtaining the prior consent of the Company; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of the Rights Offer Shares or Letters of Allocation shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this paragraph, the expression "an offer of Rights Offer Shares or Letters of Allocation to the public" in relation to any Rights Offer Shares or Letters of Allocation in any Relevant Member State means the communication, in any form and by any means, of sufficient information on the terms of the Rights Offer and the Rights Offer Shares and Letters of Allocation to be offered, so as to enable an investor to decide to purchase or subscribe for the Rights Offer Shares or Letters of Allocation, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

In the case of any Rights Offer Shares or Letters of Allocation being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will be deemed to have represented, acknowledged and agreed that the Rights Offer Shares or Letters of Allocation acquired by it in the Rights Offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in a Relevant Member State in circumstances which may give rise to an offer of any Rights Offer Shares or Letters of Allocation to the public other than their offer or resale in a Relevant Member State to qualified investors as defined under the Prospectus Directive.

The Company and its affiliates and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

### 7.4 **United Kingdom**

In the United Kingdom, this Circular is only being distributed to, and is only directed at, persons who are "qualified investors" as defined in section 86(7) of the Financial Services and Markets Act, 2000, as amended (the "FSMA") or otherwise in circumstances which do not require the publication by the Company of a prospectus pursuant to section 85(1) of the FSMA.

In the United Kingdom, this Circular is only being distributed to, and is only directed at, and any investment or investment activity to which this Circular relates is available only to, and will be engaged in only with, persons: (i) having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act, 2000 (Financial Promotion) Order 2005 (the "Order"); or (ii) who are high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "Relevant Persons"). Persons who are not Relevant Persons should not take any action on the basis of this Circular and should not act or rely on it.

Persons located in the United Kingdom that satisfy such requirements will be able to exercise their rights under the Rights Offer provided that any such person, by subscribing for all or some of their Rights to which they are entitled, will be deemed to represent, warrant, agree and confirm that such person is a "qualified investor" as defined in section 86(7) of the FSMA and a Relevant Person. The Rights Offer does not constitute an offer to, and this Circular is not being distributed to or directed at, any person in the United Kingdom who is not (i) a "qualified investor" as defined in section 86(7) of the FSMA and (ii) a "Relevant Person".

## 8. **SOUTH AFRICAN LAW**

No Shareholder should construe the contents of this Circular and the documentation accompanying it as legal or other advice. Each Shareholder should make its own enquiries and consult its own professional advisors as to the content of this Circular and the documentation accompanying it regarding the acceptance of their Rights in terms of the Rights Offer.

All transactions arising from the provisions of this Circular and the documentation accompanying it will be governed by and be subject to the laws of South Africa. Shareholders agree that any legal action or proceeding arising out of, or in connection with, this Circular or otherwise shall be brought in the High Court of South Africa, Gauteng Local Division and irrevocably consent and submit to the non-exclusive jurisdiction of such court.

## 9. **TAX CONSEQUENCES OF THE RIGHTS OFFER**

The following is a summary of certain tax consequences relating to the receipt and disposal of the Letters of Allocation and the purchase, ownership and disposal of the Rights Offer Shares. It is not meant to be a complete description of all the possible tax consequences of such receipt, purchase, ownership or disposal. This summary is based on the laws as in force and as applied in practice on the date of this Circular and is subject to changes to those laws and practices subsequent to the date of this Circular. In the case of persons who are non-residents of South Africa for income tax purposes, it should be read in conjunction with the provisions of any applicable double tax agreement between South Africa and their country of tax residence. Investors should consult their own advisors as to the tax consequences of the receipt and disposal of the Letters of Allocation and the purchase, ownership and disposal of Rights Offer Shares in light of their particular circumstances, including, in particular, the effect of any state, regional, local or other tax laws.

### 9.1 **South Africa**

This summary of certain material South African tax consequences only deals with shareholders that will hold the Rights Offer Shares and Letters of Allocation as capital assets. As used herein the term "SA Holder" means a "shareholder" who is: (i) a natural person ordinarily resident in South Africa; (ii) a natural person not ordinarily resident in South Africa but whose physical presence in South Africa exceeds certain thresholds as to periods of time; or (iii) a person, other than a natural person, which is incorporated, established or formed in South Africa or which has its place of effective management in South Africa. The term does not include a non-natural person incorporated, established or formed in South Africa, if that person is deemed to be exclusively the resident of another country for purposes of the application of any double tax agreement entered into between South Africa and that other country for the avoidance of double taxation. In general, a "shareholder" means the registered shareholder in respect of an Ascendis Share or, where some person other than the registered shareholder is entitled to all or part of the benefit of the rights of participation in the profits, income or capital attaching to that share, that other person to the extent of that entitlement. Shareholders with questions regarding their status as either South African residents or shareholders should consult their tax advisors.

The summary of South African tax consequences set out below is for general information only. All shareholders should consult their tax advisors as to the particular tax consequences applicable to them of receiving and disposing of Letters of Allocation and owning and disposing of the Rights Offer Shares, including the applicability and effect of other tax laws and possible changes in tax law.

#### 9.1.1 **Dividends**

Currently, any amount transferred or applied by a company for the benefit of any shareholder in relation to that company by virtue of any share held by that shareholder in that company, constitutes a dividend for tax purposes. However, dividends specifically exclude any amount so transferred or applied by the company to the extent that the amount so transferred or applied, *inter alia*: (i) results in a reduction of Contributed Tax Capital ("CTC") (see "Distribution of CTC" below); (ii) constitutes a capitalisation award; or (iii) constitutes an open market purchase by a listed company of its own shares on the exchange operated by the JSE.

CTC essentially comprises a company's share capital and premium. The amount subscribed for by shareholders in accepting Rights Offer Shares will constitute CTC.

In general, dividends paid by Ascendis to SA Holders and non-SA Holders will be exempt from South African income tax in their hands.

### 9.1.2 **Dividends tax**

Under current law, Ascendis Shareholders will be subject to a tax known as Dividends Tax ("DT").

DT is imposed in respect of any dividend paid by a company, and is levied at a rate of 20%. This rate may be reduced under the provisions of certain double tax agreements. In addition, the DT legislation includes a number of exemptions, including exemptions for intercompany dividends paid to South African corporates and dividends paid to certain exempt entities such as pension funds.

### 9.1.3 **Distribution of CTC**

A proportionate distribution by a company of CTC generally does not/will not constitute a dividend for DT purposes. It will, instead, constitute a return of capital.

A return of CTC before the disposal of shares will firstly serve to reduce the base cost of the shares in respect of which the distribution is made, and only when the base cost of the shares has been reduced to nil, will any excess amount distributed result in a capital gain for the SA Holder. The company which makes the distribution is obliged to notify the person to whom the distribution is made, in writing and by the time the distribution is made, of the extent to which the distribution constitutes a return of CTC.

### 9.1.4 **Taxation of capital gains and losses**

#### 9.1.4.1 *South African resident shareholders – individuals*

A disposal or deemed part disposal of Rights Offer Shares by an individual shareholder who is resident in South Africa for tax purposes may give rise to a gain (or loss) for the purposes of capital gains tax ("CGT"). In certain circumstances, shares disposed of after being held for at least three years are deemed to be subject to CGT (and not income tax), but shares disposed of within three years of acquisition may also, in certain circumstances be subject to CGT. The capital gain (or loss) on disposal of the Rights Offer Shares is equal to the difference between the disposal proceeds and the base cost. A shareholder's base cost in the Rights Offer Shares will generally be the consideration paid for those Rights Offer Shares. The base cost in the Rights Offer Shares may be increased by one third of any interest incurred to finance the cost of acquiring the Rights Offer Shares, and other direct costs incurred in, *inter alia*, acquiring the Rights Offer Shares, to the extent that such amounts are not otherwise allowable for deduction in the determination of taxable income. A gain on a disposal of the Rights Offer Shares, together with other capital gains, less allowable capital losses in a year of assessment, is subject to tax at the individual's marginal tax rate (maximum 45%) to the extent that it exceeds the annual exclusion (R40,000 for the years of assessment ending 28 February 2018). 40% of the net capital gain is included in taxable income, resulting in a maximum effective tax rate on capital gains of 18%. On the death of a taxpayer, there is a deemed disposal of the Rights Offer Shares at market value, unless the Rights Offer Shares are bequeathed to or in favour of a surviving spouse. Deemed disposals to a surviving spouse who is a South African resident are treated, in practical effect, as taking place at no gain or loss. The annual exclusion where death occurs during the year of assessment ending 28 February 2018 is R300,000. Where a taxpayer emigrates (i.e. gives up South African tax residence), there will also be a deemed disposal of the Rights Offer Shares at market value and this may trigger CGT.

#### 9.1.4.2 *South African resident shareholders – corporates*

A disposal or deemed part disposal of the Rights Offer Shares where such Rights Offer Shares are held on capital account by a South African resident corporate shareholder may give rise to a capital gain (or loss) for the purposes of CGT. In certain circumstances, shares disposed of after being held for at least three years are deemed to be subject to CGT (and not income tax), but shares disposed of within three years of acquisition may also, in certain circumstances be subject to CGT. The capital gain (or loss) on disposal of the Rights Offer Shares is equal to the difference between the disposal proceeds and the base cost. A shareholder's base cost in the Rights Offer Shares will generally be the consideration paid for the Rights Offer Shares. The base cost in the Rights Offer Shares may be increased by one third of any interest incurred to finance the cost of acquiring the Rights Offer Shares, and other direct costs incurred in, *inter alia*, acquiring the Rights Offer Shares, to the extent that such amounts are not otherwise allowable for deduction in the determination of taxable income.

A capital gain on a disposal of the Rights Offer Shares by a corporate shareholder, together with other capital gains, less allowable losses in a year of assessment, is subject to tax at the normal tax rate for companies (currently 28%). 80% of the net capital gain is included in taxable income, resulting in a maximum effective tax rate on capital gains of 22.4%.

#### 9.1.4.3 *Non-South African resident shareholders – individuals and corporates*

A disposal of Letters of Allocation or the Rights Offer Shares by a non-South African resident will not give rise to a gain (or loss) for the purposes of CGT and, accordingly, will not be subject to CGT in South Africa unless the shares are attributable to a permanent establishment of the non-South African resident shareholder in South Africa.

#### 9.1.5 **Estate Duty**

Where a person who is ordinarily resident in South Africa holds the Rights Offer Shares or Letters of Allocation at the date of his or her death, the market value of such Rights Offer Shares will be included in the estate. Estate duty is levied at a flat rate of 20% on the dutiable amount of the deceased estate to the extent that it exceeds R3.5 million per estate. In determining the dutiable amount of an estate, deductions are, *inter alia*, allowed for the value of bequests and property left to a surviving spouse, and estate liabilities, including CGT paid on the deemed disposal of the Rights Offer Shares on date of death.

#### 9.1.6 **Securities Transfer Tax**

Securities transfer tax ("STT") of 0.25% of the applicable taxable amount is payable in respect of every "transfer" of securities issued by a company incorporated in South Africa. "Transfer" as a general rule includes any cancellation or redemption of a security, but does not include the issue of a security or any event that does not result in a change in beneficial ownership of a security. STT will not be levied on the Rights Offer Shares issued in terms of the Rights Offer.

A transfer of the Rights Offer Shares from or through the agency of a JSE registered broker is subject to STT of 0.25% of the purchase consideration. The STT is payable by the broker which may recover it from the transferee. Where the Rights Offer Shares are not purchased from or through the agency of a broker, but the change in beneficial ownership is effected by a participant, STT of 0.25% of the greater of the declared purchase consideration or the JSE closing price of the Rights Offer Shares on the date of the transaction is payable by the participant which may recover it from the transferee.

In any other case of a change in beneficial ownership of the Rights Offer Shares, as a general rule, STT of 0.25% of the greater of the declared purchase consideration or the JSE closing price of the Rights Offer Shares is payable by the transferee through the broker or participant, which holds the Rights Offer Shares in custody. STT is not payable in respect of the transfer of Letters of Allocation.

#### 9.1.7 **Letters of Allocation**

The issue of Letters of Allocation to Shareholders is not a dividend subject to DT. The subscription for Rights Offer Shares by the holder of a Letter of Allocation does not have tax consequences in itself. The subscription price paid for the Rights Offer Shares will be the Shareholder's base cost for the purposes of future CGT.

Where a Shareholder sells Letters of Allocation in the market, there will be a gain equal to the consideration received for the sale of the Letters of Allocation, and this gain may be treated as being a receipt of an income as opposed to a capital nature.

Where a person who is not a Shareholder buys Letters of Allocation, the cost of those Letters of Allocation will be added to any subscription price paid for the Rights Offer Shares, to make up that Shareholder's base cost for CGT purposes.

There will be no South African tax consequences to non-South African residents (provided they do not have a permanent establishment in South Africa) as a result of the receipt, sale, exercise or lapse of Letters of Allocation.

## 10. DOCUMENTS OF TITLE

New share certificates to be issued to Qualifying Certificated Shareholders in respect of those Rights Offer Shares to which they were entitled, and for which they have subscribed, will be posted to persons entitled thereto, by registered post, at the risk of the Shareholders concerned, on or about Monday, 18 December 2017. Such Certificated Shares are not good for delivery in respect of trades concluded on the JSE until they have been dematerialised.

Qualifying Dematerialised Shareholders will have their accounts at their CSDP or broker updated with the Rights Offer Shares to which they were entitled and for which they have subscribed on Monday, 18 December 2017.

## 11. STATEMENT AS TO LISTING ON THE STOCK EXCHANGE

The JSE has granted listings for the Letters of Allocation and the Rights Offer Shares as follows:

- Letters of Allocation in respect of 37,501,366 Rights Offer Shares will be listed from the commencement of business on Wednesday, 29 November 2017 to the close of business on Tuesday, 12 December 2017, both days inclusive, under the JSE code: ASCN and ISIN: ZAE000251526; and
- up to 37,501,366 Rights Offer Shares will be listed with effect from the commencement of business on Wednesday, 13 December 2017.

## 12. JURISDICTION

The distribution of this Circular and/or accompanying documents and/or the transfer of the Rights Offer Shares and/or the Rights to subscribe for Rights Offer Shares in jurisdictions other than South Africa may be restricted by law and failure to comply with any of those restrictions may constitute a violation of the laws of any such jurisdiction in which it is illegal to make such a Rights Offer. In such circumstances, this Circular and the Form of Instruction (*pink*) are sent for information purposes only.

## 13. NATURE OF BUSINESS AND PROSPECTS OF THE COMPANY

### 13.1 Nature of business

Ascendis is a South African-based global health and care company which owns a portfolio of market-leading brands for humans, plants and animals. The Group's strategy is to complement organic growth in the health and care markets by acquiring bolt-on companies in South Africa, acquiring international platform and complementary businesses, and extracting synergies from these acquisitions. The brands are housed across the Pharma-Med, Consumer Brands and Phyto-Vet divisions, with revenue diversified across products, channels, geographic regions and currencies.

Consumer Brands consists of health and personal care products sold to the public, primarily at the retail store level. The Group offers over the counter ("OTC") medicines and consumer brands products, including vitamins and minerals, homeopathic, herbal products, dermaticals, functional foods, functional super foods, sports nutrition, health beverages, weight management and therapeutic cosmetics. Pharma-Med consists of the sale of prescription and selected OTC pharmaceuticals, and includes medical devices. Phyto-Vet supplies products to the plant and animal markets. Phyto-Vet manufactures and supplies over 3,500 different products supplied to over 4,500 retail stores.

### 13.2 Prospects

Ascendis aims to achieve its vision in three ways:

- by focusing on strong organic growth both locally and internationally with the right people by partnering great management teams in order to improve strategic, operational and leadership excellence. In the short term the Company's focus is on building on the good performance in the Pharma-Med and Ascendis Plant and Animal Health divisions and driving cost savings in the Consumer Brands division. Organic growth in the next twelve months will be driven through continued new product development, export initiatives and product launches;
- by creating platforms in the sectors of plant and animal and human health and acquiring complementary businesses and market-leading brands for synergistic growth. In the short term however, Ascendis is focussed on buying smaller complementary bolt-on acquisitions mainly in higher growth economies in Central and Eastern Europe and South Africa and higher growth segments such as sports nutrition and wellness to; and
- by improving the value chain via vertical integration and synergy projects within these platforms and industry sectors. Ascendis is currently looking into optimising its local and global manufacturing model and its global



procurement model; as well as other initiatives across its supply chain, including optimising warehousing and distribution, research and development collaboration and sharing of systems and processes.

Ascendis is currently well-positioned in the growing health and care markets locally and internationally and has a solid foundation of diversified platforms and long-established brands from which to grow earnings under the leadership of a strong and stable management team. The main risk factors affecting Ascendis going forward are mainly the current South Africa consumer environment and foreign exchange exposure. Although Ascendis operates in the relatively resilient and defensive health and wellness markets, its performance is impacted by the sustained pressure on South African consumers from the slowing economy, political uncertainty and higher living costs. Ascendis also operates in many foreign geographies and is exposed to foreign exchange risk, however this is mitigated by the hedging policy in place and as a majority of its profits after tax are already achieved via hard currency revenues.

Settlement of the Accelerated Payment will result in a significant reduction in the overall indebtedness of Ascendis and furthermore, reduces repayment risk and foreign exchange risk by settling a medium-term obligation at current exchange rates. This is in line with Ascendis' current strategy 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.

As announced on SENS on 26 August 2016, Ascendis implemented the Remedica Acquisition on 25 August 2016. The Remedica Acquisition has transformed the Ascendis Pharma-Med division into an international pharma player and has given Ascendis a natural rand hedge against foreign exchange volatility. Remedica has a diversified portfolio of products, markets and clients and exports the majority of its business in high growth emerging markets. Remedica has been successfully integrated into the Ascendis business and the management teams have been fully aligned from day one. Since acquisition, Remedica has achieved double digit profit growth. Ongoing value creation initiatives are being implemented, including cross-selling, procurement, research and development, new product development and production, amongst others. Remedica continues to be viewed as a credible platform for further international expansion and growth in the generic pharmaceutical industry in both Europe and emerging markets through its existing product portfolio and pipeline, as well as the GMP-accredited manufacturing facilities including its new oncology plant.

#### 14. INFORMATION RELATING TO DIRECTORS

##### 14.1 Details of Directors

There will be no variation in the Directors' details (i.e. business address and function) as a consequence of the Rights Offer.

##### 14.2 Directors remunerations and emoluments

There will be no variation in the remuneration payable to Directors as a consequence of the Rights Offer.

##### 14.3 Directors' interest in Ascendis Shares

The direct and indirect beneficial interests of the Directors (and their associates) in the issued Share capital of Ascendis as at the Last Practicable Date is set out in the table below.

|              | Number of fully paid Shares held |                     | Percentage held |
|--------------|----------------------------------|---------------------|-----------------|
|              | Direct beneficial                | Indirect beneficial |                 |
| JA Bester    | 16,200                           | –                   | 0.004%          |
| B Harie      | 3,548                            | 95,782              | 0.02%           |
| Dr KS Pather | 11,650                           | –                   | 0.003%          |
| GJ Shayne    | 253,647                          | 100,635,997         | 22.50%          |
| CD Dillon    | 1,018,900                        | 17,759,293          | 4.19%           |
| Dr K Wellner | 2,743,307                        | 1,500               | 0.61%           |
| CB Sampson   | 211,175                          | 250,000             | 0.10%           |
| K Futter     | 270,286                          | –                   | 0.06%           |
| <b>Total</b> | <b>4,528,713</b>                 | <b>118,742,572</b>  | <b>27.50%</b>   |

## 15. SHARE CAPITAL

Provided below is information relating to the authorised and issued Share capital of the Company.

### 15.1 Share capital before the Rights Offer

The authorised and issued Share capital of Ascendis before the Rights Offer, as at the Last Practicable Date, is as follows:

|                                                | <b>Number of<br/>Shares</b> | <b>R'000</b> |
|------------------------------------------------|-----------------------------|--------------|
| <b>Authorised Share capital</b>                |                             |              |
| Ordinary shares of no par value                | 2,000,000,000               |              |
| <b>Issued Share capital</b>                    |                             |              |
| Ordinary shares of no par value <sup>1,2</sup> | 448,312,800                 | 5,667,899    |

<sup>1</sup>Inclusive of 1,170,635 treasury shares

<sup>2</sup>Treasury shares are held by Elixr Brands Proprietary Limited, which is a 100% held subsidiary of Ascendis. The Rights attributable to the treasury shares will be allowed to lapse.

### 15.2 Share capital after the Rights Offer

The authorised and issued Share capital of Ascendis after the Rights Offer will be as follows:

|                                              | <b>Number of<br/>Shares</b> | <b>R'000</b> |
|----------------------------------------------|-----------------------------|--------------|
| <b>Authorised Share capital</b>              |                             |              |
| Ordinary shares of no par value              | 2,000,000,000               |              |
| <b>Issued Share capital</b>                  |                             |              |
| Ordinary shares of no par value <sup>1</sup> | 485,814,166                 | 6,417,926    |

<sup>1</sup>Inclusive of 1,170,635 treasury shares

## 16. PRICE AND VOLUME HISTORY OF ASCENDIS SHARES ON THE JSE

The Share price and volume history of Ascendis Shares:

- in the 12 months preceding the date of issue of the Circular; and
- in the 30 days preceding the Last Practicable Date,

are set out in Annexure I.

## 17. LITIGATION STATEMENT

There are no legal or arbitration proceedings which may have, or have during the 12 months preceding the date of this Circular, had a material effect on the financial position of the Group. Ascendis is not aware of any other proceedings that would have a material effect on the financial position of the Group or which are pending or threatened against the Group.



## 18. EXPENSES OF THE RIGHTS OFFER

The following expenses and provisions are expected or have been provided for by the Group in connection with the Rights Offer and will be settled out of the proceeds of the Rights Offer. All costs are stated exclusive of VAT:

| Description                                     | Payable to                                          | Estimated amount (excluding VAT) R'000 |
|-------------------------------------------------|-----------------------------------------------------|----------------------------------------|
| JSE document inspection fee                     | JSE                                                 | 25                                     |
| JSE listing fee                                 | JSE                                                 | 225                                    |
| Circular printing, publication and distribution | Ince Proprietary Limited                            | 52                                     |
| Transfer Secretaries                            | Computershare Investor Services Proprietary Limited | 80                                     |
| Sponsor fees                                    | Investec Bank Limited                               | 350                                    |
| Legal advisor                                   | Cliffe Dekker Hofmeyr Incorporated                  | 350                                    |
| <b>Estimated total</b>                          |                                                     | <b>1,082</b>                           |

## 19. CONSENTS

The sponsor, Transfer Secretaries, legal advisor and the Underwriter and corporate advisor to the Rights Offer have consented in writing, and have not withdrawn their consent, to their names being included in the Circular in the form and context in which they are included.

## 20. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names are given on page 8 of the Circular, collectively and individually, accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts which have been omitted that would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that the Circular contains all information required by law and the Listings Requirements.

## 21. DOCUMENTS AND CONSENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection during normal business hours at the registered office of Ascendis from Tuesday, 28 November 2017, up to and including Friday, 15 December 2017:

- the Memorandum of Incorporation of Ascendis and its major subsidiaries;
- copies of service agreements with directors, managers or secretaries, underwriters, vendors and promoters entered into during the last three years;
- the Group audited financial statements for the three financial periods ended 30 June 2017, 30 June 2016 and 30 June 2015;
- the Underwriting Agreement;
- this Circular, signed by or on behalf of the Directors and the Form of Instruction; and
- the letters of consent referred to in paragraph 19 of this Circular.

### Ascendis Health Limited

28 November 2017  
Johannesburg

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**PRICE AND VOLUME HISTORY OF ASCENDIS SHARES ON THE JSE**


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| <b>Period</b>    | <b>High<br/>(cents)</b> | <b>Low<br/>(cents)</b> | <b>Close<br/>(cents)</b> | <b>Volume</b> | <b>Value<br/>(R)</b> |
|------------------|-------------------------|------------------------|--------------------------|---------------|----------------------|
| <b>Monthly</b>   |                         |                        |                          |               |                      |
| November 2016    | 2,714                   | 2,250                  | 2,417                    | 16,013,442    | 387,044,893          |
| December 2016    | 2,588                   | 2,280                  | 2,550                    | 13,409,109    | 341,932,280          |
| January 2017     | 2,600                   | 2,226                  | 2,334                    | 13,640,433    | 318,367,706          |
| February 2017    | 2,325                   | 2,050                  | 2,140                    | 21,838,022    | 467,333,671          |
| March 2017       | 2,448                   | 2,020                  | 2,255                    | 17,244,987    | 388,874,457          |
| April 2017       | 2,509                   | 2,180                  | 2,499                    | 11,950,871    | 298,652,266          |
| May 2017         | 2,600                   | 2,353                  | 2,450                    | 17,780,591    | 435,624,480          |
| June 2017        | 2,475                   | 2,102                  | 2,164                    | 8,534,328     | 184,682,858          |
| July 2017        | 2,197                   | 1,956                  | 2,000                    | 6,522,117     | 130,442,340          |
| August 2017      | 2,290                   | 1,800                  | 2,150                    | 17,401,682    | 374,136,163          |
| September 2017   | 2,230                   | 1,870                  | 2,020                    | 7,981,464     | 161,225,573          |
| October 2017     | 2,025                   | 1,688                  | 1,749                    | 8,286,908     | 144,938,021          |
| <b>Daily</b>     |                         |                        |                          |               |                      |
| 16 October 2017  | 1 925                   | 1 850                  | 1 851                    | 334,198       | 6,186,004.98         |
| 17 October 2017  | 1 891                   | 1 750                  | 1 820                    | 416,881       | 7,587,234.20         |
| 18 October 2017  | 1 948                   | 1 800                  | 1 915                    | 514,614       | 9,854,858.10         |
| 19 October 2017  | 1 980                   | 1 825                  | 1 870                    | 293,890       | 5,495,743.00         |
| 20 October 2017  | 1 915                   | 1 814                  | 1 872                    | 697,739       | 13,061,674.08        |
| 23 October 2017  | 1 876                   | 1 786                  | 1 828                    | 96,196        | 1,758,462.88         |
| 24 October 2017  | 1 900                   | 1 751                  | 1 795                    | 251,065       | 4,506,616.75         |
| 25 October 2017  | 1 850                   | 1 740                  | 1 751                    | 222,700       | 3,899,477.00         |
| 26 October 2017  | 1 800                   | 1 725                  | 1 779                    | 237,938       | 4,232,917.02         |
| 27 October 2017  | 1 850                   | 1 725                  | 1 850                    | 240,278       | 4,445,143.00         |
| 30 October 2017  | 1 863                   | 1 740                  | 1 740                    | 518,767       | 9,026,545.80         |
| 31 October 2017  | 1 790                   | 1 688                  | 1 749                    | 795,814       | 13,918,786.86        |
| 01 November 2017 | 1 800                   | 1 655                  | 1 790                    | 1,299,743     | 23,265,399.70        |
| 02 November 2017 | 1 900                   | 1 800                  | 1 850                    | 412,686       | 7,634,691.00         |
| 03 November 2017 | 1 850                   | 1 775                  | 1 806                    | 164,276       | 2,966,824.56         |
| 06 November 2017 | 1 812                   | 1 771                  | 1 800                    | 759,958       | 13,679,244.00        |
| 07 November 2017 | 1 870                   | 1 801                  | 1 825                    | 200,369       | 3,656,734.25         |
| 08 November 2017 | 1 825                   | 1 755                  | 1 795                    | 288,176       | 5,172,759.20         |
| 09 November 2017 | 1 806                   | 1 752                  | 1 790                    | 337,784       | 6,046,333.60         |
| 10 November 2017 | 1 803                   | 1 751                  | 1 797                    | 137,390       | 2,468,898.30         |
| 13 November 2017 | 1 805                   | 1 732                  | 1 752                    | 272,200       | 4,768,944.00         |
| 14 November 2017 | 1 789                   | 1 731                  | 1 751                    | 550,889       | 9,646,066.39         |
| 15 November 2017 | 1 805                   | 1 750                  | 1 751                    | 121,575       | 2,128,778.25         |
| 16 November 2017 | 1 788                   | 1 751                  | 1 762                    | 184,306       | 3,247,471.72         |
| 17 November 2017 | 1 795                   | 1 706                  | 1 712                    | 392,545       | 6,720,370.40         |
| 20 November 2017 | 1 712                   | 1 600                  | 1 634                    | 287,138       | 4,691,834.92         |
| 21 November 2017 | 1 800                   | 1 555                  | 1 776                    | 1,708,598     | 30,344,700.48        |
| 22 November 2017 | 1 776                   | 1 602                  | 1 690                    | 985,657       | 16,657,603.30        |
| 23 November 2017 | 1 719                   | 1 582                  | 1 605                    | 158,327       | 2,541,148.35         |
| 24 November 2017 | 1 674                   | 1 501                  | 1 501                    | 215,570       | 3,235,705.70         |

Source: Bloomberg

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**TABLE OF ENTITLEMENT**


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No fractions of Rights Offer Shares will be issued to Shareholders. In accordance with the JSE Listings Requirements, in respect of fractional entitlements that arise, all allocations will be rounded down to the nearest whole number if they are less than 0.5, and rounded up to the nearest whole number if they are equal to or greater than 0.5, and no cash portion will be payable for any fractional entitlement. The table of entitlement of Shareholders to receive Rights Offer Shares is set out below.

| <b>Number of existing Shares</b> | <b>Number of Rights Offer Shares to which a Shareholder is entitled</b> | <b>Rounded number of Rights Offer Shares to which a Shareholder is entitled</b> | <b>Number of existing Shares</b> | <b>Number of Rights Offer Shares to which a Shareholder is entitled</b> | <b>Rounded number of Rights Offer Shares to which a Shareholder is entitled</b> |
|----------------------------------|-------------------------------------------------------------------------|---------------------------------------------------------------------------------|----------------------------------|-------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| 1                                | 0.08365                                                                 | –                                                                               | 53                               | 4.43345                                                                 | 4                                                                               |
| 2                                | 0.16730                                                                 | –                                                                               | 54                               | 4.51710                                                                 | 5                                                                               |
| 3                                | 0.25095                                                                 | –                                                                               | 55                               | 4.60075                                                                 | 5                                                                               |
| 4                                | 0.33460                                                                 | –                                                                               | 56                               | 4.68440                                                                 | 5                                                                               |
| 5                                | 0.41825                                                                 | –                                                                               | 57                               | 4.76805                                                                 | 5                                                                               |
| 6                                | 0.50190                                                                 | 1                                                                               | 58                               | 4.85170                                                                 | 5                                                                               |
| 7                                | 0.58555                                                                 | 1                                                                               | 59                               | 4.93535                                                                 | 5                                                                               |
| 8                                | 0.66920                                                                 | 1                                                                               | 60                               | 5.01900                                                                 | 5                                                                               |
| 9                                | 0.75285                                                                 | 1                                                                               | 61                               | 5.10265                                                                 | 5                                                                               |
| 10                               | 0.83650                                                                 | 1                                                                               | 62                               | 5.18630                                                                 | 5                                                                               |
| 11                               | 0.92015                                                                 | 1                                                                               | 63                               | 5.26995                                                                 | 5                                                                               |
| 12                               | 1.00380                                                                 | 1                                                                               | 64                               | 5.35360                                                                 | 5                                                                               |
| 13                               | 1.08745                                                                 | 1                                                                               | 65                               | 5.43725                                                                 | 5                                                                               |
| 14                               | 1.17110                                                                 | 1                                                                               | 66                               | 5.52090                                                                 | 6                                                                               |
| 15                               | 1.25475                                                                 | 1                                                                               | 67                               | 5.60455                                                                 | 6                                                                               |
| 16                               | 1.33840                                                                 | 1                                                                               | 68                               | 5.68820                                                                 | 6                                                                               |
| 17                               | 1.42205                                                                 | 1                                                                               | 69                               | 5.77185                                                                 | 6                                                                               |
| 18                               | 1.50570                                                                 | 2                                                                               | 70                               | 5.85550                                                                 | 6                                                                               |
| 19                               | 1.58935                                                                 | 2                                                                               | 71                               | 5.93915                                                                 | 6                                                                               |
| 20                               | 1.67300                                                                 | 2                                                                               | 72                               | 6.02280                                                                 | 6                                                                               |
| 21                               | 1.75665                                                                 | 2                                                                               | 73                               | 6.10645                                                                 | 6                                                                               |
| 22                               | 1.84030                                                                 | 2                                                                               | 74                               | 6.19010                                                                 | 6                                                                               |
| 23                               | 1.92395                                                                 | 2                                                                               | 75                               | 6.27375                                                                 | 6                                                                               |
| 24                               | 2.00760                                                                 | 2                                                                               | 76                               | 6.35740                                                                 | 6                                                                               |
| 25                               | 2.09125                                                                 | 2                                                                               | 77                               | 6.44105                                                                 | 6                                                                               |
| 26                               | 2.17490                                                                 | 2                                                                               | 78                               | 6.52470                                                                 | 7                                                                               |
| 27                               | 2.25855                                                                 | 2                                                                               | 79                               | 6.60835                                                                 | 7                                                                               |
| 28                               | 2.34220                                                                 | 2                                                                               | 80                               | 6.69200                                                                 | 7                                                                               |
| 29                               | 2.42585                                                                 | 2                                                                               | 81                               | 6.77565                                                                 | 7                                                                               |
| 30                               | 2.50950                                                                 | 3                                                                               | 82                               | 6.85930                                                                 | 7                                                                               |
| 31                               | 2.59315                                                                 | 3                                                                               | 83                               | 6.94295                                                                 | 7                                                                               |
| 32                               | 2.67680                                                                 | 3                                                                               | 84                               | 7.02660                                                                 | 7                                                                               |
| 33                               | 2.76045                                                                 | 3                                                                               | 85                               | 7.11025                                                                 | 7                                                                               |
| 34                               | 2.84410                                                                 | 3                                                                               | 86                               | 7.19390                                                                 | 7                                                                               |
| 35                               | 2.92775                                                                 | 3                                                                               | 87                               | 7.27755                                                                 | 7                                                                               |
| 36                               | 3.01140                                                                 | 3                                                                               | 88                               | 7.36120                                                                 | 7                                                                               |
| 37                               | 3.09505                                                                 | 3                                                                               | 89                               | 7.44485                                                                 | 7                                                                               |
| 38                               | 3.17870                                                                 | 3                                                                               | 90                               | 7.52850                                                                 | 8                                                                               |

| <b>Number of existing Shares</b> | <b>Number of Rights Offer Shares to which a Shareholder is entitled</b> | <b>Rounded number of Rights Offer Shares to which a Shareholder is entitled</b> | <b>Number of existing Shares</b> | <b>Number of Rights Offer Shares to which a Shareholder is entitled</b> | <b>Rounded number of Rights Offer Shares to which a Shareholder is entitled</b> |
|----------------------------------|-------------------------------------------------------------------------|---------------------------------------------------------------------------------|----------------------------------|-------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| 39                               | 3.26235                                                                 | 3                                                                               | 91                               | 7.61215                                                                 | 8                                                                               |
| 40                               | 3.34600                                                                 | 3                                                                               | 92                               | 7.69580                                                                 | 8                                                                               |
| 41                               | 3.42965                                                                 | 3                                                                               | 93                               | 7.77945                                                                 | 8                                                                               |
| 42                               | 3.51330                                                                 | 4                                                                               | 94                               | 7.86310                                                                 | 8                                                                               |
| 43                               | 3.59695                                                                 | 4                                                                               | 95                               | 7.94675                                                                 | 8                                                                               |
| 44                               | 3.68060                                                                 | 4                                                                               | 96                               | 8.03040                                                                 | 8                                                                               |
| 45                               | 3.76425                                                                 | 4                                                                               | 97                               | 8.11405                                                                 | 8                                                                               |
| 46                               | 3.84790                                                                 | 4                                                                               | 98                               | 8.19770                                                                 | 8                                                                               |
| 47                               | 3.93155                                                                 | 4                                                                               | 99                               | 8.28135                                                                 | 8                                                                               |
| 48                               | 4.01520                                                                 | 4                                                                               | 100                              | 8.36500                                                                 | 8                                                                               |
| 49                               | 4.09885                                                                 | 4                                                                               | 1,000                            | 83.65000                                                                | 84                                                                              |
| 50                               | 4.18250                                                                 | 4                                                                               | 10,000                           | 836.50000                                                               | 837                                                                             |
| 51                               | 4.26615                                                                 | 4                                                                               | 100,000                          | 8,365.00000                                                             | 8,365                                                                           |
| 52                               | 4.34980                                                                 | 4                                                                               | 1,000,000                        | 83,650.00000                                                            | 83,650                                                                          |

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## INFORMATION ON THE UNDERWRITER

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The Rights Offer is fully underwritten by Gane Holdings. Details pertaining to the Underwriter as required by the Listings Requirements are set out below.

|                                  |                                                                                                                                   |
|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| Full legal and entity name:      | Gane Holdings Proprietary Limited                                                                                                 |
| Directors:                       | Crispian Douglas Dillon<br>Gary John Shayne<br>Michael Anthony Scott – Alternate Director                                         |
| Company Secretary:               | BRP Secretarial Services CC                                                                                                       |
| Date and place of incorporation: | Incorporated on 19/07/2005 in Cape Town, South Africa                                                                             |
| Registration number:             | 2005/025373/07                                                                                                                    |
| Registered office:               | Block A, Silverwood<br>Steenberg Office Park<br>Cape Town<br>South Africa                                                         |
| Auditors:                        | Mazars                                                                                                                            |
| Bankers:                         | Standard Bank                                                                                                                     |
| Authorised share capital:        | <ul style="list-style-type: none"> <li>• 500,000 Ordinary No Par Value</li> <li>• 100,000,000 unspecified No Par Value</li> </ul> |
| Issued share capital:            | <ul style="list-style-type: none"> <li>• 14,335 Ordinary No Par Value shares</li> </ul>                                           |

