

ASCENDIS HEALTH LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2008/005856/06)

ISIN: ZAE000185005 Share code: ASC

("Ascendis" or the "Company")

FINAL TERMS OF A FULLY UNDERWRITTEN RENOUNCEABLE RIGHTS OFFER OF R1.2 BILLION ("THE RIGHTS OFFER") AND POSTING OF CIRCULAR AND NOTICE OF GENERAL MEETING

1. INTRODUCTION

Shareholders of Ascendis ("**Shareholders**") are referred to the announcement released on the Stock Exchange News Service ("**SENS**") of the JSE Limited ("**JSE**") on 24 May 2016 ("**Acquisition Announcement**"), wherein Shareholders were advised that Ascendis had entered into agreements to acquire, directly or indirectly, through two distinct and divisible transactions:

- The entire issued share capital of Remedica Holdings Limited ("**Remedica**"), a pharmaceutical company based in Cyprus (the "**Remedica Transaction**"); and
- The entire issued share capital of Scitec International S.à r.l. ("**Scitec**"), a European sports nutrition company (the "**Scitec Transaction**", together with the Remedica Transaction, the "**Transactions**"); and

the Rights Offer declaration announcement released on SENS on 30 June 2016 which included the declaration information relating to the Rights Offer (the "**Declaration Announcement**").

The Company is pleased to announce that the board of directors (the "**Board**") has finalised the terms of the Rights Offer as set out in paragraph 3 below.

2. POSTING OF CIRCULAR

Shareholders are advised that the circular containing the details of the Transactions incorporating a notice of general meeting and form of proxy (the "**Acquisition Circular**") and details of the Rights Offer including form of instruction in respect of renounceable letters of allocation (the "**Rights Offer Circular**", together with the Acquisition Circular, the "**Circular**") has been posted to Shareholders today, 12 July 2016.

The Rights Offer Circular will be posted again on Thursday, 21 July 2016 to new certificated Shareholders who become Shareholders post 1 July 2016 and will be posted on Tuesday, 26 July 2016 to dematerialised Shareholders on request.

The Circular is also available on the Ascendis website (www.ascendis.co.za) as from 12 July 2016.

3. SALIENT TERMS OF THE RIGHTS OFFER

The salient terms of the Rights Offer are as follows:

- Qualifying Shareholders recorded in the share register on Friday, 22 July 2016 (the "**Record Date**") are offered, on the terms and conditions set out in the Rights Offer Circular, 54 545 454 new ordinary shares of no par value ("**Rights Offer Shares**") at a subscription price of ZAR22.00 per Rights Offer Share ("**Subscription Price**"), in the ratio of 18.25033 Rights Offer Shares for every 100 Ascendis ordinary shares ("**Ascendis Shares**") held on the Record Date. Fractions of Rights Offer entitlements will be allotted and each Qualifying Shareholder's Rights Offer entitlement will be rounded down to the nearest whole number;
- the Subscription Price is at a discount of c.13.3% to the closing price on 11 July 2016 of R25.37 and c.8.4% to the 30 day volume weighted average price on 11 July 2016 of R24.02;
- the Subscription Price is at a discount of c.17.0% to the Ascendis high share price of ZAR26.50 on the 4 July 2016 and is a significant discount to the expected normalised share price post the Transactions based on the 48.4% accretion to normalised headline earnings per share;
- upon their issue, the Rights Offer Shares will be listed on the securities exchange operated by the JSE and will rank, *pari passu*, in all respects with the existing issued Ascendis Shares;

- the latest time and date of acceptance and payment in full for the Rights Offer Shares will be 12:00 (South African time) on Friday, 5 August 2016 ("**Rights Offer Closing Date**");
- certificated Qualifying Shareholders must complete the form of instruction in accordance with the instructions contained therein and return it to Computershare Investor Services Proprietary Limited (the "**Transfer Secretaries**") so as to be received by the Transfer Secretaries by no later than Monday, 1 August 2016;
- dematerialised Qualifying Shareholders are advised to contact their Central Securities Depository Participant ("**CSDP**") or broker as early as possible to establish the latest times for acceptance of the Rights Offer, as set out in the relevant custody agreement, as this may be earlier than 12:00 (South African time) on the Rights Offer Closing Date;
- letters of allocation will be issued in dematerialised form and an electronic record for certificated Qualifying Shareholders will be maintained by the Transfer Secretaries. This will enable both dematerialised and certificated holders of Ascendis Shares to sell or renounce some or all of their rights to Rights Offer Shares in accordance with the procedures set out in the Rights Offer Circular; and
- all Rights Offer Shares not subscribed for in terms of the Rights Offer will be available for allocation to Qualifying Shareholders that wish to apply for a greater number of Rights Offer Shares than the pro rata shares offered to them in terms of the Rights Offer. Accordingly, Qualifying Shareholders may also apply for additional Rights Offer Shares in excess of the Rights Offer Shares pro rated to them in terms of the Rights Offer, on the same terms and conditions as those applicable to their Rights Offer entitlement. The right to apply for additional Rights Offer Shares is transferable and will be transferred upon renunciation or sale together with the Rights Offer entitlement so renounced or sold.
- An announcement will be released on SENS on or about Monday, 8 August 2016 and published in the South African press on Wednesday, 10 August 2016 stating the results of the Rights Offer and the basis of allocation of any additional Rights Offer Shares for which application is made.

4. FULFILLMENT OF CONDITIONS PRECEDENT RELATING TO THE RIGHTS OFFER

The conditions precedent to the Rights Offer as specified in the Declaration Announcement have all been fulfilled. The JSE has approved the application for the listing of the letters of allocation and the Rights Offer Shares required to implement the Rights Offer.

5. UNDERWRITING AND IRREVOCABLE COMMITMENTS

Ascendis has entered into an underwriting agreement with Absa Bank Limited (acting through its Corporate and Investment Bank division) ("**Absa**") and HSBC Bank plc ("**HSBC**") (the "**Underwriters**"), pursuant to which the Underwriters have severally agreed, subject to customary conditions, to underwrite any Rights Offer Shares not subscribed for pursuant to the Rights Offer.

Ascendis has secured irrevocable undertakings from certain existing shareholders and new strategic investors to the total value of R2.3 billion to participate in the Rights Offer and the subsequent vendor consideration placement.

Included in the irrevocable commitments, Coast2Coast Capital Proprietary Limited, which currently directly or indirectly owns approximately 41% of the issued share capital of Ascendis, has committed to follow its rights under the Rights Offer, and/or successfully allocate any portion of its rights not taken up under the Rights Offer pursuant to back-to-back commitments, with the combined value thereof being up to c.R520 million.

The directors of the Board intend to follow their rights in terms of the Rights Offer.

Ascendis has furthermore received irrevocable undertakings from approximately 62% of Shareholders to vote in favour of the Transactions at the General Meeting.

6. APPLICATION OF PROCEEDS

The Transactions will be funded by way of a combination of a new debt facility to the value of EUR180 million, a vendor consideration placement of ZAR1.2 - 1.5 billion and the Rights Offer.

It is Ascendis' intention to use the proceeds of the Rights Offer to partially fund the Transactions and associated transaction costs.

7. SALIENT DATES AND TIMES

Rights Offer	2016
Declaration date announcement in respect of the Rights Offer released on SENS	Thursday, 30 June
Finalisation date announcement in respect of the Rights Offer released on SENS	Tuesday, 12 July
Circular and Form of Instruction (<i>pink</i>) distributed to Shareholders	Tuesday, 12 July
Last day to trade in Ascendis Shares in order to participate in the Rights Offer	Tuesday, 19 July
Listing and trading of Letters of Allocation on the JSE under JSE code: ASCN and ISIN ZAE000221891 commences 09:00	Wednesday, 20 July
Ascendis Shares commence trading on the JSE ex Rights Offer entitlement at 09:00	Wednesday, 20 July
Circular and Form of Instruction (<i>pink</i>) distributed to Certificated Shareholders who became shareholders post 1 July but prior to the Initial Record Date	Thursday, 21 July
Record date for determination of Qualifying Shareholders entitled to participate in the Rights Offer (Initial Record Date) at close of business	Friday, 22 July
Rights Offer opens at 9:00	Monday, 25 July
Qualifying Dematerialised Shareholders will have their accounts at their CSDP or Broker automatically credited with their entitlement	Monday, 25 July
Qualifying Certificated Shareholders on the Register will have their entitlement credited to their accounts held with the Transfer Secretaries	Monday, 25 July
Circular and Form of Instruction posted to Dematerialised Shareholders, where applicable	Tuesday, 26 July
Payment to be made and Form of Instruction (<i>pink</i>) to be lodged at Transfer Secretaries by Certificated Shareholders by 12:00	Monday, 1 August
Last day to trade Letters of Allocation on the JSE in order to settle trades by the Record date for the Letters of Allocation and participate in the Rights Offer at the close of business	Monday, 1 August
Determination of the cash value in relation to fractional entitlements	Tuesday, 2 August
Listing and trading Rights Offer Shares commences on the JSE at 09:00	Tuesday, 2 August
Announcement on SENS regarding the cash value in relation to fractional entitlements	Thursday, 4 August

Rights Offer closes at 12:00	Friday, 5 August
Record date for Letters of Allocation (Final Record Date)	Friday, 5 August
Qualifying Dematerialised Shareholders' accounts updated and debited by CSDP or broker (in respect of payments for Rights Offer Shares)	Monday, 8 August
Certificates distributed to Qualifying Certificated Shareholders (in respect of the Rights Offer Shares)	Monday, 8 August
Results of Rights Offer announced on SENS	Monday, 8 August
Results of Rights Offer published in the press	Wednesday, 10 August
Refunds (if any) to Qualifying Certificated Shareholders in respect of unsuccessful excess applications made	Thursday, 11 August
Qualifying Dematerialised Shareholders' accounts updated and debited by their CSDP or Broker (in respect of successful excess applications)	Thursday, 11 August
Certificates distributed to Qualifying Certificated Shareholders (in respect of successful excess applications)	Thursday, 11 August

General Meeting	2016
Record date to receive the Circular and Notice of General Meeting	Friday, 1 July
Circular, Notice of General Meeting and Form of Proxy distributed to Shareholders	Tuesday, 12 July
Last day to trade in order to be eligible to vote at the General Meeting	Monday, 1 August
Record date to participate in and vote at the General Meeting	Friday, 5 August
Forms of Proxy for the General Meeting to be lodged with Ascendis or the Transfer Secretaries by no later than 09:00	Monday, 8 August
General Meeting held at Block A Silverwood, Steenberg Office Park, Silverwood Close, Tokai, Cape Town, 7945 at 9:00	Thursday, 11 August
Results of General Meeting to be released on SENS	Thursday, 11 August
Results of General Meeting published in the press	Friday, 12 August

Notes:

1. All dates and times may be changed by Ascendis and/or may be subject to the obtaining of certain regulatory approvals. Any change will be published on SENS.
2. Shareholders should note that as transactions in Ascendis Shares are settled in the electronic settlement system used by Strate, settlement of trades takes place three business days after such trade.
3. All times tabled above are local South Africa times.
4. Share certificates may not be dematerialised or rematerialised between Wednesday, 20 July 2016 and Friday, 22 July 2016.

8. NOTICE OF GENERAL MEETING

Shareholders are invited to attend the General Meeting, to be held at Block A Silverwood, Steenberg Office Park, Silverwood Close, Tokai, Cape Town, 7945 on Thursday, 11 August 2016 at 9:00 in order to consider, and if deemed fit, approve the resolutions set out in the notice of General Meeting, which has been posted with the Circular.

9. PRO FORMA FINANCIAL EFFECTS

The *pro forma* financial effects tabled below are updated from those presented in the Acquisition Announcement. The updates are as a result of the determination of the actual rather than estimated transaction costs as well as finalisation of the reviewed interim results for Scitec and Remedica, where unreviewed management accounts were used for the purpose of the Acquisition Announcement.

For the purposes of reviewing the *pro forma* financial information tabled below, it is important to note that the earnings, diluted earnings, headline earnings and diluted headline earnings have the full transaction costs of ZAR135 million expensed against only 6 months of earnings. As such the normalised earnings are deemed more representative of the effect of the transactions on Ascendis' earnings on an on-going basis, which effect has not changed materially from that disclosed in the Acquisition Announcement.

The table below sets out the *pro forma* financial effects of the Scitec Transaction and the Remedica Transaction on the published unaudited interim results of Ascendis for the six month period ended 31 December 2015. The *pro forma* financial effects have been prepared for illustrative purposes only and because of their *pro forma* nature, may not fairly present the Company's financial position, changes in equity, results of operations or cash flows, nor the effect and impact of the Scitec Transaction and the Remedica Transaction going forward.

The *pro forma* financial effects have been prepared using accounting policies that comply with IFRS and that are consistent with those applied in the published unaudited interim results of Ascendis for the six month period ended 31 December 2015. The *pro forma* financial effects are presented in accordance with the JSE Listings Requirements and the guide on Pro forma Financial Information issued by the South African Institute of Chartered Accountants and ISAE 3420 (Assurance Engagements to Report on the Compilation of *Pro forma* Financial Information Included in a Prospectus).

The directors of the Company are responsible for the compilation, contents and preparation of the *pro forma* financial effects. Their responsibility includes determining that the *pro forma* financial effects have been properly compiled on the basis stated, which is consistent with the accounting policies of Ascendis and that the *pro forma* adjustments are appropriate for purposes of the *pro forma* financial information disclosed pursuant to the JSE Listings Requirements.

The *pro forma* financial effects should be read in conjunction with the *pro forma* condensed group statement of financial position and the *pro forma* condensed group income statement contained in the Circular.

6 months to 31 December 2015	Before	Pro forma post the Scitec Transaction	Change	Pro forma post the Remedica Transaction	Change	Pro forma post the Transactions	Change
	(cents)	(cents)	(%)	(cents)	(%)	(cents)	(%)
	(1)	(2)	(2)/(1)	(3)	(3)/(1)	(4)	(4)/(1)
Earnings per share	48.75	37.36	-23.4%	41.61	-14.6%	33.08	-32.1%
Diluted earnings per share	48.75	37.36	-23.4%	41.61	-14.6%	33.08	-32.1%
Headline earnings per share	48.52	37.17	-23.4%	41.42	-14.6%	32.92	-32.1%
Diluted headline earnings per share	48.52	37.17	-23.4%	41.42	-14.6%	32.92	-32.1%
Normalised headline earnings per share	56.04	63.99	14.2%	80.36	43.4%	83.15	48.4%
Diluted normalised headline earnings per share	56.04	63.99	14.2%	80.36	43.4%	83.15	48.4%
Net asset value per share	687	914	33.1%	941	37.0%	1,096	59.6%
Net tangible asset value per share	(236)	(718)	204.9%	(672)	185.3%	(1,015)	331.0%
Weighted average number of shares in issue (thousands)	270,259	324,804	20.2%	333,649	23.5%	388,195	43.6%
Number of shares in issue (thousands)	271,729	326,274	20.1%	335,119	23.3%	389,665	43.4%

1. The Ascendis information reflected in the "Before" column has been extracted from the published interim results for the six month period ended 31 December 2015.
2. The "Pro forma post the Scitec Transaction" column has been calculated on the basis that only the Scitec Transaction has been implemented. The Scitec information has been extracted from the reviewed interim financial statements for the six month period ended 31 December 2015. Scitec reported a profit after tax of EUR10.6 million and net assets of EUR73.6 million for the 12 months ended 31 December 2015 in its audited annual financial statements. The 6 months earnings to 31 December 2015 utilised in the pro forma financial effects, represent approximately 40% of profits earned for the financial year ended 31 December 2015 based on the reviewed 6 months results of Scitec and the audited annual financial statements for the period ended 31 December 2015
3. The "Pro forma post the Remedica Transaction" column has been calculated on the basis that only the Remedica Transaction has been implemented. The Remedica information has been extracted from the reviewed interim financial statements for the six month period ended 31 December 2015. Remedica reported a profit after tax of EUR14.5 million and net assets of EUR85.0 million in its audited annual financial statements for the year ended 31 December 2015.
4. The effects on earnings, diluted earnings, headline earnings, diluted headline earnings, normalised headline earnings and diluted normalised headline earnings are calculated on the basis that the Scitec Transaction and the Remedica Transaction were effective 1 July 2015, while the effects on net asset value and net tangible asset value per share are calculated on the basis that the Scitec Transaction and the Remedica Transaction were effective 31 December 2015.
5. The effects on earnings, diluted earnings, headline earnings, diluted headline earnings, normalised headline earnings and diluted normalised headline earnings are calculated on the basis that the Transactions were effective 1 July 2015, while the effects on net asset value and net tangible asset value per share are calculated on the basis that the Transactions were effective 31 December 2015.
6. The statements of comprehensive income for Remedica and Scitec have been translated at the average exchange rate for the period 1 July 2015 to 31 December 2015 of ZAR15.00: EUR1 and the statements of financial position have been translated at the exchange rate of ZAR16.93:EUR1 as at 31 December 2015.

7. The purchase considerations are converted to ZAR at the current exchange rate of ZAR16.40:EUR1, except for the Shares issued directly to Remedica shareholders which are converted at the contractual rate of R17.00:EUR1, and assumes no Remedica earn out payment
8. The *pro forma* consolidation adjustment relates to the amortisation of intangibles and depreciation of assets identified through a provisional fair value allocation exercise as follows:

Remedica	Fair value (ZAR'm)	Useful life (years)
Marketing related intangible assets	580.5	40
Contract-based intangible assets	1,327.5	30
Buildings	435 296	-
Construction in progress	19 566	-
Plant and machinery	394 242	20
Motor vehicles	10 378	5
Furniture and fittings	122 967	10
Lab machinery and instruments	65 821	20
Scitec		
Marketing related intangible asset	844.6	Indefinite
Trade secrets and core recipes	1,330.6	Indefinite
Non-core recipes	167.9	20
Machinery	69 461	20
Other equipment	28 874	6
Construction in progress	18 673	-

The balance of the excess of the purchase consideration over the net asset value is allocated to goodwill.

9. Interest is assumed to have accrued on bank debt and vendor debt raised to fund a portion of the purchase consideration at an average pre-tax rate of 4% per annum. No interest is however payable to the vendors on the purchase consideration.
10. No adjustment has been recognised for the revaluation of the Euro denominated debt over the period. At each reporting date, the Company will be required to revalue the Euro denominated debt to account for the translation into the South African Rand functional currency. Any difference will be charged to Other Comprehensive Income for the period and recognised in the Foreign Currency Translation Reserve
11. Transaction costs related to the Transactions of ZAR135 million have been expensed. Costs directly attributable to equity and debt have been capitalised. ZAR58 million has been capitalised to equity. ZAR65 million has been capitalised to debt and is amortised over the term of the facility.
12. The following *pro forma* adjustments are reversed in the determination of *pro forma* normalised headline earnings per share:
 - Amortisation of intangibles raised through the fair value allocation exercise;
 - Transaction costs expensed to, or amortised through the income statement; and
 - Related tax charges.
13. The number and weighted average number of shares in issue are increased by 117,935,641 shares at an assumed issue price of ZAR22 per share as follows:
 - 54,545,454 shares issued in the equity raise to fund the Scitec initial consideration
 - 54,545,454 shares issued in the equity raise to fund the Remedica initial consideration
 - 7,727,273 shares in terms of EUR 10 million issue as part of the Remedica initial consideration
 - 1,117,460 shares issued as consideration for the Remedica control premium

The detailed *pro forma* financial effects, as reported on by the reporting accountants, including notes and assumptions are disclosed in the Circular.

12 July 2016
Johannesburg

Corporate Advisor

Coast2Coast Capital Proprietary Limited

Joint Global Coordinators, Underwriters and Financial Advisors

Absa Bank Limited (acting through its Corporate and Investment Bank division) and HSBC Bank plc

Transaction Sponsor

Absa Bank Limited (acting through its Corporate and Investment Bank division)

Sponsor

Investec Bank Limited

Legal Advisors to Company

Cliffe Dekker Hofmeyr Inc.

Legal Advisors to the Joint Global Coordinators, Underwriters and Financial Advisors

Bowman Gilfillan Inc.

Freshfields Bruckhaus Deringer LLP

Reporting Accountant to Ascendis

PricewaterhouseCooper Ltd

Reporting Accountant to Scitec and Remedica

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