

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



MARKET UPDATE

Clarification on the Remedica disposal process

Shareholders are referred to an announcement released on SENS on 17 December 2019 wherein shareholders were advised that negotiations with a preferred bidder for the Remedica business unit in Cyprus ("Remedica") were terminated.

It has come to the attention of the board of directors of Ascendis Health ("the Board") that there may be uncertainty in the market on the reasons for the termination of these negotiations. Accordingly, the Board would like to provide shareholders and interested stakeholders with clarity on the disposal process and the background to the termination of such negotiations.

The Board initially received an unsolicited but attractive indicative offer from an international private equity bidder ("Initial Bidder") in December 2018. After a protracted due diligence process, the Initial Bidder submitted a firm offer that was a) substantially lower than the initial indicated offer, b) lower than what the Board believed a competitive targeted disposal process for Remedica would yield and c) subject to unacceptable conditions precedent.

The Board therefore commenced a targeted disposal process for Remedica which, pursuant to a detailed due diligence process, yielded a binding bid from a well-renowned international private equity investor ("Preferred Bidder"). This binding bid was subject to standard conditions precedent for a transaction of this nature.

At a highly advanced stage of negotiations, the Preferred Bidder disclosed to Ascendis Health that its ability to acquire Remedica was conditional upon also acquiring another pharmaceutical asset in the same region. This conditionality was not disclosed to Ascendis Health at any previous stage of the negotiations. Due to the Preferred Bidder's negotiations with this second pharmaceutical asset having been terminated at that point (for reasons not involving Ascendis Health), the Preferred Bidder no longer had a mandate from its investment committee to continue to pursue the Remedica transaction on a stand-alone basis.

As Remedica continues to be a high performing asset that delivers considerable earnings and margin growth to the Ascendis group, the Board is not supportive of the disposal of Remedica at a price that is not reflective of its market value.

Deleveraging of balance sheet and disposal of other non-core assets

As communicated to shareholders in the announcement dated 17 December 2019, the Board remains committed to deleveraging its balance sheet through the disposal of certain non-core assets.

Trading update and procedures for Annual General Meeting

A further trading update will be released ahead of the Annual General Meeting of Ascendis Health shareholders ("AGM") on 5 February 2020 which will assist investors in better understanding the underlying equity value in the Company, and which will also be presented by management at commencement of the AGM commencing at 09:00.

The voting procedures of the AGM will commence immediately after the management presentation on the trading update (which is expected to have a duration of 30 minutes), and where after, at the conclusion of the AGM, the Board and management will take any questions from stakeholders.

30 January 2020
Bryanston

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