

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”)



Restructure and extension of Debt Facilities

1. Introduction

Shareholders are referred to the announcement released by Ascendis Health on the Stock Exchange News of the JSE on 15 May 2020, wherein shareholders were advised that the group’s Lender Consortium agreed to further extend an Interim Stability Agreement (“ISA”) while it seeks a more permanent structure of its existing debt facilities through its Lender Consortium.

The board of directors of Ascendis Health is pleased to advise that the Company has concluded agreements with its Lender Consortium to restructure its existing debt facilities and provide for the advance of new debt facilities (the “**Debt Refinance**”).

Ascendis Health and its lenders have mutually agreed to extend the repayment obligations on its debt facility to December 2021, with no payments required in advance of that date, other than any excess cash which will be swept to the Lenders. The extension provides Ascendis Health with the flexibility to continue driving growth, and the value of its various businesses and optimizing any sale of those businesses to deliver full value to all stakeholders.

2. Existing debt facilities

The existing debt facilities as at 31 December 2019 (“**Existing Facilities**”) comprise of Euro (€) and Rand (R) terms and revolving facilities with a total quantum of R5.1 billion.

In addition, a €6 million facility was advanced in April 2020 to fund the payment of outstanding deferred vendor liabilities (the “**VL Facility**”) and a further R87 million was advanced to fund the procurement of essential medical equipment for the sales to private and public healthcare sectors in the fight against COVID-19 (the “**Covid Facility**”).

3. New debt facilities

The Debt Refinance includes the advance of a new super senior facility of €6.9 million and R217 million (the “**Super Senior Facility**”). The Super Senior Facility will finance the Company’s general liquidity needs and refinance the VL Facility and the Covid Facility.

4. Revised terms of the Existing Facilities and the Super Senior Facility

As a result of the Debt Refinance, the aggregate debt facilities will be €218 million and R2.1 billion.

The key revised terms of the Existing Facilities and the Super Senior Facility are as follows:

- facilities are repayable by a single bullet payment on 31 December 2021;
- the facilities include a quarterly leverage covenant test (ratio of Total Net Debt to Adjusted EBITDA);
- the facilities include key disposal milestones in respect of certain business units within the Ascendis Health group;

- an event of default will arise if the requisite majority of shareholders vote against the disposal of specified assets;
- the security package in respect of the Existing Facilities will remain in place and be bolstered by additional share pledges over a number of Ascendis Health group companies;
- the update security structure of the funding includes the incorporation of:
 - a Luxembourg domiciled entity in which all European subsidiaries will be housed
 - a SA domiciled entity in which all SA subsidiaries & the Luxembourg entity will be housed

5. Impact on the day-to-day management of the Ascendis Health business

The Debt Refinance confers a number of operational and strategic benefits:

- Prior to the Debt Refinance, Existing Facilities had been reclassified as current liabilities (rather than long-term liabilities). As a result of the Debt Refinance, the Existing Facilities and the Super Senior Facility will be classified as long-term liabilities, with the debt termed out to December 2021.
- The extended maturity date of the debt facilities will allow for more efficient price discovery in respect of assets earmarked for sale. This will enable disposals to be concluded in an orderly manner.
- Management's time and attention can now turn from the 'Stabilise' pillar to the 'Optimise' and 'Monetise' pillars of the Ascendis Health group strategy.

8 June 2020
Johannesburg
Sponsor



Questco Corporate Advisory Proprietary Limited