

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")



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## MARKET UPDATE AND CAUTIONARY ANNOUNCEMENT

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### MARKET UPDATE

Shareholders are referred to the announcement published by the Company on SENS on 2 February 2021 wherein shareholders were informed that Blantyre Capital Limited ("**Blantyre**") and L1 Health GP SARL ("**L1 Health**") had, through funds managed and advised by them, increased their exposure to the Company's debt to more than 75% of the aggregate exposure of the Company's consortium of external lenders ("**Senior Lenders**"). Shareholders were further advised that the Company was exploring solutions with Blantyre and L1 Health for a recapitalisation and restructure of Ascendis Health and its subsidiaries ("**Group**") ("**Group Recapitalisation**") as an alternative to a divestment programme.

In order to address the Company's short term liquidity requirements and other potential events of default, the Company has entered into a forbearance agreement with L1 Health, Blantyre ("**Forbearance Creditors**") and ABSA Bank Limited (in its capacity as agent for the Senior Lenders) ("**Forbearance Agreement**"). Under the Forbearance Agreement, the Forbearance Creditors have agreed not to take enforcement action in respect of the non-payment of interest and certain other events of default until 30 April 2021 ("**Forbearance Period**"). The Forbearance Period may be extended by agreement between the Company and the Forbearance Creditors.

The Company is exploring various transaction structures for the Group Recapitalisation that maximise value preservation and restore balance sheet stability by reducing high levels of debt. To this end, the Company is engaging with Blantyre and L1 Health. It is currently envisaged that the Group Recapitalisation will be implemented by way of the discharge of outstanding debt in exchange for interests in the Company's operating subsidiaries, save for those subsidiaries already highlighted as being non-core and/or the subject of disposal discussions.

The parties aim to reach agreement on the transaction structure for the Group Recapitalisation by 30 April 2021, which should lead to an extension of the Forbearance Period. Thereafter, a circular will be prepared to advise shareholders of the proposed manner in which the Group Recapitalisation is to be implemented, together with appropriate resolutions upon which shareholders will be required to vote.

If the Company cannot reach agreement with the Forbearance Creditors on a Group Recapitalisation structure by 30 April 2021, there is a risk that the Forbearance Period may not be extended, and the Senior Lenders will proceed with enforcement or any other action against the Company. Similarly, if a transaction structure is agreed between the Company and the Forbearance Creditors but the shareholders later vote against the proposed Group Recapitalisation, there is a risk that the Senior Lenders may proceed with enforcement or other actions against the Company.

### CAUTIONARY ANNOUNCEMENT

The Group Recapitalisation may have a material impact on the price at which the Company's shares trade. Accordingly, shareholders are advised to exercise caution when trading in their Ascendis Health shares until a further announcement is made.

10 March 2021  
Bryanston

**Sponsor**

