

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



PROPOSED DISPOSAL OF FARMALIDER

1. INTRODUCTION

Shareholders of Ascendis Health ("**ASC Shareholders**") are referred to the announcements published on 12 May 2021 and 23 June 2021 regarding certain proposed transactions, including for the recapitalisation of Ascendis Health ("**the Group Recapitalisation Announcements**"). Terms defined in the Group Recapitalisation Announcements bear the same meaning in this announcement.

In terms of the RSA, the Group's 49% interest in Farmalider, S.A. ("**Farmalider**") was to be included as part of the Disposal Group. The Forbearance Creditors have instead consented to the separate disposal thereof and ASC Shareholders are advised that a sale of shares agreement ("**SPA**") has been concluded between Ascendis Health Spain Holdings, S.L.U. ("**the Seller**"), being a wholly-owned subsidiary within the Group, and MMC International Health Holding, S.L.U ("**the Purchaser**"), for the disposal of the Seller's 49% interest in Farmalider (the "**Sale Shares**") ("**the Disposal**"). The Disposal is subject to the fulfilment of the conditions precedent detailed in paragraph 4.2 below.

2. NATURE OF THE FARMALIDER BUSINESS

Farmalider is a Spanish pharmaceutical company that develops, licences and supplies mainly generic and Over-the-Counter products to a range of multinational companies. Headquartered in Madrid, Spain, Farmalider typically out-licenses and supplies differentiated products either from their own factory or from within their network of suppliers. Farmalider owns more than 150 products and holds marketing authorisations in several countries, with the core of its operations being in Europe. Ascendis Health acquired its interest in 2015.

Farmalider's products target mainly the pain relief therapeutic area with key molecules consisting of combinations of paracetamol, ibuprofen and tramadol. Farmalider also competes in other therapeutic areas such as cardiovascular, antibiotics, osteoporosis, anti-virals and anti-depressants.

3. RATIONALE FOR THE DISPOSAL AND USE OF PROCEEDS

The Company's board of directors has previously communicated its commitment to reduce the Group's unsustainable debt levels. To that end the Company will use the net proceeds from the Disposal to reduce the Group's debt.

As part of the Disposal, Ascendis Pharma will gain indefinite and exclusive access to Farmalider's portfolio of products for 14 Southern African Development Community countries (including South Africa) and 11 other African countries. A licence and supply agreement will be entered into between the Company, Ascendis Pharma, one of the Company's remaining South African businesses, and Farmalider before the closing of the Disposal to secure intellectual property rights for Ascendis Pharma in respect of the aforementioned products on a royalty-free basis. Once approved by the South African Health Products Regulatory Authority, which is typically a two- to four-year process, Ascendis management believes that the addition of this product pipeline will enhance the value of the Ascendis Pharma business.

4. SALIENT TERMS OF THE DISPOSAL

4.1. Purchase Consideration

The Seller will sell the Sale Shares to the Purchaser for a cash consideration equal to EUR4,975,462.04 (four million nine hundred and seventy five thousand four hundred and sixty two euro and four euro cents).

4.2. Conditions Precedent

The Disposal is subject to the fulfilment or waiver (to the extent permissible) of the conditions precedent contained in the SPA, including:

- the Seller obtaining the written approval of the Company's lenders under the existing bank facilities, of the sale and transfer of the Sale Shares contemplated by the SPA;
- to the extent required, the Financial Surveillance Department of the South African Reserve Bank approving the sale and transfer of the Sale Shares contemplated by the SPA; and
- the finalisation of a licence and supply agreement between the Company and Farmalider, by no later than 2 July 2021,

(collectively, the "**Conditions Precedent**").

4.3. Closing Date

The Disposal will be implemented on the Closing Date, which is expected to take place within 10 business days from the date of fulfilment of the Conditions Precedent referred to in paragraph 4.2 above.

4.4. Other Significant Terms

The SPA contains certain representations and warranties which are standard for a transaction of this nature.

The net asset value of Farmalider as at 31 December 2020, being the date of the last unaudited (six-month interim) financial information of Farmalider, was R329,097,775 (EUR18,313,296). The unaudited profit after tax attributable to Farmalider for the six months ended 31 December 2020 was R20,670,270 (EUR1,097,174).

The Disposal meets the definition of a category 2 transaction as contemplated in the JSE Listings Requirements.

The Company is aware that there continues to be considerable speculation regarding the Group Recapitalisation and the potential consequences thereof. The Company would like to remind Shareholders that they should continue to base their investment decisions regarding Ascendis Health shares on announcements published by the Company itself and not on information from other sources, which may not necessarily be accurate or based on a complete set of facts.

ASC Shareholders are referred to the Group Recapitalisation Announcements and are advised to continue to exercise caution when trading in their Ascendis Health shares until a further announcement is made.

25 June 2021

Bryanston

Transaction Sponsor and Regulatory Advisor



Questco Corporate Advisory Proprietary