



MARKET UPDATE AND RENEWAL OF CAUTIONARY ANNOUNCEMENT

1. INTRODUCTION

Shareholders are referred to the announcement published on SENS on 12 May 2021 entitled "Proposed Transaction for the Recapitalisation of Ascendis Health and Further Cautionary Announcement" ("the 12 May Announcement") in terms of which they were informed that the Company had entered into a Restructuring Support Agreement, which provides a framework for the implementation of the proposed Group Recapitalisation. The purpose of this announcement is to provide Ascendis shareholders with an update as to the progress made towards the finalisation of the terms of the Proposed Transaction and the completion of the Animal Health Disposal. The terms used in this announcement bear the same meaning as those defined in the 12 May Announcement.

2. THE ANIMAL HEALTH DISPOSAL

It has come to the Company's attention that there has been a disclosure, in breach of confidentiality obligations, to parties not involved in the disposal process, regarding the status of negotiations in respect of the disposal of Animal Health ("the Animal Health Disposal") and the potential terms and conditions thereof. In this respect, the company's rights remain reserved.

In August 2020, the Company commenced a managed sales process to solicit bids for Animal Health, resulting in a short list of potential buyers and the selection of an initial preferred bidder. Negotiations with the initial preferred bidder were recently terminated by the Company for a variety of reasons, including, *inter alia*, loss of confidence in the preferred bidder's ability to execute a final transaction on terms favourable to Ascendis shareholders. The Company is pleased to announce, however, that negotiations are now at an advanced stage with a consortium comprising Amethis Fund II SICAR S.C.A. and Phatisa Food Fund 2 LLC. At this stage, it is expected that the gross consideration in respect of the Animal Health Disposal, if consummated, will be in the range of R740 million to R790 million.

Upon conclusion of a definitive agreement, the Animal Health Disposal is likely to constitute a category 1 transaction in terms of the Listings Requirements of the JSE Limited ("JSE") and will therefore be subject to the approval of Ascendis Health shareholders in general meeting.

3. FARMALIDER

In the 12 May Announcement, it was stated that the Company's 49% interest in Farmalider would be one of the assets that would be exchanged for the discharge of debt owing to Senior Lenders and that the Company would benefit from a 50% upside participation on an anticipated future sale of Farmalider. Ascendis Health is pleased to announce that the anticipated future sale of Farmalider has been accelerated, with negotiations now being at an advanced stage to dispose of the 49% shareholding ("the Farmalider Disposal"). As part of the Farmalider Disposal, Ascendis Pharma will gain indefinite and exclusive access to sell and distribute Farmalider's portfolio of products in 14 Southern African Development Community countries (including South Africa) and 12 other African countries. A detailed announcement in this regard will be made once definitive terms have been agreed.

4. UPDATE ON PROGRESS MADE IN RESPECT OF THE GROUP RECAPITALISATION AND THE DISPOSAL OF RCA AND BIOSCIENCES

Since the publication of the 12 May Announcement, the Company has made substantial progress in respect of the disposals of RCA and Biosciences by concluding the relevant sale agreements. In addition, the Company has made significant strides towards the achievement of various steps laid out in the Restructuring Support Agreement in respect of the proposed Group Recapitalisation. These include:

- the finalisation of certain of the complex cross-border restructuring steps required to be taken in order to achieve the Group Recapitalisation in a manner that minimises the attrition of shareholder value, which steps will be recorded in an Implementation Deed (“the Implementation Deed”) once the parties reach agreement; and
- commencement of the regulatory approval process through initial engagement with both the JSE and the Takeover Regulation Panel (“the TRP”).

5. CURRENT KEY FOCUS AREAS

The Company continues to work closely with the Forbearance Creditors within the framework of the Restructuring Support Agreement to achieve the agreed outcomes. In particular, the next steps and milestones are focused on:

- the finalisation of the fair and reasonable opinion of the Independent Expert;
- the finalisation and execution of the Implementation Deed; and
- the approval by the JSE and the TRP of the terms announcement/s and circular to shareholders containing information on the Proposed Transaction, the RCA Disposal and the Animal Health Disposal.

6. RENEWAL OF CAUTIONARY ANNOUNCEMENT

The Group Recapitalisation and the other transactions contemplated in the 12 May Announcement, including the Proposed Transaction, the Animal Health Disposal and the Farmalider Disposal, may have a material impact on the price at which the Company’s shares trade. Accordingly, shareholders are advised to continue to exercise caution when trading in their Ascendis Health shares until a further announcement is made.

23 June 2021
Bryanston

Sponsor

