

ASCENDIS HEALTH

MEDIA RELEASE

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ASCENDIS REACHES FINAL AGREEMENT ON GROUP RECAPITALISATION

Transaction fair and reasonable to shareholders says independent expert

Johannesburg – Ascendis Health (JSE: ASC) has concluded a final agreement with its participating senior lenders for the implementation of the group recapitalisation transaction to settle outstanding debt of approximately €444 million (R7.7 billion).

The agreement sets out the binding terms and conditions for the implementation of the group recapitalisation.

PSG Capital, appointed as the independent expert to the transaction, has determined that the terms and conditions of the group recapitalisation are fair and reasonable to shareholders.

Based on the agreement, the participating senior lenders will take transfer of Ascendis Health International Holdings which houses the group's interests in Remedica (based in Cyprus) and Sun Wave Pharma (based in Romania). These lenders will also receive the net disposal proceeds of an estimated R1 billion from the sale of South African businesses Respiratory Care Africa (RCA) and Animal Health which were announced in May and July this year.

Ascendis Health will retain its three divisions in South Africa, namely Medical Devices (excluding RCA), Consumer Health and Pharma.

The lenders will provide a two-year loan facility to Ascendis Health in the Rand equivalent of €15 million and a new loan facility of €20 million to fund remaining transaction costs, head office restructuring costs and working capital requirements. The facility will provide adequate liquidity to optimise the value of the residual South African assets over the next two years as Ascendis Health transitions from an international group with eight operating entities to a smaller domestic group with three South African operating businesses.

The transaction is subject to certain conditions precedent which are expected to be fulfilled by 29 October 2021. A circular providing details on the group recapitalisation and the notice of general meeting will be available to shareholders on or about 3 September 2021.

The transaction requires the approval of 75% of shareholders in attendance at the general meeting. Should the group recapitalisation not receive the required shareholder support, the senior lenders will be able to enforce their security rights by taking control of the European assets and placing the South African assets in business rescue.

Following the final agreement being concluded with the lenders, Ascendis Health has withdrawn its cautionary announcement which has been in effect since 10 March 2021.

Ends

Issued by Tier 1 Investor Relations on behalf of Ascendis Health

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