

ASCENDIS HEALTH

MEDIA RELEASE

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ASCENDIS HEALTH CONCLUDES LOAN AGREEMENT WITH AUSTELL

Johannesburg – Ascendis Health has concluded a R590-million loan agreement with Austell Pharmaceuticals to repay current lenders in full and fund short-term working capital requirements.

Austell Pharmaceuticals is the largest 100% black-owned pharmaceutical company in South Africa.

The refinancing of the loan facilities follows notice from the current lenders, Apex Management Services and Pharma-Q Holdings, that their R550-million loan advanced on 1 February 2022, plus accrued interest, was immediately payable.

This arose after last week's appointments of three new non-executive directors to the Ascendis board which were not approved by the lenders in terms of the loan agreement. At a special general meeting, shareholders voted to elect Carl Neethling, Amaresh Chetty and Bharti Harie to the Ascendis board while the three candidates endorsed by the lenders did not receive the requisite shareholder support.

Chairman Harry Smit said securing the Austell loan removes the immediate threat of enforcement action by the lenders and creates a more stable operating environment for the group in the short term. According to Smit, the terms of the Austell loan are more favourable than those that applied to the previous debt and no raising fees are payable on this facility.

"The long-term financial sustainability of Ascendis Health remains our priority. The terms of the new loan reduces our cost of borrowings significantly in the short-term, particularly given the interest rate ratchet that was applied to our previous loan on 11 May 2022, and will result in an interest saving of approximately R3.6 million to the end of June.

"The relationship with Austell allows the board and management time to formulate a long-term strategy for the company and to preserve shareholder value," said Smit.

In February 2022 Ascendis announced plans for the disposal of three businesses, Ascendis Pharma, Ascendis Medical and Nimue, in separate transactions, to settle its outstanding debt of R550 million.

The transactions are proceeding as planned and are not expected to be materially altered by the conclusion of the new loan facility with Austell. Further details will be made available in due course.

In terms of the loan agreement with Austell, should the disposal of Ascendis Pharma to the current buyers not be concluded or approved by shareholders, Ascendis will enter into an agreement to dispose of the business to Austell. Austell has already submitted a compelling written offer to acquire Ascendis Pharma.

Ends

For further information kindly contact investor.relations@ascendishealth.com