

## **ASCENDIS HEALTH**

### **MEDIA RELEASE**

19 July 2022

#### **ASCENDIS TO SELL PHARMA BUSINESS TO AUSTELL FOR R410 MILLION**

Johannesburg – Ascendis Health has reached agreement for the disposal of its pharma business to Austell Pharmaceuticals for R410 million.

The disposal of the Ascendis Pharma business will significantly reduce the group's debt burden. The net purchase price will be set off against the R590 million loan which Ascendis concluded with Austell Pharmaceuticals in May 2022 to repay lenders.

Austell Pharmaceuticals is a leading South African, 100% black-owned private pharmaceutical company.

In February 2022 Ascendis advised shareholders that it had reached agreement for the disposal of Ascendis Pharma to a joint venture between Pharma-Q and Imperial Logistics for R375 million. The Austell transaction is conditional on the Pharma-Q/Imperial transaction not receiving the required shareholder support.

Both the proposed Austell and Pharma-Q/Imperial transactions will now be proposed to shareholders for approval.

Ascendis Health chairman Harry Smit said the disposal of Ascendis Pharma at full value will materially reduce Ascendis' outstanding debt. "This will provide a platform to refinance the group's outstanding debt at commercial terms, enabling us to restore balance sheet stability."

"The long-term financial sustainability of Ascendis remains our priority and we are aiming to reduce debt to ensure sustainable gearing levels. We are continuing to explore opportunities for the group to repay its senior debt facilities and have sufficient capital to meet its working capital requirements," said Smit.

Ascendis Pharma operates primarily in the private and public sectors of the South African pharmaceutical industry, marketing and distributing both prescription and over-the-counter medicines. The business owns brands in the therapeutic areas of gastrointestinal tract, cough and cold, pain and diabetes. Customers are mainly retail pharmacies, pharmaceutical wholesalers, private hospital groups as well as government hospitals and clinics.

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For further information kindly contact [investor.relations@ascendishealth.com](mailto:investor.relations@ascendishealth.com)