

To: **Ascendis Health Limited**  
Registration number: 2008/005856/06  
("Ascendis" or the "Company")

Physical address: 1 Carey Street, Wynberg, Sandton, Gauteng, 2090  
Email address: bharti@harie.co.za

From: **ACN Capital IHC Proprietary Limited**  
Registration number: 2009/017511/07  
Physical address: Unit B4B Cinsaut House, Dorp Street, The Vineyard Office Estate  
99 Jip De Jager, Bellville, Western Cape, 7530

Email address: carl@acncapital.co.za  
("ACN")

in its capacity as lead member of a consortium comprising ACN, Kingston Kapitaal Proprietary Limited, Dendrobium Capital Proprietary Limited, Carl Andre Capital Proprietary Limited, The JVDM Trust and Emfam Beleggings Proprietary Limited,  
(collectively the "Consortium")

24 November 2023

Attention: **The Board of Directors**  
By email: bharti@harie.co.za

Dear Sirs

## EXIT OFFER AND IMPLEMENTATION LETTER

### 1 BACKGROUND

- 1.1 On or around 29 June 2023 the Company resolved to initiate a process to delist from the Johannesburg Stock Exchange of South Africa ("JSE"), in line with its strategy to unlock and return value to shareholders over the short to medium term.
- 1.2 Pursuant to this decision:
  - 1.2.1 The Chief Executive Officer and the management team of the Company were tasked to investigate a potential delisting and analyse the various options available to the Company to do so.
  - 1.2.2 It was determined that the most capital efficient and cost-effective way to delist the Company is by way of a general offer to all shareholders, enabling those that wish to remain invested, to do so.
  - 1.2.3 It was furthermore determined that a consortium of investors and shareholders (comprising of the Consortium) would be willing to avail the necessary capital for the purpose of facilitating the delisting process and to offer an exit opportunity to shareholders looking to divest their shares.

### 2 INTRODUCTION

- 2.1 The Consortium wishes to propose a transaction to Ascendis shareholders (each a "Shareholder") in terms of which, *inter alia*, –
  - 2.1.1 the Consortium will offer to acquire all the Ascendis shares in issue (each a "Share") not already held by the Consortium, excluding treasury Shares and shares held by the

  
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Consortium members ("**Exit Offer Shares**") from the Shareholders for a cash consideration of R0.80 per Share ("**Consideration**") by way of a voluntary general offer by the Consortium to the Shareholders (the "**Exit Offer**") in terms of the Takeover Regulations (as defined in section 1 of the Companies Act, No 71 of 2008 ("**Companies Act**")) (the "**Takeover Regulations**"); and

- 2.1.2 the Ascendis Shares will be delisted from the exchange operated by the JSE Limited ("**JSE**") (the "**Delisting**"),

(collectively the "**Proposed Transaction**").

- 2.2 We note that Ascendis has constituted an independent board of directors (the "**Independent Board**") comprising those directors of the Company whom the Company has indicated are "*independent*" directors (as contemplated in regulation 108 of the Takeover Regulations).

- 2.3 The Consortium is pleased to advise the Company that it is ready, willing, and able to proceed to initiate and implement in full the Proposed Transaction, subject to the Company agreeing to the terms set out in this letter ("**Exit Offer Letter**").

- 2.4 Accordingly, subject to and with effect from the date on which this Exit Offer Letter is countersigned by the Company and returned to the Consortium in accordance with paragraph 14.2 below ("**Signature Date**"), this Exit Offer Letter serves as formal written notice of the Consortium's firm intention to acquire all the Exit Offer Shares, from Shareholders who do not wish to remain invested, on and subject to the terms and conditions contained in this Exit Offer Letter, and in the manner contemplated in regulation 101(1) of the Takeover Regulations.

### 3 **FIRM INTENTION ANNOUNCEMENT AND FURTHER ANNOUNCEMENTS**

- 3.1 Ascendis and the Consortium (the "**Parties**") shall jointly distribute the firm intention announcement (the "**Firm Intention Announcement**"), as required in terms of regulation 101 of the Takeover Regulations, of the Consortium's firm intention to make the Exit Offer and proceed with the Exit Offer by publishing the Firm Intention Announcement, substantially in the form annexed to this Exit Offer Letter as **Annexure A**, on SENS by no later than the first business day after the Signature Date.

- 3.2 Ascendis, the Consortium, and their advisors shall consult and agree the timing, format and content of any announcements concerning the Proposed Transaction or any part thereof prior to making such announcement, save in relation to public announcements required by law or any regulatory body, in which case the Party required to make an announcement must, to the extent practicable, first consult with and to the extent permissible and having regard to time constraints take into account the reasonable requirements of the other of them.

### 4 **THE EXIT OFFER**

#### 4.1 **General**

- 4.1.1 The Consortium hereby expresses its firm intention to make the Exit Offer, in terms of which the Consortium shall offer to acquire all the Exit Offer Shares.

- 4.1.2 The Consideration will be settled by payment in cash to those Shareholders who elect to accept the Exit Offer on the date on which the Consideration, in accordance with the settlement procedures set out in the joint circular to be posted to Shareholders ("**Circular**").

#### 4.2 **The Delisting**

- 4.2.1 If the Proposed Transaction becomes unconditional, the Shares will be delisted from the JSE.

  
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4.2.2 The Delisting requires the approval of the Shareholders by way of an ordinary resolution passed by at least 75% of the votes of the Shareholders entitled to vote at the General Meeting (as defined below) in terms of paragraph 1.15(a) and 1.16 of the JSE Listings Requirements ("**Delisting Resolution**").

#### 4.3 The Conditions

4.3.1 The Exit Offer is subject to the conditions set out in paragraph 6.4 of the Firm Intention Announcement (the "**Conditions**").

4.3.2 The Parties agree to co-operate and act reasonably with each other and their advisers with a view to seeking satisfaction of the Conditions as soon as practicable, save that nothing in this Exit Offer Letter shall oblige any of the Parties to waive any of the Conditions or treat them as fulfilled when they have not been.

4.3.3 In the event that the Exit Offer lapses, this Exit Offer Letter, save for this paragraph 4.3.3 and paragraphs 13 and 14 which will remain of full force and effect, shall terminate automatically on the date on which the Exit Offer lapsed (such date being the "**Termination Date**") and no Party shall have any claim against the other arising from such termination save for any claim that any Party may have as a result of the other Party having breached any of the warranties or undertakings contained in this Exit Offer Letter prior to the Termination Date.

#### 5 INDEPENDENT EXPERT

Ascendis confirms that it has retained BDO Corporate Finance Proprietary Limited as an independent expert in terms of Regulation 90 of the Takeover Regulations to prepare and issue a fairness and reasonableness report concerning the Exit Offer in accordance with the requirements of Regulation 90(6) of the Takeover Regulations, read with the JSE Listings Requirements.

#### 6 MANAGEMENT AGREEMENT

6.1 It is recorded that ACN and Ascendis have concluded an agreement for the continued executive management of the Ascendis group to ensure the critical functions performed by Carl Neethling, ACN and members of the transition team are retained (the "**Management Agreement**").

6.2 The Management Agreement requires the approval of the TRP and Ascendis Shareholders in terms of section 126(1) of the Companies Act ("**Management Agreement Resolution**"). The Management Agreement will only come into effect if approved by the TRP and Ascendis Shareholders, and upon implementation of the Proposed Transaction and the successful Delisting of Ascendis. The approval of the Management Agreement by Shareholders and the TRP are all conditions to the Proposed Transaction being implemented.

6.3 The Company will apply to the Takeover Regulation Panel to approve the conclusion of the Management Agreement when the approval of Shareholders at the General Meeting (as defined below) is obtained.

#### 7 CONVENING THE GENERAL MEETING

Ascendis undertakes to propose the Proposed Transaction to Shareholders and to take, or cause to be taken, all such steps as are required to convene a general meeting of the Shareholders for the purposes of considering and, if deemed fit, approving, the Delisting Resolution, the Management Agreement Resolution and any other resolutions required in order to implement the Proposed Transaction (the "**Resolutions**") (such meeting, including any adjournment or postponement thereof, the "**General Meeting**"). Without limiting the generality of the foregoing, Ascendis shall —

  
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- 7.1 to the extent reasonably practicable, procure the convening of the General Meeting in accordance with the salient dates and times to be included in the Circular (as defined in 8.1 below) (the "Timetable"); and
- 7.2 file all necessary documents in relation to the General Meeting with any person, including any regulator, with whom such documents must be filed and despatch the requisite documents to the Shareholders in a timely manner.

## 8 PREPARATION OF THE CIRCULAR

- 8.1 In accordance with regulation 106 of the Takeover Regulations, the Parties will prepare a combined circular to be issued jointly by Ascendis and the Consortium to the Shareholders in relation to the Proposed Transaction (the "Circular").
- 8.2 Nothing contained herein shall oblige Ascendis in any way to obtain any approval from the Consortium regarding any recommendation which the Board and/or the Independent Board may wish to make in the Circular, provided that Ascendis shall inform the Consortium of the recommendation of the Board and/or Independent Board immediately once such recommendation has been determined.
- 8.3 Ascendis shall prepare and finalise the Circular in accordance with the requirements of the Companies Act and the Takeover Regulations.
- 8.4 Ascendis undertakes to use its reasonable endeavours to promptly submit drafts and revised drafts of the Circular to the Consortium for comment and, as relating to the information pertaining to the Consortium and/or the Consortium's approval.
- 8.5 The Consortium undertakes to use its reasonable endeavours, within a reasonable time (so as to afford Ascendis sufficient time within the exigencies of the Timetable and Ascendis' obligations), to submit its comments as to the form and content of the Circular, in response to drafts and revised drafts provided to it for its review and comment and, if so requested, to discuss any comments with Ascendis for the purposes of preparing revised drafts.
- 8.6 Each Party shall provide to the other Party, as soon as practicable and in a timely manner, all such information relating to it as may reasonably be required for inclusion in the Circular, in connection with the Proposed Transaction and shall provide to the other Party as soon as practicable and in a timely manner all such other reasonable assistance and cooperation as that Party may reasonably require in connection with the preparation of the Circular, in connection with the Proposed Transaction, including access to, and ensuring the provision of assistance by, relevant management, professional advisers, and accountants.
- 8.7 Ascendis shall not post or procure the posting of the Circular until the Parties have agreed in writing to the form and content of the Circular and the Consortium has agreed in writing to the information in the Circular pertaining to the Consortium required by the Takeover Regulations and the JSE Listings Requirements, the terms of the Proposed Transaction and any provisions of the Circular which impose any obligations on the Consortium (which agreement the Consortium undertakes shall not be unreasonably withheld or delayed taking into account the Timetable and the relevant legal and regulatory requirements).

## 9 TRANSACTION PROCESS

- 9.1 Ascendis undertakes that it shall, save as otherwise required by law, an order of court, or lawful instruction by a regulator or any other provision of this Exit Offer Letter —
- 9.1.1 take or cause to be taken all such steps as are within its power and control to propose the Proposed Transaction to Shareholders including —
- 9.1.1.1 proposing the Proposed Transaction to Shareholders for their consideration by, *inter alia*, timeously publishing the Firm Intention Announcement, jointly issuing the Circular, convening the General Meeting, and proposing the Resolutions for consideration of the Shareholders at the General Meeting; and

  
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- 9.1.1.2 if the Proposed Transaction becomes unconditional, to implement the Proposed Transaction, as far as practicable in accordance with the Timetable and applying to the JSE to approve the Delisting in accordance with paragraph 1.14 of the JSE Listings Requirements.
- 9.1.2 not amend the Circular after dispatch of the Circular without the prior written consent of the Consortium (which consent shall not be unreasonably withheld or delayed) unless, and then to the extent only, that same is required by law, an order of court or any lawful instruction by a regulator or in order to correct any incorrect information contained in the Circular (in which case no consent will be required from the Consortium, but the Consortium will be given a reasonable opportunity for engagement regarding such amendments prior to them being effected); and
- 9.1.3 not amend the Timetable, without the prior written consent of the Consortium, which consent shall not be unreasonably withheld or delayed.

## 10 IRREVOCABLE UNDERTAKINGS AND OTHER SUPPORT

The Parties record that they have received irrevocable undertakings to (i) vote in favour of the Resolutions and/or (ii) retain their Exit Offer Shares from those Shareholders who are listed in respectively paragraphs 10.1 and 10.2 of the Firm Intention Announcement.

## 11 CONFIRMATION OF FUNDS

- 11.1 Having regard to the Independent Board's entitlement to receive from the Consortium evidence, acceptable to the Independent Board, that the Consortium is in a position to pay the Consideration (in terms of regulation 99(4) of the Takeover Regulations), the Consortium hereby confirms that it will have sufficient funds to implement the Exit Offer in full.
- 11.2 All reasonable, market-related, costs associated with the raising of the required capital and Guarantee for the purposes of preparing the Exit Offer will be covered by the Company.
- 11.3 In support of this confirmation, the Consortium has obtained the requisite confirmation of funds contemplated in regulation 111(4) and (5) of the Takeover Regulations (the "**Cash Confirmation**"), which Cash Confirmation is in the form of an irrevocable, unconditional bank guarantee from Investec Bank Limited, a copy of which guarantee is annexed hereto as **Annexure B**.
- 11.4 The Consortium submitted the Cash Confirmation to the Takeover Regulation Panel and the Takeover Panel has confirmed that it has no comments on the Cash Confirmation and accordingly such Cash Confirmation is compliant in terms of regulation 111(4) and (5) of the Takeover Regulations.
- 11.5 It is noted that the Cash Confirmation has been given, and the Takeover Panel has approved the Cash Confirmation, on the basis that the maximum Consideration has been calculated based on the number of Shareholders that are entitled to accept the Exit Offer, but excluding the Shareholders who have provided the Irrevocable Undertakings not to accept the Exit Offer, as contemplated in paragraph 10.

## 12 COMPLIANCE WITH LAWS AND RULES OF REGULATORY BODIES

Nothing in this Exit Offer Letter shall prevent any Party or the board of any Party from complying with any requirements imposed by law or the rules of any regulatory body, including any requirement to make any public announcement or media release concerning any alternative proposal or to convene a meeting of shareholders.

## 13 CONFIDENTIALITY

- 13.1 The Parties agree to keep the contents of this Exit Offer Letter confidential and not to disclose it or publish it to any person save as may be agreed to by them in writing or as



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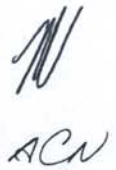


they may be required to disclose by law or to the extent that any such disclosure is made to an advisor for the purposes of obtaining advice with regard to this Exit Offer Letter.

- 13.2 If either Party becomes compelled to disclose any information regarding this Exit Offer Letter to anyone by law or regulatory authority having jurisdiction over it, the Party being compelled shall inform the other Party in writing of such fact or obligation as soon as possible after it is informed of it and, if possible, before any information is disclosed, so that an interdict or other appropriate remedy may be sought.

#### 14 GENERAL

- 14.1 The terms of this Exit Offer Letter and the Exit Offer contained herein are submitted to Ascendis on the basis that such provisions are subject to, and only shall take legally binding effect from, this Exit Offer Letter having been duly accepted by Ascendis in accordance with paragraph 14.2 and an Agreement having been concluded between the Parties in terms of paragraph 14.3.
- 14.2 The Consortium hereby requests that Ascendis registers its acceptance of the terms and undertakings contained in this Exit Offer Letter by countersigning this Exit Offer Letter in the space provided below and returning a copy of such countersigned version to the Consortium at [carl@acncapital.co.za](mailto:carl@acncapital.co.za) (Attention: **Carl Neethling**).
- 14.3 This Exit Offer Letter, pursuant to it being duly countersigned by Ascendis and returned to the Consortium, shall constitute a legally binding agreement ("**Agreement**") between the Consortium and Ascendis.
- 14.4 This Exit Offer Letter, and the Agreement contained herein, shall be construed and governed in accordance with the laws of the Republic of South Africa.
- 14.5 The Parties hereby consent and submit to the non-exclusive jurisdiction of the High Court of South Africa, Western Cape Division, Cape Town (or its successor division) in any dispute arising from or in connection with this Agreement.
- 14.6 The Parties select as their respective *domicilia citandi et executandi* those details contained in the header to this Exit Offer Letter, provided that any Party may change its *domicilium* to another physical address in South Africa (provided that such physical address is not a post office box or *poste restante*) or may change its address for the purposes of notices to any other physical address or email address by written notice to the other Party to that effect. Such change of address will be effective 5 (five) business days after receipt of the notice of the change.
- 14.7 This Agreement constitutes the whole of the agreement between the Parties relating to the matters dealt with herein and, save to the extent otherwise provided herein, no undertaking, representation, term, or condition relating to the subject matter of this Agreement not incorporated in this Agreement shall be binding on any of the parties.
- 14.8 No addition to or variation, deletion, or agreed cancellation of all or any provisions of this Agreement will be of any force or effect unless in writing and signed by the Parties.
- 14.9 Neither this Agreement nor any part, share, or interest herein nor any rights or obligations hereunder may be ceded, delegated, or assigned by any Party without the prior signed written consent of the other Party, save as otherwise provided herein.
- 14.10 This Agreement is signed by the Parties on the dates and at the places indicated below.
- 14.11 This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same Agreement as at the date of signature of the Party last signing one of the counterparts.
- 14.12 The persons signing this Agreement in a representative capacity warrant their authority to do so.



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14.13 The Parties record that it is not required for this Agreement to be valid and enforceable that a Party have its signature of this Agreement verified by a witness.

Yours faithfully



**Andre Carl Neethling**

For and on behalf of

**ACN CAPITAL IHC Proprietary Limited on behalf of the CONSORTIUM, duly authorized**

*By countersigning in the space provided below, Ascendis hereby agrees to the terms and conditions contained in this Exit Offer Letter and to be bound by the terms of the Agreement contained herein.*

SIGNED at Durbanville on 24 November 2023

For and on behalf of  
**ASCENDIS HEALTH LIMITED**



Signature

Amaresh Chetty

Name of Signatory

Director

Designation of Signatory

## Annexure A



**ASCENDIS HEALTH LIMITED**  
(Incorporated in the Republic of South Africa)  
(Registration number: 2008/005856/06)  
Share Code: ASC  
ISIN: ZAE000185005  
("Ascendis" or "the Company")



**ACN CAPITAL IHC PROPRIETARY LIMITED**  
(Incorporated in the Republic of South Africa)  
(Registration number: 2009/017511/07)  
A consortium led by ACN Capital IHC  
(the "Consortium")

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### JOINT ANNOUNCEMENT OF FIRM INTENTION OFFER BY THE CONSORTIUM TO ACQUIRE ALL THE SHARES IN THE COMPANY (EXCLUDING THE EXCLUDED SHARES) BY WAY OF THE VOLUNTARY EXIT OFFER, THE DELISTING OF ASCENDIS AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

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#### 1. INTRODUCTION

- 1.1. On or around 29 June 2023 the Company resolved to initiate a process to delist from the Johannesburg Stock Exchange (the exchange operated by JSE Limited) ("**JSE**"), in line with its strategy to unlock and return value to shareholders over the short to medium term.
- 1.2. Pursuant to this decision:
  - 1.2.1. the chief executive officer and the management team of the Company were tasked to investigate a potential delisting and analyse the various options available to the Company to do so;
  - 1.2.2. it was determined that the most capital efficient and cost-effective way to delist the Company is by way of a general offer to all Ascendis shareholders ("**Shareholders**"), enabling those that wish to remain invested, to do so; and
  - 1.2.3. it was furthermore determined that a consortium of investors and Shareholders would be willing to avail the necessary capital for the purpose of facilitating the delisting process by enabling the offer to Shareholders.
- 1.3. Shareholders are also referred to the cautionary announcement published on SENS on Wednesday, 27 September 2023 (and subsequently renewed) ("**Cautionary Announcement**") and to the annual results announcement of the Company published on SENS on Friday, 29 September 2023, as well as the Company's 2023 annual results presentation released on the same day, where it was communicated that the Company had initiated a process to unlock value for Shareholders, *inter alia*, through a delisting of Ascendis shares ("**Shares**") from the JSE.
- 1.4. Shareholders are advised that –
  - 1.4.1. the Board has agreed to propose an ordinary resolution at a general meeting of Shareholders ("**General Meeting**") to approve the delisting of the Shares of the Company from the Main Board of the JSE, in terms of paragraphs 1.15 and 1.16 of the JSE Listings Requirements ("**Delisting**"), pursuant to the Exit Offer (defined below) ("**Delisting Resolution**"), which, if approved by the Shareholders at the General Meeting, will satisfy the JSE Listings Requirements and support the application to the JSE for the Delisting, which will take place immediately following implementation of the Exit Offer; and
  - 1.4.2. a consortium led by ACN Capital IHC (Pty) Limited, an entity owned and controlled by



Carl Neethling (“**ACN Capital**”) has on 24 November 2023, delivered to the board of directors of Ascendis (“**Board**”) a letter confirming their firm intention to make an offer (“**Exit Offer**”) to acquire all of the ordinary shares of no par value in the share capital of the Company (“**Shares**”) from Shareholders not wishing to remain invested in the Company, other than the Shares held by one or more subsidiaries of Ascendis (“**Treasury Shares**”) and the Shares held by the Consortium members (collectively the “**Excluded Shares**”), being 571 386 858 Shares (“**Exit Offer Shares**”). The Exit Offer is extended to all Shareholders looking to divest of their interests as part of the Delisting, for a cash consideration of 80 cents per Share (“**Exit Offer Consideration**”) in order to facilitate the Delisting,

collectively the “**Firm Intention Offer**”.

- 1.5. The Delisting and the Exit Offer (collectively the “**Transaction**”) provide Shareholders to which the Exit Offer is made, being all Shareholders other than the holders of the Excluded Shares (“**Exit Offeree Shareholders**”) with the opportunity to either monetise their investment in Ascendis or to continue to hold their Shares in an unlisted environment. All Ascendis Shareholders will be entitled to remain invested in Ascendis post the Delisting. The consequence of remaining invested is that they will hold their Shares in an unlisted environment.
- 1.6. The Exit Offer will be made in compliance with the relevant provisions of the JSE Listings Requirements, Chapter 5 of the Companies Act 71 of 2008 (the “**Companies Act**”) and the Takeover Regulations promulgated thereunder (the “**Takeover Regulations**”).
- 1.7. This announcement is being made pursuant to the Firm Intention Offer received by the Company from the ACN Capital led Consortium and supported by the Independent Board (as defined in paragraph 8.1) on 24 November 2023 and constitutes a firm intention announcement in terms of Regulation 101 of the Takeover Regulations.

## **2. INFORMATION ABOUT THE CONSORTIUM**

- 2.1. The Consortium comprises of ACN Capital, Carl Andre Capital Proprietary Limited (“**CA Cap**”), Dendrobium Capital Proprietary Limited (“**Dendrobium**”), Emfam Beleggings Proprietary Limited (“**Emfam**”), Kingston Kapitaal Proprietary Limited (“**Kingston**”) and The JVDM Trust (“**JVDM**”).
- 2.2. An overview of the Consortium members is set out below:
  - 2.2.1. ACN Capital, previously Acorn Private Equity, is a South African based private equity fund manager with a 15-year investment track record of generating superior returns. The ACN Capital investment team has run several successful investment platforms across a number of sectors including Acorn General Fund 1 (46.2% gross IRR); Acorn Agri (23.3% gross IRR); Acorn Agri & Food (R3.5 billion NAV investment holding company – still active) and FutureFun(d) (education focussed investment entity – still active with a 45% IRR). The team has twice been awarded the coveted **private equity deal of the year award (2019 & 2021)** in respect of both acquisition and divestment transactions, both exceeding R700 million in value.
  - 2.2.2. Carl Neethling is the chief executive officer and acting chief financial officer of Ascendis as well as the founder of ACN Capital.
  - 2.2.3. Dendrobium, Kingston and CA Cap are South African based private investment companies and are associated with Carl Neethling.
  - 2.2.4. JVDM is an independent family trust established in Namibia.
  - 2.2.5. Emfam is an independent South African based private investment company.
- 2.3. The concert parties of the Consortium are Carl Neethling, ACN Capital Proprietary Limited and Blee Beleggings Proprietary Limited.

### 3. RATIONALE FOR THE EXIT OFFER AND DELISTING

- 3.1. Pursuant to Ascendis' ongoing focus to stabilise and optimise its operations the Board resolved to embark on the next phase of its strategy, which is aimed at unlocking and maximising value for its Shareholders.
- 3.2. Over the past 16 months, the appointment of a dedicated value creation team (the transition team) of private equity and operational specialists led by Carl Neethling has resulted in the significant progress in restoring and unlocking value which has been made to date. These initiatives have included the:
  - 3.2.1. increase in value achieved for the sale of Ascendis Pharma by R57 million – this was integral in ensuring the timely repayment of the senior debt and together with the rights offer allowed Ascendis and its subsidiaries (“**Group**”) to avoid a near inevitable liquidity crisis;
  - 3.2.2. implementation of a successful rights offer to raise R101.5 million – the rights offer came at a critical time for the Group and was pivotal to the successful stabilisation of the balance sheet;
  - 3.2.3. final repayment of the legacy, onerous non-bank Group debt, enabled in part by the additional Ascendis Pharma and rights offer proceeds, marked the final step in stabilising the balance sheet and meant that the Group was unburdened of any external senior debt at year end;
  - 3.2.4. raising of alternative cost-effective banking facilities with RMB – facilities of R82 million were secured at acceptable commercial rates and with reasonable security in order to support the Group from a growth & liquidity perspective;
  - 3.2.5. closure of several non-performing business units and divisions, specifically Ascendis Supply Chain which was losing between R50 million - R60 million on an annualised basis;
  - 3.2.6. successful business rescue process at Surgical Innovations (“**SI**”) which has resolved claims and liabilities of approximately R70 million and achieved an annualised operating cost saving (including lease costs) of approximately R18 million per annum. This process has given SI the best chance of ‘survival’ and has provided management with optionality of maximising value for shareholders;
  - 3.2.7. simplifying and decentralising of a complex and sub-optimal Group treasury function;
  - 3.2.8. aggressively reducing Group head office costs from R95 million to R35 million on a run-rate basis; and
  - 3.2.9. significant intervention within the underlying operations to optimise costs and capital allocation and surface growth opportunities. This included:
    - 3.2.9.1. carving out InterV-Med and Cardio-Tech as independent entities, which both offer opportunities for earnings growth whilst previously did not receive adequate management attention;
    - 3.2.9.2. driving a new, best practice capital allocation process across the portfolio, that is focused on maximising return on invested capital (“**ROIC**”); and
    - 3.2.9.3. removing costly and duplicative divisional management layers in the medical and consumer environments, resulting in material cost savings.
- 3.3. Ascendis and the Consortium believe that the Delisting of Ascendis from the JSE is the logical next step in its strategy to unlock value for Ascendis Shareholders and to provide exit optionality at a fair value, given that the remaining Group is materially smaller in asset size, earnings and market capitalisation and can no longer justify the high direct and indirect costs of operating on a listed stock exchange. In addition:



- 3.3.1. Ascendis' Shares trade with very limited liquidity and the general negative sentiment towards investment holding companies and small cap shares listed on the JSE means that it is unable to garner sufficient institutional investment interest or raise meaningful growth capital;
- 3.3.2. compliance with the JSE Listings Requirements is arduous, onerous and costly and has the undesired impact of limiting the Group's agility and flexibility to act in the best interest of its stakeholders; and
- 3.3.3. the Transaction affords Exit Offeree Shareholders the option to elect between remaining invested in Ascendis or realising a fair value from their interests, should the Transaction receive the requisite approval of Ascendis Shareholders.
- 3.4. The Consortium, led by ACN Capital, includes a team of private equity investment specialists as well as reputable South African investment entities that are accustomed to operating, creating and realising value within the South African private capital market and are hence well positioned to implement Ascendis' strategy post Delisting.

#### 4. STRATEGY POST - DELISTING

- 4.1. Post Delisting, ACN Capital will lead the implementation of a strategy that will aim to (i) expeditiously conclude remaining restructure and stabilisation efforts, (ii) optimise and grow the remaining businesses through a mix of inorganic and organic initiatives and (iii) exit mature businesses and return capital to Shareholders that remain invested in Ascendis ("**Remaining Shareholders**") where this will maximise value for Remaining Shareholders. The strategy will be enhanced by the greater agility and focus afforded by being outside of the listed environment and is expanded on as follows:
  - 4.1.1. (i) Conclude restructure and stabilisation efforts in the short-term
    - 4.1.1.1. As stated above, significant progress has been made to date to stabilise the balance sheet and address operational challenges. This has involved significantly restructuring the SI and The Scientific Group ("**TSG**") businesses, which in the process has resulted in the creation of new entities ((InterV-Med ("**IVM**") and Cardio-Tech ("**CT**")) focused on the interventional and cardiovascular categories, and a streamlined TSG portfolio.
    - 4.1.1.2. There are a few remaining steps to conclude the restructure efforts, which involve further optimising the product portfolios in TSG and SI (including active discussions with agency suppliers) to ensure only profitable product offerings with acceptable ROIC are retained and optimising the back-end operations where appropriate across SI, IVM, TSG and CT to ensure these businesses improve their operating leverage (and that the cost structure in SI and TSG is reflective of their more streamlined product portfolios).
  - 4.1.2. (ii) Optimise and grow remaining businesses over the medium-term
    - 4.1.2.1. There are numerous market opportunities to grow the majority of the remaining businesses via new product offerings, new customers and geographies, new agencies and potential bolt-on acquisitions.
    - 4.1.2.2. The portfolio companies have not been able to adequately pursue new business previously due to funding constraints. There is a pipeline of opportunities in either new, fragmented markets (product and geographies), or existing markets where there are opportunities to add adjacent products seamlessly to existing offerings and infrastructure in a value accretive manner.
    - 4.1.2.3. This new business development, in addition to being necessary to drive growth, is also key to de-risk certain of the businesses, with the majority of the medical device businesses currently having a high sales concentration (to individual agencies and product categories).

- 4.1.2.4. Progress in new business development has begun – with notable examples including fast growing own branded consumable products in SI and IVM, and the launch of the Rejoin sports medicine agency in Ortho-Xact (“**OX**”), amongst others – and will be an increasing focus henceforth.
- 4.1.2.5. Investment in net working capital and capital assets, and potentially funding for acquisitions, will be required to enable this growth.
- 4.1.2.6. It is imperative that any new business development is done on the base of optimised operating platforms. Progress has been made to reduce costs and optimise margins during the restructure efforts, but there remains opportunities to drive better processes across all the business. These differ across the businesses, with some common areas of focus anticipated over the next 12 months including (a) improving demand planning / inventory management to reduce stock levels & inbound shipping costs, (b) introducing new revenue models to recover cost of capital for placed assets at customers / reduce capital intensive sales, and (c) stream-lining commercial and sales functions (to drive higher service levels and increased productivity). This will be accompanied by on-going efforts to optimise costs.
- 4.1.2.7. Capital will also need to be invested to enable the above, particularly to conclude on-going warehouse management, demand planning and CRM system developments and integrations.
- 4.1.3. (iii) Exit mature businesses and return capital
  - 4.1.3.1. In instances where value is maximised for Remaining Shareholders in existing businesses instead of retaining and growing them, divestments will be pursued. This would be applicable to mature businesses where there is greater value in the business under the ownership of others instead of Ascendis.
  - 4.1.3.2. All free cash flow from divestment processes will be distributed to Remaining Shareholders. In the event of a distribution being declared – Remaining Shareholders will be provided the optionality to elect between receiving the distribution in cash or scrip.
  - 4.1.3.3. Re-investment in the remaining portfolio will be considered where it enables high conviction growth opportunities with an acceptable ROIC.
  - 4.1.3.4. Although no final decisions have been made to divest any specific businesses, it is anticipated that at least one of the more significant businesses in the Group will be divested over the course of 2024, with material capital per share returned to shareholders (in relation to the Exit Offer Consideration). This timeline and any divestment is, however, subject to meaningful execution risk, and is dependent on inter alia trading in the businesses, market conditions, and ultimately, buyer interest and associated pricing and conditions.

## 5. CONTINUATION OF THE BUSINESS OF ASCENDIS POST IMPLEMENTATION OF THE EXIT OFFER AND DELISTING

- 5.1. Should Ascendis Shareholders vote in favour of the Delisting, then Ascendis will continue to operate in an unlisted environment. In this regard, the Board has concluded a management agreement with ACN Capital, in terms of which ACN Capital will provide the executive management function currently fulfilled by the Ascendis CEO, and the transition team, together with other management services key to future value unlock, to the Group post the Delisting (“**Management Agreement**”).
- 5.2. The Management Agreement requires the approval of the TRP and Ascendis Shareholders in terms of section 126(1) of the Companies Act (“**Management Agreement Resolution**”). The Management Agreement will only come into effect if approved by the TRP and Ascendis Shareholders, and upon implementation of the Transaction and the successful Delisting of Ascendis. The approval of the Management Agreement by Shareholders and the TRP are all conditions to the Transaction being implemented.



- 5.3. The Management Agreement is a related party agreement in terms of the JSE Listings Requirements. Given that the Management Agreement will only be implemented if approved by the TRP and Ascendis Shareholders and will only come into effect upon implementation of the Transaction and the successful Delisting of Ascendis, the JSE has granted Ascendis a dispensation from compliance with the related party provisions of the JSE Listings Requirements in relation to the Management Agreement.
- 5.4. The salient terms of the Management Agreement will be set out in the circular referred to below.

## 6. THE EXIT OFFER

### 6.1. The Exit Offer and Exit Offer Consideration

- 6.1.1. The Consortium will make the Exit Offer, subject to the fulfilment of the conditions precedent set out in paragraph 6.4 below, to acquire from Exit Offeree Shareholders all the Exit Offer Shares, in respect of which it receives valid acceptances prior to the Closing Date.
- 6.1.2. The Exit Offer will be made for a cash consideration of 80 cents per Share payable against delivery of registered and beneficial ownership of the relevant Exit Offer Shares into the name of the Consortium.
- 6.1.3. The Exit Offer Consideration of 80 cents per Share represents a premium of 25% to the 30-day volume weighted average price of Ascendis Shares of 64 cents per Share, as at 26 September 2023, being the last Business Day prior to the release of the initial Cautionary Announcement.

### 6.2. Exit Offer period

The Exit Offer will be irrevocable and will be open for acceptance for at least 30 business days and for at least 10 business days following the date that it becomes unconditional, in accordance with Takeover Regulations 102(4) and 105(5)(b).

### 6.3. Remaining Shares

Exit Offeree Shareholders who do not accept the Exit Offer will remain Shareholders in the unlisted Company, with *inter alia* the tradability of their Shares being limited.

### 6.4. Conditions precedent

#### 6.4.1. The Exit Offer will be conditional upon:

- 6.4.1.1. by no later than 17:00 pm on 30 April 2024, the Delisting Resolution having been adopted by the requisite majority of the Shareholders who are entitled to vote on the Delisting Resolution as contemplated in paragraphs 1.15 and 1.16 of the JSE Listings Requirements;
- 6.4.1.2. by no later than 17:00 pm on 30 April 2024, the Management Agreement Resolution having been adopted by the requisite majority of the Shareholders at the General Meeting as contemplated in terms of section 126(1) of the Companies Act;
- 6.4.1.3. by no later than 17:00 pm on 31 May 2024, the Management Agreement having been approved by the TRP as contemplated in terms of section 126(1) of the Companies Act; and
- 6.4.1.4. by no later than 17:00 pm on 30 June 2024, the receipt of all approvals, consents or waivers from those South African regulatory authorities ("**South African Authorities**") as may be necessary for the implementation of the Transaction, including the JSE, the TRP (other than the issue of the compliance certificate by the TRP in terms of section 119(4)(b) of the Companies Act) and if required, the appropriate Competition Authorities ("**Regulatory Approvals**") on an unconditional

basis or if such Regulatory Approvals are granted subject to any condition or qualification, then the Consortium must, acting reasonably, agree to such conditions or qualifications in order for this condition to be fulfilled.

- 6.4.2. In order to comply with section 121(b)(i) of the Companies Act and Regulation 102(13) of the Takeover Regulations, notwithstanding the fulfilment of the conditions, the Exit Offer shall not be implemented unless and until the TRP has issued a compliance certificate in respect of the Exit Offer in terms of section 119(4)(b) of the Companies Act.
- 6.4.3. The conditions precedent set out in paragraph 6.4.1 are for the benefit of the Consortium and may be waived by the Consortium in writing, other than the condition precedent in paragraph 6.4.1.4, which is not capable of waiver. The dates stipulated in paragraphs 6.4.1.1 to 6.4.1.4 for the fulfilment or waiver of the conditions precedent may be extended by agreement between the Consortium and Ascendis, subject to any approval as may be required from the TRP and/or the JSE. The extension of any such dates will be announced on SENS.
- 6.5. Ability to proceed with the Exit Offer
  - 6.5.1. The Consortium has confirmed to the Independent Board (as defined in paragraph 8.1) that it has sufficient funds to fully satisfy the maximum cash Exit Offer Consideration of R245 000 000.
  - 6.5.2. Investec Bank Limited, on behalf of the Consortium has delivered an irrevocable unconditional confirmation in accordance with regulations 111(4) and 111(5) of the Takeover Regulations from Investec Bank Limited to the TRP that sufficient funds are available to fully satisfy the maximum cash Exit Offer Consideration.

## 7. THE DELISTING

- 7.1. Application will be made to the JSE for the Delisting of the Shares from the Main Board of the JSE in terms of paragraph 1.14 to 1.16 of the JSE Listings Requirements, resulting in the termination of the Company's listing on the JSE, subject to:
  - 7.1.1. the Board having confirmed that the Exit Offer is fair based on the report obtained from an independent expert;
  - 7.1.2. the Management Agreement Resolution being adopted by the requisite majority of Shareholders, and the Management Agreement being approved by the TRP; and
  - 7.1.3. the Delisting being approved by at least 75% of the votes of all Shareholders present or represented by proxy at the General Meeting and entitled to vote on the Delisting Resolution, as required in terms of paragraph 1.16 of the JSE Listings Requirements.

## 8. APPOINTMENT OF INDEPENDENT BOARD AND THE INDEPENDENT EXPERT

- 8.1. In accordance with the provisions of the Companies Act and the Takeover Regulations, an independent sub-committee of the Board, comprising Bharti Harie, Karsten Wellner and Amaresh Chetty ("**Independent Board**") has been appointed to advise Shareholders on the Exit Offer and Exit Offer Consideration.
- 8.2. The Independent Board has appointed BDO Corporate Finance Proprietary Limited ("**BDO**"), as the independent expert, to provide the Independent Board with its opinion as to whether the terms of the Exit Offer are fair to Shareholders in accordance with the JSE Listings Requirements and fair and reasonable to Shareholders in accordance with the Takeover Regulations.
- 8.3. BDO's independent expert report, as well as the Independent Board's opinion on the Exit Offer and Exit Offer Consideration, will be included in the circular to be posted to Shareholders.



## 9. CONSORTIUM SHAREHOLDING

The Consortium has disclosed the following shareholding in Ascendis held directly and indirectly by the members of the Consortium:

Shareholder	Direct Beneficial	Indirect Beneficial	Total number of Shares	% of issued Shares <sup>1</sup>
ACN Capital	-	-	-	-
Carl Andre Capital	4 494 807	-	4 494 807	0.72
Dendrobium Capital	36 741 922	-	36 741 922	5.87
Emfam	-	-	-	-
Kingston	13 126 283	-	13 126 283	2.10
JVDM	-	-	-	-
<b>Total</b>	<b>54 363 012</b>	<b>-</b>	<b>54 363 012</b>	<b>8.69</b>

Note:

1. As a percentage of the issued share capital of Ascendis, excluding treasury shares.
2. The concert parties of the Consortium hold the following shareholding in Ascendis: Blee Beleggings (Pty) Ltd - 7 557 482; Andre Carl Neethling - 9 097 350 and ACN Capital (Pty) Ltd - 4 378 846.
3. No Consortium member or their concert parties holds any option to acquire Shares in Ascendis.

## 10. IRREVOCABLE UNDERTAKINGS

- 10.1. The following Exit Offeree Shareholders collectively holding 268 397 169 Shares representing 48.77% of the Shares in issue (excluding the Excluded Shares and Shares held by concert parties), have provided Irrevocable Undertakings to vote in favour of the Delisting Resolution in respect of their Shares held.

Shareholder	Number of Shares	% of issued Shares (excluding the Excluded Shares and Shares held by concert parties)
Calibre Investment Holdings (Pty) Ltd	78 424 412	14.25%
Cresthold (Pty) Ltd	48 187 648	8.76%
Alpvest Equities (Pty) Ltd	47 802 918	8.69%
Kefolile Health Investments (Pty) Ltd	56 321 482	10.23%
Steyn Capital (Pty) Ltd	6 250 000	1.14%
Mrs Fareeda Aboobaker	4 125 923	0.75%
PLN Investments (Pty) Ltd	3 442 242	0.63%
Mr Tayob Nazeer Aboobaker	2 950 374	0.54%
Mr Marcello Bianchi (SGSS SPA / Fineco Clients)	4 000 000	0.73%
Mr Alberto Bianchi (SGSS SPA / Fineco Clients)	1 000 000	0.18%
Marble Rock Moonrock Global Opportunities FR QI Hedge Fund	15 892 170	2.89%
<b>Total</b>	<b>268 397 169</b>	<b>48.77%</b>

- 10.2. In addition, Irrevocable Undertakings not to accept the Exit Offer have been received from Exit Offeree Shareholders collectively holding 268 538 678 Shares, representing 47% of the Shares in issue (excluding the Excluded Shares).

Shareholder	Number of Shares	% of issued Shares (excluding the Excluded Shares)
Calibre Investment Holdings (Pty) Ltd	78 424 412	13.73%
Cresthold (Pty) Ltd	48 187 648	8.43%
Alpvest Equities (Pty) Ltd	47 802 918	8.37%
Kefolile Health Investments (Pty) Ltd	56 321 482	9.86%
Steyn Capital (Pty) Ltd	6 250 000	1.09%
Mrs Fareeda Aboobaker	4 125 923	0.72%
PLN Investments (Pty) Ltd	3 442 242	0.60%
Mr Tayob Nazeer Aboobaker	2 950 374	0.52%
Andre Carl Neethling	9 097 350	1.59%
ACN Capital (Pty) Ltd	4 378 846	0.77%
Blee Beleggings (Pty) Ltd	7 557 483	1.32%
<b>Total</b>	<b>268 538 678</b>	<b>47%</b>

- 10.3. As at the date of this announcement, a material shareholder holding a further 61 686 663 shares (11.21% of issued Shares (excluding the Excluded Shares and Shares held by concert parties)) has provided written confirmation of their intention to vote in favour of the Delisting Resolution.
- 10.4. Given the support received for the Transaction from Shareholders engaged to date (59.98% of issued Shares (excluding the Excluded Shares and Shares held by concert parties)), the Company is confident that, based on historic voter turnout at its annual general meetings, the Transaction has a very high probability of successful execution.
- 10.5. To the best of the knowledge of the Consortium, irrevocable undertakings have been provided in respect of all Shares in Ascendis held by such Exit Offeree Shareholders.

## 11. CIRCULAR

- 11.1. A combined offer circular containing full details of the Transaction, the Management Agreement, a notice of General Meeting and incorporating the Independent Board's view on the Exit Offer and Exit Offer Consideration and the independent expert report prepared by BDO, is in the process of being prepared and will be distributed to Shareholders in due course ("**Circular**").
- 11.2. Shareholders will be advised of the posting of the Circular and the opening date of the Exit Offer by way of a SENS announcement.

## 12. RESPONSIBILITY STATEMENTS

- 12.1. The Independent Board and the Board (to the extent that the information relates to Ascendis), collectively and individually, accept responsibility for the information contained in this announcement and certify that, to the best of their knowledge and belief, the information contained in this announcement relating to Ascendis is true and that this announcement does not omit anything that is likely to affect the importance of such information.
- 12.2. The Consortium (to the extent that the information relates to the Consortium) accept

responsibility for the information contained in this announcement and certifies that, to the best of their knowledge and belief, the information contained in this announcement relating to the Consortium and the Exit Offer is true and that this announcement does not omit anything that is likely to affect the importance of such information.

### 13. WITHDRAWAL OF CAUTIONARY

Shareholders are advised that, as a result of the publication of this firm intention announcement, the Cautionary Announcement, is hereby withdrawn and Shareholders are no longer required to exercise caution when dealing in the Company's securities.

Johannesburg  
27 November 2023

Corporate Advisor and Sponsor to Ascendis  
Valeo Capital (Pty) Ltd

 Valeo Capital

Legal Advisor to Ascendis  
Solaris Law Proprietary Limited

 **SOLARIS LAW**

Independent Expert  
BDO Corporate Finance Proprietary Limited

 **BDO**



24 November 2023

The Executive Director  
Takeover Regulation Panel  
1st Floor Block 2,  
Freestone Park  
135 Patricia Road,  
Athol,  
Johannesburg,  
2196

Dear Sir/Madam

BANK GUARANTEE NO: SFTPG02134

1. We, Investec Bank Limited, acting through our Private Banking Division, registration number 1969/004763/06 ("**Guarantor**") having our head office at 100 Grayston Drive, Sandown, Sandton, provide this cash confirmation in the form of a bank guarantee in accordance with Regulation 111(4) and Regulation 111(5) of the Companies Regulations and in connection with the proposed offer ("**Proposed Offer**") by a consortium comprising of Dendrobium Capital Proprietary Limited, Kingston Kapitaal Proprietary Limited, Carl Andre Capital Proprietary Limited, ACN Capital IHC Proprietary Limited, Emfam Beleggings Proprietary Limited and the JVDM Trust ("**Consortium**"), for the Consortium (to the extent permissible by law and regulation), to acquire the shares in the issued share capital of Ascendis Health Limited ("**Ascendis**") (excluding treasury shares) not already owned by the Consortium from the shareholders of Ascendis who accept the Proposed Offer.
2. The Consortium has obtained irrevocable undertakings from Ascendis shareholders holding in aggregate 268 538 678 Ascendis shares (representing 42.91% of the entire issued share capital of Ascendis, excluding treasury shares), to not accept the Proposed Offer and remain invested in Ascendis (the "**Irrevocable Undertakings**").
3. We understand that should the Proposed Offer be accepted by Ascendis shareholders, excluding the interest held by the Consortium and the interests represented by the Irrevocable Undertakings, that the maximum cash consideration payable to the shareholders of Ascendis in terms of the Proposed Offer will be an amount not exceeding R245 000 000 ("**the Guaranteed Amount**").
4. In the event that the Consortium fails to discharge its obligation to make payment to accepting shareholders within the time stipulated in the Proposed Offer document, we, as the Guarantor, agree to do so, subject to compliance with the terms of this bank guarantee.
5. Any claims against this bank guarantee shall be furnished in writing and shall state that, despite being called upon to make payment, the Consortium has failed to make the relevant payment.
6. On electronic transfer of the Guaranteed Amount to the Takeover Regulation Panel or the nominated bank account in respect of which offerees in terms of the Proposed Offer receive the offer consideration



owing to them, the Guarantor will have fulfilled its obligations in terms of this bank guarantee and will have no further obligations of whatever nature arising herefrom.

7. In order to give full effect to this bank guarantee, the Takeover Regulation Panel shall be entitled to treat the Guarantor as the principal debtor and the obligations of the Guarantor shall not be affected by any variations in the terms and conditions of any other documents.
8. This bank guarantee shall be irrevocable and shall remain in full force and effect until 20 March 2024 ("**expiry date**"), by which date all claims should have been received at our address and any claims received at the Guarantor's address after the expiry date shall not be considered.
9. This bank guarantee is neither negotiable nor transferable.
10. This bank guarantee shall be governed by, and construed in all respects in accordance with, the laws of the Republic of South Africa.
11. Notwithstanding anything contained herein above:
  - 11.1 our maximum liability under this bank guarantee shall not exceed the aggregate sum of the Guaranteed Amount;
  - 11.2 this bank guarantee shall be valid up to the expiry date; and
  - 11.3 we are liable to pay the Guaranteed amount or any lesser amount thereof under this bank guarantee only if you serve upon us a demand as stated above on or before the expiry date, where after it ceases to be in effect and all your rights under this bank guarantee shall be forfeited and we shall be discharged from all liability there under whether or not the original guarantee is returned to us.



For and on behalf of:  
**Investec Bank Limited,**  
acting through its Private Banking Division



For and on behalf of:  
**Investec Bank Limited,**  
acting through its Private Banking Division