

**To** ACN Capital (Pty) Ltd  
PO Box 4267, Durbanville, 7551  
(the "**Shareholder**" or "**we**")

**From** ACN Capital IHC (Pty) Ltd  
Registration number: 2009/017511/07  
B4 Cinsaut House  
The Vineyard Office Estate  
99 Jip de Jager Drive  
De Bron, Cape Town  
7530  
(Registered company Name: ACN Capital IHC (Pty) Ltd)

**Copy** Ascendis Health Limited  
Registration number: 2008/005856/06  
1 Carey Street  
Wynberg  
Sandton  
South Africa  
2090  
("**Ascendis**")

## **IRREVOCABLE UNDERTAKING: PROPOSED GENERAL OFFER TO ASCENDIS SHAREHOLDERS AND DELISTING OF ASCENDIS FROM THE JOHANNESBURG STOCK EXCHANGE**

### **1 Introduction**

- 1.1 We understand that a consortium led by ACN Capital IHC (Pty) Ltd ("**ACN**"), (the "**Consortium**") intend for a transaction to be proposed to Ascendis shareholders (each an "**Ascendis Shareholder**") in terms of which, *inter alia*, –
- 1.1.1 the Consortium will offer to acquire all the Ascendis shares in issue (each a "**Share**") not already held by the Consortium from the Ascendis Shareholders, excluding treasury Shares, for a cash consideration of not less than R0.78 per Share ("**Consideration**") by way of a voluntary general offer by the Consortium to the Ascendis Shareholders (the "**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
- 1.1.2 the Ascendis Shares will be delisted from the exchange operated by the JSE Limited ("**JSE**") (the "**Delisting**"),
- (collectively the "**Proposed Transaction**").
- 1.2 We understand that the Consortium and Ascendis intend to dispatch to the Ascendis Shareholders a joint circular (the "**Circular**"), which Circular shall include a notice convening a general meeting of Ascendis Shareholders to consider and, if deemed fit, pass the resolution required to approve the Delisting together with such other resolutions as may be necessary or incidental to the implementation of the Proposed Transaction.

### **2 Rationale for the Proposed Transaction and Relevant Disclosures**

We understand that:

- 2.1 Ascendis is embarking on a strategy to maximise value for its shareholders. Over the past year, this strategy has seen the appointment of a dedicated value creation team (the transition team) led by the group chief executive officer, Carl Neethling.
- 2.2 It is generally understood that, had it not been for the significant interventions of the Ascendis turnaround team ("**Transition Team**") under leadership of Carl Neethling, there

would be little to no value left to recoup in subsidiary companies such as Surgical Innovations, InterV - Med and The Scientific Group, while significant value was protected and retained in the remainder of the Ascendis group.

- 2.3 The team has furthermore managed to cut and contain head office costs from a previous annualised expense exceeding R135 million (estimated) to less than R40 million currently (estimated).
- 2.4 The board of Ascendis (the “**Board**”) has decided to initiate a process to investigate and progress the delisting of Ascendis from the JSE as the next step in its strategy to unlock value for Ascendis Shareholders and to provide exit optionality.
- 2.5 The remaining Ascendis 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 this regard:
  - 2.5.1 the Shares trade with 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;
  - 2.5.2 compliance with the JSE Listing Requirements is both onerous and costly and has the undesired impact of limiting the group’s flexibility to act in the best interest of its stakeholders;
  - 2.5.3 the limited liquidity of the Shares on the JSE has necessitated that the Board explore options that may result in an exit or value realisation event for Ascendis Shareholders; and
  - 2.5.4 should the Proposed Transaction receive the requisite approval of Ascendis Shareholders, it affords them the option to exit their shareholding in Ascendis or to remain invested and share in the value unlock process.
- 2.6 ACN is an entity owned and controlled by Carl Neethling who is also the Ascendis group Chief Executive Officer while the Consortium includes additional entities associated to him.

### 3 **Shareholding**

The Shareholder hereby irrevocably and unconditionally warrants to and in favour of the Consortium that, as at the date of signature of this letter (“**Signature Date**”):

- 3.1 **ACN Capital (Pty) Ltd** is the registered holder and/or beneficial owner of **4 378 846** ordinary issued Shares in the capital of Ascendis (which Shares, together with any additional shares, options, warrants or convertibles in Ascendis which the Shareholder may become the registered holder and/or beneficial owner of prior to the voting record date in respect of the General Meeting, are hereinafter referred to as the “**Relevant Shares**”);
- 3.2 the Shareholder holds the Relevant Shares free and clear of any encumbrance, charge, lien, security interest, option, right of pre-emption or other interest which (in each case) imposes any restriction on the right to exercise the voting rights attached to the Relevant Shares; and
- 3.3 the Shareholder has full power and authority and the right (free from any legal or other restriction) to enter into this undertaking and to perform the obligations in this undertaking as beneficial owner of of the Relevant Shares.

### 4 **Undertakings**

- 4.1 The Shareholder hereby irrevocably and unconditionally undertakes to and in favour of the Consortium:

- 4.1.1 to retain its shareholding in Ascendis by electing not to accept the Offer made by the Consortium in respect of any of the Relevant Shares;
- 4.1.2 not to sell, transfer or otherwise dispose of the Relevant Shares, or any of them, unless and until the transferee in respect of such transfer has (prior to any such transfer being effected) furnished the Consortium with a written irrevocable undertaking on and subject to equivalent terms and conditions to those reflected in this letter of undertaking, *mutatis mutandis*, which written undertaking is, in form and substance, acceptable to the Consortium in its sole discretion;
- 4.1.3 not to vote (nor procure the voting) in respect of the Relevant Shares, or any of them, whether in person or by proxy or by way of written resolution in favour of any Ascendis shareholder resolution which may be proposed in order to effect any transaction or corporate action the consummation of which would frustrate, delay or impede the Proposed Transaction or any of the corporate actions comprising the Proposed Transaction; and
- 4.1.4 not requisition or join the requisition of any general meeting of the Shareholders for the purpose of considering any resolution referred to in paragraph 4.1.3 above.

## 5 Consents

The Shareholder hereby consents to:

- 5.1 the particulars of this undertaking being set out in any press release, announcement or document issued in connection with the Proposed Transaction and in the Circular;
- 5.2 this undertaking being published as required by the JSE Listings Requirements; and
- 5.3 to a copy of this undertaking being made available to any regulatory or for inspection in accordance with the relevant regulatory requirements (if applicable).

## 6 Insider trading

The Shareholder hereby undertakes to observe the anti-insider trading and related provisions of the Financial Markets Act, 2012 (Act 19 of 2012), as amended (the **Financial Markets Act**). Specifically, the Shareholder undertakes to observe the provisions of section 78 of the Financial Markets Act which, *inter alia*, makes it an offence for any person who knows that he has Inside Information (as defined in the Financial Markets Act) to:

- 6.1 deal directly or indirectly or through an agent, for his own account or for any other person, in the securities listed on a regulated market to which such inside information relates or which are likely to be affected by it;
- 6.2 disclose the inside information to another person; or
- 6.3 encourage or cause another person to deal or discourage or stop another person from dealing in the securities listed on a regulated market to which such inside information relates or which are likely to be affected by it.

## 7 General undertakings

The Shareholder hereby irrevocably and unconditionally warrants to and undertakes in favour of the Consortium:

- 7.1 to timeously provide the Consortium with all information required by them for purposes of any announcement or circular in terms of the JSE Listings Requirements, the Companies Act, and/or any other applicable law or regulation;
- 7.2 to execute (or procure the execution of) all documents which are presented to the Shareholder and which are reasonably required to be executed in order to approve and/or implement the Proposed Transaction;

- 7.3 not to act in any manner which is inconsistent with the undertakings given to the Consortium in this letter of undertaking; and
- 7.4 that the execution by the Shareholder of this letter of undertaking and the performance of the Shareholder's obligations hereunder does not and shall not:
  - 7.4.1 contravene any law or regulation to which it is subject;
  - 7.4.2 contravene any provision of its constitutional documents; or
  - 7.4.3 conflict with, or constitute a breach of, any of the provisions of any other agreement, obligation, restriction or undertaking which is binding on it.

## 8 **Duration of undertakings**

- 8.1 The undertakings contained in this letter shall be irrevocable and shall remain in full force and effect until the earlier of –
  - 8.1.1 the Proposed Transaction having been implemented in accordance with its terms; or
  - 8.1.2 3 months following the signature of this undertaking, if Ascendis has not released a firm intention announcement in respect of the Proposed Transaction within such 3 month period, or
  - 8.1.3 a public announcement by Ascendis that the Proposed Transaction will not proceed.
- 8.2 If, prior to the expiry of the 3 months period contemplated in clause 8.1.2 ("**Initial Period**"), Ascendis notifies the Shareholder that there is a reasonable likelihood that Ascendis will release a firm intention announcement in respect of the Proposed Transaction within 3 months after the expiry of the Initial Period, and wishes to extend the Initial Period for a further 3 months, then the Initial Period shall be automatically extended for a further 3 months after the expiry of the Initial Period.

## 9 **Specific performance**

Without derogating from any rights conferred on any person in terms of this letter or at law, we agree that damages may not be an adequate remedy for a breach or anticipated breach by us of this letter and that it shall be competent to seek an order for specific performance against us in that event.

## 10 **General**

- 10.1 This irrevocable undertaking is given with respect to the Proposed Transaction on the terms summarised herein, including such non-material additions or amendments as may be adopted by the Consortium and/or Ascendis in agreement with the Consortium, and/or such further terms and conditions as may be required by applicable law, rule or regulation including the JSE, the Takeover Regulation Panel, the Companies and Intellectual Property Commission or any other relevant regulatory authority.
- 10.2 This irrevocable undertaking shall not oblige the Consortium and/or Ascendis to proceed with the Proposed Transaction, or any corporate action herein.
- 10.3 The Shareholder confirms that it has received sufficient information in order to provide the undertakings set out herein. It acknowledges that no member of the Consortium or any of their representatives or agents has made any representation/s to induce the Shareholder to provide the undertakings set out herein.
- 10.4 The Shareholder confirms that it shall not be entitled to be paid any commission or commitment fee or other compensation in connection with the undertakings given in terms hereof.

- 10.5 The provisions of this letter shall be governed by the laws of the Republic of South Africa. Each party hereby irrevocably submits to the non-exclusive jurisdiction of the courts of the Republic of South Africa in respect of all matters arising under or in relation to this letter.
- 10.6 This letter constitutes the sole record of the agreement between the Shareholder and the Consortium in relation to its subject matter, provided that it shall not detract from any confidentiality undertakings that we may have given separately.
- 10.7 The Shareholder acknowledges and confirms that the undertakings contained in this letter have been given as a *stipulatio alteri* for the benefit of each person who becomes a member of the Consortium and stipulated as such in the Circular, and may be enforced by any or all of them.
- 10.8 Neither the Shareholder, nor any member of the Consortium shall be bound by any representation, warranty, promise or the like not recorded in this letter or another written document signed by all of us.
- 10.9 No addition to, variation, novation or agreed cancellation of this letter shall be of any force or effect unless in writing and signed by or on behalf of the Shareholder and the members of the Consortium.
- 10.10 No suspension of a right to enforce any term of this letter and no *pactum de non petendo* shall be of any force or effect unless in writing and duly signed by the Shareholder and each member of the Consortium members.
- 10.11 The provisions of this letter shall be binding upon the successors-in-title and the permitted assigns of the parties.
- 10.12 All provisions in this letter are, notwithstanding the manner in which they have been put together or linked grammatically, severable from each other. Any provision of this letter which is or becomes unenforceable in any jurisdiction, whether due to voidness, invalidity, illegality, unlawfulness or for any other reason whatsoever, shall, in such jurisdiction only and only to the extent that it is so unenforceable, be treated as *pro non scripto* and the remaining provisions of this letter shall be of full force and effect. The Shareholder and the Consortium declare that it is their intention that this letter would be executed without such unenforceable provisions if they were aware of such unenforceability at the time of its execution.
- 10.13 This irrevocable undertaking may be executed in counterparts, all of which taken together when signed by all the parties hereto, shall constitute one and the same agreement.

Yours faithfully

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**Carl Neethling**

Date: 10 October 2023

by the signature of the designated signatories below, hereby agree to the terms set out in this letter of undertaking.

SIGNED at Bellville on 18 October..... 2023

For and on behalf of  
**ACN Capital (Pty) Ltd**

*Gerhard...*

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Signature

Gerhard Jacobs  
Name of Signatory

Director  
Designation of Signatory