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6 April 2022

ASX Release

BGH Capital off-market takeover offer for Virtus Health Limited

BGH Capital Pty Ltd (ACN 617 386 982) in its capacity as investment manager or adviser to the constituent entities of BGH Capital Fund I (***BGH Capital***), is pleased to announce its intention to make an off-market takeover offer to acquire all of the fully paid ordinary shares (***Shares***) in Virtus Health Limited (ACN 129 643 492) (ASX: VRT) (***Virtus***) it does not already own or control at $8.00 cash per Share (***Offer Price***) (the ***Offer***). The Offer will be made by entities controlled by BGH Capital, being Oceania Equity Investments Pty Ltd (ACN 655 692 738) as trustee for the Oceania Trust (***Oceania***) and A.C.N. 658 293 166 Pty Ltd (ACN 658 293 166) (***Bidco***) (together, the ***BGH Bidders***). BGH Capital currently holds, via Oceania, 19.99% of the issued Shares.

The Offer is a joint offer by the BGH Bidders. It is intended that Shares acquired under the Offer will be acquired first by Oceania up to 40% of the Shares (including the 19.99% of Shares that Oceania currently owns), and any further Shares will be acquired by Bidco.

As a cash only off-market bid that is conditional only on no "prescribed occurrences" occurring in relation to Virtus, accepting the Offer provides Virtus shareholders with a simple and attractive cash exit from their investment in Virtus with certainty regarding the tax implications.

Summary of Offer

The Offer Price of $8.00 per Share delivers a significant premium to the undisturbed Virtus Share price[1]:

- 57% to the dividend adjusted closing price on 13 December 2021[2] of $5.09;
- 53% to the dividend adjusted 1-month VWAP on 13 December 2021 of $5.23;
- 50% to the dividend adjusted 3-month VWAP on 13 December 2021 of $5.34; and
- 38% to the dividend adjusted 6-month VWAP on 13 December 2021 of $5.78.

The Offer provides Virtus shareholders with an opportunity to divest as much of their shareholding in Virtus as they deem appropriate, in an orderly manner and without the need to pay brokerage fees, and with the opportunity to receive certain value.

The Offer is not subject to any minimum acceptance condition. The Offer is conditional only on no "prescribed occurrences" occurring in relation to Virtus before the end of the Offer Period, none of which are within the control or discretion of the BGH Bidders. The Offer condition is set out in full in the Appendix to this announcement.

Bidders' Statement

BGH Capital will lodge a copy of its Bidders' Statement with ASIC, and send a copy to Virtus and the ASX, today. The Bidders' Statement contains detailed information relevant to the Offer, including how to accept the Offer.

ASIC Market Integrity Rule 5.13.1 Disclosure

In accordance with rule 5.13.1 of the ASIC Market Integrity Rules, BGH Bidders note they have appointed UBS Securities Australia Limited (ABN 62 008 586 481) (AFSL 231098) as broker to acquire Shares on market during normal trading hours on the ASX during the Bid Period (as defined in the ASIC Market

[1] Historical market prices, VWAP and premium metrics are adjusted for Virtus' 1H22 dividend of 12cps, which was declared on 22 February 2022 with Shares beginning to trade ex-dividend from 23 March 2022

[2] BGH Capital (via Oceania) acquired an interest in approximately 19.99% of Virtus after-market on 13 December 2021.

Integrity Rules) at prices equal to, below, or higher than, the Offer Price (***On Market Purchases***). Pursuant to section 651A of the *Corporations Act 2001* (Cth), if the price per Share paid to acquire Shares in an On Market Purchase is higher than the Offer Price, the consideration payable per Share under the Offer will be automatically increased to that higher price (and Virtus shareholders who have previously received consideration for their accepted Shares shall be entitled to receive the increase in consideration immediately).

If the price per Share paid to acquire Shares in an On Market Purchase is higher than the Offer Price, BGH Bidders will continue to trade at volume at or above that higher price until notification of the increased consideration payable per Share under the Offer is disclosed by BGH Bidders to the ASX (noting that at the time BGH Bidders' execute at a higher price than the Offer Price, BGH Bidders' order may execute with any existing offers in the market at a price between the Offer Price and that higher price). Any On Market Purchases will be disclosed to the ASX in any substantial shareholder notices which BGH Bidders are required to lodge under the Corporations Act.

Advisers

UBS is acting as financial adviser and Allens is acting as legal adviser to BGH Capital in relation to the Offer.

This release has been authorised to be given to the ASX by BGH Capital.

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About BGH

BGH Capital is an independent private investment firm. In 2018, the BGH Capital Fund I had a final close of approximately A$2.6 billion, making it the then largest private equity fund focused on Australia and New Zealand actively deploying capital. In early 2022, BGH Capital closed BGH Capital Fund II with commitments of approximately A$3.6 billion. BGH Capital partners with entrepreneurs and management teams in Australia and New Zealand to help them build strong, sustainable, market-leading businesses. It intends to provide its portfolio companies with the capital they need to grow, as well as analytical, strategic and operational resources to help them realise their full potential. In doing so, BGH Capital seeks to achieve attractive risk-adjusted returns for its investors.

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Appendix

Condition of the Offer

The Offer will be subject to the following condition:

1 No Prescribed Occurrences

Between the Announcement Date and the end of the Offer Period, none of the following events occur (each a ***Prescribed Occurrence***):

(a) Virtus converts all or any of the Shares into a larger or smaller number of shares;

(b) Virtus or any of its Subsidiaries resolves to reduce its share capital in any way;

(c) Virtus or any of its Subsidiaries:

(i) enters into a buyback agreement; or

(ii) resolves to approve the terms of a buyback agreement under section 257C(1) or 257D(1) of the Corporations Act;

(d) Virtus or any of its Subsidiaries issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option;

(e) Virtus or any of its Subsidiaries issues, or agrees to issue, convertible notes;

(f) Virtus or any of its Subsidiaries disposes or agrees to dispose, of the whole, or a substantial part, of its business or property;

(g) Virtus or any of its Subsidiaries grants, or agrees to grant, a security interest in the whole, or a substantial part, of its business or property;

(h) Virtus or any of its Subsidiaries resolves to be wound up;

(i) a liquidator or provisional liquidator of Virtus or any of its Subsidiaries is appointed;

(j) a court makes an order for the winding up of Virtus or any of its Subsidiaries;

(k) an administrator of Virtus or any of its Subsidiaries is appointed under section 436A, 436B or 436C of the Corporations Act;

(l) Virtus or any of its Subsidiaries executes a deed of company arrangement;

(m) a restructuring practitioner for Virtus or any of its Subsidiaries is appointed under section 453B of the Corporations Act;

(n) Virtus or any of its Subsidiaries makes a restructuring plan under Division 3 of Part 5.3B of the Corporations Act; or

(a) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Virtus or any of its Subsidiaries.

2 Definitions

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market operated by it.

ASX Listing Rules means the Listing Rules of ASX.

BGH Bidders means Oceania and Bidco.

Bidco means A.C.N. 658 293 166 Pty Ltd (ACN 658 293 166).

Cboe Australia means Cboe Australia Pty Ltd (ACN 129 584 667) or, as the context requires, the financial market operated by it.

Corporations Act means the *Corporations Act 2001* (Cth), as modified from time to time by ASIC class orders and ASIC regulatory instruments.

Oceania means Oceania Equity Investments Pty Ltd (ACN 655 692 738) as trustee for the Oceania Trust.

Offer means an off-market takeover offer to be made by BGH Bidders under Chapter 6 of the Corporations Act to acquire all of the Shares, including as varied or extended in accordance with the Corporations Act.

Offer Period means the period during which the Offer will remain open for acceptance by Shareholders.

Shares means fully paid ordinary shares in Virtus.

Shareholder means a person registered in the register of members of Virtus as a holder of Shares.

Subsidiary has the meaning given to that term in the Corporations Act.

Virtus means Virtus Health Limited (ACN 129 643 492).

VWAP means volume weighted average trading price on the ASX and Cboe Australia.

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