

## ASX ANNOUNCEMENT

23 August 2021: VIRTUS HEALTH LIMITED (ASX: VRT)

### ACQUISITION OF ADORA FERTILITY AND DAY HOSPITALS AND PLACEMENT

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**Sydney, Australia** - Virtus Health, ("Virtus", ASX: VRT) a leading global Assisted Reproductive Services (ARS) provider, today announces that it has entered into a share sale agreement to acquire Adora Fertility and three day hospitals ("the Adora Businesses") from Australian healthcare company, Healius Limited (ASX:HLS) for \$45.0 million.

#### Acquisition of Adora Fertility and Day Hospitals

The Adora Businesses are complementary to Virtus' existing ARS clinics and, Day Hospitals, with:

- Four ARS clinics across Australia (WA, NSW, QLD, VIC), with Western Australia a new market for Virtus, and three day hospitals (WA, NSW, VIC);
- FY21 cash EBITDA<sup>(1)</sup> of \$4.5 million (incl. \$0.3 million net loss from acquired day hospitals)
- Mildly EPS accretive in the first full year post completion of the acquisition.

The acquisition is expected to be completed in Q2 FY22, subject to satisfaction of customary conditions.

The acquisition will be funded through the combination of an underwritten \$35 million institutional placement ("Institutional Placement") and existing cash reserves.

The Adora clinics have a demonstrated track record of achieving growth and will add meaningful value to the Virtus Health network. The clinics and day hospitals are fitted with a modern fleet of equipment, recently invested to support the ARS services.

(1) - Based on unaudited financial information provided by HLS when conducting due diligence of the Adora Businesses: Cash EBITDA is a non-statutory measure representing earnings before interest, tax, depreciation and amortisation (contractual relationship intangibles) adjusted for cash rental payments (occupancy).

Kate Munnings, Group CEO of Virtus Health said:

*“This acquisition supports our ambition to increase consumer choice by offering diverse models of care across new locations. It also takes our day hospital network to ten facilities and represents our entry into WA.”*

**Institutional Placement**

The fully underwritten Institutional Placement will comprise an issue of approximately 5.147 million new fully paid VRT shares (“New Securities”), representing approximately 6.4% of existing shares on issue at the date of this announcement, to certain eligible institutional investors to raise approximately \$35 million at a fixed price of \$6.80 per share.

The Institutional Placement price represents a 5.4% discount to the last traded price of VRT shares of \$7.19 on Friday, 20 August 2021, being the last trading day prior to release of this announcement on the Australian Securities Exchange (“ASX”), and a 6.5% discount to the 5-day volume weighted average price (‘VWAP’) of \$7.27 based on the last trading day of Friday, 20 August 2021.

New Securities will rank equally with existing shares from their date of issue.

The Institutional Placement is fully underwritten by Jefferies (Australia) Limited.

**Key dates<sup>1</sup>**

<b>Event</b>	<b>Date</b>
Trading halt and announcement of Institutional Placement	Monday, 23 August 2021
Placement bookbuild	Monday, 23 August 2021
Announcement of outcome of Placement	Tuesday, 24 August 2021
Trading halt lifted – trading resumes on ASX	Tuesday, 24 August 2021
Settlement of new Placement Shares	Thursday, 26 August 2021
Allotment and normal trading of Placement Shares	Friday, 27 August 2021

<sup>1</sup> This timetable is indicative and subject to variation. Virtus reserves the right to alter the timetable as its absolute discretion and without notice, subject to ASX Listing Rules and Corporation Act 2001 (Cth) and other applicable law and where otherwise requested by ASX.

Further details of the Acquisition and the Institutional Placement are set out in the Financial Results Presentation FY21 also provided to the ASX today ("Investor Presentation"). The Investor Presentation contains important information including key risks and foreign selling restrictions in relation to the Placement.

### **Investor Conference Call and Webcast**

Investors are invited to join a conference call and webcast presentation hosted by Kate Munnings, Group CEO, and Matthew Prior, Group CFO on **Monday 23 August 2021 at 11:00am AEST**. To access the call and webcast, please use the log in details below.

- **Conference Call Registration:** <https://s1.c-conf.com/diamondpass/10016145-dspaler6.html>  
*Please note: upon registering online, you will receive a confirmation with phone numbers to dial into the conference call together with a unique passcode.*
- **Webcast:** <https://webcast.openbriefing.com/7795/>

Authorised by the Board of Directors of Virtus Health.

**- ENDS -**

#### **For further information, please contact:**

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#### **About Virtus Health Limited**

Virtus Health Limited (ASX:VRT) brings together leading clinicians, scientists, researchers and support staff to provide the very best in fertility care and related specialised diagnostic and day hospital services. We have developed one of the most successful ARS collaborations in the world. With 128 of the world's leading fertility specialists supported by over 1,300 professional staff, we are the largest network and provider of fertility services in Australia and Ireland, with a growing international presence in the UK, Denmark and Singapore.

## **IMPORTANT NOTICE AND DISCLAIMER**

All dollar values are in Australian dollars (A\$ or AUD) unless stated otherwise and are subject to rounding.

This announcement may not be released or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or in any other jurisdiction in which such an offer would be unlawful. The New Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (U.S. Securities Act) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Securities may not be offered or sold, directly or indirectly, in the United States unless they have been registered under the U.S. Securities Act (which Virtus has no obligation or intention to do or procure), or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws.

The information in this announcement is of general background and does not purport to be complete. It should be read in conjunction with Virtus's other periodic and continuous disclosure announcements lodged with ASX Limited, which are available at [www.asx.com.au](http://www.asx.com.au).

The financial information included in announcement is presented in an abbreviated form insofar as it does not include all the presentation and disclosures, statements or comparative information as required by Australian Accounting Standards ("AAS") and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act. Certain financial measures included in this announcement are "non-IFRS financial information" under ASIC Regulatory Guide 230. Please refer to the statements in the "Important Notes and Disclaimer" included in the Investor Presentation released by Virtus to ASX on the date of this announcement. In particular statements under "Past performance and Forward-looking statements" which are incorporated by reference in this announcement.

A number of factors could cause actual results, performance or achievements to vary materially from any forward-looking statements and the assumptions on which statements are based, including but not limited to the risk factors set out in the Investor Presentation released by Virtus to ASX today. Except as required by law or regulation (including the ASX Listing Rules), Virtus disclaims any obligation and makes no undertaking to provide any additional or updated information whether as a result of new information, future events or results or otherwise, or to reflect any change in expectations or assumptions.