

ASX ANNOUNCEMENT

11 April 2022

VIRTUS HEALTH LIMITED (ASX: VRT)

Virtus receives an improved proposal from CapVest

Virtus Health Limited (**Virtus**) announces that CapVest Partners LLP (**CapVest**) has made the following revisions to the scheme and takeover proposals set out in the transaction implementation deed (**TID**) between Virtus and an entity controlled by CapVest dated 13 March 2022 (**Revised CapVest Offer**):

- An **increase in the price payable under the scheme of arrangement to \$8.15 per share (CapVest Revised Scheme Price)** less the value of any distributions or dividends declared after today's date but excluding the \$0.12 interim dividend declared by Virtus on 22 February 2022 (**Permitted Dividends**) (equivalent to \$8.27 per share including the \$0.12 interim dividend);
- An **increase in the Takeover Offer price to \$8.10 per share (CapVest Revised Takeover Offer Price)** less the value of any Permitted Dividends (equivalent to \$8.22 per share including the \$0.12 interim dividend);
- An undertaking to **not pay the capital return during the takeover offer period unless the ATO confirms that 100% of the capital return will be treated as a capital return** and not an unfranked dividend, removing any uncertainty regarding the tax treatment for shareholders of accepting into the CapVest Takeover Offer; and
- An undertaking to **still allow the Virtus Board to pay a fully franked special dividend of up to \$0.44 per share¹.**

The CapVest Revised Offer was conditional on Virtus confirming in writing that the Virtus Board will not provide due diligence access to BGH Capital Pty Ltd or the BGH Bidders² in respect of the existing \$8.00 per share takeover bid announced by them on 6 April 2022 (**BGH Takeover Bid**). Virtus provided that confirmation subject to the fiduciary out in the TID, which allows the Virtus Board to consider, and grant due diligence access in respect of, any further improved competing proposals from BGH or any other party that are or may reasonably be expected to lead to a Superior Proposal.

¹ A special dividend of this amount could have up to approximately 19 cents per share in franking credits attached and eligible shareholders may receive the benefit from any such franking credits, subject to their marginal tax rate. The payment and the amount of any special dividend remain at the discretion of the Virtus Board and will be subject to tax advice.

² The BGH Bidders are Oceania Equity Investments Pty Ltd (ACN 655 692 738) as trustee for the Oceania Trust and A.C.N. 658 293 166 Pty Ltd (ACN 658 293 166).

As a result of the superior value inherent in the CapVest Revised Offer and taking all relevant considerations into account in the interests of Virtus and its shareholders, the Virtus Board has unanimously determined that this CapVest Revised Offer is superior to the BGH Takeover Bid on the basis that:

- The Revised CapVest Scheme Price represents a \$0.15 per share premium to the BGH Takeover Bid and a c. 59% premium to the undisturbed Virtus share price of \$5.21 as at 13 December 2021³; and
- The Revised CapVest Takeover Offer Price represents a \$0.10 per share premium to the BGH Takeover Bid and a c. 58% premium to the undisturbed Virtus share price of \$5.21 as at 13 December 2021³.

Accordingly, the Virtus Board unanimously recommends that Virtus Shareholders:

- vote in favour of the CapVest scheme of arrangement in the absence of a Superior Proposal and subject to an Independent Expert concluding that the scheme is in the best interests of Virtus shareholders; and
- if the scheme is not successful, accept the CapVest Takeover Offer in the absence of a Superior Proposal and subject to an Independent Expert concluding that the Takeover Offer is fair and reasonable.

Virtus expects to sign an amending deed to update the TID for the Revised CapVest Offer later today, and will release a copy of the amended TID to the market at that time.

Virtus continues to make good progress with the booklet for Virtus shareholders and anticipates that this document will be sent to shareholders in early May 2022. The booklet will contain information relating to the Revised CapVest Offer. It will also contain an Independent Expert's Report on whether the CapVest Scheme is in the best interests of shareholders and whether the CapVest Takeover Offer is fair and reasonable.

As previously advised, the Virtus Board recommends shareholders take no action in relation to the BGH Takeover Bid. The Virtus Board will set out their views in relation to the BGH Takeover Bid in a target's statement which will include an independent expert's report and which will be sent to all Virtus shareholders.

Virtus has established a dedicated microsite on the Investor page of the Virtus Website with further information relating to this transaction. Please access the transaction site here: www.virtushealth.com.au/virtus-health-transaction.

If you wish to receive electronic shareholder communication going forward please provide your details to Link:

<https://investorcentre.linkmarketservices.com.au/Login.aspx/Login?issuer=vr>

³ Being the last closing price before the first announcement that Virtus had received an unsolicited indication of interest from BGH Capital to acquire 100% of the shares in Virtus pursuant to a scheme of arrangement for \$7.10 per Virtus share.

This announcement is authorised by the Virtus Board.

-ENDS-

Further information:

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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 126 of the world's leading fertility specialists supported by over 1300 professional staff, we are the largest network and provider of fertility services in Australia, Ireland and Denmark, Singapore and UK.