

Allens

101 Collins Street
Melbourne VIC 3000 Australia

GPO Box 1776
Melbourne VIC 3001 Australia

T +61 3 9614 1011
F +61 3 9614 4661
www.allens.com.au

ABN 47 702 595 758



6 April 2022
The Manager
ASX Market Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Online lodgement

Dear Sir/Madam

Takeover Offer by BGH Capital in relation to Virtus Health Limited (ACN 129 643 492) (ASX: VRT) – Bidders' Statement Enclosed

We act for BGH Capital Pty Ltd (ACN 617 386 982), in its capacity as investment manager or adviser to the constituent entities of the BGH Capital Fund I (**BGH Capital**) and its affiliates, 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) (together, the **BGH Bidders**).

Today, BGH Capital announced its intention to make an off-market takeover bid through the BGH Bidders for all of the fully paid ordinary shares in Virtus Health Limited (ACN 129 643 492) (ASX: VRT) (**Virtus**).

In accordance with section 633(1), item 5 of the *Corporations Act 2001* (Cth), we enclose, on behalf of the BGH Bidders, a copy of the Bidders' Statement of the BGH Bidders which includes:

- (a) a proposed offer for all of the fully paid ordinary shares in Virtus; and
- (b) a copy of the Acceptance Form (which forms part of the proposed offer).

Yours sincerely

Tom Story
Partner
Allens
Tom.Story@allens.com.au
T +61 2 9230 4812

Emin Altiparmak
Partner
Allens
Emin.Altiparmak@allens.com.au
T +61 3 9613 8510

Encl



THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO HOW TO ACT, YOU SHOULD CONSULT YOUR FINANCIAL, TAX OR LEGAL ADVISER AS SOON AS POSSIBLE.

Bidders' Statement

ACCEPT THE CASH OFFER

by

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)

each being entities wholly-owned by the

BGH Capital Fund I

to acquire all of your shares in

Virtus Health Limited (ACN 129 643 492)

for

A\$8.00 cash per share

Please call the BGH Capital Offer Information Line on 1300 620 418 (toll-free within Australia) or +61 3 9415 4656 (from outside Australia) if you require assistance.

Financial Adviser



Legal Adviser

Allens & Linklaters

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Important information

This Bidders' Statement is given by 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*) and together with Oceania, the *BGH Bidders*, each being entities wholly-owned by the BGH Fund, to Virtus Health Limited under Part 6.5 of the Corporations Act and relates to the Offer.

This Bidders' Statement is dated 6 April 2022 and includes an Offer dated [*] 2022 in section 7.

A copy of this Bidders' Statement was lodged with ASIC on 6 April 2022. Neither ASIC nor any of its officers takes any responsibility for the contents of this Bidders' Statement.

You should read this Bidders' Statement in its entirety.

Investment advice

This Bidders' Statement does not take into account your individual investment objectives, financial and tax situation or particular needs. You may wish to seek independent legal, financial, tax or other professional advice before deciding whether or not to accept the Offer.

You are advised to exercise caution in relation to the Offer. If you are in any doubt about any of the contents of this Bidders' Statement, you should obtain independent professional advice.

Forward-looking statements

This Bidders' Statement may contain forward-looking statements, which include statements other than statements of historical fact. Such statements are subject to inherent risks and uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors, many of which are beyond the control of BGH Capital and BGH Bidders. Actual results, value, performance or achievements may differ materially from results, values, performance or achievements expressed or implied in any forward-looking statement.

None of BGH Capital, BGH Bidders, any of their respective directors, officers, employees or advisers, nor any other person named in this Bidders' Statement with their consent or involved in preparation of this Bidders' Statement, gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Bidders'

Statement will actually occur. You are cautioned not to place undue reliance on any forward-looking statements.

The forward-looking statements in this Bidders' Statement only reflect views held as at the date of this Bidders' Statement.

Information regarding Virtus Group

Any information in this Bidders' Statement concerning the Virtus Group or its assets and securities has been prepared from publicly available information. This information has not been independently verified and, accordingly, neither BGH Capital nor any BGH Bidder makes any representation and/or warranty, express or implied, as to the accuracy or completeness of such information to the extent permitted by the Corporations Act.

The information on the Virtus Group should not be considered comprehensive. Further information relating to the Virtus Group may be included in the Target's Statement which will be sent to you by Virtus.

Foreign jurisdictions

The distribution of this Bidders' Statement and the making of the Offer may be restricted by the laws of jurisdictions outside of Australia, and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law. The Offer is not being made, directly or indirectly, in or into and will not be capable of acceptance from within any jurisdiction, if to do so would not be in compliance with the laws of that jurisdiction.

Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Bidders' Statement are subject to the effect of rounding. The actual calculation of these figures, amounts, percentages, prices, estimates, calculations of value and fractions may differ from those set out in this Bidders' Statement. Any discrepancies between totals in tables or financial statements or in calculations graphs or charts are due to rounding.

Estimates and assumptions

Unless otherwise indicated, all references to estimates, assumptions and derivations of the same in this Bidders' Statement are references

to estimates, assumptions and derivations of the same by BGH Capital and BGH Bidders. Estimates reflect, and are based on, views as at the date of this Bidders' Statement, and actual facts or outcomes may materially differ from those estimates or assumptions.

Currencies and time

In this Bidders' Statement, references to "Australian dollars", "AUD", "\$", "A\$" or "cents" are to the lawful currency of Australia.

All references to time in this Bidders' Statement are references to Melbourne, Australia time.

Privacy

BGH Bidders and their respective Related Bodies Corporate have collected your information from the register of members of Virtus for the purposes of making the Offer and, if accepted, administering acceptances over your shareholding in Virtus. The Corporations Act requires the name and address of shareholders to be held in a public register. BGH Bidders and BGH Capital's share registry may disclose your personal information to their respective Related Bodies Corporate and external service providers and may be required to disclose such information to regulators, such as ASIC. If you would like details of information about you held by BGH Bidders, please contact BGH Capital at the address set out in the Corporate Directory.

Important Dates

Announcement Date	6 April 2022
Bidders' Statement lodged with ASIC	6 April 2022
Date of the Offer	[*] 2022
Offer scheduled to close (unless extended)	7.00pm (Melbourne, Australia time) on [*] 2022

Note: The closing date for the Offer may change as permitted by the Corporations Act.

Websites

References in this Bidders' Statement to the website of BGH Capital (<https://www.bghcapital.com>) and to Virtus' website (<https://www.virtushealth.com.au>) are for your reference only. Information contained in or otherwise accessible from those websites is not part of this Bidders' Statement.

How to accept

To accept the Offer, follow the instructions set out in section 7.3 of this Bidders' Statement

Defined terms

A number of defined terms are used in this Bidders' Statement. These terms are explained in section 8 along with certain rules of interpretation which apply to this Bidders' Statement.

Enquiries and BGH Capital Offer Information Line

If you have any questions in relation to the Offer, please call the BGH Capital Offer Information Line on the following numbers:

Within Australia: 1300 620 418 (toll-free)

Outside Australia: +61 3 9415 4656

Letter to Shareholders



Level 26, 101 Collins Street
Melbourne VIC 3000 Australia
Telephone +613 9133 8800
www.bghcapital.com

BGH Capital Pty Ltd
ABN 59 617 386 982
AFSL Licence 499409

6 April 2022

Dear Shareholder

Off-market offer to acquire 100% of Virtus for \$8.00 cash per Share

I am pleased to enclose an Offer from BGH Bidders to acquire some or all of your Shares in Virtus at a price of \$8.00 cash per Share (the **Offer Price**).

As the Offer is cash only, not subject to any minimum acceptance condition and subject only to no Prescribed Occurrences occurring in relation to Virtus before the end of the Offer Period, accepting the Offer provides you with a simple and attractive cash exit from your investment in Virtus with certainty regarding the tax implications.

Background

As you would be aware, we acquired a 19.99% interest in Virtus on 13 December 2021 and subsequently put forward three non-binding proposals to the Virtus Board in respect of which the Virtus Board declined to engage with us.

On 14 March 2022, Virtus announced that it had entered into a Transaction Implementation Deed with Evergreen Bidco Pty Ltd (**CapVest Bidco**), an entity controlled by CapVest, under which CapVest Bidco has agreed to:

- acquire 100% of Virtus Shares by a scheme of arrangement (**CapVest Scheme**), conditional on (among other things) requisite approvals from Shareholders, for headline value of \$8.13 per Share (announced as total value of \$8.25 per Share less the value of any dividends or distributions declared or paid after 14 March 2022 (including the \$0.12 per Share dividend declared by Virtus on 22 February 2022) (**CapVest Permitted Distributions**)); and
- make a simultaneous off-market takeover offer for Virtus Shares (**CapVest Takeover Offer**), conditional on (among other things) the CapVest Scheme failing, a 50.1% minimum acceptance condition and Shareholder approval of the CapVest Permitted Distributions, for headline value of \$7.98 per Share (announced as total value of \$8.10 per Share less the CapVest Permitted Distributions),

together, the **CapVest Proposal**.

Noting BGH Capital controls a 19.99% interest in Virtus, BGH Capital has made the following truth in takeovers statement regarding both the CapVest Scheme and CapVest Takeover Offer:

“BGH will vote all Virtus shares that it owns or controls at the relevant time against any CapVest proposal to acquire Virtus by way of scheme of arrangement, and BGH will not accept into any takeover offer from CapVest with respect to all Virtus shares that it owns or controls at the relevant time”.

As the CapVest Scheme requires 75% of the votes cast by, and more than 50% in number of, eligible Shareholders to vote in support of the Scheme and recognising that voter turnout at scheme meetings is often substantially lower than 100%, there is significant uncertainty that the CapVest Scheme will meet the required approval thresholds considering our stated intention to vote against the CapVest Scheme.

Given the Virtus Board's unwillingness on multiple occasions to engage with us regarding our proposals to undertake due diligence with a view to agreeing a scheme of arrangement, we believe the only viable option to acquire 100% of the Shares in Virtus is to make an offer directly to Shareholders via this off-market bid. We believe that our Offer delivers Shareholders with a significant premium to Virtus' historic market price and superior certainty than the CapVest Proposal. Today we have written to Virtus to ask for access to due diligence.

Details of the Offer

- The Offer Price delivers a significant premium to Virtus' undisturbed historic market prices¹:
 - (a) 57% to the dividend adjusted closing price on 13 December 2021² of \$5.09;
 - (b) 53% to the dividend adjusted 1-month VWAP on 13 December 2021 of \$5.23;
 - (c) 50% to the dividend adjusted 3-month VWAP on 13 December 2021 of \$5.34; and
 - (d) 38% to the dividend adjusted 6-month VWAP on 13 December 2021 of \$5.78.
- The Offer is 100% cash and provides Shareholders with certain and immediate value without brokerage fees.
- The Offer is not subject to any minimum acceptance condition, is subject only to no Prescribed Occurrences occurring in relation to Virtus before the end of the Offer Period, and allows Shareholders to realise full and certain value for their entire Virtus holdings. In comparison, the CapVest Scheme is conditional on (among other things) requisite approval from Shareholders (in respect of which BGH Capital has announced it will vote all Shares it owns or controls at the relevant time against) and the CapVest Takeover Offer requires 50.1% acceptance from Shareholders (in respect of which BGH Capital has announced it will not accept with respect to all Shares it owns or controls at the relevant time), is likely more than 10 weeks away from closing and is uncertain in terms of underlying value, given the CapVest Permitted Distribution consideration is currently subject to an ATO class ruling, the outcome of which may not be known for a number of months.

The full terms and conditions of the Offer are set out in section 7 of this Bidders' Statement.

Information on BGH Capital and BGH Bidders

BGH Capital was established in 2017 as an independent private investment firm, owned and managed by its founding partners – Mr Robin Bishop, Mr Benjamin Gray and Mr Simon Harle. In 2018, the BGH Fund had a final close of approximately \$2.6 billion, making it the then largest private equity fund focused on Australia and New Zealand that is actively deploying capital. BGH Capital successfully closed BGH Capital Fund II in early 2022 with approximately \$3.6 billion of commitments.

Please refer to section 1 for more information on BGH Capital and BGH Bidders.

Next Steps

I encourage you to read this Bidders' Statement in full for further details about the Offer, its terms and BGH Bidders.

The Offer is open for your acceptance until 7.00 pm (Melbourne, Australia time) on [*] 2022, unless extended. If you wish to accept the Offer, please follow the instructions in the Bidders' Statement and the enclosed Acceptance Form.

If you have any questions about the Offer, please call the BGH Capital Offer Information Line on 1300 620 418 (toll-free within Australia) or +61 3 9415 4656 (from outside Australia) or contact your legal, financial, tax or other professional adviser.

Yours sincerely,

Ben Gray

Founding Partner, BGH Capital

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 Fund (via Oceania Trust) acquired an interest in approximately 19.99% of Virtus after-market on 13 December 2021.

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 Integrity Rules) at prices equal to, below, or higher than, the Offer Price (***On Market Purchases***).

Pursuant to section 651A of the Corporations Act, 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 Shareholders who have previously received consideration for 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 substantial shareholder notices which BGH Bidders are required to lodge under the Corporations Act.

How to Accept the Offer

Acceptances must be received before the end of the Offer Period (subject to the terms of the Offer).

For Issuer Sponsored Holdings of Shares (Securityholder Reference Number beginning with 'I')

To accept the Offer, complete the enclosed Acceptance Form in accordance with the instructions on it and return it in the enclosed envelope or to the address on the Acceptance Form.

For CHES Holdings of Shares (Holder Identification Number beginning with 'X')

To accept the Offer, either contact your Controlling Participant (usually your broker) and instruct them to accept the Offer on your behalf, or complete the enclosed Acceptance Form in accordance with the instructions on it and return it in the enclosed envelope or to the address on the Acceptance Form.

Summary of the Offer and Other Important Information

The following is a summary only of the Offer and certain other important information and is qualified by, and read in conjunction with, the detailed information contained in the rest of this Bidders' Statement. You should read this Bidders' Statement in full before making any decision whether to accept the Offer.

The terms of the Offer are contained in section 7.

What is the Offer?	BGH Bidders are offering to acquire all of your Shares in Virtus, on the terms and conditions set out in section 7 of this Bidders' Statement.
Who is making the Offer?	The Offer is being made by BGH Bidders. For further information about BGH Bidders, please refer to section 1.
What is the Offer Price?	BGH Bidders are offering to acquire all of your Shares for \$8.00 cash per Share, on the terms and conditions set out in section 7.
How do I accept the Offer?	See section 7.3 of this Bidders' Statement, as well as the instructions on the enclosed Acceptance Form.
If I accept the Offer, when will I be paid?	If you accept the Offer in accordance with the instructions contained in the Offer and the Acceptance Form and the Condition is fulfilled or waived, you will be sent payment no later than 10 Business Days after the later of: <ul style="list-style-type: none">• the date that the Condition is fulfilled or waived; and• the date that you accept the Offer.
When does the Offer close?	The Offer is scheduled to close at 7.00pm (Melbourne, Australia time) on [*] 2022. You should note that the Offer Period can be extended as permitted by the Corporations Act.
What are the conditions of the Offer?	The Offer is subject only to no Prescribed Occurrences occurring in relation to Virtus before the end of the Offer Period. Prescribed Occurrences are certain events listed in section 652C of the Corporations Act which if they occur, will give BGH Bidders the right not to proceed with the Offer. For further information, please refer to section 7.6.
What interest do BGH Capital, BGH Fund and BGH Bidders have in Virtus?	As at the date of this Bidders' Statement, each of BGH Capital, BGH Fund, Oceania and Bidco hold a Relevant Interest in, and Voting Power of, 19.99% of Shares (being 17,098,846 Shares).
Why are there two Bidders?	The Offer is a joint offer by BGH Bidders, both being entities wholly-owned by the BGH Fund. Under the Offer, it is intended that Oceania will acquire up to 40% of the Shares (including the 19.99% interest in Virtus it currently owns) and that Bidco will acquire any further Shares. If, at the end of the Offer Period, BGH Bidders have acquired the entire 100% of Shares, 40% of Shares would be held by Oceania and 60% of Shares would be held by Bidco. For further information, please refer to section 1.3.

What are the tax implications of acceptance?	You should consult your financial, tax or other professional adviser on the tax implications of acceptance. However, section 5 contains a general summary of the major likely Australian tax consequences for Shareholders who accept the Offer, including the income tax, GST and stamp duty implications.
Do I pay brokerage or stamp duty if I accept the Offer?	<p>You will not pay stamp duty on the disposal of your Shares if you accept the Offer. If your Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to BGH Bidders, you will not incur any brokerage in connection with your acceptance of the Offer.</p> <p>If your Shares are registered in a CHESSE Holding, or if you are a beneficial owner whose Shares are registered in the name of a broker, bank, custodian or other nominee, you should ask your Controlling Participant (usually your broker) or that nominee whether it will charge any transaction fees or service charges in connection with acceptance of the Offer. Any brokerage fees charged by the brokers or nominee will be the sole responsibility of the accepting Shareholder.</p>
What happens if I do not accept the Offer?	<p>If you do not accept the Offer, subject to the below, you will retain your Shares and will not receive the consideration offered by BGH Bidders.</p> <p>If BGH Bidders were to acquire an interest in 90% or more of the Shares on issue, it is intended that BGH Bidders would proceed with compulsory acquisition of the outstanding Shares in accordance with the Corporations Act. If your Shares are acquired compulsorily by BGH Bidders, it will be on the same terms as the Offer.</p> <p>If BGH Bidders do not become entitled to compulsorily acquire your Shares and you do not accept the Offer, you will:</p> <ul style="list-style-type: none"> • retain your Shares; • not receive the Offer Price; and • remain a Shareholder. <p>In certain circumstances, BGH Bidders will seek to remove Virtus from the official list of the ASX.</p> <p>For more information on BGH Bidders' intentions, please see section 3.</p>
Can I accept for part of my Shares?	<p>Yes. You may accept this Offer for all or some of your Shares.</p> <p>If you accept this Offer for some of your Shares, you may still accept the Offer for all or part of the balance of your Shares at any time during the Offer Period, as if an offer in the form of this Offer had been made to you in respect of the balance of your Shares.</p>
Can I withdraw my acceptance?	You cannot withdraw or revoke your acceptance unless a withdrawal right arises under the Corporations Act. A withdrawal right will arise if, after you have accepted the Offer, BGH Bidders vary the Offer in a way that postpones, for more than one month, the time that BGH Bidders have to meet their obligations under the Offer.

How does the Offer apply to my Virtus Performance Rights?

BGH Bidders are not offering to acquire any Virtus Performance Rights. However, the Offer extends to all Shares that are issued or otherwise come into existence before the end of the Offer Period as a result of the vesting of, conversion of or exercise of rights attached to, Virtus Performance Rights that are on issue at the Register Date. This means that holders of Virtus Performance Rights that vest or are exercised will be able to accept the Offer in respect of the Shares issued during the Offer Period as a result of that vesting or exercise.

What if I require further information?

If you have any questions in relation to the Offer or how to accept it, or if you have lost your Acceptance Form and require a replacement, please call the BGH Capital Offer Information Line on 1300 620 418 (toll-free within Australia) or +61 3 9415 4656 (from outside Australia).

Why You Should Accept the Offer

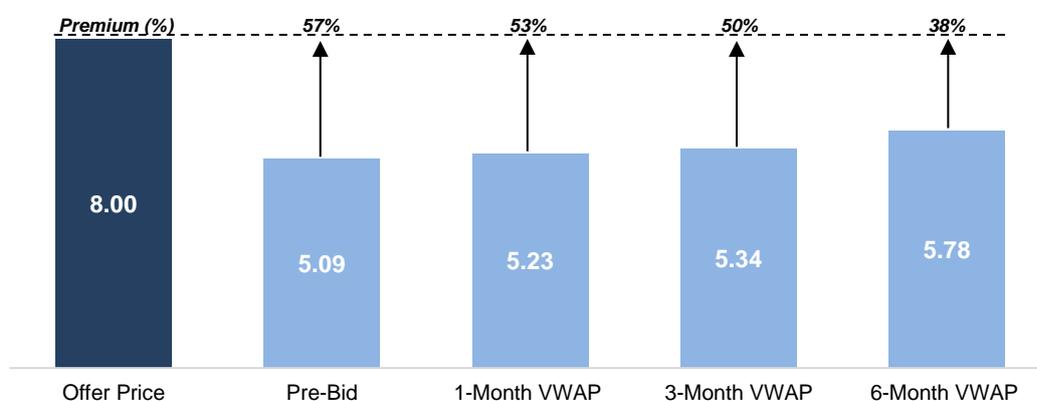
BGH Bidders are offering to acquire 100% of your Shares for \$8.00 cash per Share.

BGH Capital believes that the Offer delivers greater certainty of value to Shareholders than the CapVest Proposal. The key attractions of the Offer are summarised below.

1. The Offer Price delivers a significant premium to Virtus' undisturbed historic market prices

- The all-cash consideration provides a compelling opportunity for Shareholders to realise value for their Shares.
- The Offer Price of **\$8.00** per Share represents the highest offer currently capable of being accepted.
- The Offer Price represents a premium³ of:
 - 57% to the dividend adjusted closing price on 13 December 2021 of \$5.09;⁴
 - 53% to the dividend adjusted 1-month VWAP on 13 December 2021 of \$5.23;⁵
 - 50% to the dividend adjusted 3-month VWAP on 13 December 2021 of \$5.34;⁶ and
 - 38% to the dividend adjusted 6-month VWAP on 13 December 2021 of \$5.78,⁷

where Monday, 13 December 2021 was the last trading day prior to the announcement of BGH Capital's initial approach to the Virtus Board, and for current purposes, the undisturbed share price and the relevant share price metrics have been adjusted to exclude the value of Virtus' 1H22 dividend.



³ Historical market prices, VWAP and premium metrics are adjusted for Virtus' 1H22 dividend of \$0.12 per Share, which was declared on 22 February 2022 with Shares beginning to trade ex-dividend from 23 March 2022.

⁴ Pre-bid price of \$5.09 calculated from closing share price on 13 December 2021 less \$0.12 per Share (1H22 dividend).

⁵ VWAP of \$5.23 calculated from 14 November 2021 to 13 December 2021 (inclusive) less \$0.12 per Share (1H22 dividend).

⁶ VWAP of \$5.34 calculated from 14 September 2021 to 13 December 2021 (inclusive) less \$0.12 per Share (1H22 dividend).

⁷ VWAP of \$5.78 calculated from 14 June 2021 to 13 December 2021 (inclusive) less \$0.12 per Share (1H22 dividend).

2. The Offer Price is materially higher than the price the Virtus Board stated on 20 January 2022 that it intended to unanimously recommend Shareholders vote in favour of

- The Offer represents a 8.4% premium to the \$7.38 per Share alternative transaction proposal put forward by CapVest on 20 January 2022 (being \$7.50 per Share less 1H22 \$0.12 per Share dividend) being the first proposal that the Virtus Board stated its intention to unanimously recommend Shareholders accept.
- To this effect, Virtus made the following truth in takeovers statement in relation to any control proposal from CapVest on 20 January 2022:

“Subject to Virtus and CapVest agreeing an implementation deed on terms acceptable to Virtus, it is the Virtus Board’s intention to unanimously recommend that shareholders ... accept the Alternative Transaction if the consideration per Virtus share ... under the Alternative Transaction is at least \$7.50.”

3. The Offer provides cash certainty today

- The Offer to Shareholders is 100% cash and is subject only to no Prescribed Occurrences occurring in relation to Virtus before the end of the Offer Period. The Offer provides an opportunity to realise full and certain value for your entire shareholding.
- If you accept the Offer in accordance with the instructions contained in the Offer and the Acceptance Form and the Offer becomes unconditional, you will be paid \$8.00 cash for each Share that you own no later than 10 Business Days after the later of:
 - the date that the Condition is fulfilled or waived; and
 - the date that you accept the Offer.

4. The Offer is more certain than the conditional CapVest Scheme

- BGH Bidders today control a 19.99% interest in Virtus, and BGH Capital has made the following truth in takeovers statement in relation to the CapVest Scheme and CapVest Takeover Offer:

“BGH will vote all Virtus shares that it owns or controls at the relevant time against any CapVest proposal to acquire Virtus by way of scheme of arrangement, and BGH will not accept into any takeover offer from CapVest with respect to all Virtus shares that it owns or controls at the relevant time”.
- The CapVest Scheme requires 75% of the votes cast by, and more than 50% in number of, eligible Shareholders to vote in support of the Scheme.
- Given BGH Capital’s truth in takeovers statement and recognising that voter turnout at scheme meetings is often substantially lower than 100%, there is significant uncertainty that the CapVest Scheme will meet the required approval thresholds. It is worth noting that at Virtus’ most recent Annual General Meeting held on 18 November 2021, an average of less than 60% of votes were cast on each resolution.

6. The Offer is superior to the conditional and uncertain CapVest Takeover Offer

Key elements	BGH Bidders' Offer	CapVest Takeover Offer ⁸
Consideration	✓ \$8.00 per Share cash consideration	\$0.44 per Share (special dividend)
		\$2.67 per Share (return of capital)
		\$4.87 per Share (cash consideration)
Notable conditions	✓ None	50.1% minimum acceptance
		Shareholder approval of the return of capital
		No material adverse change
Timing of consideration	✓ T + 2 (on-market)	Uncertain (likely more than 10 weeks away)
	No later than 10 Business Days after the later of Offer acceptance and the Condition being fulfilled / waived	
Tax implications	✓ Certain	Uncertain (see below)

- Australian tax resident Shareholders who hold Shares on capital account can be certain that all consideration that they receive in connection with the BGH Bidders' Offer will be capital proceeds and none of it as a dividend. This may make the after-tax returns for those Shareholders from the BGH Bidders' Offer even more attractive than the after-tax returns from the CapVest Takeover Offer (for instance, if such Shareholders qualify for a capital gains tax discount in relation to their Shares). In contrast, there is a risk that, under the CapVest Takeover Offer, a significant proportion of the purported \$7.98 per Share (announced as total value of \$8.10 per Share less the CapVest Permitted Distributions) consideration will be treated as both capital proceeds and as an unfranked dividend subject to income tax at the Shareholder's marginal tax rate. In this instance, any capital gain a Shareholder makes would be reduced (not below zero) by the unfranked dividend. For many Shareholders, the effect of an unfavourable ruling would be to treat that component of the consideration, otherwise taxed as a discounted capital gain, as a dividend taxed at their marginal tax rate.
- By way of example, set out below is the illustrative impact that an unfavourable ATO class ruling could have for Australian resident individual taxpayers (including those holding via a trust) who are subject to a 47% marginal tax rate inclusive of the Medicare levy on their assessable income. Where the Shareholder has a cost base in their Share of

⁸ CapVest Takeover Offer of \$7.98 per Share (announced as total value of \$8.10 per Share less the CapVest Permitted Distributions).

\$5.00, an unfavourable ruling described in the footnote below⁹ could reduce the comparable underlying value of the CapVest Takeover consideration by up to \$0.44 per Share:

Illustrative value outcomes of the CapVest Takeover Offer capital return component of \$2.67 per Share

\$ per Share	Favourable ATO class ruling scenario (~100% capital account) on \$2.67 capital return	Unfavourable ATO class ruling scenario (~40% capital account) on \$2.67 capital return ¹⁰
Consideration other than special dividend and capital return	4.87	4.87
Special dividend ¹¹	0.44	0.44
Capital return	2.67	2.67
<i>Treated as capital proceeds less unfranked dividend</i>	2.67	1.24 [A]
<i>Treated as unfranked dividend</i>	–	1.43
Post tax value of unfranked dividend		0.76
Value of unfranked dividend grossed up for CGT discount¹²		0.99 [B]
Underlying value of the capital return¹³	2.67	2.23 [A] + [B]
Underlying value of the CapVest Takeover consideration¹⁴	7.98	7.54

⁹ Based on published ATO guidance in PSLA 2008/10, BGH's tax adviser has indicated that where a company is looking to make a distribution to increase its gearing ratio, and in the absence of other relevant factors, the ATO's starting position is to regard the capital distribution as being attributable to share capital and retained earnings on a proportionate basis (the "slice approach") (refer paragraph 74). Further, the ATO's guidance confirms that an unrealised gain constitutes profits for the purpose of the relevant provision (refer paragraph 70), regardless of whether it meets the technical requirements for distribution under the Corporations Act. The concept of "profits" is wider than that under the Corporations Act. Applying this slice approach to Virtus' market equity value implied by the CapVest Takeover Offer to determine the capital / dividend proceed split, Virtus' issued capital as at 31 December 2021 of \$278m and fully diluted equity value of \$696m at the CapVest Takeover Offer of \$7.98 per Share, it is estimated that the ATO class ruling could deem up to ~60% of the aggregate of the \$2.67 per Share capital return and \$0.44 per Share special dividend to be attributable to profits, and so recharacterise up to \$1.43 of the capital return as an unfranked dividend. For illustrative purposes, the calculation in the table is on this basis.

¹⁰ As per footnote 9.

¹¹ For illustrative purposes and simplicity, assumed that a favourable ATO class ruling is made on the \$0.44 per Share special dividend under both scenarios. Any unfavourable ATO class ruling regarding the \$0.44 per Share special dividend would further decrease the underlying value of the CapVest Takeover Offer.

¹² Calculated as the post tax value of the unfranked dividend component grossed up to a pre-tax capital component using a 50% CGT discount rate and an illustrative 47% tax rate.

¹³ Calculated using an illustrative assumption that the Shareholders tax cost base is \$5.00 per Share.

- This uncertainty of the CapVest Takeover Offer is also relevant for foreign Shareholders in both treaty and non-treaty jurisdictions whose after-tax returns would be impacted should any portion of the consideration under the CapVest Takeover Offer not be eligible to be treated as capital proceeds and instead treated as an unfranked dividend, which would attract withholding tax.
- Ultimately, the key consideration in determining the likely outcome of the ruling will be the ATO's assessment of the extent to which the capital return is paid in substitution for the payment of a dividend. Irrespective of how the issue may ultimately be determined, until Virtus receives an ATO ruling on the matter, there remains risk regarding the tax characterisation of the capital return component of the CapVest Takeover Offer. This risk is compounded given there is no assurance that the uncertainty will be resolved prior to the proposed Scheme Meeting for the CapVest proposal. As announced to the ASX on 4 April 2022, Virtus has yet to file its application to the ATO on the matter.

7. The Share price may fall in the event the Offer is not successful

- The Offer provides Shareholders with the opportunity to promptly realise certain cash value and mitigate external and company-specific risks that Virtus may be subject to, which may adversely affect the future trading price of the Shares, such as:
 - (i) continuing impacts from the COVID-19 pandemic;
 - (ii) regulatory risks;
 - (iii) competitive threats; and/or
 - (iv) global macroeconomic conditions.
- If you accept the Offer and the Offer becomes unconditional, you will no longer be exposed to the risks and uncertainties inherent in owning Shares. By contrast, if you do not accept the Offer, the amount which you will be able to realise for your Shares is uncertain, including as a result of the uncertainty surrounding the CapVest Proposal (as described above).

8. Risks of remaining as a Minority Shareholder

- If you do not accept the Offer and BGH Bidders acquire more than 50% of Shares, but hold a Relevant Interest of less than 90% of Shares, you will be a minority shareholder in Virtus.
- Being a minority shareholder in Virtus may have the following potential implications:
 - (i) the price at which Shares are traded on the ASX may fall and trade at a material discount to the Offer Price, which could cause the Virtus' ASX index weighting to decrease;
 - (ii) the market for Shares may become less liquid;
 - (iii) Virtus' distribution policy, capital structure and board configuration may change; and/or
 - (iv) Virtus may be delisted from the official list of the ASX.
- If BGH Bidders become entitled to compulsorily acquire your securities, they intend to exercise those rights. If your Shares are compulsorily acquired, you will still receive the Offer Price per Share, but at a later time than you would have received it if you had

¹⁴ As per footnote 8.

accepted the Offer (which would have been paid by no later than 10 Business Days after the later of:

- the date that the Condition is fulfilled or waived; and
- the date that you accept the Offer.

9. No stamp duty or brokerage fees in accepting the Offer

- In addition to the attractive premium in the Offer Price, you will not be obliged to pay stamp duty if you accept the Offer in accordance with the instructions contained in the Offer.
- If your Shares are registered in an Issuer Sponsored Holding, you will not incur any brokerage fees in accepting the Offer. If your Shares are registered in a CHESS Holding, you will generally not incur any brokerage fees in accepting the Offer (although you should ask your Controlling Participant, normally your broker, to confirm).
- If you sell your Shares on the ASX instead of accepting the Offer, you may incur brokerage fees (and potentially GST on those fees).

1 Profile of BGH Bidders and BGH Capital

1.1 Overview of BGH Bidders

(a) Oceania

Oceania Trustee is an unlisted proprietary company that was incorporated in Australia. As at the date of this Bidders' Statement, the directors of Oceania Trustee are the founding partners of BGH Capital:

- (i) Mr Robin Bishop;
- (ii) Mr Benjamin Gray; and
- (iii) Mr Simon Harle.

Oceania Trustee is the trustee of the Oceania Trust, which was established to, amongst other things, acquire shares, or interests in shares, listed on ASX or other relevant securities exchanges or markets on behalf of the BGH Fund from time to time.

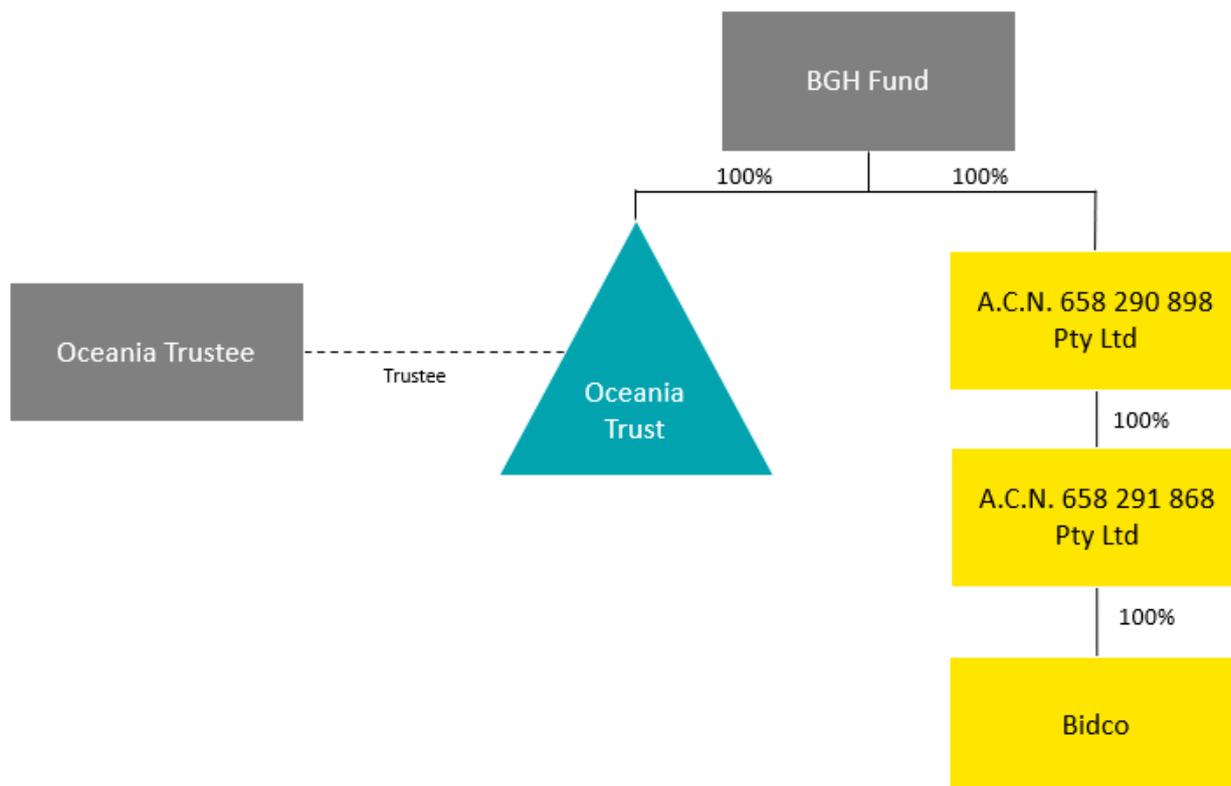
Oceania Trust is currently wholly-owned by the BGH Fund.

(b) Bidco

Bidco is a special purchase proprietary company that was incorporated in Australia for the purpose of acquiring Shares. As at the date of this Bidders' Statement, the sole director of Bidco is Mr David Brooks, a partner at BGH Capital.

Bidco is currently wholly-owned by the BGH Fund.

Set out below is a simplified structure of BGH Fund's ownership of BGH Bidders.



1.2 Overview of BGH Capital

(a) Principal activities of BGH Capital

BGH Capital was established in 2017 as an independent private investment firm, owned and managed by its founding partners – Mr Robin Bishop, Mr Benjamin Gray and Mr Simon Harle.

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. In addition to the BGH Fund (details below), BGH Capital successfully closed BGH Capital Fund II in early 2022 with approximately \$3.6 billion of commitments.

(b) Key financial information of the BGH Fund

In May 2018, the BGH Fund had a final close of approximately \$2.6 billion, making it then the largest private equity fund focused on Australia and New Zealand actively deploying capital.

BGH Fund's investment portfolio includes:

- **Navitas:** leading global education provider, offering educational services for students and professionals in Australia and abroad;
- **CyberCX:** launched in October 2019, CyberCX has created a leading end-to-end cyber security service provider in Australia and New Zealand;
- **ForHealth:** leading Australian primary care operator, supporting a network of large-scale, multi-disciplinary centres;
- **Abano Healthcare:** leading dental support organisation, providing support to over 250 dental practices across Australia and New Zealand;
- **Village Roadshow:** Australia's leading out-of-home entertainment company, with operations including theme parks, cinemas, film distribution and marketing solutions;
- **TripADeal:** specialised online travel agent providing domestic and international tours for Australian and New Zealand customers;
- **Laurent:** Australia-based wholesale and retail bakery with a wide range of products sold throughout Australia with a growing presence in Asia; and
- **Hazeldenes:** one of the largest Australian poultry producers.

(c) Directors and senior management of BGH Capital

As at the date of this Bidders' Statement, the directors and key management personnel of BGH Capital are:

- (i) Mr Robin Bishop;
- (ii) Mr Benjamin Gray; and
- (iii) Mr Simon Harle.

Further information about BGH Capital is available on its website, www.bghcapital.com.

1.3 Arrangements between Oceania and Bidco

The Offer is a joint offer by BGH Bidders to Shareholders to acquire all of the Shares in Virtus at a price of \$8.00 per Share.

Oceania and Bidco are jointly and severally liable to Shareholders in respect of all obligations arising under the Offer. If one of Oceania or Bidco does not or is unable to fund its allocation of Shares, then the other shall be liable to pay for and acquire those Shares.

It is intended that Shares acquired in the Offer will be acquired by Oceania and Bidco as follows:

- (a) first, the initial 17.1 million Shares in respect of which acceptances are received (which will result in Oceania increasing its holding from 19.99% up to 40% of the total Shares), less the number of any Shares Oceania may acquire through on-market purchases, will be allocated to Oceania; and
- (b) second, any Shares in excess of the number referred to in section 1.3(a) in respect of which acceptance are received and any Shares acquired pursuant to compulsory acquisition, will be allocated to Bidco.

In summary, if, at the end of the Offer Period, BGH Bidders have acquired the entire 100% of Shares, 40% of the Shares would be held by Oceania and 60% of the Shares would be held by Bidco.

1.4 FIRB Approval

The Treasurer of the Commonwealth of Australia (or his or her delegate) has provided written notice under the *Foreign Acquisitions and Takeovers Act 1975* (Cth) advising that the Commonwealth Government has no objections to the acquisition of up to 100% of the Shares by BGH Bidders and ultimately by the BGH Fund.

2 Profile of Virtus Group

2.1 Disclaimer

The information in this section 2 (other than section 2.7) concerning the Virtus Group has been prepared based on a review of publicly available information (which has not been independently verified). Neither BGH Capital, BGH Bidders nor any of their respective directors, officers or employees make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

The information on the Virtus Group in this Bidders' Statement should not be considered comprehensive.

Further information relating to the Virtus Group's businesses or Virtus' securities may be included in the Target's Statement in relation to the Offer, which will be sent to you directly by Virtus.

2.2 Overview of Virtus

Virtus is an Australian public company listed on ASX. It was incorporated in 2008 and its head office is in Sydney, New South Wales.

Virtus is an international assisted reproductive services provider with operations in Australia, Denmark, the United Kingdom, Ireland and Singapore. Virtus brings together specialists, scientists, researchers and support staff to provide fertility care and related specialised diagnostic and day hospital services. Virtus operates approximately 44 fertility clinics, 54 laboratories and seven day hospitals. Virtus also provides pathology and reproductive genetics services. Virtus has approximately 126 fertility specialists and 1,300 professional staff.

Virtus reported a net profit after tax attributable to ordinary equity holders of \$15.1 million, excluding significant items, for the half year ended 31 December 2021, compared to \$29.9 million (including \$7.7 million relating to JobKeeper) for the half year ended 31 December 2020. Significant items, including transaction costs in relation to M&A activities, totalled \$1.9 million, resulting in an adjusted profit after tax of \$17.0 million, compared to \$23.1 million for the half year ended 31 December 2020.

Virtus has a market capitalisation of approximately \$690 million, as at the Last Practicable Date.

Further information about Virtus is available on its website, www.virtushealth.com.au.

2.3 Publicly available information

Virtus has been listed on ASX since 2013 and is obliged to comply with the continuous disclosure requirements of ASX. Specifically, the listing rules of ASX require continuous disclosure of any information Virtus has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

Key ASX announcements made in relation to Virtus between 18 November 2021 (being the date of the latest Annual General Meeting of Virtus) and the date of this Bidders' Statement are listed below:

- (a) On 14 December 2021, Virtus announced that it had received an unsolicited, non-binding indication of interest from BGH Capital to acquire 100% of Virtus by way of scheme of arrangement offering \$7.10 cash per Share (less the value of certain dividends or other distributions).
- (b) On 17 December 2021, Virtus announced that it had decided not to proceed with the acquisition from Healius Limited of Adora Fertility and three day hospitals.
- (c) On 20 January 2022, Virtus announced that it had received a non-binding indication of interest from CapVest to acquire 100% of Virtus by way of a scheme of arrangement

offering \$7.60 cash per Share, and that it had entered into a process deed with CapVest to progress the proposal (**CapVest Process Deed**). Virtus also noted that CapVest had indicated its willingness to proceed with an alternative transaction structure, which only requires acceptance by 50.1% of Shareholders (such as via an off-market takeover bid), offering \$7.50 cash per Share. Virtus noted that the proposed consideration under both the scheme of arrangement and the alternative transaction structure would be reduced by the value of any dividends or other distributions declared, proposed or paid on and from 20 January 2022.

- (d) On 2 February 2022, it was announced that the Takeovers Panel had received an application from BGH Capital in relation to the affairs of Virtus (**First BGH Application**).
- (e) On 22 February 2022, Virtus announced its financial results for the half year ended 31 December 2021, reporting revenue of \$171.3 million, net profit after tax of \$15.1 million and an interim dividend of \$0.12 per Share.
- (f) On 23 February 2022, the Takeovers Panel announced that it had made a declaration of unacceptable circumstances in respect of the First BGH Application and made orders requiring (among other things) certain amendments to the exclusivity provisions in the CapVest Process Deed and preventing CapVest and Virtus from entering into a binding agreement for a two week period.
- (g) On 24 February 2022, Virtus disclosed the amended CapVest Process Deed in response to the Takeovers Panel's orders.
- (h) On 28 February 2022, Virtus announced that it had received a revised non-binding indication of interest from BGH Capital to acquire 100% of Virtus by way of scheme of arrangement offering \$7.65 cash per Share (less the value of certain dividends or other distributions). The proposal was conditional on (among other things) Virtus and BGH Capital entering into an engagement deed.
- (i) On 1 March 2022, Virtus announced that it had received a revised non-binding indication of interest from CapVest to acquire 100% of Virtus by way of scheme of arrangement offering \$7.80 cash per Share (less the value of certain dividends or other distributions). Virtus also noted that CapVest had indicated its willingness to proceed with an alternative transaction structure, which only requires acceptance by Shareholders holding 50.1% of Shares (such as via an off-market takeover bid), offering \$7.70 cash per Share (less the value of certain dividends or other distributions).
- (j) On 4 March 2022, the Takeovers Panel announced that it had received an application from BGH Capital in relation to Virtus (**Second BGH Application**).
- (k) On 10 March 2022, the Takeovers Panel announced that it had declined to conduct proceedings in relation to the Second BGH Application.
- (l) On 14 March 2022, Virtus announced that it had entered into a binding implementation deed with CapVest Bidco, pursuant to which CapVest Bidco undertakes to acquire 100% of Virtus, by way of the CapVest Proposal. CapVest had increased the value of its proposal in response to a revised non-binding indication of interest from BGH Capital to acquire 100% of Virtus by scheme of arrangement at \$8.10 cash per Share (less the value of certain dividends or other distributions), which Virtus received after the market closed on 10 March 2022.
- (m) On 25 March 2022, Virtus announced that it had been advised by CapVest that it had received written confirmation from the Foreign Investment Review Board that the Commonwealth Government has no objections under the *Foreign Acquisitions and*

Takeovers Act 1975 (Cth) to the proposed acquisition of Virtus by CapVest by way of the CapVest Proposal.

A copy of each of these announcements can be obtained from ASX, including online at <https://www.asx.com.au/>, or from Virtus' website, www.virtushealth.com.au.

In addition, Virtus is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Virtus may be obtained from, or inspected at, an ASIC office or through the ASIC Connect website at <https://asicconnect.asic.gov.au/>.

2.4 Virtus directors and management

The following persons are directors of Virtus as at the Last Practicable Date:

- (a) Ms Sonia Petering, Independent Chair;
- (b) Ms Kathryn Munnings, Group CEO & Managing Director;
- (c) Dr Lyndon Hale, Executive Director;
- (d) Mr Gregory Couttas, Non-Executive Director;
- (e) Ms Catherine Aston, Non-Executive Director; and
- (f) Ms Priscilla Rogers, Non-Executive Director.

The following individuals are company secretary and key management personnel of Virtus as at the Last Practicable Date:

- (a) Ava Bentley, Group Chief Legal and Risk Officer & Company Secretary; and
- (b) Matthew Prior, Group Chief Financial Officer.

2.5 Virtus securities on issue

According to documents lodged by Virtus with ASX, as at the close of trading on the Last Practicable Date, Virtus had:

- (a) 85,536,996 Shares on issue;¹⁵ and
- (b) 1,381,775 Virtus Performance Rights on issue.¹⁶

2.6 Virtus Performance Rights

Virtus currently has in place an employee equity incentive plan. Under the terms of its plan, Virtus may invite certain employees to participate in the plan and receive Virtus Performance Rights.

As mentioned above, according to documents provided by Virtus to ASX, as at the Last Practicable Date, Virtus had 1,381,775 Virtus Performance Rights on issue.

Virtus Performance Rights vest and become exercisable (if applicable) to the extent that the relevant vesting conditions are satisfied. Vesting conditions may include conditions relating to continuous employment or service, the individual performance of the participant or the company's performance (such as total shareholder return).

On the satisfaction of the vesting conditions and any other conditions to exercise, each Virtus Performance Right will be exercisable into a variable number of Shares based on the terms of issue of the Virtus Performance Rights.

¹⁵ Based on the Appendix 4D & Interim Financial Report for the half year ended 31 December 2021 released by Virtus on the ASX on 22 February 2022. This figure includes 102,497 Shares held by the Virtus Health Limited Employee Share Trust for the purpose of providing shares under selected Virtus Group equity plans.

¹⁶ Based on the Appendix 3G released by Virtus on the ASX on 23 November 2021.

BGH Bidders are not offering to acquire any Virtus Performance Rights. However, the Offer extends to all Shares that are issued or otherwise come into existence before the end of the Offer Period as a result of the vesting of, conversion of or exercise of rights attached to, Virtus Performance Rights that are on issue at the Register Date. This means that holders of Virtus Performance Rights that vest or are exercised will be able to accept the Offer in respect of the Shares issued during the Offer Period as a result of that vesting or exercise.

2.7 Interests in Virtus securities

(a) **BGH Bidders' Relevant Interest in Virtus securities and Voting Power in Virtus**

As at the date of this Bidders' Statement, each of BGH Capital, BGH Fund, Oceania and Bidco hold a Relevant Interest in, and Voting Power of, 19.99% of Shares (being 17,098,846 Shares).

(b) **Acquisitions of Shares by BGH Bidders or Associates**

Neither BGH Bidders nor any of their respective Associates have provided (or agreed to provide) consideration for a Share under a purchase or agreement to purchase during the four months before the date of this Bidders' Statement, except:

- (i) on 13 December 2021, Oceania acquired 8,545,000 Shares on market at \$7.10 per Share; and
- (ii) on 14 December 2021, Oceania entered into a total return swap with UBS AG, Australia Branch (ABN 47 088 129 613) (the **Swap**), with an option for physical settlement, over 8,553,846 Shares. On 9 February 2022, Oceania exercised its right to physically settle the Swap in full and acquired a further 8,553,846 Shares, at \$7.10 per Share.

In accordance with section 621(3) of the Corporations Act, the Offer Price of \$8.00 exceeds the \$7.10 per Share that Oceania provided for the Shares noted above.

2.8 Substantial Shareholders

As at the Last Practicable Date, based on filings to the ASX, the substantial Shareholders of Virtus are as follows:

Shareholder	Voting Power [^]	Number of Shares [^]
Oceania Trustee as trustee for the Oceania Trust (and BGH Capital)	19.99%	17,098,846
Paradise Investment Management Pty Ltd	8.86%	7,118,678
Yarra Capital Management Limited and its related bodies corporate	5.42%	4,638,460
Dimensional Fund Advisors LP and its related entities	5.2%	4,411,125

[^] The actual number of Shares held or Voting Power may differ from that shown above as there is no obligation to publicly disclose changes if the change in Voting Power is less than 1%.

2.9 Recent Share price performance

The last recorded sale price of Shares on the ASX on the Last Practicable Date was \$8.07.

In the 12 months preceding the Last Practicable Date, approximately 94.5 million Shares representing approximately 111% of the Shares currently on issue were traded on the ASX at a VWAP of \$6.50, with a price range of \$5.00 to \$8.28.

2.10 Other material information about the Virtus Group

Virtus will have the opportunity to disclose in its Target's Statement any information about the Virtus Group it considers Shareholders would reasonably require to make an informed assessment as to whether to accept the Offer.

3 BGH Bidders' Intentions

3.1 Introduction

This section 3 sets out the rationale for the Offer and BGH Bidders' intentions in relation to:

- (a) the continuation of the business of Virtus;
- (b) any major changes to be made to the business of Virtus and any redeployment of the fixed assets of Virtus; and
- (c) the future employment of the present employees of Virtus.

These intentions are based on the information concerning Virtus, its business and the general business environment which is known to BGH Bidders at the time of preparation of this Bidders' Statement.

BGH Bidders do not currently have full knowledge of all information and circumstances that are necessary to assess their current intentions. Final decisions regarding these matters will only be made by BGH Bidders in light of information and circumstances at the relevant time. Accordingly, the statements set out in this section 3 are statements of current intention only, which may change as new information becomes available to BGH Bidders or as circumstances change. BGH Capital has written to Virtus to ask for access to due diligence.

BGH Bidders' intentions concerning the businesses, assets and employees of, and securities in, Virtus set out in this section 3 are the same as the intentions of BGH Capital.

3.2 Specific intentions – Virtus Performance Rights

The Offer does not extend to any Virtus Performance Rights. However, the Offer extends to all Shares that are issued before the end of the Offer Period as a result of the vesting of, conversion of, or exercise of rights attached to, Virtus Performance Rights that are on issue as at the Register Date. This means that holders of Virtus Performance Rights that vest or are exercised will be able to accept the Offer in respect of the Shares issued during the Offer Period as a result of that vesting or exercise. BGH Bidders encourage holders of Virtus Performance Rights to exercise their Virtus Performance Rights before the end of the Offer Period to the extent they are entitled to do so, and accept the Offer in respect of the Shares issued on exercise.

After the end of the Offer Period, BGH Bidders may seek to acquire any remaining Virtus Performance Rights by doing one or more of the following (at their election):

- (a) making a private offer to holders of those Virtus Performance Rights to acquire them; or
- (b) where BGH Bidders become entitled under Chapter 6A of the Corporations Act to compulsorily acquire all outstanding Shares, compulsorily acquiring the Virtus Performance Rights.

3.3 Intentions upon acquisition of 90% or more of all Shares

This section 3.3 sets out BGH Bidders' current intentions if BGH Bidders acquire relevant interests in 90% or more of the Shares and they are entitled to proceed to compulsory acquisition of the remaining Shares under the Corporations Act.

(a) Corporate matters

It is intended that BGH Bidders would:

- (i) proceed with compulsory acquisition of the outstanding Shares (including any Shares issued as a result of the exercise of Virtus Performance Rights after the end of the Offer Period and in the six weeks after BGH Bidders give the

compulsory acquisition notices) in accordance with the provisions of Chapter 6A of the Corporations Act;

- (ii) arrange for Virtus to be removed from the official list of ASX;
- (iii) replace the Virtus Board with BGH Bidders' nominees (although BGH Bidders may, in their discretion, seek to retain one or more of the existing Virtus directors). BGH Bidders have not made any decision as to who would be nominated for appointment to the Virtus Board in this case;
- (iv) undertake an internal corporate restructure pursuant to which, among other things, the Shares held by Oceania will be transferred to Bidco or a newly incorporated/formed entity wholly-owned by the BGH Fund (directly or via wholly-owned interposed entities) in order to streamline the ownership structure of Virtus; and
- (v) seek to replace the existing debt facilities of the Virtus Group with a new financing structure designed to facilitate the continued growth of the Virtus Group. BGH Capital is in discussions with third party financiers regarding a potential refinance of the Virtus Group's existing debt facilities, however as at the date of this Bidders' Statement the details of any such refinancing have not been finalised

BGH Bidders may also proceed to compulsory acquisition of the Virtus Performance Rights which have not been exercised and that have not lapsed, or alternatively pursue other arrangements in relation to those Virtus Performance Rights (see section 3.2).

(b) **General operational review**

BGH Bidders' intend for Virtus' operations to continue to be centred around quality patient experiences and outcomes, and maintaining and developing deep, trusted relationships with Virtus' key stakeholders. BGH Bidders intend to work with Virtus' leadership team to identify opportunities to enhance the prospects and operating performance of the business.

BGH Bidders' current intention is to continue the current strategic direction of Virtus. In addition, BGH Bidders will seek to grow Virtus' business in the fertility sector organically and through other opportunities that may become available to it from time to time. BGH Bidders intend to consider and actively pursue growth opportunities, which may involve the strategic acquisition of other businesses in the fertility sector.

(c) **Future employment of employees**

BGH Bidders consider Virtus' employees to be critical to the future success of the business. BGH Bidders will review Virtus' business operations and organisational structure to ensure Virtus has the appropriate mix and level of employees and skills to enhance the business going forward and to enable the business to pursue growth opportunities. Subject to the review, BGH Bidders' intention is to maintain Virtus' key management and the current levels of employment in their operations. BGH Bidders also do not intend to make material changes to the levels of employment in Virtus' corporate head office.

(d) **Future incentivisation of specialists**

BGH Bidders recognise the importance of retaining and recruiting experienced fertility specialists to the overall Virtus business. BGH Bidders intend to engage with Virtus' existing fertility specialists on their existing incentive plan structure and consider any improvements which would increase Virtus' ability to attract and retain specialist talent.

Subject to the results of this engagement, BGH Bidders intend to put in place a new fertility specialist incentive plan that will align with BGH Bidders' strategy for the business.

3.4 Intentions upon acquisition of greater than 50% but less than 90% of all Shares

This section 3.4 sets out BGH Bidders' current intentions if BGH Bidders acquire more than 50% but less than 90% of all Shares (assuming that all Virtus Performance Rights are exercised and including Shares already held).

(a) Corporate matters

It is intended that BGH Bidders would:

- (i) seek to have Virtus removed from the official list of ASX;
- (ii) subject to the Corporations Act and Virtus' constitution, appoint that number of nominees to the Virtus Board such that the proportion which BGH Bidders' nominees represent of the total number of directors on the Virtus Board approximately equals or exceeds BGH Bidders' proportionate ownership interest in Virtus. In this scenario, BGH Bidders may, in their discretion, seek to retain one or more of the existing directors of Virtus on the Virtus Board. BGH Bidders have not made any decision as to who would be nominated for appointment to the Virtus Board in this case;
- (iii) undertake an internal corporate restructure pursuant to which, among other things, the Shares held by Oceania will be transferred to Bidco or a newly incorporated/formed entity wholly-owned by the BGH Fund (directly or via wholly-owned interposed entities) in order to streamline the BGH Fund's ownership structure of Virtus;
- (iv) seek to replace the existing debt facilities of the Virtus Group with a new financing structure designed to facilitate the continued growth of the Virtus Group and implement the capital management policy referred to in section 3.4(a)(v). BGH Bidders are in discussions with third party financiers regarding a potential refinance of the Virtus Group's existing debt facilities, however as at the date of this Bidders' Statement the details of any such refinancing have not been finalised;
- (v) if the BGH Bidders utilise third party funding (see section 4.3), request their nominees on the Virtus Board ensure that the Virtus business is conducted in a way that does not result in a breach of the terms of that third party funding; and
- (vi) seek to have Virtus grant access rights to BGH Bidders in respect of certain information of the Virtus Group, including monthly and other periodic financial reports prepared by management and other information received by BGH Bidders' nominees to the Virtus Board in that capacity from time to time.

In relation to section 3.4(a)(i), ASX guidance indicates that ASX would approve an application for Virtus to be removed from the official list of ASX without the need for Shareholder approval if:

- (vii) at the end of the Offer, BGH Bidders and their respective Related Bodies Corporate own or control at least 75% of the Shares and the Offer has remained open for at least two weeks after BGH Bidders and their Related Bodies Corporate attained ownership or control of at least 75% of the Shares; and

- (viii) the number of Shareholders (other than BGH Bidders and their respective Related Bodies Corporate) having holdings with a value of at least \$500 is fewer than 150.

In addition, ASX guidance indicates that ASX would approve an application for Virtus to be removed from the official list of ASX with Shareholder approval and, where such removal is sought later than 12 months after the close of the Offer, BGH Bidders would be entitled to vote on the resolution approving the removal.

(b) **Capital management**

BGH Bidders intend to request their nominees on the Virtus Board to have Virtus review the capital management policy of the Virtus Group, with a view to ensuring a policy is in place that balances growth initiatives of Virtus and the making of distributions in an efficient manner. The capital management policy may involve an upsizing of Virtus' debt facilities with the net proceeds being returned to Shareholders as a capital reduction.

(c) **Other intentions**

It is intended that BGH Bidders would seek to implement such of the intentions as are detailed in sections 3.3(b), 3.3(c) and 3.3(d) as are consistent with Virtus being a controlled entity of BGH Bidders but not a wholly owned subsidiary.

(d) **Further acquisition of Virtus securities**

BGH Bidders may, at some later time, acquire further Virtus securities in a manner consistent with the Corporations Act.

(e) **Compulsory acquisition at a later time**

If BGH Bidders become entitled at some later time to exercise general compulsory acquisition rights under the Corporations Act in respect of Virtus securities, it may exercise those rights.

3.5 Intentions upon acquisition of 50% or less of the Shares

This section 3.5 sets out BGH Bidders' current intentions if BGH Bidders acquire 50% or less of all Shares (assuming that all Virtus Performance Rights are exercised and including Shares already held).

(a) **Corporate matters**

It is intended that BGH Bidders would:

- (i) seek to maintain Virtus' listing on ASX, subject to the requirements for listing (including a sufficient spread of investors) continuing to be satisfied. However, ASX may itself decide to remove Virtus from the official list depending upon factors such as spread of Shareholders at that time, the level of liquidity in Shares and the listing requirements of ASX;
- (ii) subject to the Corporations Act and Virtus' constitution, seek to appoint that number of nominees to the Virtus Board such that the proportion which BGH Bidders' nominees represent of the total number of directors on the Board approximately equals or exceeds BGH Bidders' proportionate ownership interest in Virtus. BGH Bidders have not made any decision as to who would be nominated for appointment to the Virtus Board in this case; and
- (iii) seek to have Virtus grant access rights to BGH Bidders in respect of certain information of the Virtus Group, including monthly and other periodic financial

reports prepared by management and other information received by BGH Bidders' nominees to the Virtus Board in that capacity from time to time.

(b) **Other intentions**

BGH Bidders, through their nominees on the Virtus Board, are likely to propose that Virtus implement, to the maximum extent possible, the intentions as are detailed in sections 3.3(b), 3.3(c), 3.3(d) and 3.4(b). However, there is no assurance that those opportunities will be available, or would deliver the same benefits for remaining Shareholders, if Virtus is not wholly or majority owned by BGH Bidders.

(c) **Further acquisition of Shares**

BGH Bidders may, at some later time, acquire further Shares in a manner consistent with the Corporations Act.

(d) **Compulsory acquisition at a later time**

If BGH Bidders become entitled at some later time to exercise general compulsory acquisition rights under the Corporations Act, they may exercise those rights.

3.6 Other intentions

Other than as set out in this section 3, it is the present intention of BGH Capital and BGH Bidders to procure that Virtus will:

- (a) generally continue the business of Virtus;
- (b) not make any major changes to the business of Virtus nor to redeploy any of the fixed assets of Virtus; and
- (c) continue the employment of Virtus' existing operational employees.

3.7 Limitations on intentions

The intentions and statements of future conduct set out in this section 3 must be read as being subject to:

- (a) the law (including the Corporations Act) and the ASX Listing Rules, including in particular the requirements of the Corporations Act and the ASX Listing Rules in relation to conflicts of interest and 'related party' transactions given that, if BGH Bidders obtain control of Virtus but do not acquire all of the Shares, they and BGH Capital will be treated as related parties of Virtus for these purposes;
- (b) the legal obligation of the directors of Virtus at the time, including any nominees of BGH Bidders or BGH Capital, to act in good faith in the best interests of Virtus and for proper purposes and to have regard to the interests of all Shareholders; and
- (c) the outcome of the reviews referred to in sections 3.3(b), 3.3(c), 3.3(d) and 3.4(b).

4 Sources of Consideration

4.1 Total cash consideration

The consideration for the acquisition of the Shares to which the Offer relates will be wholly satisfied by the payment of cash (in Australian dollars).

As at the close of trading on the Announcement Date, according to documents provided by Virtus to the ASX, Virtus had 85,536,996 Shares on issue.

In the event that acceptances are received for all Shares on issue as at the date of this Bidders' Statement (other than those Shares which BGH Bidders already own, being 17,098,846 Shares), the aggregate amount of cash consideration that BGH Bidders would be required to pay based on the Offer Price would be \$547 million (the **Offer Amount**) plus costs associated with the Offer.

4.2 BGH Funding Deed

The necessary funds to pay the Offer Amount (and costs associated with the Offer) are available to BGH Bidders under a legally binding funding deed entered into with BGH Fund in connection with the Offer (**BGH Funding Deed**).

Under the terms of the BGH Funding Deed, BGH Fund has provided an undertaking in favour of BGH Bidders to fund the Offer by making available sufficient funds to BGH Bidders to fund, in full, the Offer Amount and costs associated with the Offer.

Funds are also available to BGH Bidders under the BGH Funding Deed for the purpose of refinancing existing debt facilities of the Virtus Group (and meeting associated refinancing costs) should that be required where there is a change of control of Virtus as a result of the Offer.

BGH Fund has sufficient undrawn capital commitments to satisfy its obligations under the BGH Funding Deed. BGH Bidders' right to receive funding under the BGH Funding Deed is not subject to any conditions precedent.

Funds will be provided to BGH Bidders pursuant to the BGH Funding Deed by way of equity contribution and/or loan arrangement. BGH Bidders will not be obliged to pay or repay any amounts under any such loan arrangement during the period in which BGH Bidders have any outstanding obligation to make any payment under the Offer.

On the basis of the arrangements described above, BGH Bidders believe that they have a reasonable basis for holding the view, and do hold the view, that they will be able to satisfy their obligations to fund the Offer Amount as and when it is due and payable under the terms of the Offer, as well as meet the costs associated with the Offer.

4.3 Potential debt funding arrangements

BGH Capital may ultimately use third party debt financing to fund part of the Offer Amount (as well as a potential refinance of the existing debt facilities of the Virtus Group). The Offer is not conditional on obtaining any third party financing. As stated in section 4.2, BGH Bidders hold the view that they will be able to satisfy their obligations to fund the Offer Amount as and when it is due and payable under the terms of the Offer, as well as meet the costs associated with the Offer, solely from the funds available to them under the BGH Funding Deed.

5 Australian Tax Considerations

5.1 Introduction

This section summarises the tax implications of the Offer for Shareholders for the purposes of the Bidders' Statement. BGH Bidders are not offering to acquire any Virtus Performance Rights and the tax implications associated with Virtus Performance Rights under the Offer are not considered in this section.

This section considers the Australian tax consequences of disposal of Shares, including the income tax, GST and stamp duty implications.

It is not contemplated that this section of the Bidders' Statement will be updated after it has been issued for any changes in the tax laws or in the facts of the Offer.

The tax comments in this section are based on the provisions of the *Income Tax Assessment Act 1936* (Cth) (**ITAA 1936**), the *Income Tax Assessment Act 1997* (Cth) (**ITAA 1997**), the *Taxation Administration Act 1953* (Cth) and any other Australian tax law and practice in effect at the date of this Bidders' Statement and do not take into account or anticipate changes in the relevant Australian tax law whether by judicial interpretation or legislative amendments. It is not intended to be, and is not, an authoritative or complete analysis of the Australian income tax, GST and stamp duty law.

As the tax comments are general in nature and do not take into account all Shareholders and their individual circumstances, it is recommended that all Shareholders should consult with their own independent tax advisers regarding the Australian income tax, GST and stamp duty consequences of disposing of Shares having regard to their particular circumstances.

The tax comments in this section rely upon the facts and representations as provided in the Bidders' Statement.

This section is a general outline of the Australian income tax, GST and stamp duty consequences of the Offer for certain Shareholders who participate in the Offer. The comments set out below are relevant only to those Shareholders who hold their Shares on capital account and acquired, or have been deemed to acquire, their Shares on or after 20 September 1985.

This section does not address the Australian tax consequences for Shareholders who:

- hold their Shares on revenue account or as trading stock;
- are temporary residents for Australian tax purposes;
- hold their Shares in connection with a business carried on through a permanent establishment outside their country of residence;
- acquired their Shares pursuant to an employee share, option or rights plan;
- are a bank, insurance company or tax-exempt organisation; or
- are subject to the taxation of financial arrangements rules in Division 230 of the ITAA 1997 in relation to gains and losses on their Shares.

Shareholders who are tax resident of a country other than Australia (whether or not they are also residents, or are temporary residents, of Australia for tax purposes) should take into account the tax consequences of the Offer under the laws of their country of residence, as well as under Australian law.

5.2 Disposal of Shares under the Offer

(a) Australian resident Shareholders

The income tax implications for Australian tax resident Shareholders who accept the Offer are outlined below.

(i) Capital gains tax (CGT) event

Under the Offer, Shareholders will dispose of their Shares to BGH Bidders. This disposal will constitute a CGT event A1 for Australian CGT purposes for Shareholders.

The CGT event should happen on the date on which BGH Bidders acquire the Shares under the Offer.

Calculation of capital gain or capital loss

Shareholders will make a capital gain on the disposal of Shares to the extent that the capital proceeds from the disposal of the Shares are more than the cost base of those Shares. Conversely, Shareholders will make a capital loss to the extent that the capital proceeds are less than their reduced cost base of those Shares.

(ii) Cost base

The cost base of the Shares generally includes the cost of acquisition and certain non-deductible incidental costs of their acquisition and disposal (provided the costs have not previously been claimed as tax deduction). The reduced cost base of the Shares is usually determined in a similar, but not identical, manner.

(iii) Capital proceeds

The capital proceeds received in respect of the disposal of each Share should be \$8.00 cash consideration per Share, being the consideration amount under the Offer.

(iv) CGT Discount

Individuals, complying superannuation entities or trustees that have held Shares for at least 12 months may be entitled to discount the amount of the capital gain (after application of capital losses) from the disposal of Shares by 50% in the case of individuals and trustees or by 33 1/3% for complying superannuation entities.

For trustees, the ultimate availability of the CGT discount for beneficiaries of the trusts will depend on the tax profile of the beneficiaries.

A Shareholder's net capital gain for an income year, which includes the capital gains for an income year reduced by any capital losses and any applicable CGT discount, should be included in their assessable income and is subject to income tax.

Capital losses may not be deducted against other income for income tax purposes but may be carried forward to offset against future capital gains (subject to satisfaction of loss recoupment tests for certain taxpayers).

Shareholders should seek tax advice in relation to the operation of these rules.

(b) Non-Australian tax resident Shareholders

For any Shareholder who:

- (i) is not a resident of Australia for Australian tax purposes; and

- (ii) does not hold their Shares in carrying on a business through a permanent establishment in Australia,

the disposal of Shares will generally only result in Australian CGT implications if:

- (i) that Shareholder together with its associates held an interest of 10% or more in Virtus at the time of disposal or for a 12 month period within 2 years preceding the disposal (referred to as a "non-portfolio interest"); and
- (ii) more than 50% of the market value of Virtus' assets is attributable to direct or indirect interests in "taxable Australian real property" (as defined in the income tax legislation).

5.3 Foreign resident capital gains withholding

A foreign resident capital gains withholding tax of 12.5% applies to transactions involving the acquisition of the legal ownership of an asset that is an indirect Australian real property interest.

BGH Bidders may be required to withhold under the foreign resident capital gains withholding regime if the Shares qualify as 'indirect real property interests' and a BGH Bidder:

- (a) knows or reasonably believes that the Shareholder is a foreign resident shareholder; or
- (b) does not reasonably believe that the Shareholder is an Australian resident, and either:
 - (i) the relevant Shareholder has an address outside Australia; or
 - (ii) BGH Bidders are authorised to make a payment to a place outside Australia (whether to the Shareholder or to anyone else).

A Shareholder may complete a 'foreign resident capital gains withholding declaration – vendor declaration' form (**Declaration Form**) to declare that it is an Australian tax resident or that their Shares are not an 'indirect Australian real property interest' (see section 5.2(b) above). The Declaration Form may be obtained on the Australian Taxation Office website.

If the Shareholder does not provide an appropriately completed Declaration Form by the relevant time or if BGH Bidders reasonably believe that the information in the Declaration Form is false, BGH Bidders may withhold the CGT withholding tax from the Offer Price payable to the Shareholder. In this case, the Shareholder will be taken to receive the full Offer Price for the purposes of the Offer.

Any CGT withholding tax withheld may be able to be an offset against the actual tax payable on the gain from the disposal of the Shares and should be refundable by the Australian Taxation Office to the extent that the CGT withholding tax exceeds the actual tax payable.

A non-resident individual Shareholder who has previously been a resident of Australia and chose to disregard a capital gain or loss on ceasing to be a resident should be subject to Australian CGT consequences on disposal of the Shares as set out above.

Foreign resident Shareholders should obtain their own independent tax advice regarding the tax implications of the Offer in Australia and in their country of residence.

BGH Bidders are not aware of any circumstances that would lead them to believe the Shares are an indirect Australian real property interest.

5.4 Goods and services tax

Shareholders should not be liable to GST in respect of a disposal of those Shares, regardless of whether the Shareholder is registered for GST, except that GST will be payable on any fees or charges that a Controlling Participant (in respect of Shares in a CHESS Holding) or a broker,

bank, custodian or other nominee (in respect of Shares held for a separate beneficial owner) may charge in connection with acceptance of the Offer.

In the event the Shareholder is an Australian resident and is registered for GST, the disposal of the Shares to BGH Bidders should be considered an input taxed financial supply.

Shareholders may incur GST included in costs (such as adviser fees relating to their participation in the Offer) that relate to the Offer. Shareholders that are registered for GST may be entitled to input tax credits or reduced input tax credits for such costs. This will depend on each Shareholder's individual circumstances.

Shareholders should seek their own independent tax advice in relation to the GST implications of their participation in the Offer.

5.5 Stamp duty

No stamp duty is payable by Shareholders in respect of the disposal of their Shares pursuant to the Offer.

6 Other Material Information

6.1 ASIC modifications and exemptions

ASIC has published various legislative instruments (including class orders) providing for modifications and exemptions that apply generally to all persons, including BGH Bidders, in relation to the operation of Chapter 6 of the Corporations Act.

Amongst others, BGH Bidders have relied on:

- (a) the modification to section 636(3) of the Corporations Act as set out in paragraph 5(d) of ASIC Class Order 13/521 to include references to certain statements by Virtus in this Bidders' Statement without obtaining the consent of Virtus. The relevant statements were respectively taken from announcements released to the ASX by Virtus and from the Virtus Group's website: www.virtushealth.com.au. As required by Class Order 13/521, BGH Bidders will make available a copy of these documents (or relevant extracts of these documents), free of charge, to Shareholders who request them during the Offer Period. To obtain a copy of these documents (or the relevant extracts), Shareholders may contact the BGH Capital Offer Information Line on 1300 620 418 (toll-free within Australia) or +61 3 9415 4656 (from outside Australia).
- (b) ASIC Corporations (Consents to Statements) Instrument 2016/72, which permits bidder's statements to include or be accompanied by a fairly represented statement by an official person, from a public official document or a published book, journal or comparable publication. In addition, in accordance with that instrument, this Bidders' Statement contains trading data sourced from IRESS Limited and FactSet Research Systems Inc without its consent.

6.2 Status and potential for waiver of Condition

The Offer is subject to the Condition set out in section 7.6. BGH Bidders will provide updates on any material developments relating to the status of the Condition through announcements to the ASX. As at the Last Practicable Date, BGH Bidders are not aware of any events or circumstances which would result in the non-fulfilment of the Condition..

If an event occurs which results (or would result) in the non-fulfilment of the Condition, BGH Bidders might not make a decision as to whether they will either rely on that occurrence, or instead waive the Condition in respect of that occurrence:

- (a) if the event occurs prior to the date contemplated in section 7.7(d), until that date; or
- (b) if the event occurs after the date contemplated in section 7.7(d) and before the end of the Offer Period, until the end of the 3rd Business Day after the end of the Offer Period.

If BGH Bidders decide that they will waive the Condition, they will announce that decision to ASX in accordance with section 650F of the Corporations Act.

If the Condition is not fulfilled, and BGH Bidders decide to rely on that non-fulfilment, then any contract resulting from acceptance of the Offer will become void by the end of the 3rd Business Day after the end of the Offer Period, and the relevant Shares will be returned to the holder.

6.3 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 Integrity Rules) at prices equal to, below, or higher than, the Offer Price (**On Market Purchases**).

Pursuant to section 651A of the Corporations Act, 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 Shareholders who have previously received consideration for 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 substantial shareholder notices which BGH Bidders are required to lodge under the Corporations Act.

Shareholders who sell their Shares on the ASX will receive payment on a T+2 basis (being two Business Days after the date of the relevant transaction).

Shareholders who sell Shares on the ASX cannot subsequently accept the Offer in respect of their Shares sold on the ASX. In addition, Shareholders who sell Shares on the ASX may incur brokerage charges and GST on brokerage charges which they may not incur if they accept the Offer.

6.4 Social security and superannuation implications of the Offer

Acceptance of the Offer may have implications under your superannuation or pension arrangements or on your social security entitlements. If in any doubt, Shareholders should seek specialist advice before accepting the Offer.

6.5 Approvals for payment of consideration

BGH Bidders are not aware of any Shareholders who require any approval referred to in section 7.8(e) in order to be entitled to receive any consideration under the Offer.

6.6 Withholding of consideration

BGH Bidders are not currently aware of any amounts that are or would be treated as withholding amounts under section 7.8(f). However, it is possible that BGH Bidders may become aware of an obligation in this regard after the date of this Bidders' Statement.

For example, under section 255 of the ITAA 1936, the Australian Taxation Office may notify BGH Bidders that all or part of the consideration otherwise payable under the Offer to Shareholders who are non-residents of Australia is to be retained by BGH Bidders, or paid to the Australian Taxation Office, instead of being paid to the relevant Shareholders. Similarly, under section 260-5 of Schedule 1 to the *Taxation Administration Act 1953* (Cth), the Australian Taxation Office may require BGH Bidders to pay to the Australian Taxation Office all or part of the consideration otherwise payable under the Offer to Shareholders who owe tax-related debts to the Australian Government. Furthermore, under Subdivision 14-D of Schedule 1 to the *Taxation Administration Act 1953* (Cth), the Australian Tax Office may require BGH Bidders to pay to the Australian Tax Office an amount in respect of the disposal of your Shares on account of foreign resident CGT withholding tax.

6.7 No collateral benefits

Neither BGH Bidders nor any of their respective Associates have in the four months before the date of this Bidders' Statement, or in the period between the date of this Bidders' Statement and the date of the Offer, given, offered to give or agreed to give a benefit which is not offered to all Shareholders under the Offer to another person which was likely to induce the other person (or an Associate) to accept the Offer or dispose of Shares.

6.8 No escalation agreements

Neither BGH Bidders nor any of their respective Associates have entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

6.9 Date for determining holders of Shares

For the purposes of section 633 of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of section 633(1) for each Offer is the Register Date.

6.10 Consents

This Bidders' Statement contains statements made by, or statements based on statements made by, BGH Capital and BGH Bidders. Each of BGH Capital and BGH Bidders has consented to being named in this Bidders' Statement and has consented to the inclusion of:

- (a) each statement it has made; and
- (b) each statement which is said in this Bidders' Statement to be based on a statement it has made,

in the form and context in which the statements have been included, and has not withdrawn that consent.

The following firms and companies have given, and have not at the date of this Bidders' Statement withdrawn, their written consent to being named in this Bidders' Statement:

Name of person	Named as
Allens	Australian Legal Adviser in respect of the Offer
UBS Securities Australia Limited (ABN 62 008 586 481)	Financial Adviser in respect of the Offer and broker in respect of On Market Purchases
Computershare Investor Services Pty Limited	Share Registry in respect of the Offer

None of these firms and companies have caused or authorised the issue of this Bidders' Statement or have in any way been involved in the making of the Offer. The Offer is made by BGH Bidders.

Each of the above firms and companies:

- (c) does not make, or purport to make, any statement in this Bidders' Statement, or any statement on which a statement in this Bidders' Statement is based, other than a reference to its name; and
- (d) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this document, other than a reference to its name.

In addition, this Bidders' Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or given to ASX. Under the terms of ASIC Class Order 13/521, the persons making those statements are not required to consent to, and have not consented to, the inclusion of those statements, or of statements based on those statements, in this Bidders' Statement.

6.11 Other material information

Except as disclosed in this Bidders' Statement, there is no other information that:

(a) is material to the making of the decision by a Shareholder whether or not to accept the Offer; and

(b) is known to BGH Capital or BGH Bidders,

which has not previously been disclosed to Shareholders.

7 Offer Terms

7.1 Offer

- (a) BGH Bidders offer to acquire all of your Shares on the terms and subject to the Condition set out in this section 7.
- (b) You may accept this Offer for all or some of your Shares. If you accept this Offer for some of your Shares, you may still accept the Offer for all or part of the balance of your Shares at any time during the Offer Period, as if an offer in the form of this Offer had been made to you in respect of the balance of your Shares.
- (c) The consideration offered for each of your Shares is \$8.00 in cash.
- (d) The Offer is a joint offer by BGH Bidders to Shareholders.
- (e) Shares acquired in the Offer will be acquired by Oceania and Bidco as follows:
 - (i) first, the initial 17.1 million Shares in respect of which acceptances are received (which will result in Oceania increasing its holding from 19.99% up to 40% of the total existing Shares), less the number of any Shares Oceania may acquire through on-market purchases, will be allocated to Bidco; and
 - (ii) second, acceptances received for any Shares in excess of the number referred to in section 7.1(e)(i) in respect of which acceptances are received and any Shares acquired pursuant to compulsory acquisition, will be allocated to Bidco.

Accordingly, if, at the end of the Offer Period, BGH Bidders have acquired the entire 100% of Shares, 40% of Shares would be held by Oceania and 60% of Shares would be held by Bidco.

- (f) Oceania and Bidco are jointly and severally liable to Shareholders in respect of all obligations arising under the Offer. If one of Oceania or Bidco does not or is unable to fund its allocation of Shares, then the other shall be liable to pay for and acquire those Shares.
- (g) If BGH Bidders acquire your Shares under this Offer, they will also be entitled to all Rights in respect of those Shares.
- (h) This Offer is dated [*] 2022.
- (i) The Offer relates to all Shares that exist on the Register Date and to all Shares issued or that otherwise come into existence before the end of the Offer Period as a result of the vesting of, conversion of or exercise of rights attached to Virtus Performance Rights that are on issue as at the Register Date.

7.2 Offer Period

- (a) This Offer will remain open for acceptance during the period that commences on the date of this Offer and ends at 7.00pm on [*] 2022, unless this Offer is withdrawn or that period is extended in accordance with the Corporations Act.
- (b) BGH Bidders may, in accordance with the Corporations Act, extend the period during which this Offer remains open for acceptance.
- (c) If, within the last 7 days of the Offer Period, either of the following events occurs:
 - (i) the Offer is varied to improve the Offer Price; or
 - (ii) BGH Bidders' Voting Power in Virtus increases to more than 50%,

then the Offer Period will automatically be extended so that it ends 14 days after the relevant event referred to in paragraph (i) or (ii) in accordance with section 624(2) of the Corporations Act.

7.3 How to accept this Offer

(a) Issuer Sponsored Holdings

If your Shares are held in an Issuer Sponsored Holding (in which case your Securityholder Reference Number will commence with 'I'), to accept this Offer in respect of all or some of those Shares you must:

- (i) **complete** and **sign** the enclosed Acceptance Form in accordance with the instructions on it; and
- (ii) **return** the Acceptance Form (using the enclosed reply paid envelope if you wish), together with all other documents required by the instructions on it, so that they are **received** before the end of the Offer Period at the address indicated on the Acceptance Form.

(b) CHESS Holdings

If your Shares are held in a CHESS Holding (in which case your Holder Identification Number will commence with 'X'), to accept this Offer in respect of all or some of those Shares you must either:

- (i) **instruct** your Controlling Participant, in accordance with the sponsorship agreement between you and the Controlling Participant, to initiate acceptance of this Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules, so as to be effective before the end of the Offer Period (if you do this and your Controlling Participant follows those instructions, you do not need to complete and return the Acceptance Form); or
- (ii) **complete, sign** and **return** the enclosed Acceptance Form (using the enclosed reply paid envelope if you wish) in accordance with the instructions on the Acceptance Form, together with all other documents required by those instructions, so that they are **received** before the end of the Offer Period at one of the addresses indicated on the Acceptance Form. This will authorise BGH Bidders to initiate, or alternatively to instruct your Controlling Participant to initiate, acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period. You must ensure that the Acceptance Form (and the other required documents) are received in sufficient time for BGH Bidders to give instructions to your Controlling Participant, and for your Controlling Participant to carry out those instructions, before the end of the Offer Period.

However, if you are the Controlling Participant in respect of your Shares, to accept this Offer you must yourself initiate acceptance of this Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.

(c) **Level of acceptance**

As noted above, you have the option of accepting this Offer for all or some of your Shares, as chosen by you. Those of your Shares that are subject to your acceptance will constitute the **Accepted Shares**, and will comprise:

- (i) if you specify all of your Shares as being subject to acceptance – all of your Shares at the date your acceptance is processed (even if the number of Shares specified on the Acceptance Form differs from the number of your Shares);
- (ii) if you specify a number of Shares that is less than the number of your Shares at the date your acceptance is processed – that number of Shares;
- (iii) if you specify a number of Shares that is greater than the number of your Shares at the date your acceptance is processed – all of your Shares at the date your acceptance is processed; or
- (iv) if you do not specify the number of your Shares being subject to acceptance, or if you provide conflicting instructions on your Acceptance Form regarding the number of your Shares being subject to acceptance – all of your Shares at the date your acceptance is processed (even if the number of Shares specified on the Acceptance Form differs from the number of your Shares).

For this purpose, specification of the number of your Shares being subject to acceptance must be in the Acceptance Form or in a valid originating message transmitted in accordance with Rule 14.14 of the ASX Settlement Operating Rules.

7.4 Status and effect of the Acceptance Form

(a) **Status of Acceptance Form**

The Acceptance Form that accompanies this Bidders' Statement forms part of this Offer, and the instructions on the Acceptance Form must be followed in using it to accept this Offer.

(b) **Effect of Acceptance Form**

By signing and returning the Acceptance Form in accordance with section 7.3, you irrevocably authorise BGH Bidders and their nominees:

- (i) to rectify any errors in, or omissions from, the Acceptance Form that are necessary to make it an effective acceptance of this Offer or to enable registration of the transfer of all of your Accepted Shares to BGH Bidders; and
- (ii) (in respect of any of your Accepted Shares in a CHESS Holding) to:
 - (A) initiate, or alternatively instruct your Controlling Participant to initiate, acceptance of this Offer in respect of all such Accepted Shares in accordance with Rule 14.14 of the ASX Settlement Operating Rules; and
 - (B) give any other instructions concerning those Accepted Shares to your Controlling Participant on your behalf under the sponsorship agreement between you and the Controlling Participant, as determined by BGH Bidders (or their nominee) acting in their own interests as a beneficial owner and intended registered holder of your Accepted Shares,

and acknowledge that:

- (C) with respect to section 7.4(b)(ii)(A), BGH Bidders (or their agents or nominees) will merely forward your Acceptance Form to your Controlling Participant (being the only person who can accept this Offer on your

behalf) and that it is your responsibility to allow sufficient time for your Controlling Participant to initiate acceptance of this Offer;

- (D) BGH Bidders (or their respective agents or nominees) are not responsible for any delays incurred by the process described in section 7.4(b)(ii)(B) or any losses whatsoever you incur by the fact that your acceptance is not processed before the end of the Offer Period; and
- (E) you must promptly give any further instructions or take any further actions necessary concerning your Accepted Shares to your Controlling Participant to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules prior to the end of the Offer Period.

(c) **Validation of Acceptance Form**

Notwithstanding sections 7.3(a) and 7.3(b)(ii), BGH Bidders may (except in relation to Shares in a CHESS Holding) treat the receipt by them of a signed Acceptance Form as valid even though they do not receive the other documents required by the instructions on the Acceptance Form or there is not compliance with any one or more of the other requirements for acceptance.

If BGH Bidders do treat such an Acceptance Form as valid, subject to section 7.8, BGH Bidders will not be obliged to give the consideration to you until BGH Bidders receives all those documents and all of the requirements for acceptance referred to in section 7.3 and in the Acceptance Form have been met (other than the requirement of your Acceptance Form to be received before the end of the Offer Period).

(d) **Risk in Acceptance Form**

The transmission by you of the Acceptance Form and any other documents in accordance with section 7.3 is at your own risk. No acknowledgement of receipt of any such documents will be given to you by or on behalf of BGH Bidders.

(e) **Revocation of acceptance**

Once you have accepted this Offer, you will be unable to revoke or withdraw your acceptance of this Offer or otherwise dispose of your Accepted Shares, except as follows:

- (i) if the Condition, as set out in section 7.6, is not fulfilled or not waived, then this Offer will automatically terminate and your Accepted Shares will be returned to you; or
- (ii) if the Offer Period is extended for more than one month and, at the time, this Offer is subject to the Condition, as set out in section 7.6, then you may be able to withdraw your acceptance in accordance with section 650E of the Corporations Act.

(f) **Power of attorney or deceased estate**

When accepting this Offer, you should forward for inspection:

- (i) if the Acceptance Form is executed by an attorney, a certified copy of the power of attorney; and
- (ii) if the Acceptance Form is executed by the executor of a will or the administrator of the estate of a deceased Shareholder, the relevant grant of probate or letters of administration.

7.5 Agreement resulting from acceptance

By signing and returning the Acceptance Form or initiating or causing acceptance of this Offer under the ASX Settlement Operating Rules in accordance with section 7.3:

- (a) you accept this Offer (and any variation of it) in respect of all of your Accepted Shares at the date your acceptance is processed and agree to the terms and Condition of this Offer;
- (b) subject to the Condition being fulfilled or waived, you transfer, and consent to the transfer in accordance with the ASX Settlement Operating Rules of, all of your Accepted Shares to BGH Bidders in accordance with this Offer and subject to the conditions of the constitution of Virtus on which they were held immediately before your acceptance of this Offer (and BGH Bidders agree to take those Accepted Shares subject to those conditions);
- (c) you represent and warrant to BGH Bidders that, at the time of your acceptance and at the time the transfer of your Accepted Shares to BGH Bidders is registered:
 - (i) all of your Accepted Shares are and will be fully paid;
 - (ii) you have full power and capacity to accept the Offer and to sell and transfer the legal and beneficial ownership of your Accepted Shares (including any Rights) to BGH Bidders;
 - (iii) BGH Bidders will acquire good title to them and full beneficial ownership of them free from all Encumbrances; and
 - (iv) that you have paid to Virtus all amounts which at the time of acceptance have fallen due for payment to Virtus in respect of your Accepted Shares;
- (d) subject to the Condition being fulfilled or waived, you irrevocably appoint BGH Bidders and each of their respective directors and nominees severally as your attorney to exercise all powers and rights that you have as the registered holder of your Accepted Shares, including:
 - (i) attending any meeting of Virtus, and voting in respect of your Accepted Shares, proposing or seconding any motion, and demanding a poll for any vote at, any such meeting;
 - (ii) requisitioning the convening of any general meeting of Virtus and convening a general meeting pursuant to any such requisition; and
 - (iii) signing any form, notice, instrument or other document (including any proxy appointment) relating to your Accepted Shares.

Such appointment will terminate on the earlier of the withdrawal of your acceptance of this Offer (either in accordance with its terms or under section 650E of the Corporations Act) and the end of the Offer Period or, if the Condition of the Offer has been fulfilled or waived, the registration of a BGH Bidder as the holder of your Accepted Shares;
- (e) you agree that, in exercising the powers and rights conferred by the power of attorney in section 7.5(d), each attorney may act in the interests of either of BGH Bidders as the intended registered holder and beneficial owner of your Accepted Shares;
- (f) except as contemplated by section 7.5(d) and while the appointment in that section continues, you agree not to attend or vote in person or by proxy, attorney or corporate representative at any meeting of Virtus, or to exercise or purport to exercise (in person or by proxy, attorney, or corporate representative or otherwise) any of the powers conferred by the power of attorney in section 7.5(d);

- (g) you irrevocably authorise and direct Virtus to pay to BGH Bidders, or to account to BGH Bidders for, all Rights in respect of your Accepted Shares (except to the extent that BGH Bidders elects to waive their entitlement to those Rights), subject, however, to any such Rights received by BGH Bidders being accounted for by BGH Bidders to you if any contract resulting from your acceptance of this Offer is rescinded or rendered void;
- (h) subject to the Condition being fulfilled or waived, you irrevocably authorise BGH Bidders and their respective nominees to do all things necessary to transfer your Accepted Shares to BGH Bidders (including to cause a message to be transmitted in accordance with ASX Settlement Rule 14.17.1 so as to transfer your Accepted Shares, if held in a CHESS Holding, to the Takeover Transferee Holding), even if BGH Bidders have not at that time paid or provided the consideration due to you under this Offer; and
- (i) you agree to indemnify BGH Bidders and each of their respective agents in respect of any claim or action against them or any loss, damage or liability whatsoever incurred by them as a result of you not producing your Holder Identification Number or your Securityholder Reference Number or in consequence of the transfer of your Accepted Shares to BGH Bidders being registered by Virtus without production of your Holder Identification Number or your Securityholder Reference Number.

The representations, warranties, authorities and indemnity referred to in this section 7.5 will (unless otherwise stated) remain in force after you receive the Offer consideration for your Accepted Shares and after BGH Bidders becomes the registered holder of them.

7.6 Condition

Subject to section 7.7, this Offer and any contract resulting from your acceptance of this Offer are subject to the fulfilment of the Condition that none of the following events (being the occurrences listed in section 652C of the Corporations Act) (each a **Prescribed Occurrence**) occur between the Announcement Date and the end of the Offer Period:

- (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
- (o) 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.

7.7 Nature and operation of Condition

(a) Nature of Condition

The Condition is a condition subsequent to the formation of a binding contract upon your acceptance of this Offer. The Condition does not prevent a contract to sell your Accepted Shares resulting from your acceptance of this Offer, but:

- (i) non-fulfilment of the Condition at the end of the Offer Period will have the consequences set out in section 7.7(e); and
- (ii) breach of the Condition entitles BGH Bidders to rescind that contract by written notice to you.

(b) Separate conditions for benefit of BGH Bidders

- (i) Each paragraph and each sub-paragraph of each other paragraph of section 7.6 constitutes, and is to be construed as, a separate, several and distinct condition. No condition will be taken to limit the meaning or effect of any other condition.
- (ii) Subject to the Corporations Act and to section 7.7(a), BGH Bidders alone are entitled to the benefit of the Condition and to rely on breach or non-fulfilment of, or to waive, any of those Condition.

(c) Waiver of Condition

Subject to the Corporations Act, BGH Bidders may free the Offer, and any contract resulting from acceptance of the Offer, from the Condition by giving written notice to Virtus:

- (i) if a Prescribed Occurrence occurs, no later than three Business Days after the end of the Offer Period; and
- (ii) in any other case, no less than 7 days before the end of the Offer Period.

(d) Notice on status of Condition

The date for giving the notice as to the status of the Condition required by section 630(1) of the Corporations Act is [*] 2022 (subject to variation in accordance with section 630(2) of the Corporations Act if the Offer Period is extended).

(e) Contract void if Condition not fulfilled

Your acceptance of this Offer, and any contract resulting from your acceptance of this Offer, will be automatically void if:

- (i) at the end of the Offer Period, the Condition is not fulfilled; and
- (ii) BGH Bidders have not declared this Offer and any contract resulting from your acceptance of it free from that Condition in accordance with section 7.7(c).

7.8 Payment of consideration

(a) When you will generally be paid

Subject to this section 7.8 and the Corporations Act, if you accept this Offer and the Condition is fulfilled or waived, BGH Bidders will pay you the consideration for your Accepted Shares by no later than 10 Business Days after the later of:

- (i) the date that the Condition is fulfilled or waived; and
- (ii) the date that you accept the Offer.

(b) Payment where additional documents required

Where additional documents are required, either by the Acceptance Form or otherwise, to be given to BGH Bidders with your acceptance to enable BGH Bidders to become the holder of your Accepted Shares (such as a power of attorney) then, subject to sections 7.8(c) to 7.8(f) and the Corporations Act:

- (i) if those documents are given to BGH Bidders with your acceptance, BGH Bidders will pay you the consideration for your Accepted Shares in accordance with section 7.8(a);
- (ii) if those documents are given to BGH Bidders after your acceptance and before the end of the Offer Period, while this Offer is subject to the Condition, BGH Bidders will pay you the consideration for your Accepted Shares no later than 10 Business Days after the date that the Condition is fulfilled or waived;
- (iii) if those documents are given to BGH Bidders after your acceptance and before the end of the Offer Period, while this Offer is not subject to the Condition, BGH Bidders will pay you the consideration for your Accepted Shares no later than 10 Business Days after the date that the BGH Bidders are given those documents; and
- (iv) if those documents are given to BGH Bidders after the end of the Offer Period, BGH Bidders will pay you the consideration for your Accepted Shares within 10 Business Days after the date that the BGH Bidders are given those documents or, if at the time those documents are given the Offer is still subject to the Condition, within 10 Business Days after the date that the Condition is fulfilled or waived.

(c) Delivery of consideration

Payment of any cash amount to which you are entitled will be made by cheque drawn in Australian currency in your favour. The cheque will be sent to you, at your risk, by ordinary mail (or, in the case of Shareholders with addresses outside Australia, by airmail) to your address shown on the Acceptance Form or as recorded in the register of Shareholders of Virtus on the Register Date. Payment will be deemed to have been made at the time the cheque is delivered to Australia Post for delivery.

(d) Rights

If BGH Bidders become entitled to any Rights as a result of your acceptance of this Offer, it may require you to give to BGH Bidders all documents necessary to vest title to those Rights in BGH Bidders, or otherwise to give BGH Bidders the benefit or value of those Rights. If you do not do so, or if you have received or are entitled to receive (or any previous holder of your Accepted Shares has received or is entitled to receive) the benefit of those Rights, BGH Bidders will be entitled to deduct the amount (or an amount equal to the value, as reasonably assessed by BGH Bidders) of those Rights from any

consideration otherwise payable to you under this Offer. If BGH Bidders do not, or cannot, make such a deduction, you must pay that amount to BGH Bidders, except to the extent that BGH Bidders elect to waive their entitlement to those Rights.

(e) **Non-Australian residents**

If, at the time of acceptance of this Offer, any authority or clearance of a Public Authority is required for you to receive any consideration under this Offer or you are resident in or a resident of a place to which, or you are a person to whom any law of Australia or regulation under the Charter of the United Nations that would make it unlawful for BGH Bidders to provide consideration for your Accepted Shares applies, then acceptance of this Offer will not create or transfer to you any right (contractual or contingent) to receive the consideration specified in this Offer unless and until all requisite authorities or clearances have been obtained by BGH Bidders.

(f) **Withholding of consideration by BGH Bidders**

If any amount (the ***withholding amount***) is required, under any Australian law or by any Public Authority, to be:

- (i) withheld from any consideration otherwise payable to you under this Offer and paid to a Public Authority; or
- (ii) retained by BGH Bidders out of any consideration otherwise payable to you under this Offer,

the payment or retention by BGH Bidders of the withholding amount (as applicable) will constitute full discharge of BGH Bidders' obligation to pay the consideration to you to the extent of the withholding amount.

7.9 Offerees

(a) **Registered holders**

BGH Bidders are making an offer in the form of this Offer to:

- (i) each person registered as the holder of Shares in the register of members of Virtus as at the Register Date; and
- (ii) each person who, during the period from the Register Date to the end of the Offer Period, becomes registered or entitled to be registered as the holder of Shares (whether or not they are registered or entitled to be registered as the holder of other Shares) due to the vesting of, conversion of or exercise of rights attached to Virtus Performance Rights that are on issue as at the Register Date.

(b) **Transferees**

If at any time during the Offer Period another person is able to give good title to some or all of your Shares, and that person has not already accepted an offer in the form of this Offer for those Shares, then that person may accept as if an offer in the form of this Offer had been made to them in respect of those Shares.

(c) **Trustees and nominees**

If at any time during the Offer Period and before you accept this Offer, your Shares consist of two or more separate parcels within the meaning of section 653B of the Corporations Act (for example, because you hold your Shares as trustee or nominee for, or otherwise on account of, several distinct beneficial owners), then you may accept as if a separate offer in the form of this Offer had been made in relation to each of those

parcels (including any parcel you hold in your own right). Acceptance for any parcel of Shares (including any parcel consisting of two or more parcels) is ineffective unless:

- (i) you give BGH Bidders notice stating that the Shares consist of a separate parcel, such notice being:
 - (A) in the case of Shares not in a CHESS Holding, in writing; or
 - (B) in the case of Shares in a CHESS Holding, in an electronic form approved by the ASX Settlement Operating Rules for the purposes of Part 6.8 of the Corporations Act; and
- (ii) your acceptance specifies the number of Shares in the parcel.

(d) **Shares subject to Virtus transfer restrictions**

If at any time during the Offer Period some of your Shares are subject to transfer restrictions imposed by Virtus (for example, because you hold some of your Shares under an employee equity incentive plan), then you may accept as if a separate offer in the form of this Offer had been made in relation to the balance of your Shares. Acceptance for the balance of your Shares is ineffective unless you give BGH Bidders notice stating the number of your Shares that are subject to a transfer restriction and explaining the nature of the restriction, and your acceptance specifies the balance of your Shares.

7.10 Additional copies of Offer documents

If, for the purpose of accepting the Offer, you require additional copies of this Bidders' Statement and the Acceptance Form, please call the BGH Capital Offer Information Line on 1300 620 418 (toll-free within Australia) or +61 3 9415 4656 (from outside Australia) to request those additional copies.

7.11 Variation and withdrawal of Offer

(a) **Variation**

BGH Bidders may vary the Offer in accordance with the Corporations Act.

(b) **Withdrawal**

This Offer may be withdrawn with the written consent of ASIC, which consent may be subject to conditions. If so, BGH Bidders will give notice of the withdrawal to ASX and to Virtus and will comply with any other conditions imposed by ASIC.

7.12 Performance Rights

BGH Bidders are not offering to acquire any Virtus Performance Rights. However, the Offer extends to all Shares that are issued before the end of the Offer Period as a result of the vesting of, conversion of, or exercise of rights attached to, Virtus Performance Rights that are on issue as at the Register Date. This means that holders of Virtus Performance Rights that vest or are exercised will be able to accept the Offer in respect of the Shares issued during the Offer Period as a result of that vesting or exercise.

7.13 Costs and stamp duty

BGH Bidders will pay all costs and expenses of the preparation and circulation of this Offer and any Australian stamp duty payable on the transfer of any Shares to BGH Bidders under this Offer.

7.14 Governing law and jurisdiction

This Offer and any contract resulting from your acceptance of this Offer are governed by the laws of Victoria, Australia. In relation to them and related non-contractual matters each party irrevocably submits to the non-exclusive jurisdiction of courts with jurisdiction there, and waives any right to object to the venue on any ground.

8 Definitions and Interpretation

8.1 Definitions

In this Bidders' Statement and in the Acceptance Form, unless the context requires otherwise:

Acceptance Form means the acceptance form enclosed with this Bidders' Statement or, as the context requires, any replacement or substitute acceptance form provided by or on behalf of BGH Bidders.

Accepted Shares has the meaning given in section 7.3(c).

Announcement Date means 6 April 2022, being the date on which the Offer was announced.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given in sections 12(2) and 16 of the Corporations Act on the basis that each reference to "designated body" is read as a reference to "Virtus". For the avoidance of doubt, this term does not include a reference to "associates" for the purposes of, or as defined in, the tax law including the ITAA 1936 and the ITAA 1997.

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.

ASIC Market Integrity Rules means ASIC Market Integrity Rules (Securities Market) 2017 (Cth).

ASX Settlement means ASX Settlement Pty Limited (ABN 49 008 504 532).

ASX Settlement Operating Rules means the operating rules of the settlement facility provided by ASX Settlement.

BGH Bidders means Oceania and Bidco.

BGH Capital means BGH Capital Pty Ltd ACN 617 386 982, in its capacity as investment manager or adviser to the BGH Fund and the Oceania Trust.

BGH Fund means the constituent entities of the BGH Capital Fund I, comprising BGH Capital IA Pty Ltd in its capacity as trustee for BGH Capital Trust IA, BGH Capital IB Pty Ltd in its capacity as trustee for BGH Capital Trust IB, BGH Capital Offshore GP I Limited as general partner of BGH Capital Offshore I LP.

BGH Funding Deed has the meaning given in section 4.2.

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

Bidders' Statement means this document, being the statement of BGH Bidders under Part 6.5 of the Corporations Act relating to the Offer.

Business Day means any day that is each of the following:

- (a) a 'Trading Day' within the meaning given in the ASX Listing Rules; and
- (b) a day that is not a Saturday, Sunday or a public holiday or bank holiday in Melbourne, Australia.

CapVest means CapVest Partners LLP.

CapVest Bidco means Evergreen Bidco Pty Ltd, an entity controlled by CapVest.

CapVest Permitted Distributions means any Virtus dividends or distributions declared or paid after 14 March 2022 (including the \$0.12 per share dividend declared by Virtus on 22 February 2022).

CapVest Process Deed has the meaning given in section 2.3(c).

CapVest Proposal means the CapVest Scheme and the CapVest Takeover Offer, in each case on the terms set out in the CapVest Transaction Implementation Deed.

CapVest Proposal means the CapVest Scheme and the CapVest Takeover Offer, in each case on the terms of the CapVest Transaction Implementation Deed.

CapVest Scheme means the offer by CapVest Bidco to acquire 100% of the Shares by a scheme of arrangement for total value of \$8.25 per Share less the CapVest Permitted Distributions.

CapVest Takeover Offer means the off-market takeover offer for Shares by CapVest Bidco, conditional on (among other things) the CapVest Scheme failing and a 50.1% minimum acceptance condition, for total value of \$8.10 per Share less the CapVest Permitted Distributions.

CapVest Transaction Implementation Deed means the transaction implementation deed entered into by CapVest and Evergreen Bidco Pty Ltd in respect of the CapVest Proposal dated 13 March 2022.

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

CGT means Australian capital gains tax.

CHES means the Clearing House Electronic Subregister System, which provides for the electronic transfer, settlement and registration of securities in Australia.

CHES Holding means a holding of Shares on the CHES Subregister of Virtus.

CHES Subregister has the meaning given in the ASX Settlement Operating Rules.

Condition means the condition to the Offer which is set out in section 7.6.

Controlling Participant has the meaning given in the ASX Settlement Operating Rules. Usually your Controlling Participant is a person, such as a broker, with whom you have a sponsorship agreement (within the meaning of the ASX Settlement Operating Rules).

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

Encumbrance means an interest or power:

- (a) reserved in or over any interest in any asset including any retention of title; or
- (b) created or otherwise arising in or over any interest in any asset under a bill of sale, mortgage, charge, lien, pledge, trust or power,

by way of security for the payment of debt or any other monetary obligation or the performance of any other obligation and includes any agreement to grant or create any of the above.

First BGH Application has the meaning given in section 2.3(d).

GST means the goods and services tax imposed under the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) and the related imposition acts of the Commonwealth of Australia.

Holder Identification Number means the number used to identify a Shareholder on the CHES Subregister of Virtus.

Issuer Sponsored Holding means a holding of Shares on the Issuer Sponsored Subregister of Virtus.

Issuer Sponsored Subregister has the meaning given in the ASX Settlement Operating Rules.

ITAA 1936 means *Income Tax Assessment Act 1936* (Cth).

ITAA 1997 means *Income Tax Assessment Act 1997* (Cth).

Last Practicable Date means 5 April 2022.

Oceania means Oceania Trustee as trustee for the Oceania Trust.

Oceania Trustee means Oceania Equity Investments Pty Ltd (ACN 655 692 738).

Offer means, as the context requires, the offer for Shares contained in section 7 of this Bidders' Statement, or the off-market takeover bid constituted by that offer and each other offer by BGH Bidders for Shares in the form of that offer, including in each case as varied in accordance with the Corporations Act.

Offer Amount has the meaning given in section 4.1.

Offer Period means the period during which the Offer will remain open for acceptance in accordance with section 7.2.

Offer Price means a price of \$8.00 per Share.

On Market Purchases has the meaning given in section 6.3.

Prescribed Occurrence has the meaning given section 7.6.

Public Authority means any government or representative of a government or any governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity and includes any minister, ASIC, ASX, the Takeovers Panel and any regulatory organisation established under statute or any securities exchange.

Register Date means 8.00am (Melbourne, Australia time) on 7 April 2022, being the date set by BGH Bidders under section 633(2) of the Corporations Act.

Related Bodies Corporate has the meaning given in the Corporations Act.

Related Entity means, in relation to a person, any entity that is related to that person within the meaning of section 50 of the Corporations Act or that is an economic entity (as defined in any approved Australian accounting standard) that is controlled by that person.

Relevant Interest has the meaning given to that term in sections 608 and 609 of the Corporations Act.

Rights means all accretions, rights and benefits of whatever kind attaching to or arising from the Shares directly or indirectly at or after the date of this Bidders' Statement (including all dividends and all rights to receive them and rights to receive or subscribe for shares, notes, bonds, options or other securities or entitlements declared, paid or issued by Virtus or any Subsidiary of Virtus).

Second BGH Application has the meaning given in section 2.3(j).

Securityholder Reference Number means the number allocated by Virtus to identify a Shareholder on the Issuer Sponsored Subregister of Virtus.

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 or **Subsidiaries** has the meaning given to that term in the Corporations Act.

Takeover Transferee Holding has the meaning given in the ASX Settlement Operating Rules, being the CHESS Holding to which Shares are to be transferred pursuant to acceptances of the Offer.

Target's Statement means the target's statement to be issued by Virtus in response to this Bidders' Statement in accordance with the Corporations Act.

Trading Day has the meaning given to that term in the ASX Listing Rules.

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

Virtus Board means the board of directors of Virtus.

Virtus Group means Virtus and its Related Entities as at the date of this Bidders' Statement.

Virtus Performance Right means each option, performance right or other security granted to an employee of the Virtus Group in accordance with an employee equity incentive plan of the Virtus Group.

Voting Power has the meaning given in section 610 of the Corporations Act.

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

your Shares means, subject to section 7.9:

- (a) the Shares in respect of which you are registered or entitled to be registered as a holder in the register of members of Virtus at the Register Date, and in respect of which no other person becomes registered or entitled to be registered as a holder before you accept the Offer; and
- (b) any other Shares to which you are able to give good title at the time your acceptance of the Offer is received or processed (including any Shares in respect of which you become registered or entitled to be registered as a holder due to the vesting of, conversion of, or exercise of rights attached to, Virtus Performance Rights that are on issue as at the Register Date).

8.2 Interpretation

- (a) In this Bidders' Statement and in the Acceptance Form, headings are for convenience only and do not affect interpretation.
- (b) Mentioning anything after includes, including, for example, or similar expressions, does not limit what else might be included.
- (c) The following rules apply unless the context requires otherwise.
 - (i) The singular includes the plural and conversely.
 - (ii) A gender includes all genders.
 - (iii) Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.
 - (iv) A reference to a person includes a corporation, trust, partnership, unincorporated body or other entity, whether or not it comprises a separate legal entity.
 - (v) A reference to a section or Annexure is to a section of, or annexure to, this Bidders' Statement.
 - (vi) A reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns.
 - (vii) A reference to any legislation or to any provision of any legislation includes any modification or re-enactment of it, any legislative provision substituted for it and all regulations and statutory instruments issued under it.
 - (viii) A reference to any instrument or document includes any variation or replacement of it.

- (ix) A term not specifically defined in this Bidders' Statement has the meaning given to it in the Corporations Act (being, if any special meaning is given for the purposes of Chapter 6 or 6A of the Corporations Act or a provision of those chapters, that special meaning).
- (x) A reference to you is to a person to whom the Offer under section 7 is (or is deemed to be) made.
- (xi) reference to dollars, \$ or A\$ is to Australian currency

9 Approval of Bidders' Statement

This Bidders' Statement has been approved by a resolution of the directors of each of Oceania and Bidco.

Dated 6 April 2022.

Signed on behalf of **Oceania Equity Investments Pty Ltd** (ACN 655 692 738) as trustee for the **Oceania Trust**:



Benjamin Gray

Director

Signed on behalf of **A.C.N. 658 293 166 Pty Ltd** (ACN 658 293 166):



David Brooks

Director

Corporate Directory

BGH Capital Pty Ltd

Level 26, 101 Collins Street
Melbourne, Victoria, 3000

Oceania Equity Investments Pty Ltd as trustee
for the **Oceania Trust**

Level 26, 101 Collins Street
Melbourne, Victoria, 3000

A.C.N. 658 293 166 Pty Ltd

Level 26, 101 Collins Street
Melbourne, Victoria, 3000

BGH Capital Offer Information Line

If you have any questions in relation to the Offer or how to accept it, or if you have lost your Acceptance Form and require a replacement, please call the BGH Capital Offer Information Line on the following numbers:

Within Australia: 1300 620 418 (toll free)

Outside Australia: +61 3 9415 4656

Registry for the Offer

You can contact the share registry of BGH Bidders (Computershare Investor Services Pty Limited) at the addresses set out below:

Computershare Investor Services Pty Limited

GPO Box 2975 Melbourne

Victoria 3001 Australia

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)

Return your Acceptance Form:

✉ **By Mail:**
Computershare Investor Services Pty Limited
GPO Box 52
Melbourne Victoria 3001
Australia

For all enquiries:

📞 **Phone:**
(within Australia) 1300 620 418
(outside Australia) +61 3 9415 4656

VRTTKO
MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Takeover Acceptance Form

ISSUER

Your Acceptance Form must be received by the end of the Offer Period.

This Acceptance Form and the Bidders' Statement to which it relates are important documents that require your immediate attention. This Acceptance Form relates to a joint offer ("**Offer**") by 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**") to acquire some or all of your fully paid ordinary shares ("**Shares**") in Virtus Health Limited (ABN 80 129 643 492) ("**Virtus**"), the terms of which are set out in the Bidders' Statement from BGH Bidders dated <DATE> as replaced or supplemented (the "**Bidders' Statement**"). Capitalised terms used in this Acceptance Form have the same meaning as in the Bidders' Statement, unless otherwise defined.

If you are in doubt about how to deal with this Offer, please contact your financial or other professional advisor.

Note this Acceptance Form can only be used in relation to the shareholding represented by the details printed above and overleaf.

Step 1: Registration Name & Offer Details

Your consideration will be issued to the name(s) as they appear on the latest copy of the Virtus register of members, as provided to BGH Bidders. The current address recorded by BGH Bidders is printed above and overleaf. If you have recently bought or sold Shares your holding may differ from that shown. If you have already sold all your Shares in Virtus, do not complete or return this Acceptance Form.

Step 2: Accept the Offer

Only sign and return this Acceptance Form if you wish to accept the Offer for some or all of your Shares.

By signing this Acceptance Form, you warrant as set out in section 7.5 of the Bidders' Statement to BGH Bidders (and authorise BGH Bidders to warrant on your behalf) that you have full legal and beneficial ownership of the Shares to which this Acceptance Form relates and that BGH Bidders will acquire them free from all mortgages, liens, encumbrances (whether legal or equitable), restrictions on transfer of any kind and free from any third party rights.

Step 3: Signing Instructions

Individual: Where the holding is in one name, the shareholder must sign.

Joint Holding: Where the holding is in more than one name, all of the shareholders must sign.

Power of Attorney: Where signing as Power of Attorney (POA), you must attach an original certified copy of the POA to this Acceptance Form.

Companies: Where the holding is in the name of a Company, this Acceptance Form must be signed in accordance with the Corporations Act, either as:

- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Secretary.

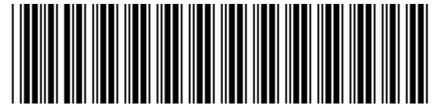
Overseas Companies: Where the holding is in the name of an Overseas company (companies incorporated outside Australia) the Acceptance Form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

Deceased Estate: All executors must sign and a certified copy of Probate or Letters of Administration must accompany this Acceptance Form.

Entering contact details is not compulsory, but will assist us if we need to contact you.

Turn over to complete the Acceptance Form →

Takeover Acceptance Form



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For your security keep your SRN/
HIN confidential.

STEP 1 Registration Name & Offer Details

Registration Name: MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Offer Details: Shareholding as at <REGISTER DATE>:

2000

STEP 2 Accept the Offer

If you sign and return this Acceptance Form you will be deemed to have accepted the Offer to sell all the Shares as recorded by the BGH Bidders as being held by you at the date your acceptance is processed (even if different to the number stated above), or such number of your Shares as indicated in the boxes below, on the terms and conditions of the Offer as set out in the Bidders' Statement. The consideration applicable is that set out in section 7 of the Bidders' Statement.

If this Acceptance Form is signed and returned with BOX 2 below marked but without a number of Shares being indicated in the boxes below, you will be deemed to have accepted the Offer in respect of ALL of your Shares.

- Mark this box if you wish to accept the Offer for all of Your Shares.
OR
- Mark this box if you wish to accept the Offer for some of Your Shares.

IF YOU MARK BOX 2 ABOVE, insert the number of Your Shares that you would like to accept into the Offer:

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This section must be completed.

STEP 3 Signature of Shareholder(s) / Attorney(s) / Executor(s) (as applicable)

I/We accept the Offer made by BGH Bidders for Shares in Virtus and I/we agree to be bound by the terms and conditions of the Offer and transfer my/our Shares specified in this Acceptance Form as per the above instruction.

Individual or Shareholder 1

--

Sole Director and Sole Company Secretary/
Sole Director (cross out titles as applicable)

Individual or Shareholder 2

--

Director

Individual or Shareholder 3

--

Director/Company Secretary
(cross out titles as applicable)

Contact
Name

Contact
Daytime
Telephone

Date / /

Privacy Notice

The personal information you provide on this Acceptance Form is collected by Computershare Investor Services Pty Limited ("CIS") for the purpose of maintaining registers of shareholders, facilitating distribution payments and other corporate actions and communications. We may also use your personal information to send you marketing material approved by Oceania Equity Investments Pty Ltd (ACN 655 692 738) as trustee for the Oceania Trust. You may elect not to receive marketing material by contacting CIS using the details provided on the front of this Acceptance Form or by emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to Oceania Equity Investments Pty Ltd (ACN 655 692 738) as trustee for the Oceania Trust or to third parties upon direction by Oceania Equity Investments Pty Ltd (ACN 655 692 738) as trustee for the Oceania Trust where related to the administration of your shareholding or as otherwise required or permitted by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.

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)

VRTTKO
MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Return your Acceptance Form:



To Your Controlling Participant:
Return this Acceptance Form directly to your stockbroker



By Mail:
Computershare Investor Services Pty Limited
GPO Box 52
Melbourne Victoria 3001
Australia

For all enquiries:



Phone:
(within Australia) 1300 620 418
(outside Australia) +61 3 9415 4656

Takeover Acceptance Form

CHESS

 **Your Acceptance Form must be received with sufficient time to allow processing prior to the end of the Offer Period.**

This Acceptance Form and the Bidders' Statement to which it relates are important documents that require your immediate attention. This Acceptance Form relates to a joint offer ("**Offer**") by 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**") to acquire some or all of your fully paid ordinary shares ("**Shares**") in Virtus Health Limited (ABN 80 129 643 492) ("**Virtus**"), the terms of which are set out in the Bidders' Statement from BGH Bidders dated <DATE> as replaced or supplemented (the "**Bidders' Statement**"). Capitalised terms used in this Acceptance Form have the same meaning as in the Bidders' Statement, unless otherwise defined.

If you are in doubt about how to deal with this Offer, please contact your financial or other professional advisor.

Note this Acceptance Form can only be used in relation to the shareholding represented by the details printed above and overleaf.

Step 1: Registration Name & Offer Details

Your consideration will be issued to the name(s) as they appear on the latest copy of the Virtus register of members, as provided to BGH Bidders. The current address recorded by BGH Bidders is printed above and overleaf. If you have recently bought or sold Shares your holding may differ from that shown. If you have already sold all your Shares in Virtus, do not complete or return this Acceptance Form.

Step 2: Accept the Offer

Only sign and return this Acceptance Form if you wish to accept the Offer for some or all of your Shares.

As your Shares are in a CHESS holding, you may contact your Controlling Participant directly (normally your stockbroker) with instructions to accept the Offer. If you do this, your Controlling Participant will provide you with details as to what they require in order to accept the Offer on your behalf. If you want BGH Bidders to contact your Controlling Participant on your behalf, sign and return this Acceptance Form to the address above so that it is received in sufficient time to allow your instruction to be acted upon by the close of the Offer Period. This will authorise BGH Bidders and Computershare Investor Services Pty Limited ("**CIS**") to request your Controlling Participant to initiate acceptance of the Offer on your behalf.

By signing this Acceptance Form, you warrant as set out in section 7.5 of the Bidders' Statement to BGH Bidders (and authorise BGH Bidders to warrant on your behalf) that you have full legal and beneficial ownership of the Shares to which this Acceptance Form relates and that BGH Bidders will acquire them free from all mortgages, charges, liens, encumbrances (whether legal or equitable), restrictions on transfer of any kind and free from any third party rights.

You should allow sufficient time for your Controlling Participant or BGH Bidders to initiate the acceptance of BGH Bidders' Offer on your behalf. Neither BGH Bidders nor CIS will be responsible for any delays incurred by the process of requesting your Controlling Participant to accept the Offer.

Step 3: Signing Instructions

Individual: Where the holding is in one name, the shareholder must sign.

Joint Holding: Where the holding is in more than one name, all of the shareholders must sign.

Power of Attorney: Where signing as Power of Attorney (POA), you must attach an original certified copy of the POA to this Acceptance Form.

Companies: Where the holding is in the name of a Company, this Acceptance Form must be signed in accordance with the Corporations Act, either as:

- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Secretary.

Overseas Companies: Where the holding is in the name of an Overseas company (companies incorporated outside Australia) the Acceptance Form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

Deceased Estate: All executors must sign and a certified copy of Probate or Letters of Administration must accompany this Acceptance Form.

Entering contact details is not compulsory, but will assist us if we need to contact you.

Turn over to complete the Acceptance Form →

Takeover Acceptance Form



X 2222222222 I ND

For your security keep your SRN/
HIN confidential.

STEP 1 Registration Name & Offer Details

Registration Name: MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Controlling Participant Identifier:

Offer Details: Shareholding as at <REGISTER DATE>:

2000

STEP 2 Accept the Offer

If you sign and return this Acceptance Form you will be deemed to have accepted the Offer to sell all the Shares as recorded by the BGH Bidders as being held by you at the date your acceptance is processed (even if different to the number stated above), or such number of your Shares as indicated in the boxes below, on the terms and conditions of the Offer as set out in the Bidders' Statement. The consideration applicable is that set out in section 7 of the Bidders' Statement.

If this Acceptance Form is signed and returned with BOX 2 below marked but without a number of Shares being indicated in the boxes below, you will be deemed to have accepted the Offer in respect of ALL of your Shares.

- Mark this box if you wish to accept the Offer for all of Your Shares.
OR
- Mark this box if you wish to accept the Offer for some of Your Shares.

IF YOU MARK BOX 2 ABOVE, insert the number of Your Shares that you would like to accept into the Offer:

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This section must be completed.

STEP 3 Signature of Shareholder(s) / Attorney(s) / Executor(s) (as applicable)

I/We accept the Offer made by BGH Bidders for Shares in Virtus and I/we agree to be bound by the terms and conditions of the Offer and transfer my/our Shares specified in this Acceptance Form as per the above instruction.

Individual or Shareholder 1

--

Sole Director and Sole Company Secretary/
Sole Director (cross out titles as applicable)

Individual or Shareholder 2

--

Director

Individual or Shareholder 3

--

Director/Company Secretary
(cross out titles as applicable)

Contact
Name

Contact
Daytime
Telephone

Date / /

Privacy Notice

The personal information you provide on this Acceptance Form is collected by Computershare Investor Services Pty Limited ("CIS") for the purpose of maintaining registers of shareholders, facilitating distribution payments and other corporate actions and communications. We may also use your personal information to send you marketing material approved by Oceania Equity Investments Pty Ltd (ACN 655 692 738) as trustee for the Oceania Trust. You may elect not to receive marketing material by contacting CIS using the details provided on the front of this Acceptance Form or by emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to Oceania Equity Investments Pty Ltd (ACN 655 692 738) as trustee for the Oceania Trust or to third parties upon direction by Oceania Equity Investments Pty Ltd (ACN 655 692 738) as trustee for the Oceania Trust where related to the administration of your shareholding or as otherwise required or permitted by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.