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6 May 2022

The Manager
ASX Market Announcements Office
ASX Limited
Level 4
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

Takeover Offer by BGH Capital in relation to Virtus Health Limited – Second Supplementary Bidders' Statement

As you are aware, 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 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**), in relation to BGH Bidders' joint off-market takeover offer dated 20 April 2022 to acquire the shares in Virtus Health Limited (ACN 129 643 492) (**Virtus**).

In accordance with section 647(3)(a)(ii) (as modified by ASIC Class Order [CO 13/528]) of the *Corporations Act 2001* (Cth), we enclose a second supplementary bidder's statement dated 6 May 2022, setting out amendments to the bidder's statement dated 6 April 2022 and the supplementary bidders' statement dated 21 April 2022 (**Second Supplementary Bidder's Statement**).

The Second Supplementary Bidder's Statement has been lodged with the Australian Securities and Investments Commission today and will also be despatched to Virtus shareholders.

Yours sincerely

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MOTM 51989977v2 121060662

Allens is an independent partnership operating in alliance with Linklaters LLP.



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.

Second Supplementary Bidders' Statement

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) (together, the **BGH Bidders**), each being entities currently wholly owned by the BGH Fund, in relation to their joint off-market bid to purchase all the Shares in Virtus Health Limited (ACN 129 643 492) (**Virtus**).

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.

IMPORTANT INFORMATION

This document is a second supplementary bidders' statement (**Second Supplementary Bidders' Statement**) issued under section 643 of the *Corporations Act 2001* (Cth) (**Corporations Act**) by BGH Bidders to the Bidders' Statement dated 6 April 2022 (**Bidders' Statement**) and the supplementary Bidders' Statement dated 21 April 2022 (**First Supplementary Bidders' Statement**), in relation to BGH Bidders' joint off-market takeover bid for all the Shares in Virtus dated 20 April 2022 (**Offer**).

This Second Supplementary Bidders' Statement supplements, and is to be read together with, the Bidder's Statement and First Supplementary Bidders' Statement. This Second Supplementary Bidders' Statement prevails to the extent of any inconsistency with the Bidders' Statement and First Supplementary Bidders' Statement.

A copy of this Second Supplementary Bidders' Statement was lodged with ASIC and provided to ASX on 6 May 2022. Neither ASIC, ASX nor any of any of their respective officers takes any responsibility for the contents of this Second Supplementary Bidders' Statement.

Unless the context requires otherwise, defined terms in the Bidders' Statement and First Supplementary Bidders' Statement have the same meaning in this Second Supplementary Bidders' Statement. The rules of interpretation in section 8 of the Bidders' Statement also apply to this Second Supplementary Bidders' Statement.

SUPPLEMENTARY INFORMATION

1 Revised CapVest Proposal

As you may have seen, Virtus and CapVest have now lodged a transaction booklet in respect of the Revised CapVest Proposal, dated 5 May 2022 (the **Transaction Booklet**).

BGH considers that, having regard to the Transaction Booklet, the Bidders' Statement (made by the BGH Bidders before the Revised CapVest TID was entered into) and the First Supplementary Bidders' Statement, Shareholders should note the following.

- (a) The First Supplementary Bidders' Statement clarified general statements regarding the uncertainty of the underlying value in the Bidders' Statement. Following the first court hearing, the Transaction Booklet has since confirmed that the Permitted Capital Return will only be paid if the conditions of payment are satisfied (including receipt of a favourable Tax

Ruling and the Permitted Capital Return being paid prior to 30 September 2022). As at the time of the Bidders' Statement and First Supplementary Bidders' Statement, the timing of the payment of the Permitted Capital Return and the conditions of its payment (including the requirement of a favourable Tax Ruling) was still unclear.

- (b) The Offer detailed in the Bidders' Statement is for an Offer Price of A\$8.00 cash per Share. For completeness, note that the Transaction Booklet lists the consideration of the CapVest Scheme and CapVest Takeover Offer as follows:
- (i) the consideration under the CapVest Scheme is \$8.15 per Scheme Share (as defined in the CapVest Transaction Implementation Deed as amended on 14 April 2022 and 5 May 2022), which may be reduced by the cash amount of any special dividend (an amount up to A\$0.44, of which up to \$0.19 per Share of franking credits may attach); and
 - (ii) the consideration under the CapVest Takeover Offer is \$8.10 per Virtus Share (as defined in the CapVest Transaction Implementation Deed as amended on 14 April 2022 and 5 May 2022), which may be reduced by:
 - (A) the cash amount of any special dividend (an amount up to A\$0.44, of which up to \$0.19 per Share of franking credits may attach), and
 - (B) to the extent that the conditions of payment of the Permitted Capital Return are satisfied (including receipt of a favourable Tax Ruling), reduced by the amount of the Permitted Capital Return (being \$3.11 less the amount of any Special Takeover Dividend (as defined in the Transaction Booklet) (\$2.67 to \$3.11, inclusive)).

Shareholders should refer to the Transaction Booklet for full details regarding the Virtus Board's recommendation and the conditions related to each of the CapVest Scheme and the CapVest Takeover Offer.

- (c) For completeness, the following row should be added to the table in the section headed '*Summary of the Offer and Other Important Information*':

<p>What happens if I accept the Offer?</p>	<p>You will be entitled to payment of the Offer Price if you have accepted the Offer.</p> <p>You will not be able to sell your Shares to anyone else or accept any other offer, including the Revised CapVest Proposal, unless you are entitled to withdraw your acceptance (please see the question '<i>Can I withdraw my acceptance?</i>' in the Bidders' Statement).</p>
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- (d) In relation to item 5 of the Bidders' Statement despatched to Shareholders on 20 April 2022 (*The Offer is superior to the conditional and uncertain CapVest Takeover Offer*), or item 6 of the Bidders' Statement initially lodged on 6 April 2022, in the section headed '*Why You Should Accept the Offer*', note as follows:
- (i) the commentary originally referred to the uncertainty at the relevant time of the consideration under the CapVest Takeover Offer given the lack of clarity regarding whether the Permitted Capital Return is conditional on receipt of a favourable Tax Ruling in all cases. As noted in item 1(a) of this Second Supplementary Bidders' Statement, following the first Court hearing in relation to the Revised CapVest Proposal, the Transaction Booklet has since confirmed that the Permitted Capital Return will only be paid if the conditions of payment are satisfied (such conditions which include receipt of a favourable Tax Ruling and the Permitted Capital Return

being paid prior to 30 September 2022). Accordingly, and to clarify our statements in the First Supplementary Bidders' Statement, the risk identified in the Bidders' Statement and the commentary regarding the impact of an unfavourable Tax Ruling (in the Bidders' Statement and the First Supplementary Bidders' Statement) are no longer relevant for all Shareholders given the clarifications in the Transaction Booklet. By way of example, the reference to '*the after-tax returns under the BGH Bidders' Offer may be more attractive to such Shareholders than the after-tax returns available under the Revised CapVest Takeover Offer*' in the First Supplementary Bidders' Statement is now only relevant to a narrower group of Shareholders and for reasons other than the Tax Ruling; and

- (ii) the '*Key elements*' comparison table in the Bidders' Statement reflects the Offer as compared to the CapVest Takeover Offer at the time the BGH Bidders' Statement was first lodged – that is, \$7.98 per Share (announced as a total value of \$8.10 per Share less the CapVest Permitted Distributions). Having regard to the Transaction Booklet following the first court hearing, this table should be replaced with the table below, noting that in BGH's view, it considers that its Offer is still more certain than the Revised CapVest Proposal – that is, the Offer delivers Shareholders with superior certainty compared to the Revised CapVest Proposal. Any reference to the Offer being superior should now be read as a reference to the Offer offering greater certainty compared to the Revised CapVest Proposal. BGH Bidders consider that the contingent and conditional elements of the Revised CapVest Proposal are considerably less stable than BGH Bidders' Offer.

Key elements	BGH Bidders' Offer	CapVest Takeover Offer
Consideration	\$8.00 per Share cash consideration	✓ \$8.10 per Share which may be reduced by the cash amount of any special dividend and, to the extent that the conditions of payment of the Permitted Capital Return are satisfied (including receipt of a favourable Tax Ruling), the amount of the Permitted Capital Return
Notable conditions	✓ None (No Prescribed Occurrences only)	50.1% minimum acceptance Shareholder approval of the return of capital No material adverse change
Timing of consideration	✓ T+2 (for on-market purchases) No later than 10 Business Days after the	Earlier of: <ul style="list-style-type: none"> one month after acceptance or, if the CapVest Takeover Offer is subject to a CapVest Takeover

	later of Offer acceptance and the Condition being fulfilled or waived (for acceptances of BGH Bidders' Offer)	Condition when you accept into the CapVest Takeover Offer, within one month after the CapVest Takeover Offer is declared or becomes unconditional; and <ul style="list-style-type: none"> if the CapVest Takeover Offer is declared or becomes unconditional, 21 days after the end of the CapVest Takeover Offer Period (as defined in the Transaction Booklet).
Tax implications	Certain	Certain

2 On Market Purchases

As noted in the Bidders' Statement, BGH Bidders have appointed UBS Securities Australia Limited (ABN 62 008 586 481) (AFSL 231098) as broker to make On Market Purchases. The following disclosure was included in the Bidders' Statement in respect of 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.

As disclosed to ASX by the Takeovers Panel, CapVest sought orders from the Takeovers Panel preventing BGH Bidders from making On Market Purchases in the manner proposed in the Bidders' Statement. Relevant proceedings before the Takeovers Panel were finalised on 4 May 2022. The Takeovers Panel declined to make a declaration of unacceptable circumstances or impose final orders and BGH Bidders provided an undertaking to the Takeovers Panel as to how any On Market Purchases at prices higher than the Offer Price would be made.

The undertaking is consistent with the approach to On Market Purchases proposed and disclosed by BGH Bidders in the Bidders' Statement. The effect of the undertaking is to allow BGH Bidders to place an order on market and, if the order results in ASX matching sellers to the order at a higher price than the Offer Price, then BGH Bidders must immediately make an announcement to ASX of the purchase or purchases and the price (or highest price) paid and that the Offer is automatically increased accordingly, and follow the usual ASX market procedure. The undertaking requires BGH Bidders to do this each time there are On-Market Purchases at prices higher than the then Offer Price.

Further information on BGH Bidders' approach to On Market Purchases is available in the Bidders' Statement. Further information on the related Takeovers Panel proceedings is available in announcements to ASX from the Takeovers Panel and at www.takeovers.gov.au.

3 Approval of Second Supplementary Bidders' Statement

This Second Supplementary Bidders' Statement has been approved by a resolution of the directors of each of the BGH Bidders.

Dated 6 May 2022

Signed on behalf of **Oceania Equity Investments Pty Ltd** (ACN 655 692 738) **Signed** on behalf of **A.C.N. 658 293 166 Pty Ltd** (ACN 658 293 166):
as trustee for the **Oceania Trust**:



Benjamin Gray

Director



David Brooks

Director