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21 April 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 – 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).

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 supplementary bidder's statement dated 21 April 2022, setting out amendments to the bidder's statement dated 6 April 2022 (**Supplementary Bidder's Statement**).

The Supplementary Bidder's Statement has been lodged with the Australian Securities and Investments Commission today.

Yours sincerely

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Encl.

Our Ref 121060662
MOTM 519764489v1 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.

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 supplementary bidders' statement (**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**), in relation to BGH Bidders' joint off-market takeover bid for all the Shares in Virtus dated 20 April 2022 (**Offer**).

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

A copy of this Supplementary Bidders' Statement was lodged with ASIC and provided to ASX on 21 April 2022. Neither ASIC, ASX nor any of any of their respective officers takes any responsibility for the contents of this Supplementary Bidders' Statement.

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

SUPPLEMENTARY INFORMATION

1 Revised CapVest Proposal

On 14 April 2022, Virtus announced it had amended and restated the CapVest Transaction Implementation Deed (**Revised CapVest TID**) on the basis of revisions made to the CapVest Proposal announced on 11 April 2022 (**Revised CapVest Proposal**). The Revised CapVest Proposal includes an increase to the consideration payable under the CapVest Scheme of \$0.02 per Share (**Revised CapVest Scheme**) and an increase to the consideration payable under the CapVest Takeover Offer of \$0.12 per Share (**Revised CapVest Takeover Offer**).

A key feature of the Revised CapVest Takeover Offer is that payment of the Permitted Capital Return (as defined in the Revised CapVest TID) is expected to be deferred until after the close of the Revised CapVest Takeover Offer where the Permitted Capital Return Class Ruling (as defined in the Revised CapVest TID) (the **Tax Ruling**) has not been received before the Revised CapVest Takeover Offer becomes unconditional. The Tax Ruling must confirm no part of the Permitted Capital Return is, or will be deemed to be, a 'dividend' for the purpose of sections 6(1) or 45C of the ITAA 1936.

Having regard to the Revised CapVest TID and the Bidders' Statement (made by the BGH Bidders before the Revised CapVest TID was entered into), Shareholders should note the following.

- (a) The 'Letter to Shareholders' in the Bidders' Statement notes that the CapVest Takeover Offer 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 is uncertain."* The Revised CapVest TID has now clarified that where the Tax Ruling is not obtained and the Permitted Capital Return is deferred until after the close of the Revised CapVest Takeover Offer, Shareholders who accept the Revised CapVest Takeover Offer will receive proceeds of \$8.10 per Share less the cash amount of any Permitted Special Dividend (as defined in the Revised CapVest TID).
- (b) Other than in respect of the *'Key elements'* comparison table, the commentary set out in Item 5 of the *'Why You Should Accept the Offer'* section of the Bidders' Statement, including the illustrative example, is no longer relevant in light of the terms of the Revised CapVest Takeover Offer. BGH Bidders encourage Shareholders to consider that Australian tax resident Shareholders who hold Shares on capital account can be certain that all of the consideration that they will receive if they accept the BGH Bidders' Offer will be capital proceeds and none of it will be a dividend. This may make the after-tax returns available under the BGH Bidders' Offer more attractive to such Shareholders than the after-tax returns available under the Revised CapVest Takeover Offer.

2 Approval of Supplementary Bidders' Statement

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

Dated 21 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