

ASX ANNOUNCEMENT

14 December 2021: VIRTUS HEALTH LIMITED (ASX:VRT)

Virtus Receives Unsolicited, Non-Binding Indication of Interest from BGH Capital Pty Limited

Virtus Health Limited ("Virtus", ASX: VRT) has received an unsolicited, non-binding indication of interest from BGH Capital Pty Ltd ("BGH") to acquire 100% of the issued, and to be issued, shares of Virtus by way of scheme of arrangement. The proposal attributes a cash value of \$7.10 cash per Virtus share. The proposed price will be reduced by the value of any dividends or other distributions declared, proposed or paid after today's date.

BGH has advised Virtus that it has acquired 8.5 million shares, representing a 9.99% interest, in Virtus at \$7.10 per share, and that it has also entered into a total return swap with UBS that has yet to settle in respect of 8.6 million shares, representing a 10.00% interest, in Virtus, which provides BGH with an option to elect physical settlement of that 10.00% subject to the *Foreign Acquisitions and Takeovers Act 1975* and the *Foreign Acquisitions and Takeovers Regulation 2015*.

BGH has stated that its offer price of \$7.10 per share will be offered to all Virtus shareholders entirely in cash, and that it also proposes to provide a cash and scrip alternative to major fertility specialist shareholders and certain other affiliated shareholders to enable them to continue their investment in Virtus.

Implementation of BGH's proposal is conditional on BGH's nominated Bidco entering into an agreed scheme implementation agreement with Virtus, and BGH has stated that its entry into a scheme implementation agreement is subject to the following conditions:

- the satisfactory completion of due diligence;
- Virtus not selling or agreeing to sell any material assets;
- no material change to Virtus' assets or prospects (including litigation or regulatory action arising);
- no material change to financial markets;
- finalisation of debt commitments for a binding proposal;
- final approval to submit a binding proposal from BGH's investment committee; and
- unanimous recommendation by the Board of Directors of Virtus to vote in favour of the scheme in the absence of a superior proposal and subject to an independent expert concluding that the proposal is in the best interests of Virtus shareholders.

The Virtus Board has commenced an assessment of BGH's proposal.

Virtus shareholders do not need to take any action in relation to BGH's proposal at this stage. There is no certainty that the proposal will result in a transaction.

Virtus has appointed Jefferies (Australia) Limited as financial adviser and Gilbert + Tobin as legal adviser.

-ENDS-

Authorised by the Board of Directors of Virtus Health.

For further information, please contact:

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About Virtus Health Limited

Virtus Health Limited (ASX:VRT) brings together leading clinicians, scientists, researchers and support staff to provide exceptional fertility care and related specialised diagnostic and day hospital services. We have a successful medical collaboration, with 128 leading fertility specialists, supported by over 1,300 professional staff.