



2020

ANNUAL GENERAL MEETING

virtushealth 

ABN 80 129 643 492

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Agenda

Voting instructions

Chair's Address

CEO Presentation

Formal Business of the Meeting

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Board of Directors



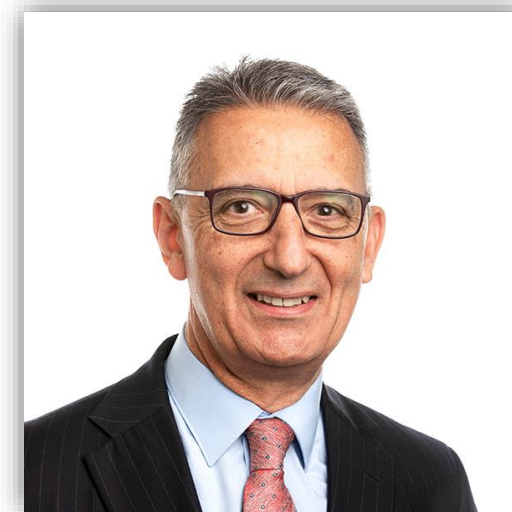
Sonia Petering
Chair



Kate Munnings
CEO and Managing Director



Dr Lyndon Hale
Executive Director



Greg Couttas
Non-Executive Director



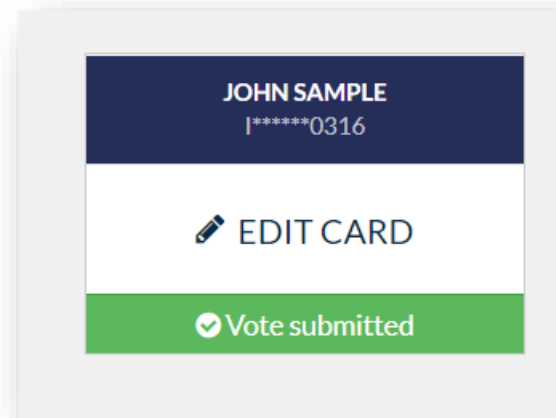
Shane Solomon
Non-Executive Director



Michael Stanford
Non-Executive Director

Voting instructions

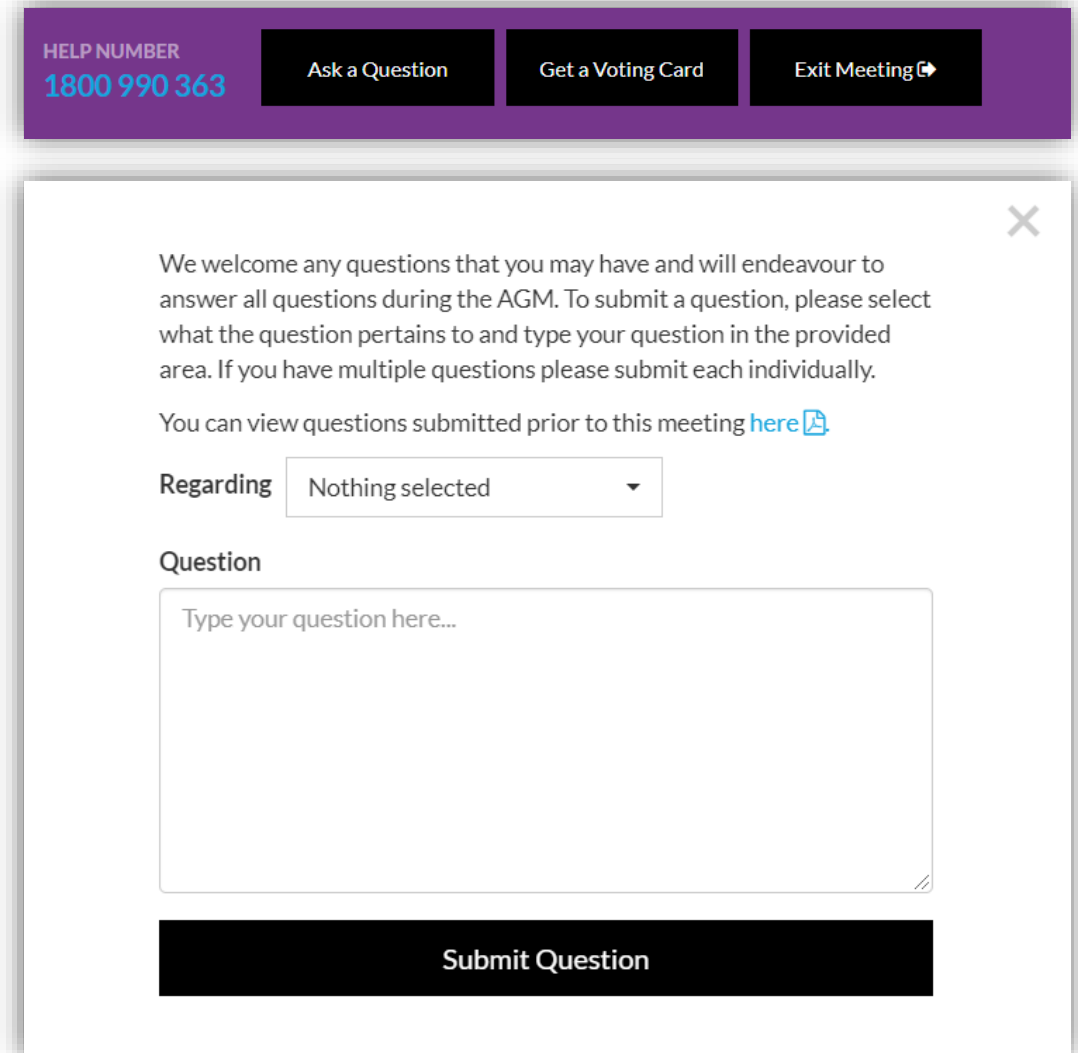
- You received an online Voting Card when you registered to vote.
- To cast your vote, select **Full Vote** or **Cast Partial Vote**.
- Scroll to the bottom to submit your vote.
- If you change your mind, select the **Edit Card** button.



A screenshot of a mobile application interface for a voting card. At the top, it displays the name 'JOHN SAMPLE' and a masked ID 'I*****0316'. Below this is the title 'Voting Card' and a paragraph of instructions: 'Please complete your vote by selecting the required voting instruction (For, Against or Abstain) for each resolution. If you would like to complete a partial vote, please specify the number of votes for each resolution in the Partial Vote section. Proxy holder votes will only be applied to discretionary (undirected) votes. Directed votes will be applied as per the the shareholder's voting instructions.' Below the instructions are two tabs: 'Full Vote' (selected) and 'Partial Vote'. The main content area contains three resolutions, each with three buttons: 'For', 'Against', and 'Abstain'. Resolution 1: 'TO RECEIVE, CONSIDER AND ADOPT THE REPORT OF THE DIRECTORS, THE AUDITED FINANCIAL STATEMENTS AND THE AUDITORS REPORT FOR THE YEAR ENDED 31 DECEMBER 2018.' Resolution 2: 'TO DECLARE A FINAL DIVIDEND OF HK\$1.00 PER SHARE FOR THE YEAR ENDED 31 DECEMBER 2018.' Resolution 3: 'TO RE-ELECT MR. LAI KAI HUI AS AN EXECUTIVE DIRECTOR'. At the bottom, there is a large black button with the text 'SUBMIT VOTE'.

Submitting a question

- To ask a question, click on the **Ask a Question** box at the top of the webpage, select a category or a resolution to which the question relates, type your question and click the blue **Submit Question** button.
- To exercise your right of reply, you can do so by submitting another question.




The screenshot shows a purple header bar with the following elements:

- HELP NUMBER 1800 990 363
- Ask a Question (button)
- Get a Voting Card (button)
- Exit Meeting (button with external link icon)

The main content area is a white box with a close button (X) in the top right corner. It contains the following text:

We welcome any questions that you may have and will endeavour to answer all questions during the AGM. To submit a question, please select what the question pertains to and type your question in the provided area. If you have multiple questions please submit each individually.

You can view questions submitted prior to this meeting [here](#) .

Regarding

Question

Type your question here...

Submit Question (button)



Chair's Address



CEO Presentation

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FY20 Financial Results

Virtus demonstrates resilience in the midst of the COVID-19 pandemic

Revenue
\$259m
Down 7.5%

NPAT attributable to
ordinary equity holders
\$0.5m
Adjusted NPAT \$20.6m

Reported EBITDA
\$46.2m

EPS
0.59 cents
Adjusted EPS 25.72cps

No final dividend.
Deferred interim
dividend to be paid
30 Nov 2020

Adjusted EBITDA
\$66.0m
(FY19: \$57.1m)
No adjustments for COVID-19

Demonstrating the Resilience of Assisted Reproduction

01 Effective Cash Management

Liquidity and funding sustainability achieved.

Cash balance >\$55m

Voluntary debt repayments of >\$15m

Available debt facilities at healthy levels >\$100m

Not required to raise equity in a discounted market with headroom above plus strong performance and recovery.

02 Restarting Safely

Building sustainable clinical practices to offset the impact of COVID-19.

Continued uptake of tele-health and virtual consultations.

Implemented strict safety protocols and infection control measures so services can continue throughout COVID-19 second waves.

03 Fast Recovery

Strong growth in new patient activity reaffirms the resilience of ARS.

Virtus continues to outperform in patient volumes, exceeding prior year comparative activity levels.

Continued focus on business development, margin improvement and utilisation of technology.

COVID-19 Activity: Pre, During Shutdown & Q1 FY21

COVID-19 Impact <i>(compared to pcp)</i>	6 Months to Dec 19	8 Months to Feb 20 <i>(pre-COVID)</i>	4 Months to June 20 <i>(during restrictions)</i>	Q1 FY21 <i>(post shutdown trading)</i>
Australian fresh cycles	+2.7%	+1.4%	(15.3%)	+17.6%
International fresh cycles	(3.3%)	(2.3%)	(35.1%)	+ 12.8%
Diagnostics revenue	+0.2%	+0.2%	(14.5%)	+ 10.0%
Day Hospital revenue	+2.1%	+1.5%	(15.8%)	+44.0%

FY21 Q1: Trading Update

(3 months to Sep 20 is unaudited information)

\$ Millions	3 Months to Sep 20	3 Months to Sep 19	% Change
Revenue	83.87	70.25	+19.4%
Underlying EBITDA	23.40	15.29	+53.0%
Underlying EBT	19.43	10.44	+86.1%

Notes:

- Underlying numbers exclude:
 - Job Keeper receipts in Q1FY21
 - Other non-trading items
 - Impacts of adopting AASB 16 – Leases

FY21 Q1: Trading Update cont.

Australian cycle mix favours premium service in all states
– premium cycle growth exceeds market in Q1

Strong volume growth in UK, Denmark and Singapore

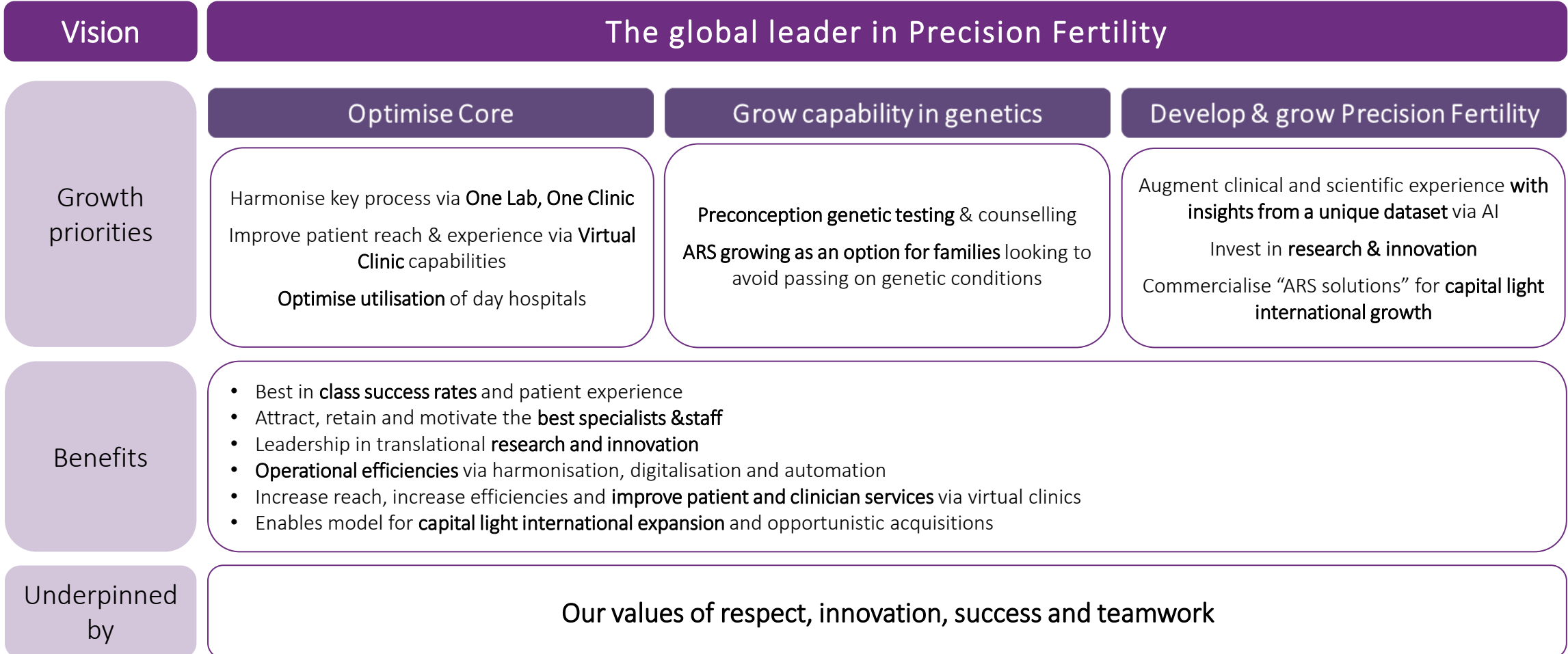
Cash generation applied to net debt reduction in Q1FY21

TFC cycles in Victoria restricted by capacity restrictions

Ireland cycle volume reduced due to ongoing COVID impact on egg donation program

Strong Q1 activity expected to moderate by H2FY21

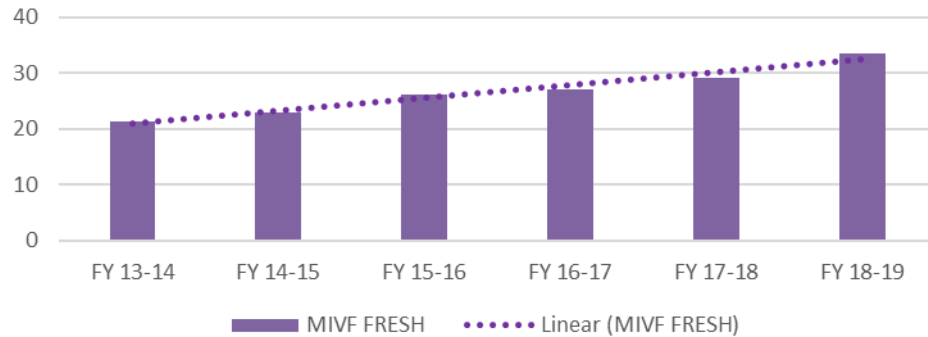
Strategic Growth and Value Creation



Optimise Core: Progress Update

Adoption of the One Lab approach has delivered improved success rates

One Lab principles have demonstrated an improvement in pregnancy success rates



- Improvements in success rates & efficiencies delivered via:
 - Harmonised lab work instructions & SOPs for key processes
 - Optimised design for all new & replacement labs
 - Time lapse incubators being introduced across labs
- Embryologists have access to AI enhanced embryo selection decision support, developed by Virtus + Harrison.ai

One Clinic & Virtual Clinic has been scoped

Head of Digital Health appointed & interoperable solution for data capture is being developed

Virtual care continues to expand patient reach and capture demand

Day hospital optimisation achieved

Harmonised workflows support improved efficiency & outcomes



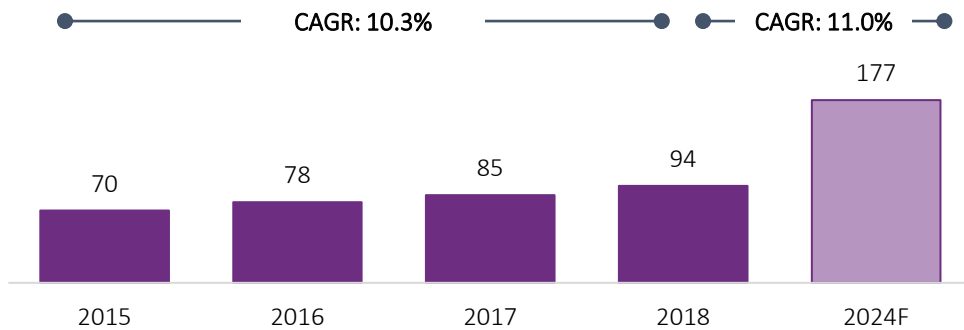
Priority areas for virtual clinics currently being reviewed and assessed:

- Online patient education & consents
- Patient experience app
- Fintech partners to support payment timing and processes
- Well being & mental health assessments & support

Build Genetics Capability: Progress Update

Virtus is well positioned to growth in genetic testing

Australian genetic testing market size (A\$m)



- Genetic testing is a highly attractive growth segment, deeply connected to fertility and ARS:
 - ~55% of tests are for inherited genetic conditions
 - Over 50% of tests are requested by GPs and fertility specialists
- Ongoing innovations in genetic medicine will create enhanced insights and new offerings

Virtus Genetics Service now structured to grow

Virtus is differentiated through leadership in genetics innovation

Virtus has a leadership position in the established technique of preimplantation genetic testing

Genetic data offers potential upside longer term as this is the most valuable patient data



- Formal review of genetics & diagnostics services completed
- Key genetics appointment made to support growth
- New website & genetic tests ready to launch in November 2020
- Significant genetics use case for AI application under development

Precision Fertility: Progress Update

IVY (now iDA) - Virtus & Harrison.ai have demonstrated value creation through AI



- IVY (now iDA) is being tested via a randomized control trial across Virtus clinics and has been evaluated through retrospective analysis of over 100,000 embryos with a known outcome
- ROC curve analysis demonstrates that iDA can discriminate between embryos that will result in a fetal heart with a predictive power of 0.95 which is superior to existing methods

Precision Fertility is our next evolution to improve performance and growth

Digital Health strategy developed to support technology integration, growth & efficiency

Insights gained from Virtus' unique data will improve success rates

A unique model of ARS solutions will enable capital light international growth

- Strategy developed to grow focus in Australia & internationally on translational research & innovation to improve success rates
- New collaboration agreement with Harrison.ai negotiated & executed
- 18 use cases for AI applications across the Assisted Reproductive Services pathway identified
- Prototype developed as proof of concept for the use case most likely to improve outcomes & increase efficiency
- A phased development is being mapped to deploy AI to improve patient outcomes & experience in Virtus, followed by the commercialisation & growth of Precision Fertility