



ANNUAL GENERAL MEETING 2019

ABN 80 129 643 492

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Agenda

- Chairman address
- CEO presentation
- Chair-elect address
- Formal Business of the Meeting

A hand wearing a blue nitrile glove is holding a white and yellow pipette, dispensing liquid into a small glass vial. The background is a blurred laboratory setting with other people in blue scrubs and white lab coats working at benches. A large, semi-transparent purple circle is overlaid on the left side of the image, containing the text.

Chairman's address

Peter Macourt

A photograph of two female scientists in a laboratory setting. They are wearing blue scrubs and light blue patterned hairnets. The scientist in the foreground is wearing blue gloves and pointing at a large computer monitor. The monitor displays a grid of 16 circular images, likely microscopic views of cells or embryos, arranged in a 4x4 layout. The background shows laboratory equipment and a clean, professional environment.

CEO presentation

Sue Channon



Virtus Health
#1 for fertility

Leading Minds, Leading Science

One of the most successful medical collaborations in the world

- **Clinical and scientific excellence**
 - 127 fertility specialist, more than 1,300 staff
 - Continued investment in scientific research and new technologies to shorten time to pregnancy and deliver improved patient outcomes
- **Virtus innovation**
 - Virtus commercialises “Ivy” Artificial Intelligence (AI) technology
 - One Lab embryology process improvement to improve consistency and drive efficiency
- **Size & scale**
 - First publically listed fertility business
 - FY19 20,300 fresh IVF cycles globally
 - FY19 37,864 fertility treatments in total, 32,827 day hospital procedures and 200,000 diagnostics referrals
 - Growing presence internationally
 - Diversified and vertically integrated model with multiple sources of revenue.

Fertility Market Leader

Virtus is responding to changing market

- Revenue mix change impacting EBITDA margins in Australia
- Significant investment in infrastructure, people and technology
- Changed clinical practice impacted Diagnostics business
- Revenue diversification offset by softness in some international operations
- Intellectual property commercialisation delivered \$4.1m EBITDA

FY19 Financial Results

Revenue ↑ 6.1%
\$280m

EBITDA ↓ 2.3%
\$63.5m

NPAT attributable to
ordinary equity
holders

↓ 7.6%
\$28.4m

EPS ↓ 7.6%
35.37 cents

EBITDA Margin
↓ 2.0%

Final Dividend
12 cps
fully franked

Virtus Australia Achievements

Australian Fertility Business

- **Relocation of IVFAustralia East (Maroubra) & TasIVF lab & clinic** to new facilities
- **Deployment of** time-lapse incubators and **rollout of AI “Ivy”** technology to deliver improved patient outcomes
- **Sale of “Ivy” related IP** and **collaboration agreements** with Vitrolife (the manufacturer of time lapse incubators) and Harrison AI to further develop “Ivy”

Diagnostics

- Commissioning of new **Virtus Diagnostics’ main Laboratory** to expand scope of tests and capacity for volume growth
- **Supervisory model adjusted to comply** with new National Pathology Accreditation Advisory Council (NPAAC) regulations

Day Hospitals

- **Facility completion:** Alexandria Specialist Day Hospital NSW and Hobart Specialist Day Hospital TAS commissioned

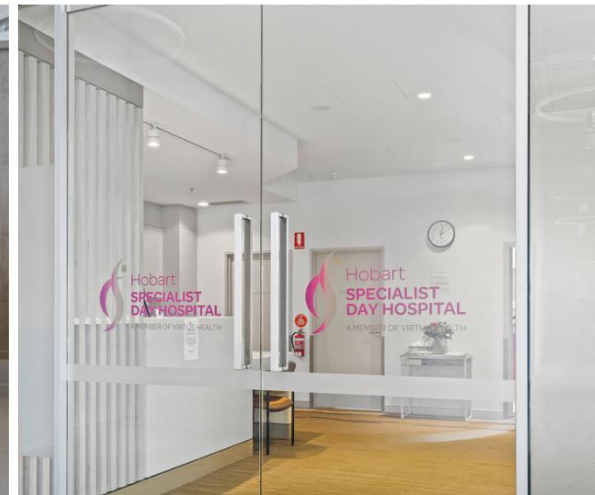
Virtus Diagnostics Relocation



Alexandria Specialist Day Hospital



Hobart Specialist Day Hospital



Virtus International Operations

Ireland	<ul style="list-style-type: none">• Revenue flat; lower cycle volumes were offset by increase in frozen cycles• EBITDA impacted by restructure costs
Denmark	<ul style="list-style-type: none">• Trianglen EBITDA in line with expectations, contributing to international segment revenue and EBITDA growth• Aagaard results impacted by doctor resourcing issues. These have now been addressed and the clinic is fully resourced at December 2019
UK	<ul style="list-style-type: none">• Facility refurbishment completed to accelerate opportunity for growth. However the clinic experienced some disruption to operations resulting in lower than expected volumes• Revenue also impacted by lower donor cycle activity due to shortage of donor gametes
Singapore	<ul style="list-style-type: none">• Continued growth in volume, revenue and EBITDA• Additional doctor contracted to support growth

FY20 Key Initiatives

- **Premium ARS business**
 - Continuous improvement in patient care and experience
 - Adoption of new technology; Embryoscopes, AI
 - Process re-engineering and standardisation to improve patient outcomes and operating efficiency
- **Low price / TFC**
 - Continue to improve access for patients in this growing segment
- **Day Hospitals – non-IVF procedures**
 - Deliver increased utilisation at Alexandria and Hobart
- **Diagnostics revenue**
 - Non-invasive PGT validation continues
- **International**
 - Focus on delivering organic growth in existing footprint





Chair-elect
address



Thank you