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Annual General Meeting 2021

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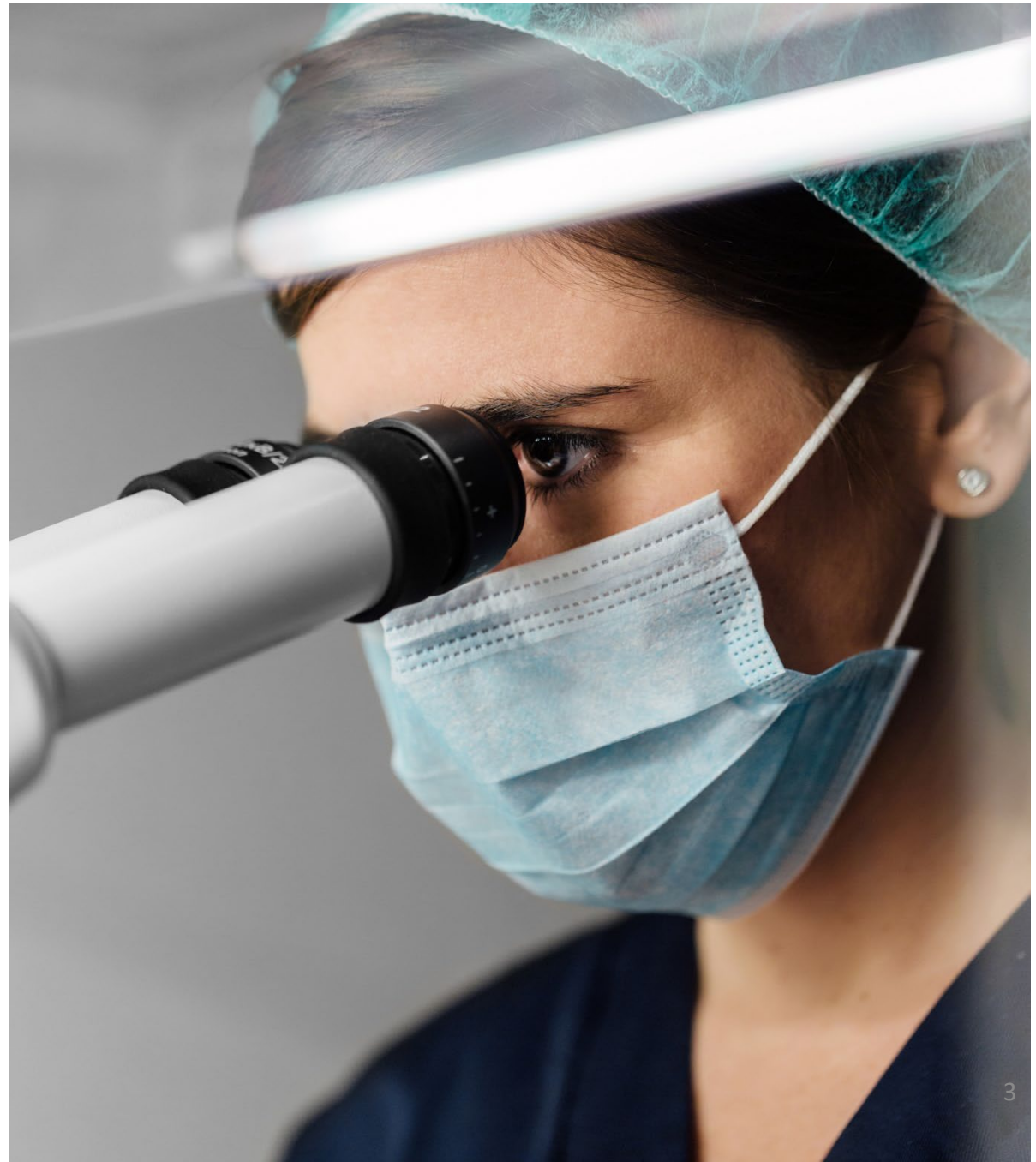
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Agenda:

- Voting instructions
- Chair's address
- CEO presentation
- Formal business of the meeting



Board of Directors



Sonia Petering
Chair

Kate Munnings
CEO & Managing Director



Dr Lyndon Hale
Executive Director



Dr Priscilla Rogers
Non-Executive Director



Greg Couttas
Non-Executive Director



Cathy Aston
Non-Executive Director

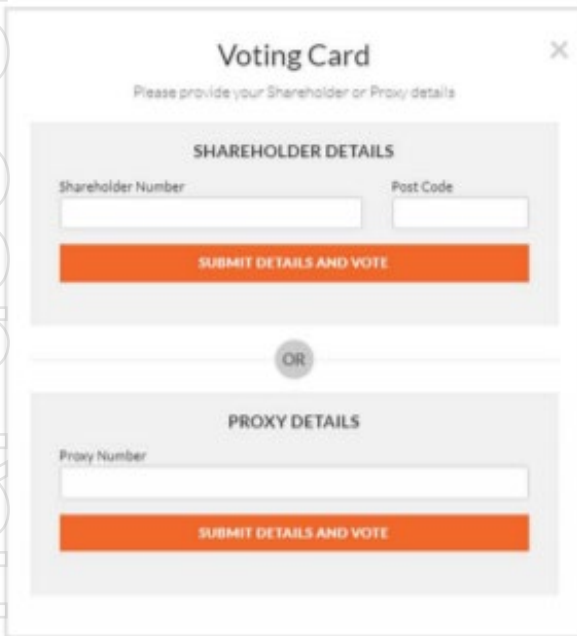


Shane Solomon
Non-Executive Director

Voting Instructions

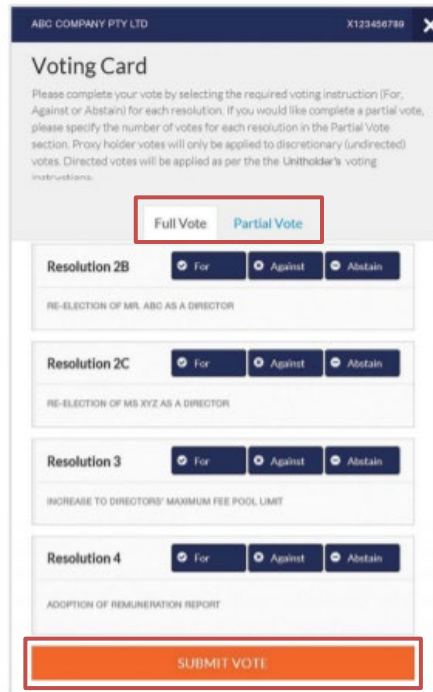
How to cast a virtual vote

- Log into the portal using your full name, mobile number, email address and company name (if applicable).
- To register to vote, click on the 'Get Voting Card' button. Which will bring up a box like this:



The screenshot shows a 'Voting Card' registration form. At the top, it says 'Please provide your Shareholder or Proxy details'. There are two sections: 'SHAREHOLDER DETAILS' and 'PROXY DETAILS'. The 'SHAREHOLDER DETAILS' section has fields for 'Shareholder Number' and 'Post Code', and a 'SUBMIT DETAILS AND VOTE' button. The 'PROXY DETAILS' section has a 'Proxy Number' field and a 'SUBMIT DETAILS AND VOTE' button. An 'OR' button is positioned between the two sections.

Once you have registered, your voting card will appear with all of the resolutions, with the option of casting a full vote or partial vote. Once you have finished select 'Submit Vote'.

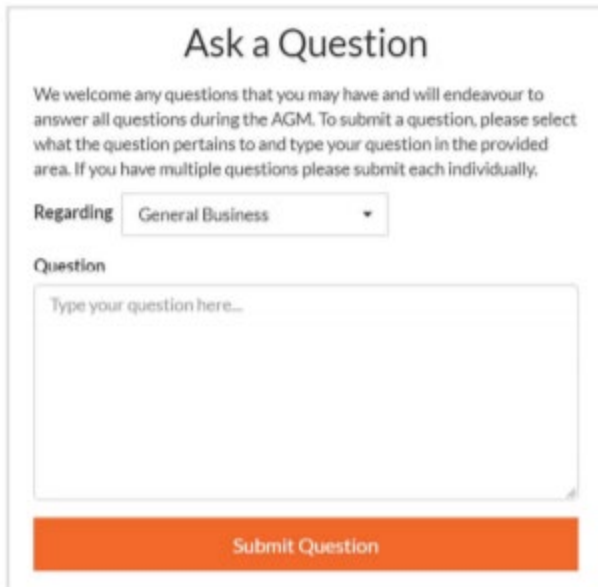


The screenshot shows the 'Voting Card' interface for 'ABC COMPANY PTY LTD'. It includes a header with the company name and a unique ID 'X123456789'. Below the header, there is a 'Voting Card' title and a paragraph of instructions. Two buttons, 'Full Vote' and 'Partial Vote', are visible. The main content area lists four resolutions, each with 'For', 'Against', and 'Abstain' options. The resolutions are: Resolution 2B (RE-ELECTION OF MR. ABC AS A DIRECTOR), Resolution 2C (RE-ELECTION OF MS XYZ AS A DIRECTOR), Resolution 3 (INCREASE TO DIRECTORS' MAXIMUM FEE POOL LIMIT), and Resolution 4 (ADOPTION OF REMUNERATION REPORT). A 'SUBMIT VOTE' button is at the bottom.

Asking a Question

How to submit a question online

- To ask a question, click on the Ask a Question box at the top or bottom 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 web form titled "Ask a Question". It includes a welcome message, a "Regarding" dropdown menu set to "General Business", a "Question" text area with the placeholder "Type your question here...", and a blue "Submit Question" button at the bottom.

Ask a Question

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.

Regarding

Question

Type your question here...

[Submit Question](#)

Chair's Address



CEO Presentation



Topics

1. ART Demand Drivers
2. Q1 FY22 Trading Update
3. Strategic Investments
4. Capital Management
5. Strategic Outlook

Assisted Reproductive Treatment Industry Demand Drivers



Biological

- **15%** couples wishing to conceive being diagnosed as infertile¹
- **14%** increase in the average maternal age to 32 years²
- **50%** decrease in sperm count in last 40 years³
- Rise in LGBTQIA+ community starting families
- Single parent families on the rise



Societal

- Rise in availability, affordability, and increasing use of pre-conception genetic testing
- Acceptance and awareness about IVF/ART growing – **5%-10%** annual increase in use of ART globally⁴
- Pandemic has affected timing of females having children⁵
- Reduced community stigma of accessing ARS services



Economic

- Medicare support for patients making IVF treatments and alternate models of care more affordable
- Private insurance coverage including more ARS options
- Technological innovations and the increase in IVF success rates in last 10 years⁶ is improving the accessibility and affordability of ARS services

Global biological trends underpin the growth in ART



Biological

- **15%** couples wishing to conceive being diagnosed as infertile
- **14%** increase in the average maternal age to 32 years
- **50%** decrease in sperm count in last 40 years
- Rise in LGBTQIA+ community starting families
- Single parent families on the rise

Global biological trends underpin the growth in ART market

~36%
of all mothers aged between 30-34¹

~85%
women using IVF are above 30 years old²

~50%
infertility cases are attributed to male factor³

- ~50% of infertility is caused by genetic conditions⁴
- Quality of chromosomes & DNA in eggs decline as women age
- Children of older parents have a slightly higher risk of genetic variations

~23%
Increase in karyotype testing⁵

- Men today produce fewer sperm than in the past and quality of sperm has declined, adding to reproduction issues and difficulties to conceive naturally
- The risks of miscarriage and complications in pregnancy/childbirth are higher for older women, information helps to better understand these risks

Virtus Strategic Initiatives

Optimise Core

- Investments in the growth of the Virtus ART clinic network
- Investments in Virtus' unique international research & innovation capability
- Increased brand affinity

Grow Genetics Capability

- NIPT is being insourced to improve service
- Changes in medical practices for Karyotypes tests
- National Genetic Counselling Services has been established

Precision Fertility™

- VRT EU is testing advanced fertility technology to track your sperm quality via AI
- Patient portal offering online education on ART procedures ready to be launched

Consumer confidence increased by tech breakthroughs

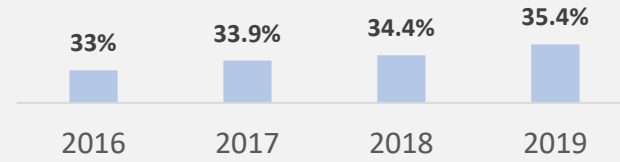


Societal

- Rise in availability, affordability, and increasing use of pre-conception genetic testing
- Acceptance and awareness about IVF/ART on the rise – **5%-10%** annual increase in use of ART globally
- Pandemic has affected timing of females having children
- Reduced community stigma of accessing ARS services

Consumer confidence increased by tech breakthroughs

Overall Clinical Pregnancy Rate¹



~30%

Increase in number of women freezing eggs²

- As technology has improved, the use of PGT in IVF has been increasing, with the latest Australia and New Zealand Assisted Reproductive Treatment Database (ANZARD) reporting a 20% increase across ART

~30%

Increase in PGT³ testing @ VRT

- Technological advancements have introduced options such as shared motherhood IVF and various egg-freezing procedures, creating options for same-sex couples and single women
- Self-reported stress is especially high in infertility patients during the COVID-19-pandemic, virtual care and patient experience alternatives can help⁴

Virtus Strategic Initiatives

Optimise Core

- One Lab – a unique embryology & andrology lab design has been developed with world leading partners
- Process harmonisation is improving IVF outcomes

Grow Genetics Capability

- Development of Reproductive Genetic Centre of Excellence in planning
- Recruitment of leading clinicians and genetics experts

Precision Fertility™

- A unique Provider Portal will deliver best-in-class IVF outcomes including, via integration of AI and other technologies

1: [ANZARD Report](#)- The overall clinical pregnancy rate for cycles reaching embryo transfer

2: [VARTA 2020 Annual Report](#)- ART treatment cycles reported in 2019-2020 compared to previous year in VIC

3: [Virtus genetics lab internal data](#)

4: [Reproductive Biomedicine Online](#)

Affordability and acceptance of ART on rise



Economic

- Medicare support for patients making IVF treatments and alternate models of care more affordable
- Private insurance partial coverage help reduce the cost
- Technological innovations and the increase in IVF success rates in last 10 years is improving the accessibility and affordability of ART services

Affordability and acceptance of ART on the rise

- Banks estimate that there is probably \$300 billion in excess savings caused by COVID-19¹
- The consensus view is that households, will be keen to get spending again on their wishlist items¹

~8%

Av increase in household financial comfort post COVID²

- New testing service rebates will be implemented from 1 November 2021 for eligible couples and individuals who are at risk of passing serious genetic conditions onto their child including an item number for PGT

~43%

Increase in expanded carrier screening³

- Women with increased awareness of ART have significantly greater attitudinal favourability towards ART. Government funding support is aligned with improving awareness and ART acceptance⁴
- Availability of clinicians is linked to increase or decrease of demand in ART treatments

Virtus Strategic Initiatives

Optimise Core

- Investment in accessible and affordable options for patients
- Advocacy work with government and consumer bodies

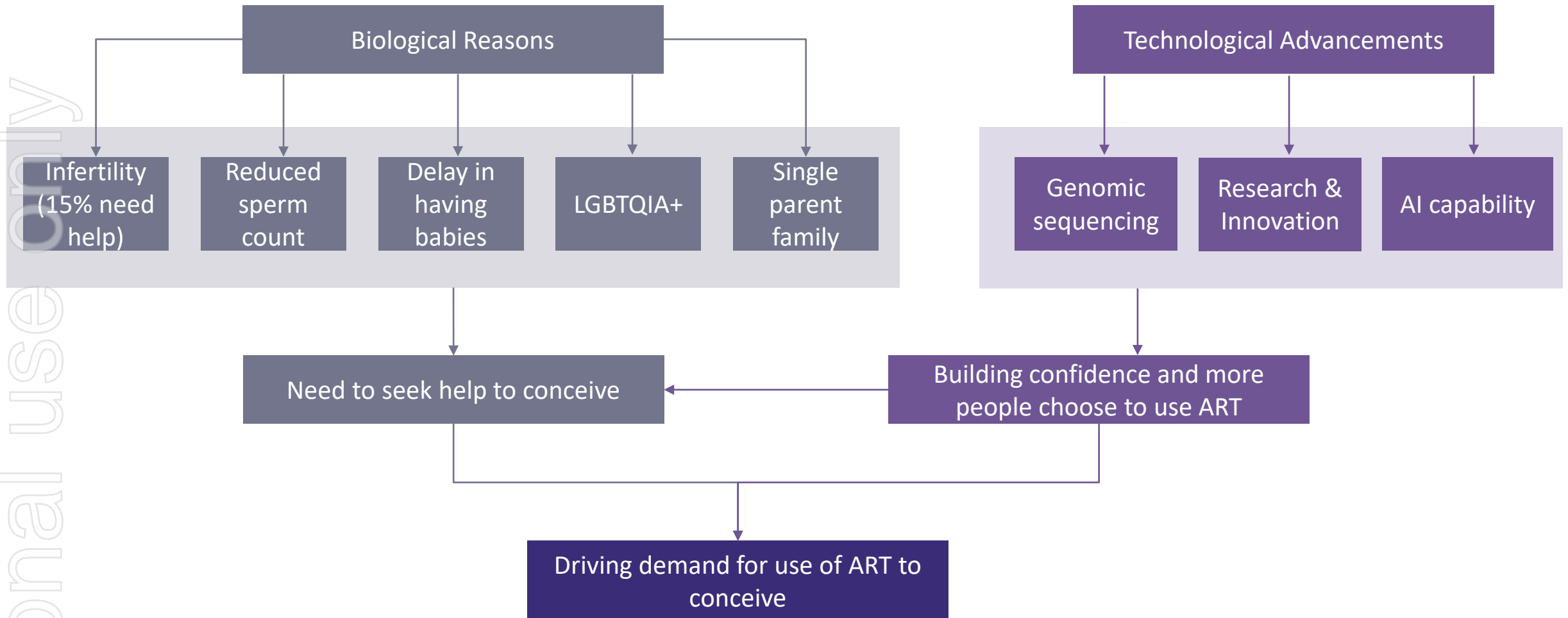
Grow Genetics Capability

- Simplified preconception carrier screening test has been developed
- Investment & research collaborations with start ups

Precision Fertility™

- Direct access to consumers will be available via the Patient Portal where resources and information can be accessed even before the treatment starts

Biological needs along with confidence in ART driving growth



Virtus Trading Update - Q1 FY22

Volume and Revenue Growth continues into FY22 building off a strong FY21

Cycle volumes and Revenue	Q1 FY22 <i>(compared to pcp)</i>
Australian fresh cycles <small>(Includes Fresh and cancelled cycles – Medicare (MBS) items 13200, 13201, 13202)</small>	+3.5% ₁
International fresh cycles	Flat ₂
ARS revenue	+1.5%
Diagnostics revenue	+10.4%
Day Hospital revenue	Flat ₃
Virtus Group revenue	+1.5% ₄



1. PCP: Q1 FY21 +17.6%
2. PCP: Q1 FY21 +12.8%
3. Impacted by reduction in non-IVF procedures due to State specific Health Orders
4. At actual foreign exchange rates

Virtus Trading Update - Q1 FY22

FY22 will see transformative investments; as well as 1H COVID-19 impact & one-off acquisition costs

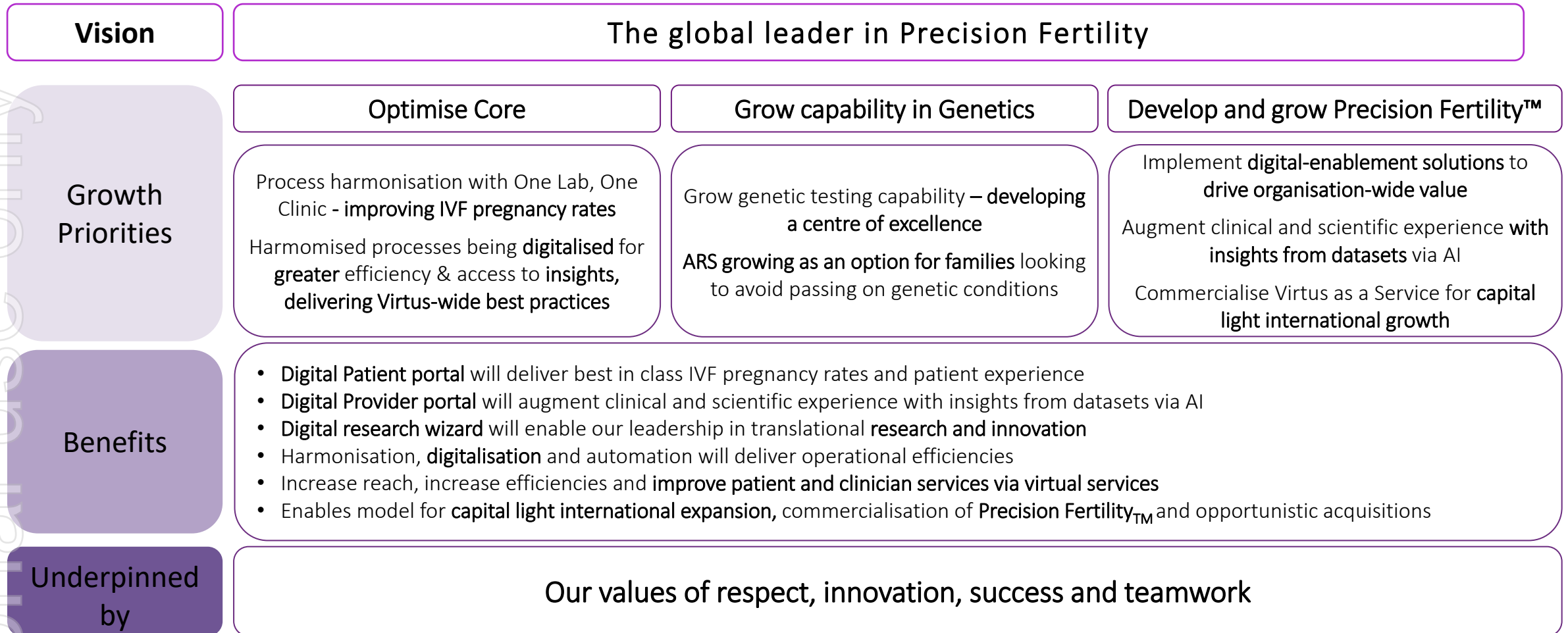
Operational Highlights:

- **Australian cycle growth** continued in Q1 at 3.5% vs pcp (a high growth comparable period in FY21) which was well ahead of the market growth of 0.6% in the Australian States that Virtus operates clinics (with a positive mix of new patients receiving treatment)
- **International cycle growth** flat for Q1 with Ireland, UK and Singapore seeing volume growth in excess of 8% offset by Denmark that saw reduced patient volumes as the country reopened and treatments were deferred (Q2 pipeline remains strong)
- **Diagnostic revenue growth** saw strong growth in Q1 which was boosted by genetic testing (Q2 outlook positive with the introduction of Medicare reimbursement and engagement to provide services to other industry participants)
- **Day Hospitals revenue growth** benefitted from the growth in IVF procedures however this was in part offset by a reduction in non-IVF procedures due to State specific Health Orders in Q1 (Q2 activity is expected to return)

FY22 Investments in Growth & One-off Costs:

- Strategic Growth Investments (across Opex and Capex)¹ being made in FY22 and will be identified and reported in the H1 and Full Year Results with expected out-year investment return profiles
- The COVID-19 impact on Opex and delays in Capital works during Q122 (ongoing from FY21) is expected to alleviate over FY22
- One-off acquisition costs incurred in relation to Adora will be identified and reported with the H1 Results

Strategic Investments for Growth and Value Creation



Optimising the Core

Investments in geographical expansion and technological advancements

- Investments in the growth of the Virtus ARS clinic network are being made in:
 - **QFG Spring Hill, QLD** – Located in health precinct; ART clinic and Day Surgery; Queensland Fertility Group will occupy four floors of a contemporary, purpose-built facility, designed to enhance the patient experience and clinical outcomes; **~3,500 cycle capacity¹**
 - **IVF Australia, Nepean, NSW** – Located in Nepean Health Hub; **~750 cycle capacity¹**
 - **Trianglen Klinik, Denmark** – Located in central Copenhagen; **~2,500 cycle capacity¹**
- **One Lab embryology & andrology laboratories have been designed** with world leading partners & are being introduced across Virtus Health's global network
- **Day Hospital optimisation continues** with an enhanced management team, improvements in labour management, recruitment of additional aligned specialists e.g. urologist supporting Male Fertility Clinic
- **Building an engaged workforce to harness discretionary effort** via launching initiatives to deliver innovative staff development opportunities; acting on employee engagement feedback; and investing in an enhanced Workforce Management Platform to improve employees experience of working at Virtus
- **A focus on continually enhancing patient experience** which has resulted in 9 out of 10 patients providing feedback that they are highly satisfied with care provided by their specialists²

New Clinic & Day Hospital Spring Hill, Brisbane



Growing Genetics Capability

Virtus Fertility Diagnosis & Reproductive Genetics Service has been re-structured to grow



More choices,
data capture
and accuracy

- Preconception carrier screening test offering has been simplified and is available via GPs or Specialists
- Non invasive prenatal testing is being insourced to improve service and data capture
- Investments in systems to be able to capture data more efficiently, to provide more personalised services
- Established a National Genetic Counselling Services, providing more and direct support to patients



More efficient,
cost effective
and rapid

- Cost per genome has reduced significantly in recent years (60% decline in cost per genome in last two years¹) – Virtus continue to become more efficient and cost effective via technological advancements
- Medicare rebate now covers several new items for Pre-implantation Genetic Testing – Virtus Diagnostics quickly provided patients with relevant information and access to this benefit
- Investigating rapid genetic testing techniques to identify the common genetic variant at a faster rate

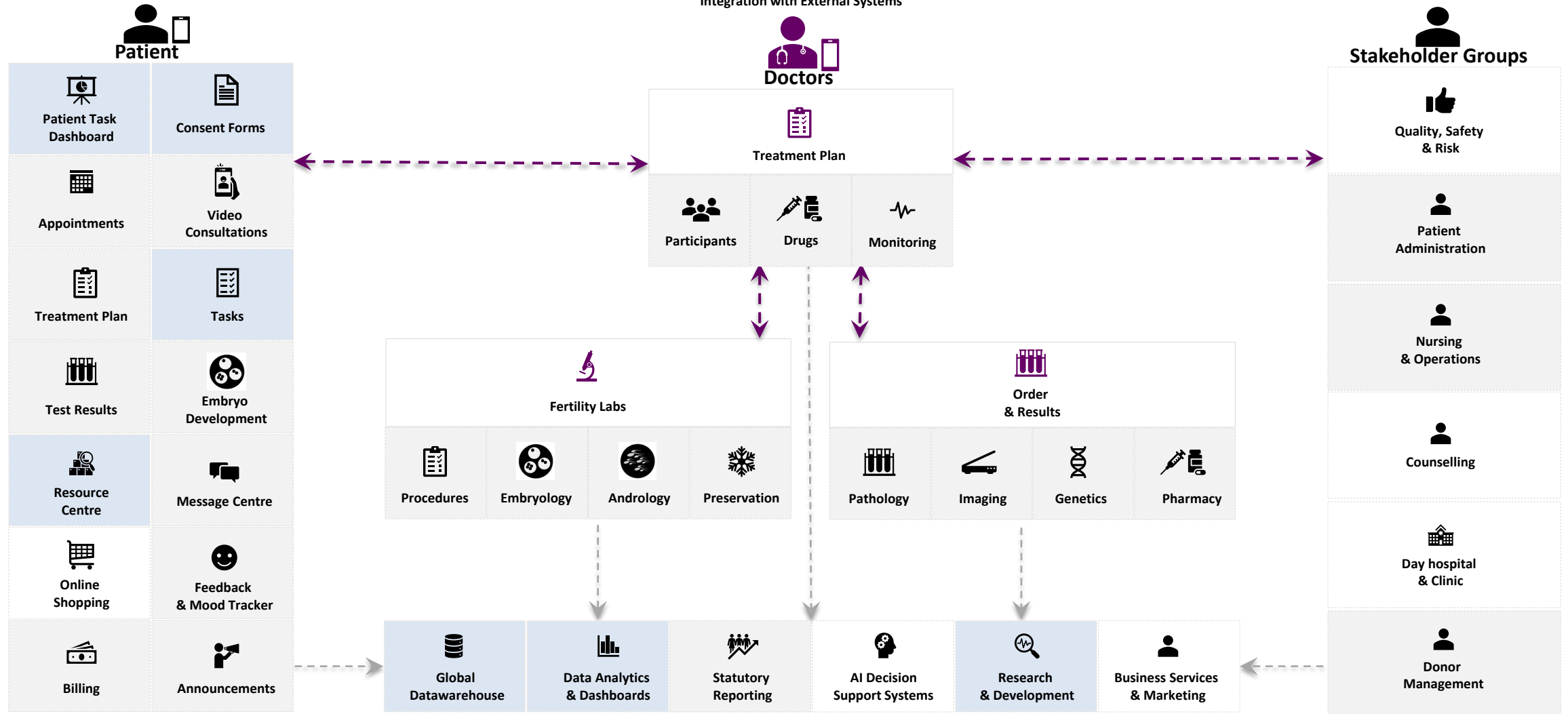


More expertise
with greater
access to
patients

- Leading expertise in reproductive genetics with the appointment of its Medical Director Reproductive Genetics (a leading genetic pathologist) and General Manager Virtus Diagnostics (with tertiary qualifications in genetics)
- Investment & research collaborations with start ups, such as 23 Strands and Drop Bio allows Virtus to participate in innovative developments in fertility diagnostics & reproductive genetics
- Development of Southern Hemisphere Genetic Centre of Excellence under planning – increased R&D efforts in the area

Feature Set & Go Live program

- Features ready to commence *go live* highlighted
- All features to *go live* by Dec 2022



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Capital Management & Capital Light Opportunities

Virtus continues to proactively explore and assess capital investment opportunity set

Adora Update

- Virtus continues to defend the ACCC process currently underway (as previously announced)

Capital Management position

- Positive cash Flow generation reflective of Q122 trading across the business
- Cash consideration for Adora is currently reserved in anticipation of this transaction
- All capital management options, including a share buyback, remain open to the company and will be actively considered up to, and including, the outcome of the ACCC process

Virtus As A Service (VaaS) Update

- Advanced discussions with multiple parties in Asia continue
- Feedback affirms the value potential of the business model of partnering to leverage Virtus IP & expertise through capital light expansion
- Detailed update to be provided with 1H22 Result

European Opportunities

- Several ARS businesses currently in different forms of sale process across Europe
- Valuation indications of these sales processes highlights the attractiveness and growth potential of Virtus Europe
- Virtus will assess all suitable opportunities but remains committed to its capital light growth strategy

Vision to be the global leader in Precision Fertility

Strategic focus areas	Key Objectives	Roadmap and key initiatives			Outcome and KPIs
		FY21	FY22	FY23	
<p>Optimise Core</p>	<ul style="list-style-type: none"> Enhance patient experience Improve IVF success rates Retain best specialists Deliver material efficiency dividend Enhance staff experience Diversify revenue (Day Hospitals) 	<ul style="list-style-type: none"> Investments in growth of the clinic network One Lab embryology and andrology laboratories designed Lab practices & collaboration enhanced across Virtus network Recruit new leadership team 	<ul style="list-style-type: none"> Grow via partnerships, capital light Virtus as a Services opportunities & bolt on acquisitions Continue harmonisation & collaboration to optimise efficiency across all services 	<ul style="list-style-type: none"> Realise operational efficiency achieved by harmonised processes & collaboration Offer a differentiation value proposition for patients & clinicians via enhanced IVF success rates & outcomes 	<ul style="list-style-type: none"> Growth investments – in FY22 and FY23 focused on: <ul style="list-style-type: none"> Precision Fertility™ Genetics capability Infrastructure & Services (Day Hospitals, VaaS & One Lab) Return on Investments – collective incremental <i>EBITDA</i> of \$5-10M p.a. from FY23+ from a mix of Revenue and Efficiency Margin outlook – 100-300bps p.a. improvement by FY24 (as part of the EBITDA uplift) from Precision Fertility™ and Operational improvements Diversification – with growth in Day Hospitals, Genetics, and International opportunities (such as Virus As A Service) Patient Success – all strategies are focused on meaningfully improving IVF success rates so Virtus clinics become the clinic of choice for Fertility Specialists and patients
<p>Grow capabilities in Genetics</p>	<ul style="list-style-type: none"> Differentiate & enhance Fertility Services Diversify revenue sources Lead research & innovation in genetics Become a global leader in genetic services 	<ul style="list-style-type: none"> Decision to focus on fertility diagnostics & reproductive genetics only Medical Director Genetics recruited Non invasive prenatal testing insourced 	<ul style="list-style-type: none"> Restructuring of general pathology business Established National Genetic Counselling Services Developing Centre of Excellence in Reproductive Genetics Appointment of new GM Genetics 	<ul style="list-style-type: none"> Grow Fertility Diagnostics & Reproductive Genetics services and continue to insource crucial tests Initiate northern hemisphere CoE plans and development 	
<p>Develop and Grow Precision Fertility™</p>	<ul style="list-style-type: none"> Enhance patient experience Deliver material efficiency dividend Improve IVF success rates via integrated AI, genomics, biomarkers etc Commercialise Precision Fertility™ 	<ul style="list-style-type: none"> Business case approved Clinicians engaged in development eConsent & Education module completed Vendor selected & engaged Data warehouse module scoped 	<ul style="list-style-type: none"> The following modules to go live progressively: <ul style="list-style-type: none"> Research wizard Data analytics & dashboard eConsent & Education & Patient Portal resource centre Global Data warehouse 	<ul style="list-style-type: none"> Precision Fertility Provider and Patient Portal to go live Synchronized lab and genetics systems Integrated systems providing significant data insights Commercialisation in play 	