

## ASX ANNOUNCEMENT

DATE: 7 May 2020

VIRTUS HEALTH LIMITED (ASX: VRT)

### VIRTUS HEALTH LIQUIDITY UPDATE

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Virtus Health Limited (ASX "VRT", "Virtus") is pleased to confirm it has amended its bank finance facilities through to 30 June 2021.

The Virtus management team and its banking partners have agreed to relevant normalisations to covenant calculations which covers the reporting periods up to 31 December 2020. Virtus management presented to the group's bank syndicate its ongoing trading and cash flow assumptions in the COVID-19 impacted environment, which demonstrated that the liquidity and funding needs of the business can be accommodated through its syndicated facility arrangements, without the need for additional near term funding.

At 30 April 2020, total bank facilities drawn were \$173m in borrowings and \$5.2m in guarantees. Unused and available debt facilities amounted to \$84.8m. \$92m of the debt facility expires in September 2021, whilst the remaining \$170m expires in September 2023. There has been no change in the facilities drawn since 31 December 2019. Cash balances at 30 April 2020 are approximately \$25m, an increase of approximately \$12m since 31 December 2019.

Kate Munnings, Group CEO of Virtus Health said, "We are delighted to have the continued support of our banking partners. The strength of our balance sheet and cash flows continue to provide Virtus the flexibility to support our existing activities and undertake future business development for the benefit of all stakeholders."

Further to the announcement on 21 April 2020, the following is the status of operations since the recommencement of elective surgery, including assisted reproductive services (ARS) across Virtus Health businesses:

- **Australia IVF** – Virtus Health clinics in Australia resumed fertility services and ARS treatment from 27 April with increased infection control and safety protocols. Clinics are progressively increasing the number of staff returning to work, as activity increases.

For social distancing reasons, fertility specialists will continue telehealth consulting via phone or online video conferencing through our Fertility Link service. Face-to-face consultations and services are provided where clinically required, with appropriate infection control measures in place.

- **Australian Day Hospitals** - Virtus Health has resumed ARS procedures and non-IVF elective surgery including laparoscopic gynaecology procedures, endoscopy and other same-day surgery across our seven day hospitals in accordance with state guidelines and increased infection control and safety protocols.

Virtus continues to stand ready to participate in the Government response to the COVID-19 pandemic. However, Virtus has not entered into any agreements with state governments under the viability guarantee for private hospitals as they were not suitable for the integrated day hospital model Virtus operates. Therefore, the lifting of the suspension of elective surgery, including IVF, means that Virtus can start to return to normal operations and earnings generation.

- **Australian Diagnostics** – Diagnostics has increased staffing as ARS operations return to normal levels and demand for non-IVF diagnostic testing rises.
- **Singapore** – Virtus Health’s Singapore clinic, the Virtus Fertility Centre, remained open during April. It is now operating under new restrictions for elective treatments, recently introduced by the Singapore Government; this will impact cycle activity in May and June 2020.
- **Europe** – Virtus clinics in Denmark are now working normally. Virtus clinics in Ireland reopened on 4 May and our UK clinic is expected to reactivate during the week commencing 11 May. Fertility specialists in these regions continue to utilise telehealth consultations to facilitate the continuity of care and increased infection control and safety protocols.

Kate Munnings, Group CEO said, “We are very pleased to see the majority of our clinics across our global network start to return to normal operations, given the importance of the work we do, especially in helping people become parents.”

Authorised by the Board of Directors of Virtus Health.

**ENDS**

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**About Virtus Health Limited**

Virtus Health Limited (ASX:VRT) brings together leading clinicians, scientists, researchers and support staff to provide the very best in fertility care and related specialised diagnostic and day hospital services. We have developed one of the most successful medical collaborations in the world. With 127 of the world’s leading fertility specialists supported by over 1300 professional staff, we are the largest network and provider of fertility services in Australia and Ireland, with a growing international presence in the UK, Denmark and Singapore.