

## ASX ANNOUNCEMENT

16 May 2022

VIRTUS HEALTH LIMITED (ASX: VRT)

### Virtus' First Supplementary Target's Statement (CapVest Offer)

Virtus Health Limited (ACN 129 643 492) (**Virtus**) refers to the off-market takeover offer (**CapVest Offer**) by Evergreen Bidco Pty Ltd (ACN 657 613 860), an entity controlled by CapVest Partners LLP (**CapVest**).

Virtus' first supplementary target's statement in respect of the CapVest Offer (**First Supplementary Target's Statement**) is attached in accordance with section 647(3)(b) of the *Corporations Act 2001* (Cth).

A copy of the First Supplementary Target's Statement will be served on CapVest and lodged with the Australian Securities and Investments Commission today.

This announcement is authorised by the Virtus Board.

**-ENDS-**

#### Further information:

##### Investor Enquiries:

Matt Prior  
CFO, Virtus Health  
+61 (0)498 003 973  
matthew.prior@virtushealth.com.au

##### Media Enquiries:

Peter Brookes  
Citadel Magnus  
+61 (0)407 911 389  
pbrookes@citadelmagnus.com

**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 ARS collaborations in the world. With 126 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, Ireland and Denmark, Singapore and UK.



Virtus Health Limited  
ACN 129 643 492

## First Supplementary Target's Statement – CapVest Takeover

---

### 1 First Supplementary Target's Statement

This document is a supplementary target's statement under section 644 of the *Corporations Act 2001* (Cth) (**Act**). It is the first supplementary target's statement (**First Supplementary Target's Statement**) issued by Virtus Health Limited (ACN 129 643 492) (**Virtus**) in relation to the off-market takeover bid made by CapVest for all Virtus Shares. This First Supplementary Target's Statement supplements, and should be read together with, Virtus' target's statement as included in the transaction booklet dated 5 May 2022 (**Booklet**).

---

### 2 Independent Expert's view on trading update

Attached is a release containing Virtus' FY22 April Year to Date trading update dated 13 May 2022 (**Trading Update**).

The Independent Expert has considered the Trading Update and confirmed that it does not change the conclusion in the Independent Expert's Report in respect of the CapVest Transaction.

---

### 3 Your Directors' recommendation

The Virtus Directors continue to unanimously recommend that you:

- 1 vote in favour of the Scheme Resolution;
- 2 accept the CapVest Takeover for all of your Virtus Shares should the Scheme not be approved by Virtus Shareholders or the Court; and
- 3 vote in favour of the Capital Return Resolution,

subject to there being no Superior Proposal and the Independent Expert continuing to conclude that, in respect of the Scheme, it is in the best interests of Virtus Shareholders and that, in respect of the CapVest Takeover, it is fair and reasonable.

---

### 4 General

Unless the context otherwise requires, capitalised terms used but not defined in this First Supplementary Target's Statement have the same meaning as terms defined in the Booklet.

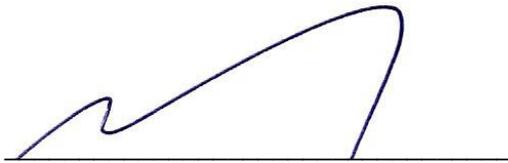
This First Supplementary Target's Statement prevails to the extent of any inconsistency with the Booklet.

A copy of this First Supplementary Target's Statement is being lodged with ASIC today. Neither ASIC nor any of its officers take any responsibility for its contents. A copy of this First Supplementary Target's Statement has also been provided to ASX. Neither ASX nor any of its officers takes any responsibility for the contents of this document.

---

## **5 Authorisation**

This First Supplementary Target's Statement has been approved by a resolution passed by the Virtus Board.

A handwritten signature in blue ink, appearing to read 'Sonia Petering', is written over a horizontal line.

Sonia Petering  
on behalf of the Board of Virtus Health Limited (ACN 129 643 492)

Dated: 16 May 2022

## ASX ANNOUNCEMENT

13 May 2022

VIRTUS HEALTH LIMITED (ASX: VRT)

### FY22 April Year to Date Trading Update

---

Virtus Health Limited (ACN 129 643 492) (**Virtus**) provided a Q3FY22 trading update in conjunction with the current acquisition process underway (Acquisition Process). This update was included in the CapVest Scheme explanatory statement (Transaction Booklet) and the Virtus target statement issued in response to the BGH takeover offer (Target Statement).

Virtus is providing a further trading update for the performance of the first ten months to 30 April 2022 of the FY22 financial year.

Virtus believes underlying demand drivers for assisted reproductive services continue to support the growth in the sector. However, a number of challenging market factors have been experienced throughout FY22 and despite the resilience of demand (which continues to be higher than pre-pandemic levels), Virtus does not expect to financially offset the impact of the disruption in the FY22 financial year.

Virtus Health's CEO Kate Munnings said: "The team at Virtus, including fertility specialists, scientists, clinical and administration staff, have worked incredibly hard over the past 10 months to help people become parents during challenging market conditions. Despite the additional pressure of the Acquisition Process, our strategic initiatives, including our Precision Fertility™ Digital Platform have progressed well during FY22 and they will lay the foundation for scalable growth of Virtus Health."

The following outlines the Virtus Group's performance for the ten months to 30 April 2022 on an unaudited basis (as compared with the prior corresponding period):

- Fresh cycle growth -3.9%
- Revenue growth -1.6%
- EBITDA (pre-AASB16 and before Non-Trading Expenses) -29.6%

As seasonality typically sees May and June contribute more strongly to profitability, the 10 months to 30 April does not necessarily represent the profile for the full year earnings.

## **Australian Market Share**

Despite the challenging market factors, the latest available Medicare data for Australia indicates that for the 9 months to 31 March 2022 Virtus has performed slightly more IVF fresh cycles in relative growth terms than the market (QLD, NSW, ACT, VIC, TAS). This indicates that Virtus saw modest market share gain during this period.

## **Contributing factors**

There have been several market factors that have impacted year to date performance. While these factors impact all assisted reproductive technology (ART) operators, the degree of impact is dependent on the operator's business mix and geographical composition. In the case of Virtus' business mix and market composition these factors in H2 have been:

- COVID-19 Omicron's infectiousness led to an impact on patients with deferred or cancelled cycles (with medical advice to defer treatment 4 to 8 weeks), as well as an impact operationally with staff shortages, increased staffing costs related to leave, and temporary clinic closures. COVID 19 continues to evolve and present challenges.
- Flooding in Queensland and northern New South Wales resulted in patients and staff being unable to attend Virtus clinics for treatments at various stages. This has now largely resolved.
- The opening of Virtus's new Nepean clinic was delayed. This new clinic was expected to open in October 2021, however COVID-19 related construction delays resulted in this clinic not opening until May 2022. The clinic has now opened, and a backlog of patients are being treated.
- Virtus Ireland's Egg Donation Program was suspended due to COVID-19 restrictions, resulting in the need for an alternative provider to be sourced. Regulators in the UK and Ireland were expected to provide approvals for the new provider in December 2021, however these approvals were not received until April 2022. This program has now recommenced, and patients are being treated.
- The rise in demand from patients for genetic testing as part of their fertility journey has seen capacity limitations experienced in Virtus Diagnostics karyotype testing with consequent delays in some patients commencing an IVF cycle. Work is underway to increase capacity with genetic testing capability being a strategic priority and strength for Virtus.

In addition to the above factors, there has also been the added distraction for staff and fertility specialists as a result of the ongoing contested Acquisition Process for control of Virtus Health since December 2021.

## **FY22 Outlook**

The risk of further COVID-19 related, or other market disruption remains present in Q4FY22 with greater month to month variance being seen than what has been experienced over the past two years. Initiatives are being implemented to mitigate and manage this increased month to month variance, while continuing to provide the best care to Virtus patients.

This announcement is authorised by the Virtus Board.

**-ENDS-**

## **Further information:**

### **Investor Enquiries:**

Matt Prior  
CFO, Virtus Health  
+61 (0)498 003 973  
matthew.prior@virtushealth.com.au

### **Media Enquiries:**

Peter Brookes  
Citadel Magnus  
+61 (0)407 911 389  
pbrookes@citadelmagnus.com

**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 ARS collaborations in the world. With 126 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, Ireland and Denmark, Singapore and UK.