

## ASX ANNOUNCEMENT

VIRTUS HEALTH LIMITED (ASX: VRT)

10 April 2019

### **Virtus Health enters into transfer and collaboration agreements for its “Ivy” Artificial Intelligence (AI) Technology**

Sydney, Australia - **Virtus Health**, (“Virtus”, ASX: VRT) Australia and Ireland’s largest Assisted Reproductive Services (ARS) provider announces that it has entered into transfer and collaboration agreements for its Artificial Intelligence software “Ivy” with **Vitrolife** based in Sweden, the manufacturer of EmbryoScope time lapse incubators and **Harrison.AI**, an Australian technology company specialising in AI in healthcare.

The agreements comprise two main components:

- Transfer to Vitrolife of intellectual property and patent applications (“IP”) relating to the Ivy AI technology from the current owners, Virtus Health and Harrison. AI, responsible for the development; and
- Collaboration agreements between the parties for an initial period of three years to ensure further development of the technology in the time-lapse incubator application.

The initial payment from Vitrolife relating to the transfer of the IP is USD 6 million. In addition to the initial purchase price, additional payments of up to USD 2 million may be paid in relation to the achievement of product development targets over the next three years. Virtus Health will share all revenue amounts equally with Harrison. The financial benefits of the entire collaboration will be recognised over a three year period.

Using time-lapse images during in vitro fertilisation (“IVF”) and before embryo transfer the Ivy technology can predict the likelihood of an embryo developing a foetal heart and viable pregnancy.

The artificial intelligence technology will support elective single embryo transfer and is anticipated to shorten the time to pregnancy by helping IVF practitioners rank the most viable embryos for selection and transfer.

“Together with Harrison. AI we are delighted to announce the collaboration with Vitrolife. The development of Ivy with Harrison. AI has been an exciting project which we believe will make a significant contribution to patient care and outcomes”, said Sue Channon Group CEO Virtus Health. “We believe Ivy is the most advanced tool of its kind in human embryology. Artificial Intelligence technology is likely, in the future, to be the dominant embryo selection method used in IVF”.



Virtus scientific teams are working closely with the Harrison. AI team to implement Ivy in Virtus Health clinics equipped with Vitrolife's time lapse incubators, EmbryoScope+.

"The formal agreements build on existing scientific and commercial relationships and will focus on further innovation in the field of assisted reproductive technology," said Sue Channon.

Vitrolife is the market leader in time-lapse incubation systems for use in assisted reproduction, providing undisturbed culture and improved selection of embryos. "We are delighted to announce the collaboration with Virtus Health and Harrison. AI to develop and market a state-of-the-art AI technology for the EmbryoScope time-lapse systems", says Thomas Axelsson, CEO of Vitrolife.

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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 125 of the world's leading fertility specialists supported by over 1200 professional staff, we are the largest network and provider of fertility services in Australia and Ireland, with a growing presence in Denmark, UK and Singapore. Our combined expertise creates a unique and powerful body of knowledge which when combined with the collegial team approach of our specialists and scientists, means we are able to find new and advanced solutions for achieving success for our patients.