

Directors' Report

for the year ended 30 June 2023

The Directors present their report together with the consolidated financial report of Monash IVF Group Limited ('the Group'), being the Company (Monash IVF Group Limited), its subsidiaries, and the Group's interest in associated entities as at and for the year ended 30 June 2023, and the auditor's report thereon.

Directors

The Directors of the Company at any time during or since the end of the year are:

Mr Richard Davis
Mr Josef Czyzewski
Ms Catherine West
Ms Zita Peach
Mr Neil Broekhuizen
Dr Richard Henshaw
Mr Michael Knaap

Principal activity

The Group is a leader in the field of human fertility services and is one of the leading providers of Assisted Reproductive Services (ARS) which is the most significant component of fertility care in Australia and Malaysia. ARS encompass a range of techniques used to assist patients experiencing infertility to achieve a clinical pregnancy. In addition, the Group is a significant provider of specialised women's imaging services.

Operational and Financial Review

The Group reported Underlying NPAT of \$25.5m⁽¹⁾⁽²⁾⁽⁶⁾, as compared to \$22.2m in pcip.

\$m	FY2023	FY2022	% Change
Group Revenue	\$213.6	\$192.3	11.1%
Underlying EBITDA ⁽¹⁾⁽²⁾	\$53.4	\$48.1	11.0%
Underlying NPAT ⁽¹⁾⁽²⁾⁽⁶⁾	\$25.5	\$22.2	14.7%
Reported EBITDA ⁽¹⁾⁽²⁾	\$48.5	\$43.2	12.3%
Reported EBIT	\$33.1	\$28.4	16.5%
Reported NPAT ⁽⁶⁾	\$22.0	\$18.5	18.9%
EPS (cents)	5.6	4.7	19.1%
DPS (cents)	4.4	4.4	-%
	30 June 23	30 June 22	
Net Debt (m) ⁽³⁾	\$31.0	\$2.1	
Net Debt to Equity ratio ⁽⁴⁾	11.3%	0.8%	
Return on Equity (pa.) ⁽⁵⁾	9.3%	8.2%	

⁽¹⁾ EBITDA and Underlying NPAT are non-IFRS measures

⁽²⁾ Refer to earnings reconciliation on page 32 for Underlying vs Reported EBITDA, EBIT and NPAT. FY22 included non-regular items that increased Adjusted EBITDA, EBIT and NPAT by \$5.0m pre-tax

⁽³⁾ Debt less cash balances

⁽⁴⁾ Net debt to equity is net debt divided by equity

⁽⁵⁾ Return on equity is Underlying NPAT for the twelve-month period to 30 June 2023 divided by closing equity

⁽⁶⁾ Attributable to ordinary shareholders and non-controlling interest

Directors' Report continued

for the year ended 30 June 2023

Group Underlying Results

Domestic clinical pregnancy rates per embryo transfer in CY2022 increased to 38.0% from 37.0% in CY2021 and is 5.4% higher than CY2018. Pregnancy rates increased by 38.7% in Q1CY23 compared to pcp. Improvements to clinical pregnancy outcomes are driven by highly trained and skilled scientific workforces across our vast number of clinics, upgrades to technology and equipment and standardisation of processes and protocols across the Network.

The Ultrasound business returned to scan growth during FY23 with Sydney Ultrasound for Women growing scan volumes by 8.5% compared to pcp whilst Monash Ultrasound for Women returned to growth in 2H23, delivering 2H23 growth of 28% compared to pcp.

The Group progressed its new clinical infrastructure program and upgrades including completion of relocated IVF premises in inner Melbourne (Cremorne), Darwin, Penrith and Gold Coast. New complementary day hospital operations in Gold Coast and Cremorne will be available and commissioned during 1H24 providing the Group with higher and more diversified day hospital revenue streams including servicing clinicians performing ophthalmology, dentistry and gynaecology procedures, in addition to IVF.

The new Singapore IVF clinic commenced in June 2022 and continues to ramp up to profitability. Anticipated activity in 2H23 was delayed due to key doctor availability however this is anticipated to be resolved during 1H24 and generation of profitability in 1H24 is anticipated. The new Bali IVF clinic performed its first procedure in January 2023 and has largely reached breakeven in Q4FY23. The existing Kuala Lumpur IVF clinic has largely recovered post the height of the Pandemic, generating stimulated cycle growth of 3.1% compared to pcp but was impacted by inflationary and supplier pressures, offsetting the benefit from higher activity. The existing Johor Bahru IVF clinic generated growth in both revenue and EBITDA⁽¹⁾ during FY23 and is well placed to continue growth in FY24.

Net Finance Costs increased to \$3.3m, \$1.2m higher than pcp which included \$0.4m impact for non-cash interest on Lease Liabilities (under IFRS16) and \$0.8m increase from a combination of a higher BBSY rate (+3%) and average borrowings (\$39m at 30 June 23) during the period.

Underlying NPAT⁽¹⁾⁽³⁾ was \$25.5m whilst Reported NPAT was \$22.0m. Reported NPAT includes certain non-regular items relating to acquisition costs, new premise and commissioning costs. Refer to page 6 for further information.

Segment analysis

	Australia			International		
\$m	FY2023	FY2022	% change	FY2023	FY2022	% change
Revenue	200.8	182.1	10.3%	12.8	10.2	25.5%
Underlying EBIT ⁽¹⁾⁽²⁾	36.2	30.6	18.3%	1.9	2.8	(32.1%)
Underlying NPAT ⁽¹⁾⁽²⁾	24.5	20.2	21.3%	1.0	2.0	(50.0%)
Reported NPAT	21.1	17.0	24.1%	0.9	1.5	(40.0%)

Australia

Australia revenue increased by \$18.7m or 10.3% to \$200.8m due to the following:

- \$13.8m Domestic ARS revenue growth (\$5.4m from patient price increases across all domestic markets and \$10.6m growth from market share gains in QLD, SA and WA (including acquisitions), partially offset by exiting the Tasmanian IVF market in October 2022);

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for the year ended 30 June 2023

Segment analysis (continued)

- \$2.0m Ultrasound revenue growth due to 4.9% growth in scan volumes and 3% price increase across all scan types. Scan activity grew by 8.5% in Sydney and 5.1% in Melbourne, partly offset by Gold Coast which was closed during 2H23 and
- \$3.0m Day Surgery & Other revenue growth including volume growth in Sydney CBD DSU, volume contribution and genetics income.

The Australia CGU achieved FY23 Underlying EBIT of \$36.2m. The domestic IVF business was solid in growing EBIT and Margin% despite a challenging macro environment.

International

The International segment comprises of the existing Kuala Lumpur and Johor Bahru clinics and Bali and Singapore clinics which opened in January 2023 and June 2022 respectively. International Revenue increased by \$2.6m or 25.5% to \$12.8m and stimulated cycles increased by 19.9% compared to pcp following commencement and ramp up of Singapore operations and volume growth in KL and Johor Bahru. Underlying EBIT declined by \$0.9m or 32.1% to \$1.9m compared to pcp and Underlying NPAT declined by \$1.0m or 50.0% to \$1.0m compared to pcp. NPAT was impacted by commencement of new greenfield clinics in Singapore and Bali.

Earnings reconciliation

The table below provides a reconciliation of FY2023 Underlying EBIT and NPAT to the reported statutory metrics:

\$m	EBITDA	EBIT	NPAT	FY22 NPAT
Reported Statutory	48.5	33.1	22.0	18.5
Acquisition transaction costs	1.9	1.9	1.3	1.5
Commissioning costs	3.1	3.1	2.2	1.8
Acquisition Earn-out fair value adjustment	-	-	-	0.4
Underlying ⁽¹⁾	53.4	38.1	25.5	22.2

(1) Non-IFRS measures

A total of \$5.0m in pre-tax items are included in the reconciliation of Reported Statutory to Underlying, which fall under three main categories.

\$1.9m relates to pre-tax acquisition related transaction costs including completion activities for the PIVET Medical Centre and ART Associates Queensland acquisitions and stamp duty provision for the Pivet acquisition;

\$3.1m relates to pre-tax commissioning costs for new fertility clinics and day hospitals in Melbourne, Penrith, Gold Coast, Darwin and Bali. These costs include lease expenditure under IFRS 16 lease accounting for the specific premises;

FY22 included non-regular items that increased Reported EBITDA, EBIT and NPAT by \$5.0m pre-tax and \$3.5m post-tax.

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for the year ended 30 June 2023

Statement of Financial Position and Capital Metrics

Balance Sheet \$m	30 June 23	30 June 22	% change
Cash and cash equivalents	8.0	7.9	1.3%
Other current assets	21.9	17.7	23.7%
Current lease liabilities	(6.3)	(7.1)	11.3%
Other Current liabilities	(40.2)	(31.0)	(29.7%)
Net working capital	(16.6)	(12.5)	(32.8%)
Borrowings	(38.9)	(9.8)	(296.9%)
Goodwill & Intangibles	280.4	258.9	8.3%
Right of use assets	59.0	64.7	(8.8%)
Lease liabilities	(54.8)	(60.3)	(9.1%)
Plant & Equipment	50.4	30.4	65.8%
Other liabilities	(4.4)	(1.5)	(193.3%)
Net assets	275.1	269.9	1.9%
Capital Metrics	30 June 23	30 June 22	+/-
Net Debt (\$m)⁽¹⁾	31.0	2.1	28.9
Leverage Ratio (Net Debt / EBITDA ⁽²⁾)	0.70x	0.05x	0.65x
Interest Cover (EBITDA ⁽²⁾ / Interest)	42.6x	113.2x	(70.6x)
Net Debt to Equity Ratio ⁽³⁾	11.3%	0.8%	10.5%
Return on Equity⁽⁴⁾	9.3%	8.2%	1.1%
Return on Assets⁽⁵⁾	6.0%	5.8%	0.2%

Significant headroom remains available in key banking covenants. The key Net Leverage Ratio is at 0.70x and well within the 3.5x covenant requirement. The Interest Cover Ratio is at 42.6x and well above the 3.0x covenant requirement.

Key capital metrics increased with Return on Equity increasing from 8.2% to 9.3% and Return on Assets increasing from 5.8% to 6.0%.

(1) Net debt is debt less cash balances (excluding capitalised bank fees)

(2) EBITDA is based on normalized EBITDA excluding AASB16 lease impact for covenant purposes as defined in the Syndicated Debt Facility Agreement. EBITDA is not an IFRS measure

(3) Net debt divided by equity at the balance date

(4) NPAT for the previous 12-month period divided by closing equity at the balance date

(5) NPAT for the previous 12-month period divided by closing assets at the balance date

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Statement of Cash Flows

Cash Flows \$m	FY2023	FY2022	Change %
EBITDA⁽¹⁾	48.5	43.2	12.3%
Movement in working capital	0.0	(1.5)	100.0%
Income taxes paid	(9.4)	(9.8)	4.1%
Net operating cash flows (post-tax)	39.1	31.9	22.6%
Capital expenditure	(27.8)	(11.8)	(135.6%)
Payments for businesses	(12.7)	(3.4)	(273.5%)
Cash flows used in investing activities	(40.5)	(15.2)	(166.4%)
Free Cash flow⁽¹⁾	(1.4)	16.7	(108.4%)
Dividends paid	(17.1)	(16.8)	(1.8%)
Interest on borrowings	(1.2)	(0.6)	(100.0%)
Payments of lease liabilities	(9.2)	(8.6)	(7.0%)
Proceeds of borrowings	29.0	8.4	245.2%
Cash flows used in financing activities	1.5	(17.7)	108.5%
Net cash flow movement	0.1	(0.9)	111.1%
Closing cash balance	8.0	7.9	1.3%

(1) EBITDA and Free Cash Flow are non-IFRS measures.

- Pre-tax conversion of EBITDA to operating cash flow was 100%, compared to 97% in the prior comparative period;
- \$27.8m capital expenditure including new fertility clinics (Cremorne in VIC, Gold Coast and Brisbane WIP, Penrith, Bali and Darwin completed), IT infrastructure including cyber security assets and medical equipment;
- \$12.7m payments for business includes \$3.9m for up-front cash consideration of ART Associates Qld, \$7m payment for Pivot acquisition, \$0.4m payment for Fertility Solutions contingent consideration relating to FY22 and \$1.3m payments for non-recurring acquisition costs (completion activities for ART Associates QLD and PIVET including legal and accreditation costs);
- Interest on borrowings increased by \$0.6m due to higher average borrowings compared to pcp and increases in the BBSY during F23;
- \$29m debt drawdown primarily for committed infrastructure projects and acquisition payments;
- Payment of lease liabilities increased by \$0.6m driven primarily by rental payments for new completed IVF clinics (Penrith, Darwin and Singapore) and rental payments for yet to be completed clinics (Cremorne DSU (VIC) and Gold Coast IVF & DSU).
- \$17.1m dividend payments comprised of the final FY22 fully franked dividend and the interim FY23 fully franked dividend.

Dividends

On 22 August 2023, a fully franked final FY2023 dividend of 2.2 cents per share was declared. The record date for the dividend is 8 September 2023 and the payment date for the dividend is 11 October 2023.

Commitments & Contingencies

As announced to the ASX on 23 December 2020, Monash IVF Group became aware that it and certain number of its subsidiaries have been named as defendants in proceedings filed in the Supreme Court of Victoria in relation to, or in connection with, the Group's non-invasive pre-implantation genetic screening technology (Ni-PGT or cell-free PGT-A). The proceedings filed makes a series of allegations against

Directors' Report continued

for the year ended 30 June 2023

Commitments & Contingencies (continued)

Monash IVF Group in relation to the Ni-PGT testing including that those patients who had embryos classified as aneuploid as a result of Ni-PGT testing may have had embryos destroyed or did not proceed to embryo transfer. Ni-PGT testing was suspended in October 2020. As announced to the ASX on 21 August 2023, an amended statement of claim was filed in the Supreme Court of Victoria which, amongst other things, seeks aggravated damages and exemplary damages from the Group. The Group filed its initial defense on 19 August 2022 in accordance with the Court's directions and expects to file its defense for the amended statement of claim in the coming months. The discovery process is continuing and the Group has notified its insurers of the claim noting the cost of Monash IVF's defense of the Class Action are currently funded by its insurer. The claim does not specify an amount of damages and it is not currently possible to determine the ultimate impact of this claim, if any, on the Group. The aggravated damages and exemplary damages claim, and the costs of defending that, are uninsured. Legal costs and damages, if any, in excess of insurance proceeds will be funded by Monash IVF.

Outlook

We continue to believe and are optimistic that there is a fundamental shift in the Community and the mindset of our patient cohort with greater focus on family, health and wellbeing resulting in re-direction of priorities towards family extension and creation. This was highly evident during the Pandemic whereby FY2023 Stimulated Cycle Industry⁽²⁾⁽³⁾ activity was higher than FY2019 by 22.3%. Based on Monash IVF's new patient registration pipeline going into FY24, we are confident that current Industry activity is sustainable and will continue to grow in FY24. Whilst macroeconomic conditions in Australia including cost of living and monetary policy is impacting affordability of certain services and goods, it is not currently impacting Monash IVF new patient registrations (NPR) to date, with NPRs up strongly on prior year between January and July 2023.

The Group is confident revenue and underlying NPAT⁽¹⁾ will grow in FY24 noting the following:

- Full Year contribution from ART Associates QLD No.2 Pty Ltd and PIVET Medical Centre acquisitions;
- Commencement of new fertility clinics and day hospital operations in Cremorne (VIC) and Gold Coast (QLD) during 1H24, in addition to relocation of existing IVF clinics in Sunshine (VIC);
- Conversion of strong new patient registrations generated in FY23;
- Domestic IVF and Ultrasound patient pricing will increase by 5%-8% during 1H24 across all State based markets which is anticipated to offset cost base increases;
- New fertility specialists attracted in FY23 will drive further volume growth in FY2024 and the Company will continue to focus on recruitment of suitable fertility specialists;
- Capitalising on growth opportunity in Reproductive Genetic Screening (RGS);
- Continued optimisation of Ultrasound operations, particularly in Melbourne, following operating challenges during the Pandemic;
- Further progress in South East Asia growth strategy including ramp up of activity in the Singapore and Bali fertility clinics.

(1) Underlying excludes certain non-regular items relating to acquisition costs, new clinic commissioning costs and AASB3 fair value adjustment

(2) QLD,NSW,VIC,SA,NT Markets

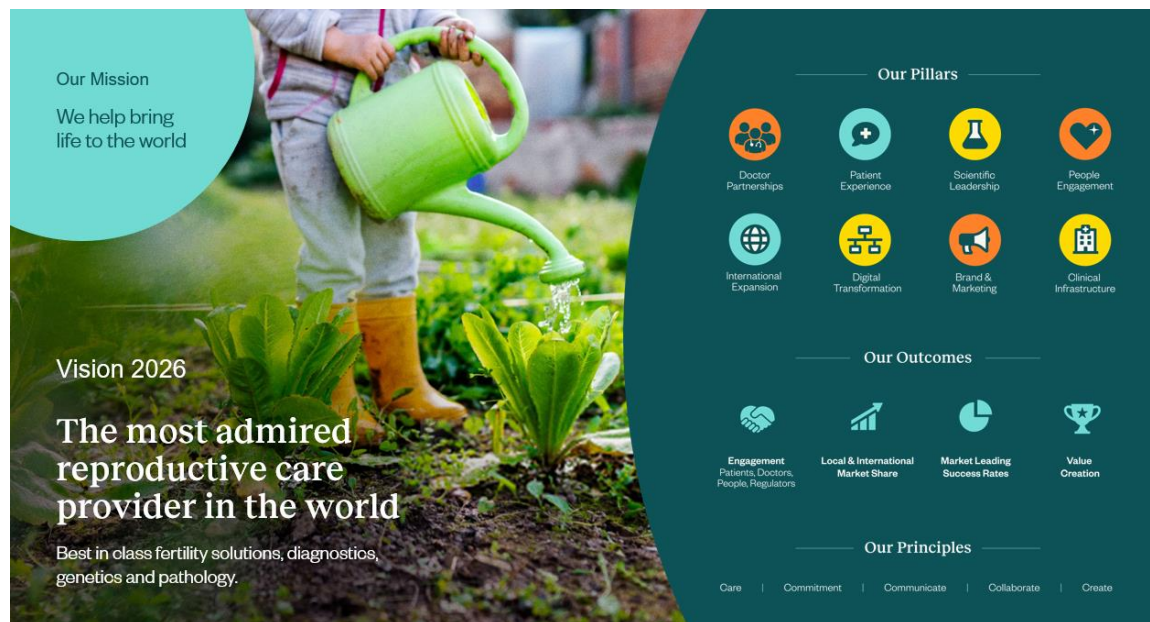
(3) 13200/1 MBS items

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for the year ended 30 June 2023

Business Strategies and Prospects for Future Financial Years

Monash IVF Group's mission is to help bring life to the World by providing Best-in-Class fertility solutions to all, including diagnostics, genetics and pathology. This is supported by our Vision to be the most admired fertility solutions provider in the world by Patients, Doctors, our People and other industry stakeholders. Our Mission and Vision will be delivered through Our Pillars as illustrated below:



Our Pillars are defined as follows below:

Patient experience - We are committed to providing best in class clinical care across the fertility and pregnancy journey, delivering through a patient experience that is empathetic, empowering and personalised.

Doctor partnership - We will develop mutually beneficial long term partnerships with our Doctors that benefits our patients through excellence in clinical care and to drive growth in our Doctors' businesses.

Scientific leadership - Our focus in world-class research and science will deliver market leading success rates, innovative services and attract partnership opportunities.

Clinical infrastructure - Provide high quality, fit-for-purpose infrastructure to support our best in class offering through investing in new and existing facilities and businesses.

People engagement - Through passion, pride and capability our People are leading the way in helping bring life to the world.

Brand & marketing - Our brand and marketing conveys our leadership in reproductive health and develops strong brand salience through progressive, empathetic and empowering engagement with the Community, Patients and our People.

Digital transformation - Investing in next generation technology, platforms and systems to enhance interactions with our Patients, Doctors and People. Grow and diversify revenue streams through enhanced digital capabilities and partnerships.

International expansion - Export our expertise in fertility services to Asia and beyond through effective partnerships.

Directors' Report continued

for the year ended 30 June 2023

Business Strategies and Prospects for Future Financial Years (continued)

Our Pillars will drive achievement of Our Outcomes to Engage with our Key Stakeholders, continually improve our Patient outcomes, grow our market share and create value for our Key Stakeholders including Patients, Doctors, People and Shareholders.

Business risks

The Monash IVF Group continually considers the benefits of implementing a risk management framework, all of which contributes to the increased likelihood that the Group will be able to achieve its organisational objectives. Accordingly, the Group has a risk management framework and has implemented systematic processes for:

- Better identification of opportunities and threats;
- Prevention of potential risks from being realised;
- Reduction of the element of chance;
- Increased accountability and transparency for decisions;
- More effective allocation and use of resources;
- Improved incident management and reduction in loss and the cost of risk;
- Improved stakeholder confidence and trust;
- Improved compliance with relevant legislation and accreditation processes;
- Proactive rather than reactive management;
- Enhanced governance.

The risk management framework together with the risk assessments and mitigation strategies are regularly reviewed both individually and collectively by the Executive Team, the Audit and Risk Committee and the Board. A simple prioritisation system has been adopted to scale the relative importance of all the identified risks. From review of the Group's key business, operational and financial risks, processes are in-place to reduce the inherent nature of these risks to an acceptable and manageable level. This includes high inherent risk presented by the COVID-19 Pandemic and is a key priority when managing risk. The Group considers the below as important risks that require continued management to ensure the Group meets its objectives.

Relationships with People in key roles, including clinicians

The relationships between Monash IVF Group, its People and Clinicians are key to our recruitment and retention strategies, ability to grow the businesses and replacement of retiring clinicians. The loss or disengagement of Clinicians or inability to attract new Clinicians to the organisation would likely impact the revenue and profitability of the organisation.

There are similar risks to the organisation relating to the departure or disengagement of the Executive and Leadership Teams and People in key roles, defined by regulatory requirements. Comprehensive training and development programs, competitive remuneration frameworks, commitment to patient centred care and opportunities to participate in world class research activities all contribute to attracting and retaining the very best talent in the Industry.

Change in Government funding arrangements for Assisted Reproductive Services

There is a risk that the Commonwealth Government will change the funding (including levels, conditions or eligibility requirements) it provides for Assisted Reproductive Services (ARS). Patients receive partial re-imbursement for ARS treatment through Commonwealth Government Programs, including the Medicare Benefit Schedule (MBS) and Extended Medicare Safety Net (EMSN). If the level of re-

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Change in Government funding arrangements for Assisted Reproductive Services (continued)

imbursement were to be reduced or capped, Patients would face higher out-of-pocket expenses for ARS potentially reducing the demand for services provided by the Group. The Group is not aware of any changes to Commonwealth Government funding for ARS in the short to medium term.

Risk of increased competition

In each of the markets the Group operates in, there is a risk that:

- Existing competitors may undertake aggressive marketing and Patient acquisition campaigns, product innovation or price discounting;
- New market entrants may participate in the Sector and gain market share;
- Further growth in low cost offerings provided by competitors may reduce the Group's market share;
- An increase in publicly provided ARS services may reduce the Group's market share.

The Group continues to strategically position its ARS service as a specialised premium offering as a point of differentiation against low cost competitors. In addition, the Group has previously partnered with State based governments in the provision of publicly provided ARS services and will look to continue to partner with governments to provide greater access to ARS services to the community.

Occupational Health and Safety

Monash IVF employees are at risk of workplace accidents and incidents. In the event that a Monash IVF employee is injured in the course of their employment, Monash IVF may be liable for penalties or damages. This has the potential to harm both the reputation and financial performance of Monash IVF.

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for the year ended 30 June 2023

Information on Directors

Director	Experience
Mr Richard Davis Independent Chairman	<p>Mr. Richard Davis joined the Group in June 2014 and is currently serving as a non-executive director of ASX listed companies, InvoCare Limited and Australian Vintage Limited (Chairman).</p> <p>Richard worked for InvoCare for 20 years until 2008. For the majority of that time he held the position of CEO and managed the growth of that business through a number of ownership changes and over 20 acquisitions, including offshore in Singapore.</p> <p>Prior to InvoCare Limited, Richard worked as an accounting partner of Bird Cameron. Richard holds a Bachelor of Economics from the University of Sydney.</p>
Mr Josef Czyzewski Independent Non-executive Director	<p>Mr. Josef Czyzewski joined the Group in June 2014 and has over 30 years experience in senior finance positions and significant experience in the health industry.</p> <p>Josef has held the positions of CFO at Healthscope Limited, and more recently CFO/General Manager Strategy and Development at Spotless Group Limited following its takeover by private equity interests in 2012.</p> <p>Prior to that time, Josef had held various senior finance positions with BHP Billiton including VP Finance and Corporate Treasurer. He holds a Bachelor of Commerce from the University of Newcastle and is a Graduate Member of the Australian Institute of Company Directors.</p>
Mr Neil Broekhuizen Independent Non-executive Director	<p>Mr. Neil Broekhuizen is the Joint Chief Executive Officer of Ironbridge.</p> <p>Neil has over 30 years experience in the finance industry, including 28 years in private equity with Investcorp and Bridgepoint in Europe and Ironbridge in Australia. He has sat on the Ironbridge Investment Committee since inception.</p> <p>Neil is qualified as a Chartered Accountant and holds a BSC (Eng) Honours degree from Imperial College, University of London.</p>

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Director	Experience
<p>Ms Catherine West Independent Non-executive Director</p>	<p>Ms Catherine West was appointed Non-executive Director to Monash IVF Group on 8 September 2020. She is an experienced ASX listed non-executive director and has over 25 years of legal, business affairs and strategy experience in customer focused businesses in the media, entertainment, telecommunications and medical sectors in Australia, the UK and Europe.</p> <p>Catherine is a non-executive director of ASX listed Nine Entertainment where she is Chair of the People and Remuneration Committee and a member of the Audit and Risk Committee. Catherine is also a non-executive director of Peter Warren Automotive Group where she is also Chair of the People and Remuneration Committee and a member of the Audit and Risk Committee. In addition, she is a director of the Sydney Breast Cancer Foundation Limited, a director of the NIDA Foundation, the National Institute of Dramatic Art and a Chair of the Board of Governors of Wenona School. She was previously on the board of Southern Phone, a regional telecommunications company, before its successful sale to AGL. Catherine was also on the Board of ASX listed Endeavour Group until April 2021. Catherine is also a consultant to the healthcare sector and to media companies internationally.</p> <p>Catherine holds a Bachelor of Laws (Hons) and a Bachelor of Economics from the University of Sydney. She is also a Graduate Member of the Australian Institute of Company Directors.</p>
<p>Ms Zita Peach Independent Non-executive Director</p>	<p>Ms Zita Peach has more than 25 years of commercial experience in the pharmaceutical, biotechnology, medical devices and health services industries, and has worked for major industry players such as CSL Limited and Merck Sharp & Dohme, the Australian subsidiary of Merck Inc.</p> <p>Zita's most recent executive position is Managing Director for Australia and New Zealand and Executive Vice President, South Asia Pacific for Fresenius Kabi, a leading provider of pharmaceutical products and medical devices to hospitals. Previously, Zita was Vice President, Business Development, for CSL Limited, a position she held for ten years.</p> <p>Ms Peach is Chair of Pacific Smiles Group Limited (ASX listed) and Non-Executive Director of two private company boards, Icon Group Pty Ltd and Nucleus Network Pty Ltd. Zita is also a member of the Hudson Institute of Medical Research Board.</p> <p>Ms Peach is a Fellow of the Australian Institute of Company Directors and a Fellow of the Australian Marketing Institute.</p>

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Director	Experience
Dr Richard Henshaw Executive Director	<p>Dr Richard Henshaw MD FRANZCOG FRCOG has practiced in the field of reproductive medicine since 1995.</p> <p>Richard works as a Fertility Specialist for the Group.</p> <p>Richard has served on many national bodies, including RANZCOG Council, the IVF Medical Directors Group of Australia and New Zealand, and the Reproductive Technology Accreditation Committee.</p>
Mr Michael Knaap Chief Executive Officer Managing Director	<p>Mr Michael Knaap was appointed to the role of Chief Executive Officer and Managing Director for Monash IVF Group on 15 April 2019.</p> <p>Following his tenure as MVF Group's Chief Financial Officer and Company Secretary since August 2015, Michael was appointed to Interim CEO in October 2018.</p> <p>Mr Knaap has nearly 30 years experience in executive positions with a strong financial, operational, strategic and leadership background in Healthcare and FMCG industries. Prior to joining MVF Group, Michael was with Patties Foods Limited where he held a number of executive positions over six years, including the role of Chief Financial Officer and Company Secretary.</p> <p>He holds a Bachelor of Accounting from Monash University and is a Certified Practising Accountant.</p>

Company Secretary

Mr Malik Jainudeen was appointed to the role of Monash IVF Group Chief Financial Officer and Company Secretary on 15 April 2019.

Malik joined Monash IVF Group in 2014 as a senior finance leader and has continued to progress his career with Monash IVF Group. Malik has more than 19 years experience in the finance sector including 10 years at KPMG as a Manager in Audit and Assurance where his client portfolio included ASX listed organisations Origin Energy Limited, AusNet Services and Dulux Group Limited. Malik was also the External Audit Manager for the Monash IVF Group for 6 years prior to its listing on the ASX in 2014.

Director Meetings

The number of directors' meetings and number of meetings attended by each of the directors of the Company during the financial year are:

Member	Attended	Eligible to Attend
Mr Richard Davis (Chair)	16	16
Mr Josef Czyzewski	16	16
Ms Catherine West	16	16
Ms Zita Peach	15	16
Mr Neil Broekhuizen	15	16
Dr Richard Henshaw	16	16
Mr Michael Knaap	16	16

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Committee meetings

Member	ARC		REM	
	Attended	Held	Attended	Held
Mr Richard Davis (Chair)	4	4	4	4
Mr Josef Czyzewski	4	4	4	4
Ms Catherine West	-	-	4	4
Ms Zita Peach	-	-	4	4
Mr Neil Broekhuizen	4	4	-	-

Matters subsequent to the end of the financial year

On 22 August 2023, a fully franked dividend of 2.2 cents per share was declared. The record date for the dividend is 8 September 2023 and the payment date for the dividend is 11 October 2023.

Refer to the Commitments and Contingencies section on a previous page for developments in contingent liabilities arising after the reporting date.

Except as disclosed above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material or unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial periods.

Environmental, Social and Governance

Global challenges, such as climate risk, increased regulatory pressures, social and demographic shifts and privacy and data security concerns, represents new or increasing risks for organizations. Through our existing corporate governance policies, our Strategic Framework, Quality Policy and Code of Conduct, Monash IVF Group has demonstrated a strong commitment to responsible and ethical conduct. In exploring Monash IVF's sustainability actions and steps forward, the Company has considered various ESG reporting frameworks available and the UN Sustainability Development Goals. The following page provides a summary on a page on the Group's Sustainability Strategy which will form the basis of Monash IVF's inaugural Group Sustainability Report expected to be released in October 2023.

During FY2023, the Company established an ESG Committee, with Monash IVF Group Board representation and key stakeholders within the Group to ensure the implementation of a proposed plan, embedded in daily routine activities to achieve tangible results. Establishment of ESG Metrics provides accountability for change and creation of long term value through strategies that incorporate ESG.

Directors' Report *continued*

for the year ended 30 June 2023

Monash IVF Group FY24

Sustainability Strategy

We have developed our Sustainability Strategy on a page to summarise the key areas of focus where Monash IVF Group can achieve the maximum impact in delivering safe, effective healthcare services, that give every person the best opportunity to create or grow their family.



Remuneration Report (Audited)

for the year ended 30 June 2023

The Company's Directors present the 2023 Remuneration Report prepared in accordance with Section 300A of the *Corporations Act 2001*, for the Company and the Group for the year ending 30 June 2023 ("FY23"). The information provided in this Remuneration Report has been audited by KPMG as required by Section 308(3C) of the *Corporations Act 2001*. The Remuneration Report forms part of the Directors' Report.

The Remuneration Report outlines the remuneration strategies and arrangements for the Key Management Personnel (KMP) who have authority and responsibility for planning, directing, and controlling the activities of Monash IVF Group.

FY23 Highlights

Employee commitment, strength and focus enabled a strong FY23 result. Our investment in future growth continues to set Monash IVF Group apart in the market with compelling employer, patient, and doctor value propositions. A continued drive to achieve Vision 2026 strategic objectives additionally demonstrates Monash IVF Group capability to deliver robust market growth, despite challenging macro environmental factors. Sustained achievements over the 4-year period also demonstrates stable and capable Executive Leaders who continue to position Monash IVF Group to capitalise on growth.

Linking remuneration outcomes with performance

In FY23 our remuneration outcomes aligned to the performance of Monash IVF Group relative to FY23:

- Maximum remuneration (fixed and at-risk remuneration combined) for KMP continued to be adjusted in line with external benchmarking guidance. As advised in FY22, this benchmarking considered organisations of comparable size at that time. In FY23 the Company has continued to grow from a profitability, market capitalisation and key strategic non-financial outcomes to deliver longer term sustainable growth. In FY23, the Board agreed to continue to increase the total remuneration for the CEO, CFO and COO through step changes, bringing these closer to comparable peers. The CEO 3-year fixed remuneration CAGR is 6% and 11% for total maximum remuneration aligning with more at-risk remuneration. The adjustments to the CEO, CFO and COO maximum remuneration remains at or below the industry benchmark. The Board continue to recognise that KMPs & Executive are critical to the achievement of Vision 2026 and therefore the remuneration and retention strategy ensures they remain incentivised to deliver this strategy. Further adjustments may be considered and applied to the at-risk component to ensure greater comparability to peers.
- The FY23 STI gateway was achieved, being Scientific Success Rates. This measure continues to be the most critical focus of the organisation and will remain as a STI gateway. The STI financial component was below target, but above threshold, resulting in 48% of financial target being met.
- For the LTI component, the Earnings Per Share (EPS) component of the FY2021 Performance Rights granted was achieved on 30 June 2023 due to performance targets being met during FY21 to FY23. The Total Shareholder Return (TSR) on the FY20 Performance Rights granted did not vest during FY23. the TSR component of the FY21 Performance Rights granted will be tested in September 2023.

In FY24 our remuneration outcomes planned for FY24 align to the performance of Monash IVF Group relative to FY23:

- In FY24 the Total Fixed Remuneration for CEO, CFO and COO increased by 6%, with increases of 10% to the At-Risk component for the CEO, CFO & COO.
- Following a review of the Incentive Plan structure there is no change to the LTI Plan with the Relative Total Shareholder Return (TSR) peer group of ASX 300 Healthcare continuing to exclude CSL. The Short-Term Incentive (STI) plan for FY24 will also retain the opportunity for reward where performance exceeds target. A stretch target for financial measures being 120% aligned to a further 150% of financial objective of Short-Term Incentive (STI) available. Additionally, recognising that Earnings Per Share (EPS) has been a measure in both Short-Term Incentive (STI) and Long-Term Incentive (LTI) in prior years, the Short-Term Incentive (STI) financial measure for FY24 has been changed to Underlying Net Profit After Tax (NPAT) whilst the Long-Term Incentive (LTI) related measure will continue to be Earnings Per Share (EPS), in part.

Remuneration Report (Audited) continued

for the year ended 30 June 2023

Non-Executive Director remuneration arrangements in FY2023

Fees payable to Non-Executive Directors were reviewed regarding fee adjustments effective 1 July 2022 and 3% increase was applied to Director base and committee fees. This increase is inclusive of 0.5% increase to superannuation contribution.

1.0 Remuneration Snapshot

1.1 Remuneration Governance

The Board is responsible for the overall governance and decisions relating to remuneration. The Remuneration and Nomination Committee (Committee), underpinned by the Remuneration and Nomination Committee Charter enables the Board to discharge their governance responsibilities in all matters relating to remuneration and engagement of all Executive and Non-Executive members.

The Committee as stated by the Remuneration and Nomination Committee Charter must have at least 3 members, the majority of whom (including the Chair) must be independent Directors and all of whom must be non-executive Directors. The Monash IVF Group Remuneration and Nomination Committee comprises of 4 independent Directors. Ms Zita Peach, Chair who was appointed on 23 June 2020. Mr Richard Davis, Mr Josef Czyzewski and Ms Catherine West.

During FY23, the Committee met 4 times with full attendance by all members. The Committee at times invites the CEO, CFO/Company Secretary, Chief People & Culture Officer and other non-executive directors (non-members of the Committee) to attend Committee meetings to assist in deliberations (excluding matters relating to their own employment).

The Remuneration and Nomination Committee sought no recommendations as defined in section 9B of the Corporations Act throughout FY23.

The Committee is responsible for reviewing and making recommendations to the Board in relation to:

- Group remuneration principles, strategy and practices;
- Non-executive director fee frameworks, policy regarding fee allocation, and fee pools sufficient for appropriate fee levels, Board renewal, Board roles, market practice, and director workload;
- Director Succession Planning
- Appointment of new directors, including the review of Board and Board committee membership
- Appointment of CEO
- Board effectiveness and performance,
- Overall remuneration framework for Executives;
- Terms and conditions underpinning Executive & Doctor Service Agreements (ESA), including terms such as restraint and notice period;
- Eligibility for, and conditions of, incentive plans, including equity-based incentive plans;
- Remuneration packages for all Senior Executives including structure and incentives;
- Metrics and associated targets for Incentive plans;
- Terms and conditions associated with incentive plans including equity plan rules, escrow and other restrictions on disposal;
- Structure and quantum of Senior Executive termination payments;
- Treatment of outstanding incentives in case of cessation of employment;
- Exercise of malus or clawback if relevant to incentive plan payments.

The Remuneration and Nomination Committee are also responsible for monitoring and reporting to the Board on other matters including:

- Remuneration relative to industry benchmarks;
- Achievement of performance requirements for the payment of incentives;
- Succession Planning;
- Diversity, inclusion objectives and pay equity including the WGEA annual report.

Remuneration Report (Audited) continued

for the year ended 30 June 2023

The Remuneration and Nomination Committee Charter is available on the Company's website at [Corporate Governance | Monash IVF Group](#). The Charter is reviewed annually. Further information on the Remuneration and Nomination Committee is provided in the Corporate Governance Statement in this Annual Report.

1.2 Principles of Remuneration Framework

Our continued approach to remuneration has maintained a consistent approach to remuneration that meets our remuneration objectives and aligns with our principles. The following summarises these key principles that underpin the structure of Executive Remuneration arrangements across the Group.

Remuneration Principles	
Principle	Design and operational implications of Remuneration Framework
Aligned to organisations strategy and business priorities	<ul style="list-style-type: none">▪ Remuneration framework will ensure alignment with the overall business strategy and ensure all policies and processes are observed to enable the attraction and retention of key personnel who create value for shareholders▪ Operates in support of Our Principles and aligns to the organisations desired culture
Market Competitive	<ul style="list-style-type: none">▪ Ensure employees including Executive KMP and management are rewarded fairly and competitively according to role accountability, market positioning, skills, experience and performance▪ Remuneration decisions will be informed by utilising relevant market benchmarking
Rewards Performance	<ul style="list-style-type: none">▪ Encompass long term and short-term variable performance elements for those who have the ability to impact overall organisation performance▪ Short term and long-term remuneration incentives and outcomes▪ Performance targets to be met for payment (at threshold or target) are set after considering previous performance, forecast and budget
Simple and Transparent	<ul style="list-style-type: none">▪ A simple, flexible, consistent and scalable remuneration framework is to be used across the organisation allowing for sustainable business growth▪ The structure must be easily communicated and can reinforce the organisations mission, principles and culture
Effective Governance	<ul style="list-style-type: none">▪ The Remuneration and Nomination Committee and Board will ensure that remuneration outcomes reflect both risk and performance and is reviewed regularly to ensure employees act ethically and responsibly▪ Comply with all relevant legal and regulatory provisions
Alignment to Patient, People & Doctor Outcomes	<ul style="list-style-type: none">▪ Ensure Patient, People and Doctor engagement outcomes remain a critical measure for all KMP and management relating to at-risk remuneration.

2.0 Remuneration Structure

2.1 Executive Remuneration Structure

Our Executive Remuneration structure is designed to attract, engage and retain a highly qualified and experienced group of Executives. Our remuneration is structured to align Executives to long term sustainable shareholder value through the execution of Vision 2026 by combining Total Fixed Remuneration, Short and Long-term incentives to form an overall Total Remuneration position.

The Board reviews the structure and effectiveness of the remuneration arrangements annually to ensure their alignment to business performance and strategy.

Remuneration Report (Audited) continued

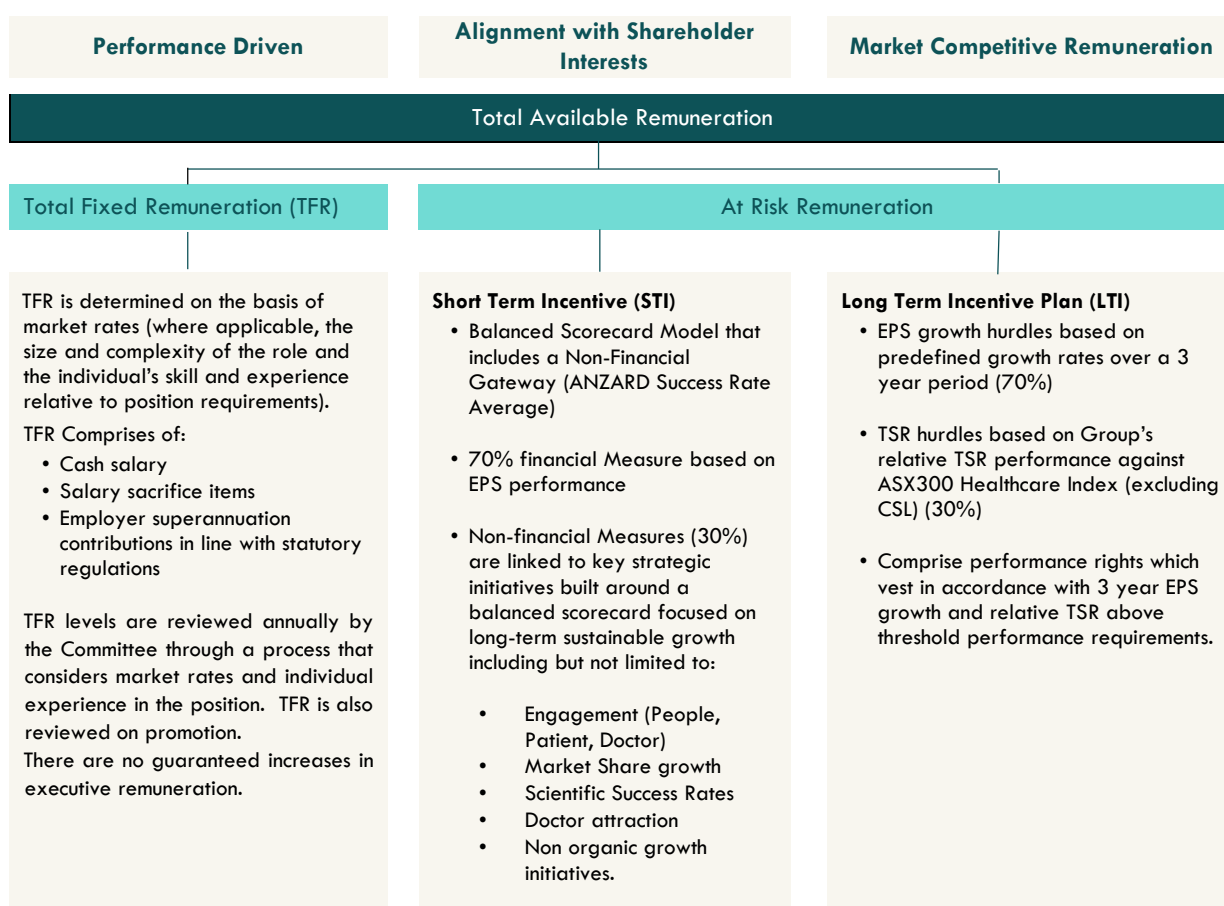
for the year ended 30 June 2023

Purpose of each remuneration component		
Total Fixed Remuneration (TFR)	Short Term Incentive (At Risk)	Long-Term Incentive (At Risk)
To attract and retain, paying competitively, reflecting the individual's accountability, position requirements and experience. TFR is determined as base salary and inclusive of all standard leave provisions and superannuation guaranteed contributions.	Rewards performance for achieving stretch targets and further rewards the achievement of both financial and non-financial goals. Achievement is measured using an annual balanced scorecard of measures aligned to the organisations strategic vision and objectives.	Rewards and retains key contributors by creating alignment with long term shareholder interests and reward the creation of sustainable shareholder wealth.

Monash IVF Group has remained consistent with the remuneration framework in FY23 for the CEO, CFO and COO with the framework retaining these three components, with short-term incentives and long-term incentives at risk. The remuneration structure aligns the remuneration opportunity with the level of position accountability.

2.2 Executive Remuneration Structure for FY23

The diagram below summarises the framework for FY23. The framework continues to be reviewed each year.



Remuneration Report (Audited) continued

for the year ended 30 June 2023

3.0 At Risk Remuneration Framework

At the beginning of each year the Remuneration and Nomination Committee determine a set of targets for the forthcoming year with reference to the strategic objectives and financial results from prior year. The Remuneration and Nomination Committee can subsequently adjust targets for any significant changes including but not limited to, significant events, capital structure, material acquisition or divestments, in accordance with any ASX Listing Rules if applicable.

The Board may exercise its discretion to adjust where it considers appropriate considering the purpose and intent of the incentive plan and the performance standards. This may include adjustments to ensure that the interests of the relevant participant are not, in the opinion of the Board, materially prejudiced or advantaged relative to the position reasonably anticipated at the time of the assessment. No discretion was applied to any KMP Incentive outcomes for FY23.

The following table summarises the short-term incentive and long-term incentive reward components for certain KMP including the performance measures and delivery mechanism applicable for the performance period ended 30 June 2023.

3.0 At Risk Remuneration Framework

Incentive Opportunity	Short Term Incentive (at risk)		Long Term Incentive (at risk)	
	Threshold	Target	Threshold	Target
Short and Long – Term Incentive opportunities are expressed as a percentage of TFR and refer to section 4.1				
CEO	30%	100%	20%	100%
CFO	30%	100%	20%	100%
COO	30%	100%	20%	100%
Performance Measures	<ul style="list-style-type: none"> STI scorecard KPIs include financial and non-financial measures A non-financial gateway is in-place whereby no STI is payable if the Group's clinical pregnancy rates (success rates) is below the ANZARD average 70% of STI is based on the EPS financial measure. EPS may be adjusted for certain individual significant, non-regular, abnormal or unusual gains or losses 30% of STI is based on qualitative non-financial measures which include Patient engagement, People engagement, doctor engagement, scientific success rates and domestic market share Pro-rata payment of STI is made if achievement is between threshold and target 		<ul style="list-style-type: none"> LTI KPIs are earnings per share growth (EPS)(70%) and Total Shareholder Return (TSR)(30%) TSR measures returns made against the performance of a comparator group with hurdles based on predefined growth rates over a 3 year period EPS compound annual growth rate (CAGR) provides a tangible measure of shareholder value with hurdles based on predefined growth rates over a 3 year period 	
Delivery Mechanisms	STI awards for the CEO, CFO and COO are paid as cash and subject to continued employment		LTI awards are granted as performance rights, are subject to testing against the above performance measures and continued employment. The CEO, CFO and COO were not required to pay any money to be granted performance rights	

3.1 FY23 Short Term Incentive

A non-financial gateway is in-place whereby no Short-Term Incentive (STI) is payable if the Group's clinical pregnancy rates (success rates) is below the ANZARD average for the period 1 July 2022 to 31 April 2023. This period is applicable due to the availability of pregnancy outcomes information at the time of reporting. The available ANZARD

Remuneration Report (Audited) continued

for the year ended 30 June 2023

target average applicable is 40.1%. The Group's clinical pregnancy rates for the period between July 2022 to April 2023 was 44.2% and accordingly, the non-financial gateway to STI was achieved.

The quantitative financial measure defined for the CEO, CFO and COO in FY23 was as follows:

Strategic Objective	Weighting	Measure	FY23 Outcome
Earnings per Share (EPS)	70%	EPS Target was set at FY23 Group Budget (7.05 cents per share normalised) and threshold set at 90% (6.35 cents per share normalised) of FY23 Group Budget.	Normalised EPS achieved was 6.53 cents per share and did not meet the 7.05 cents per share target. Threshold was achieved with a 48% of financial measure met.

Short Term Incentive (STI) Non – Financial

The qualitative non-financial measures defined for KMP in FY23 included the following:

Strategic Objective	Weighting	Measure	FY23 Outcome
Patient Engagement	6% (CEO, CFO) 5% (COO)	Deliver an ongoing improvement in Patient Engagement as measured by the patient Net Promoter Score (NPS) Survey targeting engagement improvements. Patient Engagement NPS was measured in the IVF and Ultrasound businesses separately.	Patient Engagement NPS achieved for the IVF business was above stretch target by +.37 of NPS. Payout for the Patient Engagement measure was 100%. The Patient Engagement NPS achieved for the Ultrasound business was +1.84 above stretch. Payout of Patient Engagement NPS was 100%.
People Engagement	6% (CEO, CFO) 5% (COO)	To foster a culture of Engagement with all Monash IVF Group employees as measured by an annual employee survey.	Employee Engagement Percentage achieved above threshold and below target. Payout for the People Engagement measure was 90%.
Doctor Engagement	6% (CEO, CFO) 5% (COO)	Foster a culture of engagement with all Monash IVF Group Clinicians. This is measured by a clinician NPS Survey targeting engagement improvements.	Doctor Engagement is based on 2 Key NPS measures with both results meeting target by +4.4 and +3.4 respectively. Payout of Doctor Engagement was 100%.
Scientific Success Rates	6% (CEO, CFO) 5% (COO)	Deliver a focused improvement in success rates in line with Your IVF success rate measure 4 by ANZARD which is(% implantation.	Success Rates for the period of July 2022 to May 2023 for measure 4 were 41.90%. Payout of Scientific Success Rates was 99%
Domestic Market Growth	6% (CEO, CFO) 5% (COO)	Market share growth in all IVF Key markets. Market Share target was set at 23.9% for the period from July 2022 to June 2023 Threshold was set at 21.5%.	Market share for the period from July 2022 to June 2023 was 22.7% which was above threshold but below target. Payout for the Market Share measure was 68%.

Remuneration Report (Audited) continued

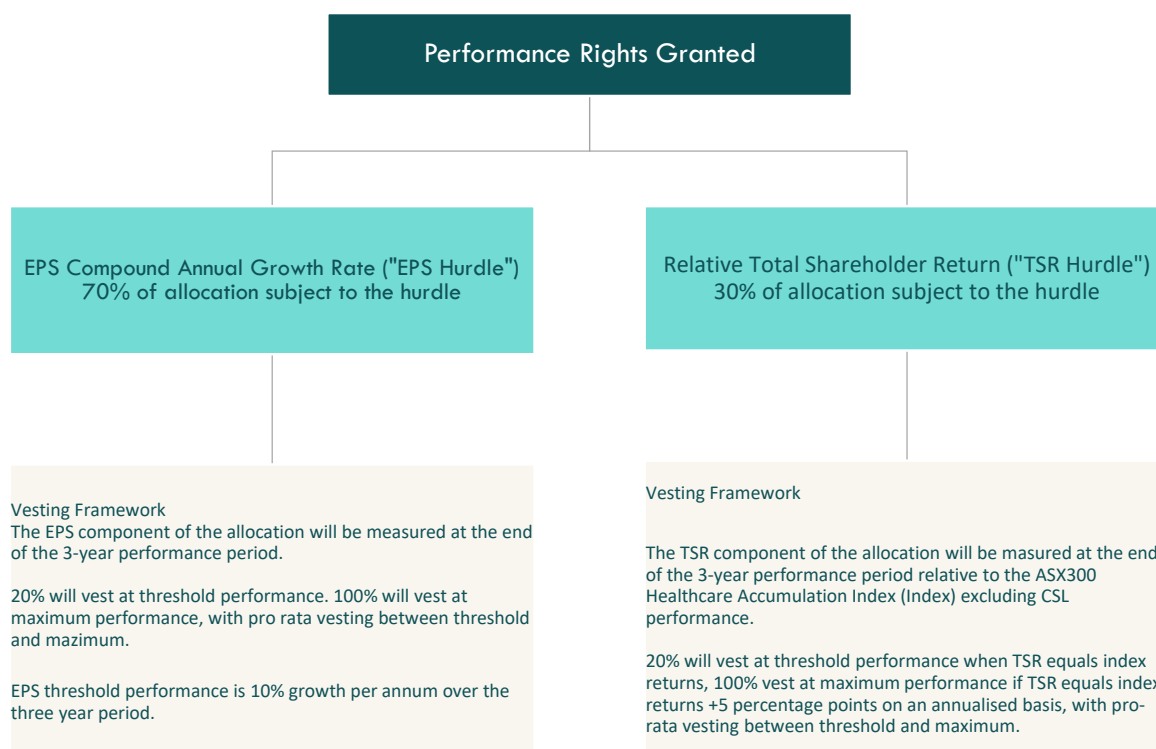
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Doctor Acquisition & Retention	5% (C00)	In line with Vision 2026 and successfully growing the Monash IVF Group network, this measure relates to growing and retaining doctor network nationally through the execution of the Monash IVF Group Doctor Value Proposition. Target was set at 148 number of fertility specialists and threshold at 141 number of fertility specialists.	As a result of 9 clinicians (excluding trainees and acquisitions) joining Monash IVF Group in FY23 this metric did not meet threshold.
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3.3 FY23 Long-term Incentive grant

The LTI plan is a performance rights plan with vesting rights dependent upon the satisfaction of pre-determined performance hurdles and continuous employment. LTI grants are made on a rolling annual basis to ensure Executives maintain a continuous focus on sustainable long-term growth and returns and provides an appropriate balance with short-term incentives which are focussed on annual returns.

The terms and overview of the FY2023 LTI grant to KMP and other eligible employees, including the CEO, CFO and COO are summarised below.



The LTI award opportunity is based on a percentage of the participant's total fixed remuneration as at the grant date. The number of performance rights issued is determined by dividing the long-term incentive component of the participant's fixed remuneration by the volume weighted average price of Monash IVF Group Limited shares traded on the Australian Stock Exchange over the 10 trading days immediately following the release of the FY2022 full-year results announcement. The VWAP applied to the FY2023 performance rights issue was \$1.00515.

Remuneration Report (Audited) continued

for the year ended 30 June 2023

Performance rights were granted in two tranches during FY2023, with each tranche subject to separate vesting conditions. Executives did not pay any money to be granted the performance rights and the expiry date of the rights will be on the fifth anniversary of their grant.

Details of the FY2023 LTI grant to KMP is set out below:

KMP	% of TFR	Performance Rights granted	Allocation	# of performance rights
Mr. Michael Knaap (CEO)	90%	EPS TSR	70% 30%	372,819 159,780
Mr. Malik Jainudeen (CFO)	45%	EPS TSR	70% 30%	111,846 47,934
Mr. Hamish Hamilton (COO)	45%	EPS TSR	70% 30%	111,846 47,934

The performance periods and vesting schedules for the FY2023 performance rights are set out in the following table:

Performance Measure	Earnings per share
Performance Period	1 July 2022 to 30 June 2025
Performance	% of rights that will vest
Less than 10% per annum	0%
10% per annum	20%
Between 10% to 12% per annum	20% to 100% pro rata
Greater than 12% per annum	100%

Performance Measure	Relative TSR
Performance Period	11 days after FY2022 results announcement to 11 days after FY2025 results announcement
Performance	% of rights that will vest
Less than Index return	0%
Equal to index return	20%
Between Index return and Index return +5%	20% to 100% pro rata
Equal to or greater than Index return +5%	100%

The graduated vesting scale in the LTI plan was designed to minimise the likelihood of excessive risk taking as a performance threshold is approached. The Board believes this vesting framework strengthens the performance link over the long-term and accordingly encourages Executives to focus on long term performance. The Board also acknowledges that the value of certain strategic initiatives may take several years to deliver.

Further terms and conditions of the LTI plan are as follows:

Remuneration Report (Audited) continued

for the year ended 30 June 2023

- The invitations issued to eligible persons will include information such as award conditions and, upon acceptance of an invitation, the Board will grant awards in the name of the eligible person. Awards may not be transferred, assigned or otherwise dealt with except with the approval of the Board.
- Awards will only vest where the conditions advised to the participant by the Board have been satisfied. An unvested award will lapse in a number of circumstances, including where conditions are not satisfied within the relevant time period, or in the opinion of the Board, a participant has committed an act of fraud or misconduct or gross dereliction of duty. If a participant's engagement with the Company (or one of its subsidiaries) terminates before an award has vested, the Board may determine the extent to which the unvested awards that have not lapsed will become vested awards or, if the award offer does not so provide and the Board does not decide otherwise, the unvested awards will automatically lapse.
- Awards are subject to malus and clawback conditions whereby the Board may, in its discretion, and subject to applicable laws, determine the performance rights or shares already allocated following the vesting or exercise of a performance right are forfeited, recovered or the conditions modified. The Board's decision in regard to unfair benefits obtained by the participant is final and binding.
- Where there is a takeover bid or a scheme of arrangement proposed in relation to the Company, the Board may determine that the participant's unvested awards will become vested awards. In such circumstances, the Board shall promptly notify each participant in writing that the awards have become vested awards, or that he or she may, within the time period specified in the notice and where applicable in accordance with the class or category of award, exercise such vested awards. A participant is not entitled to participate, in their capacity as holder of awards, in any new issue of shares in the Company, nor in any return of capital, buyback or other distribution or payment to shareholders, unless the Board determines otherwise. In the event of a bonus issue or rights issue, the rights of the award will be altered in a manner (if any) determined by the Board, consistent with the ASX Listing Rules.
- In the event of any reorganisation of the issued ordinary capital of the Company before the exercise of an award, the number of shares attached to each award will be reorganised in the manner specified in the LTI plan and in accordance with the ASX Listing Rules or, if the manner is not specified, the Board will determine the reorganisation. In any event, the reorganisation will not result in any additional benefits being conferred on participants which are not conferred on shareholders of the Company.
- Participants who hold an award issued pursuant to the LTI plan have no rights to vote under the LTI award at meetings of the Company until that award has vested (and is exercised, if applicable) and the participant is the holder of a valid share in the Company. Shares acquired upon vesting of the award will, upon issue, rank equally in all respects with other shares.
- No award or share may be offered under the LTI plan if to do so would contravene the Corporations Act, the ASX Listing Rules or instruments of relief issued by ASIC from time to time.

4.0 Executive and Non-Executive Remuneration

4.1 KMP Remuneration

The respective total reward mix for KMP in FY23 is as follows, assuming business performance results in target vesting for STI and maximum grant value for LTI.

KMP	Fixed Pay	STI	LTI	At Risk
Mr. Michael Knaap	39.2%	25.5%	35.3%	60.8%
Mr. Malik Jainudeen	52.6%	23.7%	23.7%	47.4%
Mr. Hamish Hamilton	52.6%	23.7%	23.7%	47.4%
Dr. Richard Henshaw	100.0%	0.0%	0.0%	0.0%

Remuneration Report (Audited) continued

for the year ended 30 June 2023

KMP	Component	Commentary
Mr. Michael Knaap – Chief Executive Officer & Managing Director	TFR	1 July 2022 to 30 June 2023- \$594,825 per annum
	STI	The CEO has the opportunity to earn an annual incentive of 65% of total fixed remuneration based on meeting certain defined criteria. The FY2023 STI criteria were subject to both financial (70%) and non-financial (30%) outcomes. STI is only applicable if the clinical pregnancy rate is at or above the ANZARD mean.
	LTI (performance rights)	532,599 performance rights were granted in FY2023 which is equivalent to 90% of TFR. These rights vest at the end of the 3 year performance period subject to meeting certain EPS and TSR outcomes.
	Notice period	6 months
	Term of Agreement	No Fixed Term

KMP	Component	Commentary
Dr. Richard Henshaw (Executive Director)	TFR	\$318,675 per annum Dr. Henshaw was the only doctor during FY2023 who served as a director. He was paid a salary for his clinician duties and medical leadership roles.
	STI	Not eligible for a STI payment
	LTI (performance rights)	Not eligible for a LTI offer
	Notice period	6 months
	Term of Agreement	No Fixed Term

KMP	Component	Commentary
Mr. Malik Jainudeen (Chief Financial Officer & Company Secretary)	TFR	1 July 2022 to 30 June 2023 - \$356,895 per annum
	STI	The CFO has the opportunity to earn an annual incentive of 45% of total fixed remuneration based on meeting certain defined criteria. The FY2023 STI criteria were subject to both financial (70%) and non-financial (30%) outcomes. STI is only applicable if the clinical pregnancy rate is at or above the ANZARD mean.
	LTI (performance rights)	159,780 performance rights were granted in FY2023 which is equivalent to 45% of TFR. These rights vest at the end of the 3 year performance period subject to meeting certain EPS and TSR outcomes.
	Notice period	3 months
	Term of Agreement	No Fixed Term

Remuneration Report (Audited) continued

for the year ended 30 June 2023

KMP	Component	Commentary
Mr. Hamish Hamilton (Chief Operating Officer)	TFR	1 July 2022 to 30 June 2023 - \$356,895 per annum
	STI	The COO has the opportunity to earn an annual incentive of 45% of total fixed remuneration based on meeting certain defined criteria. The FY2023 STI criteria were subject to both financial (70%) and non-financial (30%) outcomes. STI is only applicable if the clinical pregnancy rate is at or above the ANZARD mean.
	LTI (performance rights)	159,780 performance rights were granted in FY2023 which is equivalent to 45% of TFR. These rights vest at the end of the 3 year performance period subject to meeting certain EPS and TSR outcomes.
	Notice period	3 months
	Term of Agreement	No Fixed Term

4.2 Non-Executive Director (NED) Remuneration Policy

Under the Constitution, the Directors decide the total amount paid to all Directors as remuneration for their services as Directors. However, under the ASX Listing Rules, the total amount paid to all Directors for their services must not exceed in aggregate in any financial year, the amount fixed by the Company in a general meeting. This amount has been fixed by the Company at \$950,000. For the 2023 financial year, the fees payable to the current NEDs are \$605,144 in aggregate reflecting a \$17,551 increase compared to FY2023.

Role	2023 \$	2022 \$
Fees		
Chair	150,469	146,086
Other Non-Executive Directors	93,625	90,898
Additional Fees		
Audit & Risk Committee – Chair	17,833	17,313
Audit & Risk Committee – Member	8,902	8,643
Remuneration & Nomination Committee – Chair	17,833	17,313
Remuneration & Nomination Committee – Member	8,902	8,643

Remuneration Report (Audited) continued

for the year ended 30 June 2023

5.0 Details of Remuneration for Key Management Personnel

5.1 Key Management Personnel (“KMP”)

KMP have authority and responsibility for planning, directing, and controlling the activities of the Group, directly or indirectly, including directors of the Company and other Executives. KMP comprise the directors of the Company and the senior Executives for the Group named in this report.

Name	Position	Period Covered Under this Report
Non-Executive Directors		
Mr Richard Davis	Non-Executive Chairman	Full Financial Year
Mr Josef Czyzewski	Non-Executive Director	Full Financial Year
Mr Neil Broekhuizen	Non-Executive Director	Full Financial Year
Ms Zita Peach	Non-Executive Director	Full Financial Year
Ms Catherine West	Non-Executive Director	Full Financial Year

Name	Position	Period Covered Under this Report
Executive Directors		
Mr Michael Knaap	Chief Executive Officer & Managing Director	Full Financial Year
Dr Richard Henshaw	Executive Director	Full Financial Year
Other KMP		
Mr Malik Jainudeen	Chief Financial Officer & Company Secretary	Full Financial Year
Mr Hamish Hamilton	Chief Operations Officer	Full Financial Year

Remuneration Report (Audited) continued

for the year ended 30 June 2023

5.0 Details of Remuneration for Key Management Personnel (continued)

The following table details of the remuneration received by the Group's KMP for the current and prior financial year.

		Short term employee benefits				Post-employment benefits				Share based payments	
		Salary & Fees \$	STI Cash Incentive \$	Other benefit \$	Total \$	Superannuation \$	Other long-term benefits \$	Termination benefits \$	Rights \$	Total \$	
Non-Executive Directors											
Mr Richard Davis	2023	152,283	-	-	152,283	15,990	-	-	-	168,273	
	2022	148,545	-	-	148,545	14,855	-	-	-	163,400	
Mr Josef Czyzewski	2023	108,923	-	-	108,923	11,437	-	-	-	120,360	
	2022	106,244	-	-	106,244	10,624	-	-	-	116,868	
Mr Neil Broekhuizen	2023	102,527	-	-	102,527	-	-	-	-	102,527	
	2022	99,555	-	-	99,555	-	-	-	-	99,555	
Ms Zita Peach	2023	100,866	-	-	100,866	10,591	-	-	-	111,457	
	2022	98,377	-	-	98,377	9,838	-	-	-	108,215	
Ms Catherine West	2023	92,785	-	-	92,785	9,742	-	-	-	102,527	
	2022	90,505	-	-	90,505	9,050	-	-	-	99,555	
Total Non-Executive Directors	2023	557,384	-	-	557,384	47,760	-	-	-	605,144	
	2022	543,226	-	-	543,226	44,367	-	-	-	587,593	
Executive Directors											
Mr Michael Knaap	2023	566,810	239,055	-	805,865	27,046	-	-	205,628	1,038,539	
	2022	551,985	48,510	-	600,495	23,568	-	-	170,049	794,112	
Dr Richard Henshaw	2023	318,675	-	-	318,675	25,292	-	-	-	343,967	
	2022	302,763	-	-	302,763	23,568	-	-	-	326,331	
Total Executive Directors	2023	885,485	239,055	-	1,124,540	52,338	-	-	205,628	1,382,506	
	2022	854,748	48,510	-	903,258	47,136	-	-	170,049	1,120,443	

Remuneration Report (Audited) continued

for the year ended 30 June 2023

5.0 Details of Remuneration for Key Management Personnel (continued)

		Short term employee benefits				Post-employment benefits				Share based payments	
		Salary & Fees \$	STI Cash incentive \$	Other benefit \$	Total \$	Superannuation \$	Other long-term benefits \$	Termination benefits \$	Rights \$	Total \$	
Other Key Management Personnel (KMP)											
Mr Malik Jainudeen	2023	329,146	99,300	-	428,446	27,046	-	-	56,275	511,767	
	2022	321,792	19,404	-	341,196	23,568	-	-	43,690	408,454	
Mr Hamish Hamilton	2023	329,146	91,975	-	421,121	27,046	-	-	56,275	504,442	
	2022	321,792	18,451	-	340,243	23,568	-	-	36,901	400,712	
Total Other KMP Remuneration	2023	658,292	191,275	-	849,567	54,092	-	-	112,550	1,016,209	
	2022	643,584	37,855	-	681,439	47,136	-	-	80,591	809,166	
Total KMP Remuneration											
	2023	2,101,161	430,330	-	2,531,491	154,190	-	-	318,178	3,003,859	
	2022	2,041,558	86,365	-	2,127,923	138,639	-	-	250,640	2,517,202	

Remuneration Report (Audited) continued

for the year ended 30 June 2023

5.0 Details of Remuneration for Key Management Personnel (continued)

Details of unvested performance rights and the movement during the financial year is detailed below:

Name	Type	Hurdles	Grant Date	Performance Period End Date	Balance of Unvested Equity 1 Jul 22	Granted in FY23	Vested in FY23	Lapsed or Forfeited	Balance of Unvested Equity 30 Jun 2023	Exercisable at 30 Jun 2023	Fair Value per Security
					Number	Number	Number	Number	Number	Number	\$
Mr Michael Knaap	Rights	TSR	16 Oct 19	30 Aug 22	147,205	-	-	(147,205)	-	-	0.46
	Rights	TSR	16 Oct 20	30 Aug 23	150,489	-	-	-	150,489	-	0.32
	Rights	EPS	16 Oct 20	30 Jun 23	351,140	-	-	-	351,140	351,140	0.61
	Rights	TSR	19 Nov 21	10 Sep 24	139,850	-	-	-	139,850	-	0.49
	Rights	EPS	19 Nov 21	30 Jun 24	326,316	-	-	-	326,316	-	0.93
	Rights	TSR	23 Nov 22	11 Sep 25	-	159,780	-	-	159,780	-	0.60
	Rights	EPS	23 Nov 22	30 Jun 25	-	372,819	-	-	372,819	-	1.02
Mr Malik Jainudeen	Rights	TSR	16 Oct 19	30 Aug 22	36,801	-	-	(36,801)	-	-	0.46
	Rights	TSR	16 Oct 20	30 Aug 23	35,831	-	-	-	35,831	-	0.32
	Rights	EPS	16 Oct 20	30 Jun 23	83,604	-	-	-	83,604	83,604	0.61
	Rights	TSR	19 Nov 21	10 Sep 24	41,955	-	-	-	41,955	-	0.49
	Rights	EPS	19 Nov 21	30 Jun 24	97,895	-	-	-	97,895	-	0.93
	Rights	TSR	23 Nov 22	11 Sep 25	-	47,934	-	-	47,934	-	0.60
	Rights	EPS	23 Nov 22	30 Jun 25	-	111,846	-	-	111,846	-	1.02
Mr Hamish Hamilton	Rights	TSR	16 Oct 20	30 Aug 23	35,831	-	-	-	35,831	-	0.32
	Rights	EPS	16 Oct 20	30 Jun 23	83,604	-	-	-	83,604	83,604	0.61
	Rights	TSR	19 Nov 21	10 Sep 24	41,955	-	-	-	41,955	-	0.49
	Rights	EPS	19 Nov 21	30 Jun 24	97,895	-	-	-	97,895	-	0.93
	Rights	TSR	23 Nov 22	11 Sep 25	-	47,934	-	-	47,934	-	0.60
	Rights	EPS	23 Nov 22	30 Jun 25	-	111,846	-	-	111,846	-	1.02
					1,670,371	852,159	-	(184,006)	2,338,524	518,348	

Remuneration Report (Audited) continued

for the year ended 30 June 2023

5.0 Details of Remuneration for Key Management Personnel (continued)

5.2 Analysis of incentives included in remuneration

Details of the vesting profile of the STI cash incentives awarded as remuneration to each director of the Company and other KMP are detailed below:

	Cash Incentive (2023)			Cash Incentive (2022)		
	% of Available Incentive			% of Available Incentive		
	Payable and Paid	Payable and Paid	Not Payable	Paid	Paid	Not Paid
Executive Directors						
Mr Michael Knaap	\$239,055	62%	38%	\$48,510	14%	86%
Dr Richard Henshaw	-	-	-	-	-	-
Other Key Management Personnel						
Mr Malik Jainudeen	\$99,300	62%	38%	\$19,404	14%	86%
Mr Hamish Hamilton	\$91,975	57%	43%	\$18,451	14%	86%

5.3 Loans to Key Management Personnel

No loans were issued to KMP during 2023.

5.4 Key Management Personnel Shareholdings

The following details Monash IVF Group ordinary shares held by Directors and KMP as of the date of this Report:

Name	Balance at start of year	Granted as remuneration	Net Change	Balance at end of year
Non-Executive Directors				
Mr Richard Davis	182,067	-	-	182,067
Mr Josef Czyzewski	241,382	-	-	241,382
Mr Neil Broekhuizen	350,000	-	-	350,000
Ms Zita Peach	92,803	-	-	92,803
Ms Catherine West	37,100	-	-	37,100
Executive Directors				
Mr Michael Knaap	150,655	-	-	150,655
Dr Richard Henshaw	1,358,842	-	-	1,358,842
Other Key Management Personnel				
Mr Malik Jainudeen	19,231	-	-	19,231
Mr Hamish Hamilton	123,835	-	-	123,835
Total	2,555,915	-	-	2,555,915

Remuneration Report (Audited) continued

for the year ended 30 June 2023

6.0 Link to Group Performance

6.1 Group Performance

The revenue and earnings of the Group for the five years to 30 June 2023 are summarised below:

Measure	2023 \$'000	2022 \$'000	2021 \$'000	2020 \$'000	2019 \$'000
Revenue	213,590	192,294	183,605	145,417	151,980
Underlying EBITDA ⁽³⁾	53,431	48,145	47,749	34,797	37,815
Reported EBITDA	48,461	43,157	51,281	32,833	37,242
Underlying NPAT ⁽³⁾	25,469	22,232	23,418 ⁽²⁾	14,353	20,871
Reported NPAT	21,966	18,502	25,687 ⁽²⁾	11,726	19,852
STI Payable	49.1%	16.7%	81.1%	24.1%	29.4%
Total Shareholder Return ⁽¹⁾	27%	21%	61%	-59%	34%
Closing Share Price (\$)	1.15	0.94	0.85	0.53	1.40
Dividend Per Share (cents)	4.4	4.4	4.2	2.1	6.0
Earnings per Share (cents) ⁽¹⁾	5.6	4.7	6.5	4.6	8.4

During the period, Revenue, EBITDA, NPAT, TSR and EPS were key performance measures. EBITDA is a major component of the STI plans for KMP including the CEO, CFO and COO whilst TSR and EPS growth are long term metrics used to measure the CEO, CFO and COO's remuneration via the Executive Long Term Incentive Plan. CEO, CFO and COO remuneration varies with the outcomes of these measures above a required threshold performance level.

- ¹⁾ The Net Profit after Tax, total shareholder return and earnings per share are not comparable for certain years due to the capital structure and discontinued operations.
- ²⁾ The 30 June 2021 amounts have been restated due to the IFRS Interpretations Committee decision in relation to accounting for Software as a Service.
- ³⁾ Underlying EBITDA and NPAT are non-IFRS measures that are utilised for internal reporting purposes.

Directors' Report continued

for the year ended 30 June 2023

Environmental regulations

The Group is not subject to any significant environmental regulations under Commonwealth or State legislation.

Likely developments

The Group remains committed, prudent and focused on profitably growing the Business through leveraging its scientific capabilities and scale across the clinic network both domestically and internationally.

Indemnification and insurance of officers and auditors

Since the end of the previous financial period, the Group has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of the Group.

Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 62 and forms part of the directors' report for the year ended 30 June 2023.

This report is made in accordance with a resolution of the directors.



Richard Davis
Chairman



Michael Knaap
Chief Executive Officer and Managing Director

Dated in Melbourne this 22nd day of August 2023