

Directors' Report

for the year ended 30 June 2022

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 2022, 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

Principle 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 \$22.2m⁽¹⁾⁽²⁾⁽⁶⁾, as compared to \$23.3m in pcp.

\$m	FY2022	FY2021 (Restated) ⁽⁷⁾	% Change
Group Revenue	\$192.3	\$183.6	4.7%
Underlying EBITDA ⁽¹⁾⁽²⁾	\$48.1	\$47.8	0.8%
Underlying NPAT ⁽¹⁾⁽²⁾⁽⁶⁾	\$22.2	\$23.3	(4.7%)
Reported EBITDA ⁽¹⁾⁽²⁾	\$43.2	\$51.2	(15.7%)
Reported EBIT	\$28.4	\$38.7	(26.6%)
Reported NPAT ⁽⁶⁾	\$18.5	\$25.7	(28.0%)
EPS (cents)	4.7	6.5	(27.7%)
DPS (cents)	4.4	4.2	4.8%
	30 June 22	30 June 21	
Net Debt (m) ⁽³⁾	\$2.1	(\$7.1)	
Net Debt to Equity ratio ⁽⁴⁾	0.8%	(2.7%)	
Return on Equity (pa.) ⁽⁵⁾	8.2%	8.6%	

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

⁽²⁾ Refer to earnings reconciliation on page 26 for Underlying vs Reported EBITDA, EBIT and NPAT. FY21 Reported EBITDA, EBIT and NPAT includes \$5.1m (pre-tax) Job Keeper Subsidies benefit

⁽³⁾ Debt less cash balances

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

⁽⁵⁾ Return on equity is Underlying NPAT for the twelve-month period to 30 June 2022 divided by closing equity

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

⁽⁷⁾ 30 June 2021 has been restated due to the IFRS Interpretations Committee decision in relation to accounting for Software as a Service

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Group Underlying Results

The Company delivered solid revenue growth of 4.7% to \$192.3m revenue in FY2022. The growth was achieved as a result of domestic IVF business performance that delivered Assisted Reproductive Services (ARS) revenue growth of \$5.6m or 3.6% driven by price increases of between 2% to 3% across all domestic IVF markets and market share⁽¹⁾ gains in Queensland, New South Wales and South Australia.

The Company achieved FY22 Underlying EBITDA⁽³⁾ of \$48.1m and an EBITDA⁽³⁾ margin % of 25%. The domestic IVF business grew EBITDA⁽³⁾ and Margin% which was offset by EBITDA⁽³⁾ and Margin% decline in the Ultrasound and International IVF businesses. The Group experienced increased employee costs due to increased sick and personal leave and lower than usual utilisation of annual leave (\$0.9m pre-tax impact). Performance was further impacted by \$2.0m (pre-tax) increase in medical malpractice and directors & officers liability insurance.

Market share gains were achieved due to contribution from new fertility specialists attracted in the previous 12 months and positive investment in creative marketing campaigns. Stimulated cycles⁽¹⁾ in FY2022 were in-line with the prior comparative period although impacted by temporary suspension of IVF services in Victoria as a result of the surge in Omicron COVID-19 sub-variant during Q3FY2022. Omicron has had varied treatment deferral impact on all domestic IVF markets.

Implications of COVID-19 related lockdowns and penetration of COVID-19 cases has had a significant impact on our ultrasound clinics from a capacity, efficiency and short-term demand perspective. FY22 ultrasound scan volumes declined by 8% to 85,327, compared to FY21 and non-invasive pre-natal testing declined by 7% to 14,789. Patient activity reduced as a result of restrictions on elective surgery in Melbourne, staff shortages caused by high levels of sick and personal leave (\$0.3m pre-tax impact) resulting in room/clinic closures, lower room capacity per day and patient hesitation to attend clinical settings.

The Company's South-East Asian (SEA) expansion strategy continued during FY22 with the opening of a new Singapore IVF clinic that opened in May 2022 with four fertility specialists and is expected to perform approximately 200 stimulated cycles in the next twelve months. The Johor Bahru IVF clinic in Malaysia which was acquired during FY20 has returned to profitability in 2H22 following the re-opening of the international border between Singapore and eastern Malaysia. Investment and construction of an IVF clinic in Bali, Indonesia commenced in late FY22 and as a result, MVF will have five IVF clinics in SEA.

The Kuala Lumpur IVF clinic is showing signs of improvement as new patient consultations in 2H22 increased by 24% compared to the prior corresponding period. Stimulated Cycles in FY22 declined by 14% compared to FY21 but remained 5% above FY20 as the Malaysia economy is gradually recovering from COVID-19 restrictions and uncertainty whilst certain key industries continue to be impacted (tourism, gas and oil).

Underlying NPAT⁽³⁾⁽⁴⁾ was \$22.2m, ahead of the May 2022 Trading Update and \$1.1m or 5% below pcp. Reported NPAT included a small number of underlying adjustments including non-organic acquisition costs, commissioning costs for new premises yet to commence operations and acquisition earn-out adjustments in accordance with AASB3. The effective tax rate for the year was 29.4% reflecting the 30% Australian corporate tax rate and Asian corporate tax rate that is between 17% and 24%.

(1) MBS items 13200/1

(2) MBS item 13202

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

(4) NPAT including minority interest

Directors' Report continued

for the year ended 30 June 2022

Segment analysis

\$m	Australia			International		
	FY2022	FY2021 (Restated) ⁽³⁾	% change	FY2022	FY2021	% change
Revenue	182.1	172.9	5.3%	10.2	10.7	(4.7%)
Underlying EBIT ⁽¹⁾⁽²⁾⁽⁴⁾	30.6	31.5	(2.9%)	2.8	3.6	(22.2%)
Underlying NPAT ⁽¹⁾⁽²⁾⁽⁴⁾	20.2	20.8	(2.9%)	2.0	2.7	(25.9%)
Reported NPAT	17.0	23.0	(26.1%)	1.5	2.7	(44.4%)

Australia

Australia revenue increased by \$9.2m or 5.3% to \$182.1m due to the following: \$5.6m Domestic ARS revenue growth (\$4.8m from 2-3% price increases across all domestic markets and \$0.8m growth from market share gains in QLD, SA and NSW, partially offset by market share decline in VIC); \$5.0m Day Surgery & Other revenue growth including volume growth in Sydney CBD, genetics income growth and revenue recognised for insurance recovery relating to Ni-PGT; partially offset by \$1.4m decrease in revenue from Ultrasound business.

The Australia CGU achieved FY22 Underlying EBIT of \$30.6m. The domestic IVF business was solid in growing EBIT and Margin% which was offset by EBIT and Margin% decline in the Ultrasound business due to disruptions from COVID-19 and influenza.

International

The International segment comprises of the Kuala Lumpur, Johor Bahru clinics and Singapore clinic which opened in May 2022. International Revenue decreased by \$0.5m or 4.7% to \$10.2m and stimulated cycles declined by 6.5% compared to pcp, due to weak macroeconomic conditions in Kuala Lumpur following COVID-19 restrictions, partially offset by positive volume contribution from the Johor Bahru. Underlying EBIT declined by \$0.8m or 22.2% to \$2.8m compared to pcp and Underlying NPAT declined by \$0.7m or 25.9% to \$2.0m compared to pcp.

(1) Non-IFRS measures

(2) Refer to earnings reconciliation on page 26 for Underlying vs Reported EBITDA, EBIT and NPAT

(3) 30 June 2021 has been restated due to the IFRS Interpretations Committee decision in relation to accounting for Software as a Service.

(4) 30 June 2021 amounts have been restated due to business development and related costs relating to Asia, previously reported as part of the Australian segment. In FY22, these amounts have been reported as part of the individual segment, and the FY21 segment results reflect the reclassification of costs amounting to \$583,311 from Australia.

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Earnings reconciliation

The table below provides a reconciliation of FY2022 Underlying EBIT and NPAT to the reported statutory metrics:

\$m	EBITDA	EBIT	NPAT
Reported Statutory	43.2	28.4	18.5
Acquisition transaction costs	2.1	2.1	1.5
Commissioning costs	2.5	2.5	2.2
Acquisition Earn-out fair value adjustment	0.4	0.4	0.4
Underlying	48.1	33.4	22.2

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.

\$2.1m relates to pre-tax acquisition related transaction costs including PIVET Medical Centre and ART Associates Queensland No.2 acquisitions. In addition, this includes further domestic and international business acquisitions that were pursued but discontinued.

\$2.5m relates to pre-tax commissioning costs for new fertility clinics and day hospitals in Melbourne, Penrith, Gold Coast, Darwin and Singapore, including lease expenditure under IFRS 16 lease accounting.

\$0.4m relates to an increase to AASB3 Business Combinations earn-out provision for increase to estimated purchase price payments to Fertility Solutions vendors as a result of stronger than anticipated performance during 1H22. Earn-out period ends at 30 June 2023.

FY21 included non-regular items that increased Reported EBITDA, EBIT and NPAT by \$3.6m pre-tax and \$\$2.2m post-tax. FY21 pre-tax non-regular items related to \$5.1m Job Keeper Subsidy benefit offset by \$0.8m Sydney CBD fertility clinic commissioning costs and \$0.7m earn-out fair value adjustment.

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Statement of Financial Position and Capital Metrics

Balance Sheet \$m	30 June 22	30 June 21 Restated ⁽⁶⁾	% change
Cash and cash equivalents	7.9	8.8	(10.2%)
Other current assets	17.7	13.7	29.2%
Current lease liabilities	(7.1)	(5.8)	22.4%
Current borrowings	-	(1.6)	(100.0%)
Other Current liabilities	(31.0)	(33.6)	(7.7%)
Net working capital	(12.5)	(18.5)	(32.5%)
Borrowings	(9.8)	-	100.0%
Goodwill & Intangibles	258.9	259.3	(0.2%)
Right of use assets	64.7	42.4	52.6%
Lease liabilities	(60.3)	(38.5)	56.6%
Plant & Equipment	30.4	25.0	21.6%
Other assets/(liabilities)	(1.5)	(1.3)	15.4%
Net assets	269.9	268.4	0.6%
Capital Metrics	30 June 22	30 June 21 Restated ⁽⁶⁾	+/-
Net Debt (\$m)⁽¹⁾	2.1	(7.1)	9.2
Leverage Ratio (Net Debt / EBITDA ⁽²⁾)	0.05x	(0.18x)	0.23x
Interest Cover (EBITDA ⁽²⁾ / Interest)	113.2x	55.7x	57.5x
Net Debt to Equity Ratio ⁽³⁾	0.8%	(2.7%)	3.5%
Return on Equity⁽⁴⁾	8.2%	8.6%	(0.4%)
Return on Assets⁽⁵⁾	5.8%	6.6%	(0.8%)

(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

(6) 30 June 2021 amounts have been restated due to the IFRS Interpretations Committee decision in relation to accounting for Software as a Service.

Balance Sheet continues to be in a strong position with minimal Net Debt and supports the Company's aggressive new clinical infrastructure commitments and plans in Melbourne, Gold Coast and Bali which complements completed infrastructure projects in Penrith, Darwin and Singapore. Anticipated capital expenditure in FY23 is ~\$30m and committed acquisitions payments is expected to be ~\$15m. Since April 2020 and to end of FY2023, the April 2020 Equity Raising enabled on-going trading during disruption caused by the Pandemic and also supports uninterrupted planned growth investments of ~\$70m.

The \$40m Syndicated Debt Facility was extended by 3 years to December 2024 and ability to raise further debt remains strong considering the strength of earnings and available headroom in key banking covenants. The key Net Leverage Ratio is 0.05x which is well within the 3.5x covenant requirement. The Interest Cover Ratio is 113.2x and well above the 3.0x covenant requirement.

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Statement of Cash Flows

Cash Flows \$m	FY2022	FY2021 Restated ⁽²⁾	Change %
EBITDA⁽¹⁾⁽³⁾	43.2	51.2	(15.6%)
Movement in working capital	(1.5)	0.1	(1600.0%)
Income taxes paid	(9.8)	(7.3)	(34.2%)
Net operating cash flows (post-tax)	31.9	44.0	(27.5%)
Capital expenditure	(11.8)	(10.0)	(18.0%)
Payments for businesses	(3.4)	(1.3)	(161.5%)
Cash flows used in investing activities	(15.2)	(11.2)	(35.7%)
Free Cash flow⁽¹⁾	16.7	32.8	(49.1%)
Dividends paid	(16.8)	(13.1)	(28.2%)
Interest on borrowings	(0.6)	(0.7)	14.3%
Payments of lease liabilities	(8.6)	(7.6)	(13.2%)
Proceeds/(Repayment) of borrowings	8.4	(17.7)	147.5%
Cash flows used in financing activities	(17.7)	(39.1)	55.0%
Net cash flow movement	(0.9)	(6.3)	85.7%
Closing cash balance	7.9	8.8	(10.2%)

Free cash flow for FY22 was \$16.7m with conversion of EBITDA to pre-tax operating cash flows of 97% compared to 100% in the prior comparative period. Capital expenditure for FY22 was \$11.8m which included the new Penrith, Darwin and Singapore IVF clinics and building works commenced for the new Melbourne and Gold Coast IVF clinics which will include day hospital services. Payments for businesses included \$1.3m in Fertility Solutions earn-out payments related to FY22 performance and \$2.1m of acquisition transaction payments for executed and discontinued acquisitions during FY22.

Total dividend payments during FY22 comprised of the final FY21 fully franked dividend and the interim FY22 fully franked dividend. Payments of lease liabilities increased by \$1.0m driven primarily by lease payments for new facilities including Melbourne, Penrith, Darwin and Singapore.

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

(2) 30 June 2021 has been restated due to the IFRS Interpretations Committee decision in relation to accounting for Software as a Service.

(3) FY21 EBITDA includes \$5.1m Job Keeper Subsidy benefit

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Dividends

On 26 August 2022, a fully franked final FY2022 dividend of 2.2 cents per share was declared. The record date for the dividend is 9 September 2022 and the payment date for the dividend is 7 October 2022.

Commitments & Contingencies

As announced to the ASX on 23 December 2020, Monash IVF Group became aware that it and certain 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 Monash IVF Group in relation to the Ni-PGT testing including 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.

The Group has filed the defence in accordance with the Court's directions. The Group has notified its insurers of the claim. The Group has provided for associated costs expected to be incurred in defending the claim. 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.

Outlook

Whilst the ongoing COVID-19 Pandemic and macro uncertainty created volatility in the Australian IVF market in 2H22, the favourable underlying demand dynamics are unchanged. Advanced maternal age and access to broader service offerings (including donor, egg freezing and genetics) are expected to underpin long-term industry growth. The recent short-term weakness in the market is largely attributable to patients being forced to delay treatment post infection with COVID-19 or influenza, hesitancy to access healthcare services and macroeconomic uncertainty; with some uncertainty around how long this market disruption will continue for.

In FY2022, MVF made significant investments in future growth including recent acquisitions, attraction of new fertility specialists and further expansion into South East Asia. In addition, further ~\$45m of capital expenditure investment and acquisition payments are anticipated to be made during FY2023 that will continue to drive future growth and improve service delivery.

The recent acquisitions of PIVET Medical Centre and ART Associates Queensland are expected to complete by end of September 2022 and will contribute to earnings growth in FY2023. Accordingly, subject to further adverse impact from the on-going Pandemic, we anticipate FY2023 Underlying¹ Net Profit After Tax to grow in-excess of 10% compared to FY2022.

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

Directors' Report continued

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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 Mission
We help bring life to the world

Vision 2026
The most admired reproductive care provider in the world
Best in class fertility solutions, diagnostics, genetics and pathology.

Our Pillars

- Doctor Partnerships
- Patient Experience
- Scientific Leadership
- People Engagement
- International Expansion
- Digital Transformation
- Brand & Marketing
- Clinical Infrastructure

Our Outcomes

- Engagement (Patients, Doctors, People, Regulators)
- Local & International Market Share
- Market Leading Success Rates
- Value Creation

Our Principles

Care | Commitment | Communicate | Collaborate | Create

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.

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.

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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.

COVID-19 Pandemic

COVID-19 and the risk of transmission of infection may impact Monash IVF's operations in Australia and South-East Asia through the imposition of government and regulatory requirements (which can change over time), including suspension of elective surgery, recommendations to postpone treatment where possible and the need for social distancing impacting staff movement within the partner healthcare system and patient willingness to access services. Monash IVF is continually working with industry bodies, regulators and governments to understand and shape regulatory positions but these positions and related actions can impact Monash IVF operations in the future. Economic conditions during and post the Pandemic may adversely impact financial performance and market position. In addition, Monash IVF employees may come into close proximity with patients and other members of the public during the course of business, increasing risk of transmission and impact on workforce. While protocols have been established and are effective in responding to the risk of transmission, the workforce may be infected with COVID-19 or influenza resulting in disruption of operations and services whilst they are isolating and/or recovering.

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.

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Business risks (continued)

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-imbursment for ARS treatment through Commonwealth Government Programs, including the Medicare Benefit Schedule (MBS) and Extended Medicare Safety Net (EMSN). If the level of re-imbursment 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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Information on Directors

Director	Experience
<p>Mr Richard Davis Independent Chairman Member of Audit & Risk Management Committee Member of Remuneration & Nomination Committee</p>	<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>
<p>Mr Josef Czyzewski Independent Non-executive Director Chair of Audit & Risk Management Committee Member of Remuneration & Nomination Committee</p>	<p>Mr. Josef Czyzewski joined the Group in June 2014 and has over 30 years of experience in senior finance positions and significant experience in the health industry. 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>
<p>Mr Neil Broekhuizen Independent Non-executive Director Member of Audit & Risk Management Committee</p>	<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>He is the Independent Non-executive Chairman of Bravura Solutions.</p> <p>Neil is qualified as a Chartered Accountant and holds a BSC (Eng) Honours degree from Imperial College, University of London.</p>
<p>Dr Richard Henshaw Executive Director</p>	<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>

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Director	Experience
<p>Ms Catherine West Independent Non-executive Director Member of Remuneration & Nomination Committee</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 Chair of Remuneration & Nomination Committee</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 10 years.</p> <p>Ms Peach currently serves on the Boards of ASX listed companies, Pacific Smiles Group Limited (Chair) and Starpharma Holdings Limited (Non-Executive Director).</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
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 Practicing 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 18 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)	21	21
Mr Josef Czyzewski	21	21
Ms Catherine West	21	21
Ms Zita Peach	21	21
Mr Neil Broekhuizen	19	21
Dr Richard Henshaw	19	21
Mr. Michael Knaap	21	21

Directors' Report continued

for the year ended 30 June 2022

Committee meetings

Member	ARC		REM	
	Attended	Held	Attended	Held
Mr Richard Davis	4	4	5	5
Mr Josef Czyzewski (ARC Chair)	4	4	5	5
Ms Zita Peach (REM Chair)	-	-	5	5
Ms Catherine West	-	-	5	5
Mr Neil Broekhuizen	3	4	-	-

Matters subsequent to the end of the financial year

On 18 May 2022, Monash IVF Group Limited announced entry into a binding sale agreement for the acquisition of PIVET Medical Centre ("PIVET") which is a Perth, Western Australia and Cairns, Queensland provider of fertility services and has nine fertility specialists. Monash IVF is acquiring PIVET by way of an asset sale and purchase for initial up-front cash consideration of \$9.4 million on a debt free basis, with the potential of additional earn out payments over a one to two year period from completion. The financial effects of this transaction has not be recognised at 30 June 2022. The operating results and assets and liabilities of the acquired Business will be consolidated from the completion date expected to be during FY2023, subject to certain conditions precedent.

On 1 July 2022, Monash IVF Group Limited announced the acquisition of ART Associates Queensland No.2 Pty Ltd (ART Associates Queensland) in Brisbane, Queensland. Monash IVF is acquiring ART Associates Queensland by way of an asset sale and purchase for initial cash consideration of \$3.9m on a debt free basis, with the potential of additional earn out payments over a five to seven year period from completion. The financial effects of this transaction has not be recognised at 30 June 2022. The operating results and assets and liabilities of the acquired Business will be consolidated from the completion date expected to be during FY2023, subject to certain conditions precedent.

On 26 August 2022, a fully franked dividend of 2.2 cents per share was declared. The record date for the dividend is 9 September 2022 and the payment date for the dividend is 7 October 2022.

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, represent new or increasing risks for organisations.

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.

As we progress our Vision 2026, Monash IVF Group has integrated ESG considerations into its decision making, including the following examples:

Directors' Report continued

for the year ended 30 June 2022

Environmental, Social and Governance (continued)

- Improvements to our Clinical Infrastructure consider the environmental impact of our activities including measures such as NABERS (National Australian Built Environment Rating System) and the ability to locally source equipment and furnishings from ethical suppliers;
- People Engagement activities have seen the establishment of a Diversity & Inclusion Council, tasked to create an affirming environment where staff feel comfortable to bring their whole self to work, and where a sense of belonging is fostered. This further allows Monash IVF Group to incorporate inclusive practices to our Patient Experience and Doctor Partnerships;
- As we develop the Monash Way through robust Clinical Leadership, the focus on ART Success Rates and evidence based medicine has been maintained, ensuring the best possible outcomes for our Patients;
- Digital Transformation supports a paper-light approach to clinical operations and reduction in corporate travel.

As this position matures, Monash IVF Group are now formalising and strengthening its approach to sustainability through a structured Environmental, Social and Governance (ESG) framework.

The establishment of an ESG committee, with Board representation, will ensure the implementation of a practical plan, embedded in our daily activities, to achieve tangible and material results. Establishing ESG Metrics ensures that we are creating long term value through strategies that incorporate environmental, social and governance dimensions.

Our evolving plan will consider the 17 Sustainable Development Goals identified by the United Nations and cover all aspects of our:

- People, including promoting diversity and inclusion and workplace health and safety;
- Service delivery, including the supply chain, partnerships and waste production and;
- Governance framework, including Corporate Governance, Corporate behaviour and business ethics and Risk Management.

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.