SONIC HEALTHCARE LIMITED

Annual Report 2025

ABN 24 004 196 909

Corporate Directory

DIRECTORS
Prof MR Compton AM | *Chairman*
Dr CS Goldschmidt | *Managing Director*
Mr CD Wilks | *Finance Director*
Prof C Bennett AO
Prof S Crowe AO
Dr K Giles
Mr N Mitchell
Ms KD Spargo
Ms N Wakefield Evans AM

COMPANY SECRETARY
Mr PJ Alexander

PRINCIPAL REGISTERED OFFICE IN AUSTRALIA
Level 22, Grosvenor Place,
225 George Street, Sydney
New South Wales, 2000, Australia
P 61 2 9855 5444
F 61 2 9878 5066
W www.sonichealthcare.com
E contactus@sonichealthcare.com.au

SHARE REGISTRY
Computershare Investor Services Pty Limited
Level 5, 115 Grenfell Street, Adelaide,
South Australia, 5000, Australia
P 1300 556 161 (Within Australia)
P 61 3 9415 4000 (Outside Australia)
F 1300 534 987 (Within Australia)
F 61 3 9473 2408 (Outside Australia)
W www.computershare.com
E www.investorcentre.com/contact

AUDITOR
PricewaterhouseCoopers

SOLICITORS
Allens
Gilbert+Tobin
Norton Rose Fulbright

BANKERS
Australia and New Zealand Banking Group
BNP Paribas
Commerzbank
Commonwealth Bank of Australia
Crédit Industriel et Commercial
DNB Bank
HSBC
JPMorgan Chase Bank
Mizuho Bank
MUFG Bank
Westpac Banking Corporation

STOCK EXCHANGE LISTINGS
Sonic Healthcare Limited shares are listed on the Australian Securities Exchange (SHL.AX). Sonic Healthcare Limited also has a Level 1 sponsored American Depositary Receipt (ADR) facility managed by BNY Mellon (the 'Depositary'). Sonic Healthcare Limited's ADRs are traded under the code SKHHY.

Verification of Unaudited Information in this Annual Report

Unaudited information in this Annual Report comprises all information included in the Annual Report other than the Financial Report, the Remuneration Report within the Directors' Report, the Directors' Declaration, the Consolidated Entity Disclosure Statement, the Independent Auditor's Report and the Auditor's Independence Declaration.

The integrity of the unaudited information has been verified as materially accurate and/or reasonable using the following processes:

- Financial information in the unaudited information has been tied to the current and/or previous audited Financial Reports, or has been gathered using the same reporting and consolidation process as used for the Financial Report (which includes several review layers), or has been sourced from third parties.
- The unaudited information has been reviewed and approved by the Managing Director and Finance Director individually, the Audit Committee, and the Board as a whole.
- The independent auditor has read the unaudited information and has considered whether the information is materially inconsistent with the Financial Report or their knowledge obtained in the audit, or otherwise appeared to be materially misstated. The auditor had nothing to report in this regard.

Forward-looking statements and opinions included in the unaudited information (which may be identified by the use of terminology including 'expects', 'believes', 'targets', 'likely', 'should', 'could', 'intends', 'aims', 'is estimated' or similar expressions) are not certainties, guarantees or predictions of future performance. Readers are cautioned not to place undue reliance on forward-looking statements or opinions.

Cover
Dr Melanie Edwards,
Deputy Director, Histopathology,
Douglass Hanly Moir Pathology,
Sydney, Australia

Inset
Glenda Feri,
Senior Scientific Officer,
Sonic Clinical Trials,
Sydney, Australia

Contents

Chairman's Letter	02
CEO's Report	04
Financial History	07
Directors' Report	10
Auditor's Independence Declaration	52
Corporate Governance Statement	53
Financial Report	66
Consolidated Entity Disclosure Statement	144
Directors' Declaration	155
Independent Auditor's Report to the Members of Sonic Healthcare Limited	156
Shareholders' Information	162

Chairman's Letter

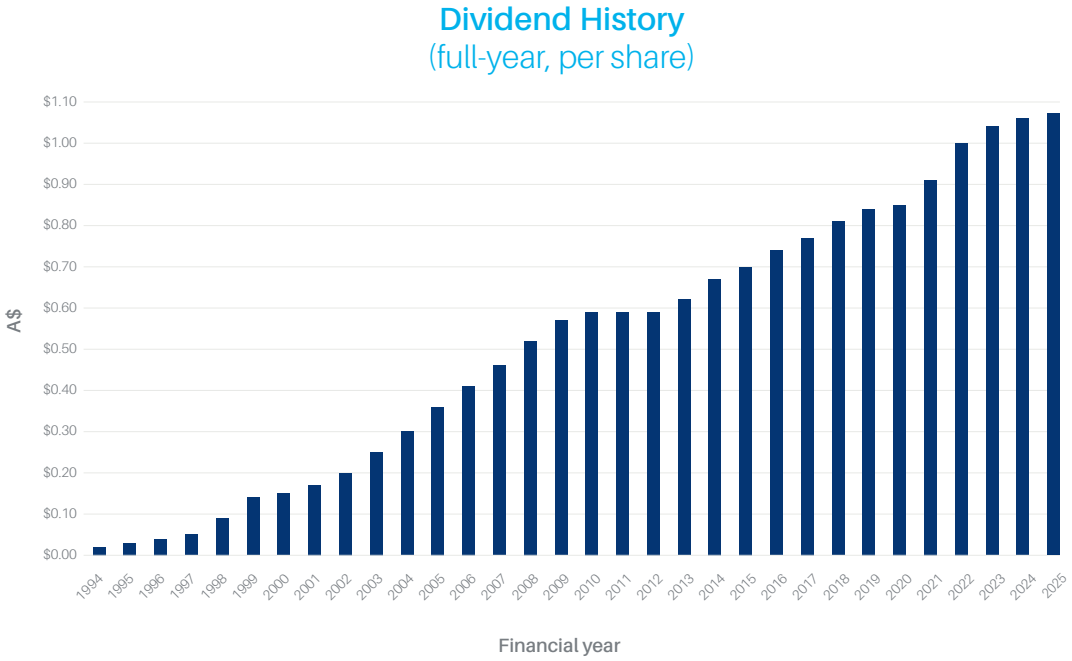
Dear Fellow Shareholders,

I am pleased to present you with Sonic Healthcare's 2025 Annual Report on behalf of the Company's Board of Directors.

Sonic Healthcare delivered a solid performance for the 2025 financial year, reporting revenue of A$9.6 billion and a net profit of A$514 million. Strong revenue growth of 8% included 5% organic growth, plus the revenue contributions of synergistic business acquisitions. Sonic stands today in a robust and stable position, with a deeply embedded Medical Leadership culture, experienced and dedicated senior management teams around the world, leading market positions in seven countries, and a conservative balance sheet. The Company is well set for further growth, both organically and through carefully chosen synergistic acquisitions.

Revenue for 2026 is expected to significantly exceed the milestone of A$10 billion. Sonic continues to benefit from the ever-increasing growth in global demand for diagnostic healthcare services.

We are proud to continue our long-standing progressive dividend strategy, rewarding shareholders with total dividends for the year of A$1.07 per share, up 1% on FY2024. The dividend payout ratio for FY2025 is unusually high, however we expect this to reduce (whilst still increasing dividends per share) to more normal levels as earnings grow over the next few years. The chart below sets out Sonic's dividend history, which clearly demonstrates value delivered to our shareholders.



Sonic Healthcare delivered a solid performance for the 2025 financial year, reporting revenue of A$9.6 billion and a net profit of A$514 million.

In July 2025 Sonic completed the acquisition of Laboratory Group Dr. Kramer & Colleagues ('LADR') – one of the 'Top 5' medical laboratory groups in Germany. LADR is one of the largest acquisitions ever undertaken by Sonic, with an enterprise value of €423 million. This is an incredibly exciting development for Sonic, solidifying our market leadership position in Germany and providing substantial synergy opportunities. It was particularly pleasing that the sellers, who will continue with the business, took almost 14 million Sonic shares as part of the consideration, clearly demonstrating their commitment and belief in Sonic's future.

Sonic's Board continues to actively work on Board development, renewal and diversity to ensure governance of the Company keeps pace with its growth and increasing complexity. During the year Nicola Wakefield Evans AM joined the Board as an independent, Non-executive Director. Nicola is a highly experienced director, business leader and corporate finance lawyer and is already making a significant contribution around the Board table, offering new skills, experiences and viewpoints. Lou Panaccio retired from the Board during the year, having served Sonic and its shareholders extremely well and diligently for 19 years.

Sonic's Board now comprises seven Non-executive Directors, all of whom the Board considers to be independent, plus two Executive Directors (being the Chief Executive Officer and the Chief Financial Officer). Board members include a pathologist and three medical practitioners in keeping with the Company's Medical Leadership culture. The Board's gender diversity objective (minimum 40% membership of both male and female members) continues to be satisfied, with 56% of Directors being female and 44% male.

Last year, Kate Spargo advised that she will permanently retire from the Board by the end of her current 3-year term (in 2027). The Board intends to conduct a process to recruit one, and perhaps two, new independent Non-executive Directors during 2026.

Progress with Sonic's ongoing sustainability strategy continued during the 2025 financial year, including achievement of short-term milestones such as completion of a quantitative assessment of the potential financial impacts on Sonic of climate-related risks and opportunities. The Sonic Healthcare 2025 Sustainability Report will be published in November 2025 and available on the Company's website for reading at your convenience.

The Report gives a full account of our strategy and progress, including detailing our sustainability governance structure, our material sustainability topics and climate-related risks and opportunities. The Report also describes how Sonic cares for our people, our communities, and our medical profession, as well as updating you on the activities of the Sonic Healthcare Foundation. The Foundation was established and funded by Sonic in FY2022 and provides healthcare support for communities in dire need. The Board takes great pride in Sonic's efforts in these important areas, and believes that our shareholders can rightfully be proud as well.

Sonic's standing as a socially responsible company continues to be positively recognised by external parties. Our current external ratings include a MSCI rating of 'Leader' (AA), an ISS ESG rating of 'Prime' (B-) and a CDP rating of 'Awareness' (C). In addition, we continue to be included in the FTSE4Good All World Index and the FTSE4Good Developed Index.

Sonic Healthcare has a clear strategy for future growth and the cultural, financial, managerial and operational strengths to deliver on that strategy, so as to create value for shareholders. Concurrently, and intrinsically linked, we will continue to provide outstanding service to our clinical medical colleagues and our shared patients, whilst enabling fulfilling careers for our staff. I would like to thank our doctors, management teams, and all staff members for the passion, commitment, and expertise they bring to the Company every day. I thank each of my fellow Directors for their diligence and the talents they bring to the Board. Finally, I also thank you, our shareholders, for your continuing support of the Company and the Board.

Professor Mark Compton AM
Chairman

CEO's Report

Sonic Healthcare's businesses performed strongly during the 2025 financial year, with the Group achieving 5% organic revenue growth and 40 basis points of margin expansion on a normalised basis. Sonic's management teams globally are acutely focussed on driving organic growth, tightly controlling costs, and progressing the many workstreams required to further realise the synergies we expect from the significant acquisitions we have made in recent years in Switzerland, Germany and the USA.

Earnings growth will accelerate in FY2026 and continue into future years as the full potential of synergies from acquired businesses are realised and operating leverage driven by strong organic growth within our businesses strengthens now that we have exited the higher cost inflation levels that prevailed following the COVID-19 pandemic.

The completion of the LADR Laboratory Group acquisition on 1 July 2025 was a major growth milestone for Sonic's 20-year presence in the German market. LADR has significantly strengthened Sonic's already leading market position in Germany. With CY2024 revenue of €370 million and EBITDA of €50 million, LADR is a highly reputable, high quality, medical led business, offering exceptional cultural alignment with Sonic. The acquisition is immediately earnings per share accretive for Sonic's shareholders, and offers strong post-synergy returns on investment of more than 11% p.a.

Our most recent acquisition (completed in August 2025), Cairo Diagnostics, is a pathologist founded and run highly esoteric testing laboratory operating in the Northeast of the USA, with annual revenue in excess of US$20 million and robust margins. Our strategy is to offer Cairo's testing services nationally, leveraging Sonic's pathologists, existing referral base, marketing and sales teams, collection centres and other infrastructure to drive significant growth.

Sonic's UK management team has done an outstanding job to date of transitioning, integrating and modernising the laboratory service for the Hertfordshire and West Essex (HWE) National Health Service (NHS) outsource contract which commenced on 1 March 2025. 600 staff joined Sonic under the contract, which is to provide services to three NHS trusts, including hospitals and 250 General Practice groups, for a patient base of ~1.6 million people over the 15-year contract. Sonic is investing in new and upgraded IT systems and facilities, with a new hub laboratory in the area in the process of being fitted out, adding to our established UK hub laboratories in London and Manchester.

Including the addition of the HWE contract, Sonic's UK operations achieved organic growth of 14% for the 2025 year. The Australian laboratory business grew 6% organically, Germany and Switzerland 4% each, Belgium 2% and the USA's organic growth was (1)%. The Australian laboratory business successfully renewed the National Bowel Screening contract during the year, as well as being selected to provide the laboratory services for two large private hospitals (North Shore Private Hospital in Sydney and Hollywood Private Hospital in Perth), with those services beginning in the 2026 year.

Germany's organic growth was impacted by a change to the minimum level of quota that could be applied to statutory insurance fees from 1 January 2025. Similarly, Belgium was affected by a net 9% fee reduction from 1 January 2024, but then has benefited from a 3% indexation fee increase from 1 January 2025. Growth of the US business in the year was impacted by low market growth, especially in anatomical pathology, the loss of a payor contract in Alabama, and disruptions caused by a cyber event at a major billing service provider to Sonic USA, Change Healthcare. The US business has returned to positive organic growth in the month of July 2025. Organic growth in Germany was augmented by two small synergistic acquisitions in the year, with total revenue of ~A$15 million p.a.

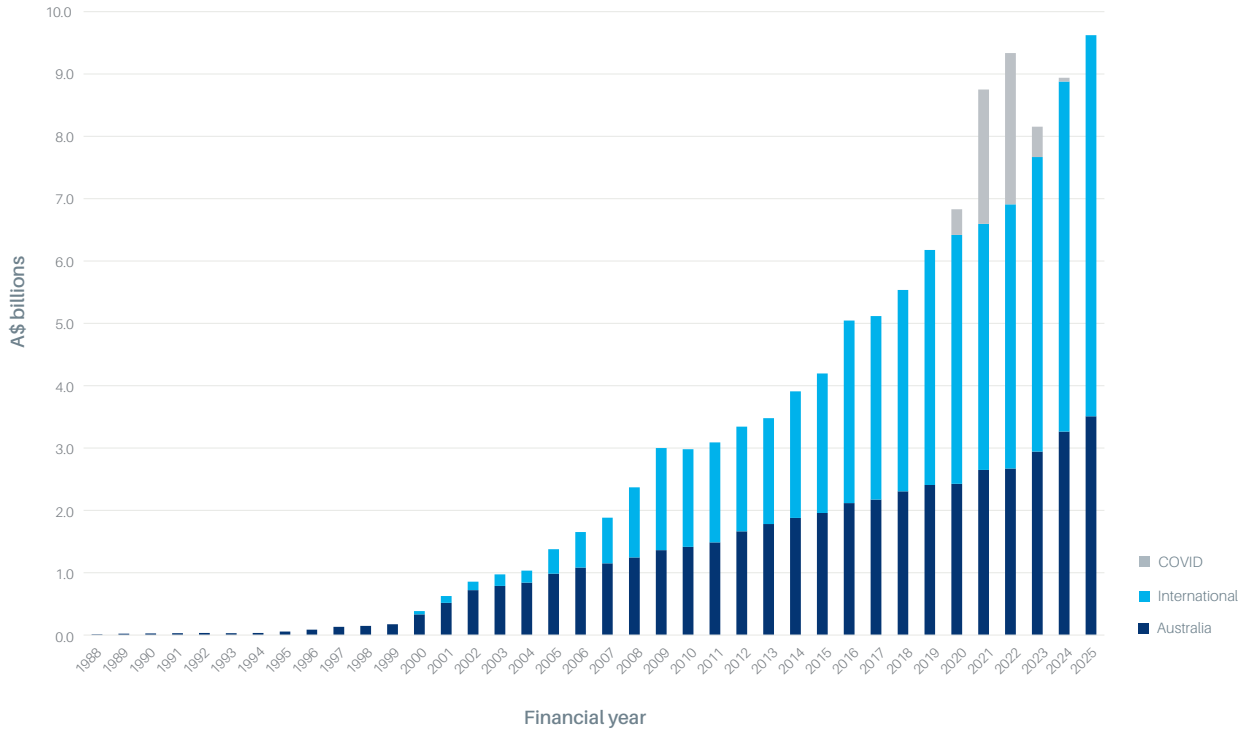
Sonic's Radiology division performed very strongly during the year, achieving organic revenue growth of 10% and EBITDA growth of 12%. Seven greenfield sites were opened in FY2025, with four more currently planned for FY2026. Radiology continues to benefit from the trend towards growth in higher value modalities.

Sonic's revenue has grown substantially in recent years as we have further expanded our market positions across our seven countries of operation. This strong growth will continue in FY2026, with current market consensus showing revenue of approximately A$11 billion expected for the year. As part of this growth, we have added to the extensive infrastructure Sonic holds in these markets, and this infrastructure, which is essential to the healthcare systems in which we operate, provides the opportunity for substantial synergy and efficiency gains for many years to come.

The acquisitions of Medisyn and Dr Risch Group (Switzerland), PathologyWatch (USA) and the HWE contract (UK) have to date, as expected, been earnings and/or margin dilutive, but will all provide strong earnings growth and returns on investment into future years.

Sonic's revenue has grown substantially in recent years as we have further expanded our market positions across our seven countries of operation.

Revenue History



We are using PathologyWatch's unique end-to-end digital pathology platform, incorporating a laboratory information system, digital pathology viewer, image storage and AI algorithms for dermatopathology, to accelerate Sonic's transition to digital pathology and the related use of AI. We are well advanced in the process of rolling out PathologyWatch in our US business, with the intent for a global rollout to follow.

Sonic will be a major beneficiary from the use of artificial intelligence in coming years, which is expected to cause step-changes in efficiency, quality, and capacity in both pathology and radiology. In addition to our own specific investments and strategies in this space, more and more AI tools are becoming available in the market generally and an ever-increasing amount of use cases are being identified that will add efficiency to our operations over time.

Sonic has fully integrated sustainability into our business strategy, and we are applying the resources to successfully execute the sustainability strategies we have developed so as to achieve the goals we have set ourselves. Our progress will be detailed in our 2025 Sustainability Report, which will be released in November 2025.

Sonic is well positioned for the future, with significant competitive advantages including market leading brands and positions, stable and experienced management teams globally, investment grade credit metrics and a strong, market differentiating culture of Medical Leadership. This enviable position would not be possible without the expertise and commitment of our now more than 45,000 team members around the world, and I sincerely thank each of them for their service.

Dr Colin Goldschmidt
CEO and Managing Director

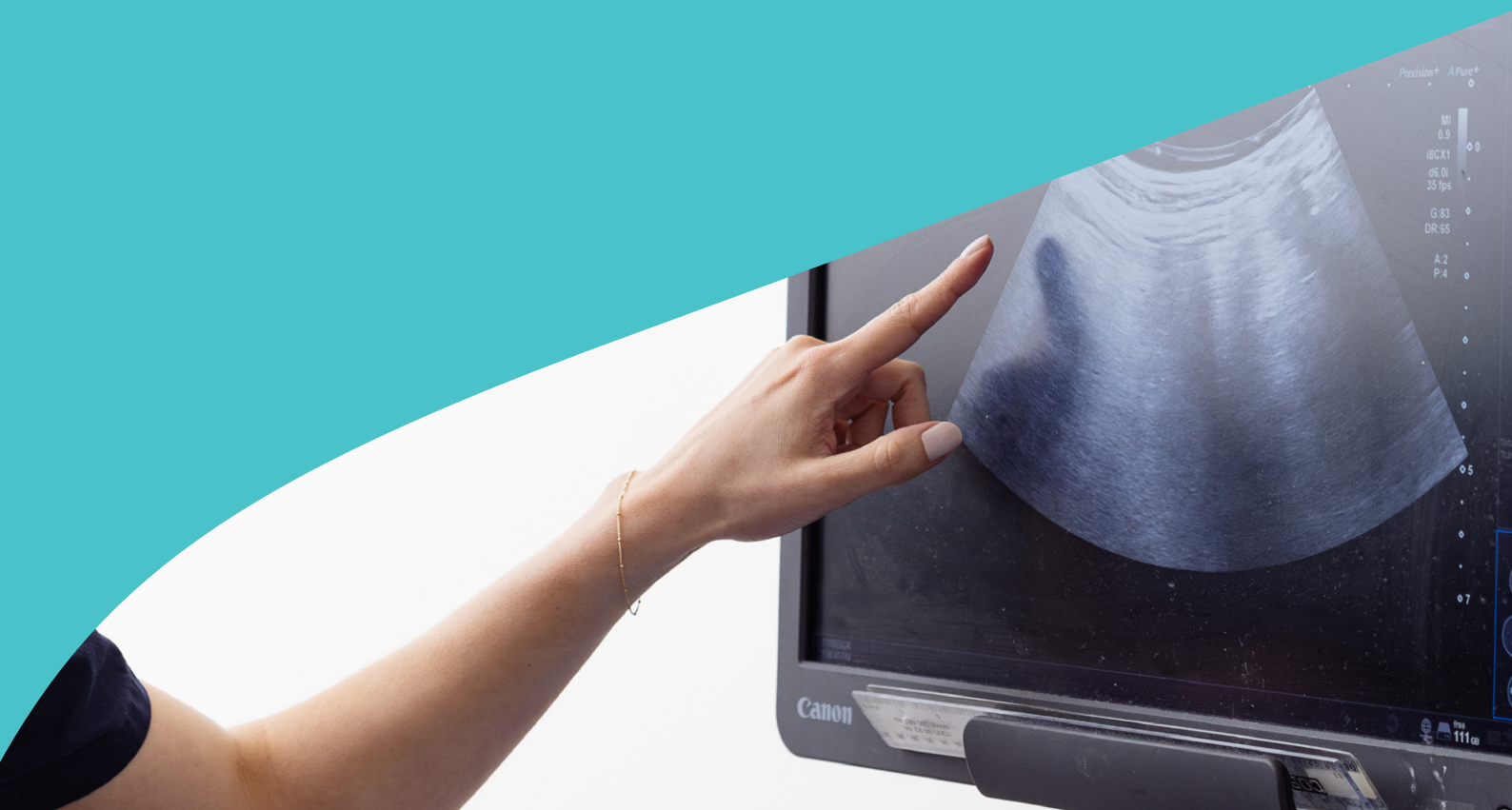
Sonic will be a major beneficiary from the use of artificial intelligence in coming years, which is expected to cause step-changes in efficiency, quality, and capacity in both pathology and radiology.

Financial History

Note that FY2025 and FY2024 revenue and earnings comparisons with prior years have been impacted materially by the reduction in COVID-19 related revenue.

As at 30 June	2025	2024	2023	2022	2021
	$'000	$'000	$'000	$'000	$'000
Base business revenue		8,904,958	7,683,541	6,911,644	6,599,038
COVID-19 revenue		62,447	485,407	2,428,510	2,155,085
Total revenue	**9,645,448**	8,967,405	8,168,948	9,340,154	8,754,123
Earnings before interest, tax, depreciation and amortisation (EBITDA)[5]	**1,724,994**	1,634,542	1,707,524	2,830,447	2,559,790
Net profit after tax[5]	**513,597**	511,094	684,984	1,460,566	1,315,040
Net cash flow from operations	**1,296,790**	1,071,512	1,471,033	2,225,821	2,042,836
Total assets	**16,053,918**	14,826,474	13,014,629	12,552,013	11,760,991
Total liabilities	**7,580,702**	6,751,349	5,092,767	5,123,839	5,256,648
Net assets	**8,473,216**	8,075,125	7,921,862	7,428,174	6,504,343
Net interest-bearing debt[1]	**2,818,404**	2,348,928	886,340	811,803	939,982
Statistics					
Diluted earnings per share (cents)[5]	**106.7**	107.2	145.0	302.5	273.1
Dividends declared per ordinary share (cents)[2]	**107.0**	106.0	104.0	100.0	91.0
Dividend payout ratio[2]	**101.8%**	99.4%	71.7%	32.5%	33.1%
Gearing ratio[3]	**24.7%**	22.3%	9.9%	9.7%	12.5%
Interest cover (times)[3]	**10.1**	12.0	29.4	47.3	33.8
Debt cover (times)[3]	**2.1**	1.9	0.6	0.3	0.4
Net tangible asset backing per share ($)	**(2.69)**	(2.19)	0.28	0.14	(0.44)
Return (after tax) on invested capital (ROIC)[4,5]	**5.9%**	6.5%	8.8%	19.7%	18.7%
Return (after tax) on equity[5]	**6.2%**	6.4%	8.9%	21.0%	21.6%

[1] Net interest-bearing debt excludes lease liabilities under AASB 16.
[2] Dividends declared and payout ratio relate to the dividends declared out of the profits for the relevant year, rather than when the dividend is paid.
[3] Calculated using debt facility covenant definitions, which exclude AASB 16.
[4] ROIC is calculated as tax effected (using the effective tax rate and adjusted for the tax benefit of goodwill amortisation) EBIT (pre-AASB 16), less minority interests, divided by invested capital. Invested capital is measured as total pre-AASB 16 equity (excluding minority interests) plus net interest bearing debt (excluding lease liabilities under AASB 16). Invested capital is the average of the opening and closing position.
[5] 2024 includes a non-recurring gain relating to the sale of West division in USA.


Canon

Inset

Georgia Watson, Sonographer
at Epworth Medical Imaging,
Melbourne, Australia

Annual Report 2025

30 JUNE 2025

SONIC HEALTHCARE LIMITED
ABN 24 004 196 909

Directors' Report

Your Directors present their report on the Group consisting of Sonic Healthcare Limited and the entities it controlled at the end of, or during, the year ended 30 June 2025.

DIRECTORS

The following persons were Directors of Sonic Healthcare Limited during the whole of the financial year and up to the date of this report:

Prof MR Compton AM | *Chairman*
Dr CS Goldschmidt | *Managing Director*
Mr CD Wilks | *Finance Director*
Prof C Bennett AO
Prof S Crowe AO
Dr K Giles
Mr N Mitchell
Ms KD Spargo

Mr LJ Panaccio retired as a Director at the Company's Annual General Meeting held on 19 November 2024.
Ms N Wakefield Evans AM joined as a Director on 10 February 2025.

PRINCIPAL ACTIVITIES

During the year the principal continuing activities of the Group consisted of the provision of medical diagnostic services and the provision of administrative services and facilities to medical practitioners.

DIVIDENDS

Details of dividends in respect of the current year and previous financial year are as follows:

	2025	2024
	$'000	$'000
Interim dividend paid on 20 March 2025 (2024: 21 March 2024)	**211,378**	205,490
Final dividend paid on 18 September 2025 (2024: 19 September 2024)	**311,370**	302,655
Total dividend for the year	**522,748**	508,145

On 20 August 2025, the Board declared a final dividend in respect of the year ended 30 June 2025 of 63 cents per ordinary share, 35% franked, paid on 18 September 2025, with a record date of 4 September 2025. An interim dividend of 44 cents per ordinary share, 0% franked, was paid on 20 March 2025.

A final dividend of 63 cents per ordinary share, 0% franked, was paid on 19 September 2024, in respect of the year ended 30 June 2024, out of profits of that year. The interim dividend in respect of the year ended 30 June 2024 was 43 cents per ordinary share, 0% franked, paid on 21 March 2024.

DIVIDEND REINVESTMENT PLAN (DRP)

The Company's Dividend Reinvestment Plan remained suspended for the FY2025 final dividend, as it was through the 2025 and 2024 financial years.

OPERATING AND FINANCIAL REVIEW

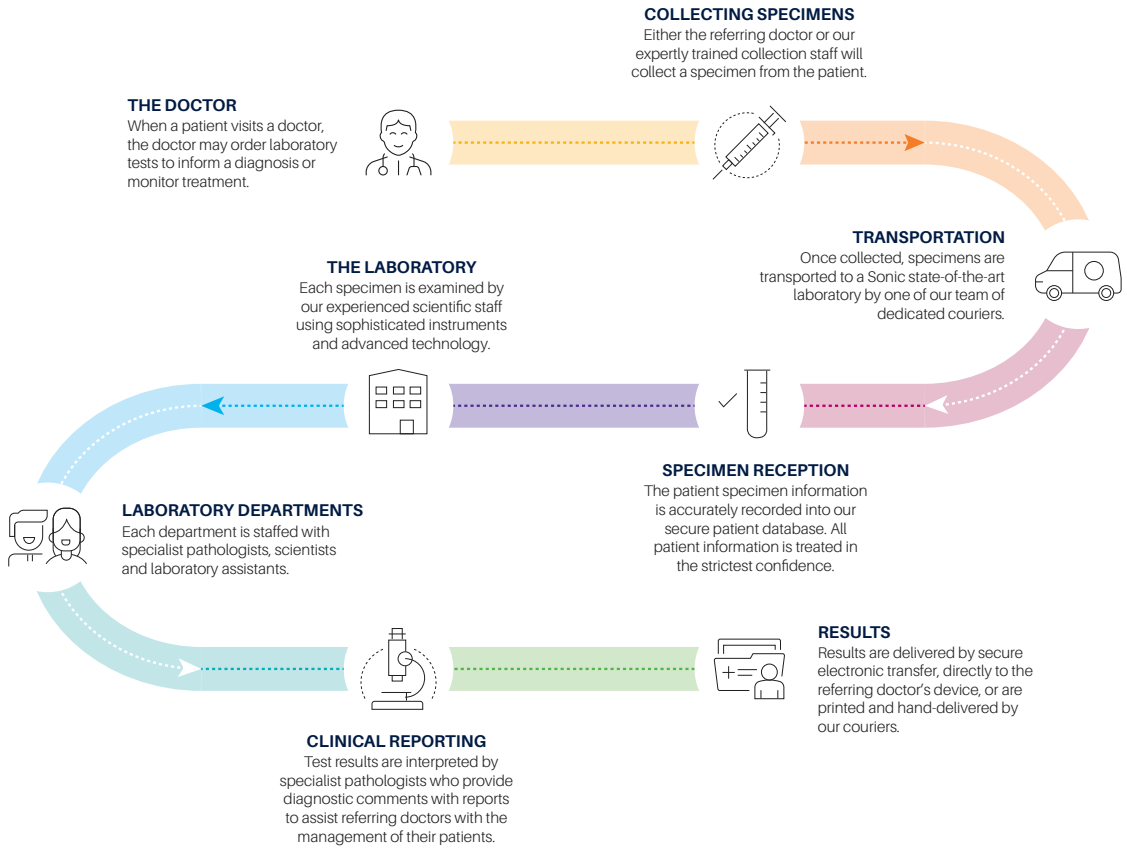
Operations

Sonic Healthcare is one of the world's leading providers of medical diagnostic services, contributing to the medical care of almost 130 million patients in FY2025. The Group provides highly specialised pathology/clinical laboratory and diagnostic imaging (including radiology) services to clinicians (GPs and specialists), hospitals, community health services, and their patients. Sonic is the world's third largest provider of pathology/clinical laboratory services (referred to in some markets as 'laboratory medicine') and was the first company to do so on a global basis. Currently employing more than 45,000 people, Sonic enjoys strong positions in the laboratory markets of seven countries, being the largest private operator in Australia, Germany, Switzerland and the UK, the second largest in Belgium and New Zealand and the third largest in the USA. In addition, Sonic is the largest operator of medical centres and skin cancer clinics, and the largest occupational health provider in Australia, and the second largest participant in the Australian diagnostic imaging market. These strong market positions allow Sonic to leverage existing infrastructure to realise synergies and to grow earnings.

Pathology is the study and diagnosis of disease through examination of organs, tissues, cells and bodily fluids. It is a broadly defined and complex scientific field which seeks to understand the mechanisms of disease and abnormality of cells and tissues, as well as the body's means of responding to and repairing abnormalities. Pathology and laboratory tests are an essential component in the delivery of modern healthcare services and are estimated to influence approximately 70% of healthcare decisions and 100% of cancer diagnoses. Laboratory medicine is a unique medical specialty, in that pathologists and laboratory technicians typically do not see patients directly, but rather serve as consultants to other physicians.

The clinical laboratory process is depicted below:

The Clinical Laboratory Process

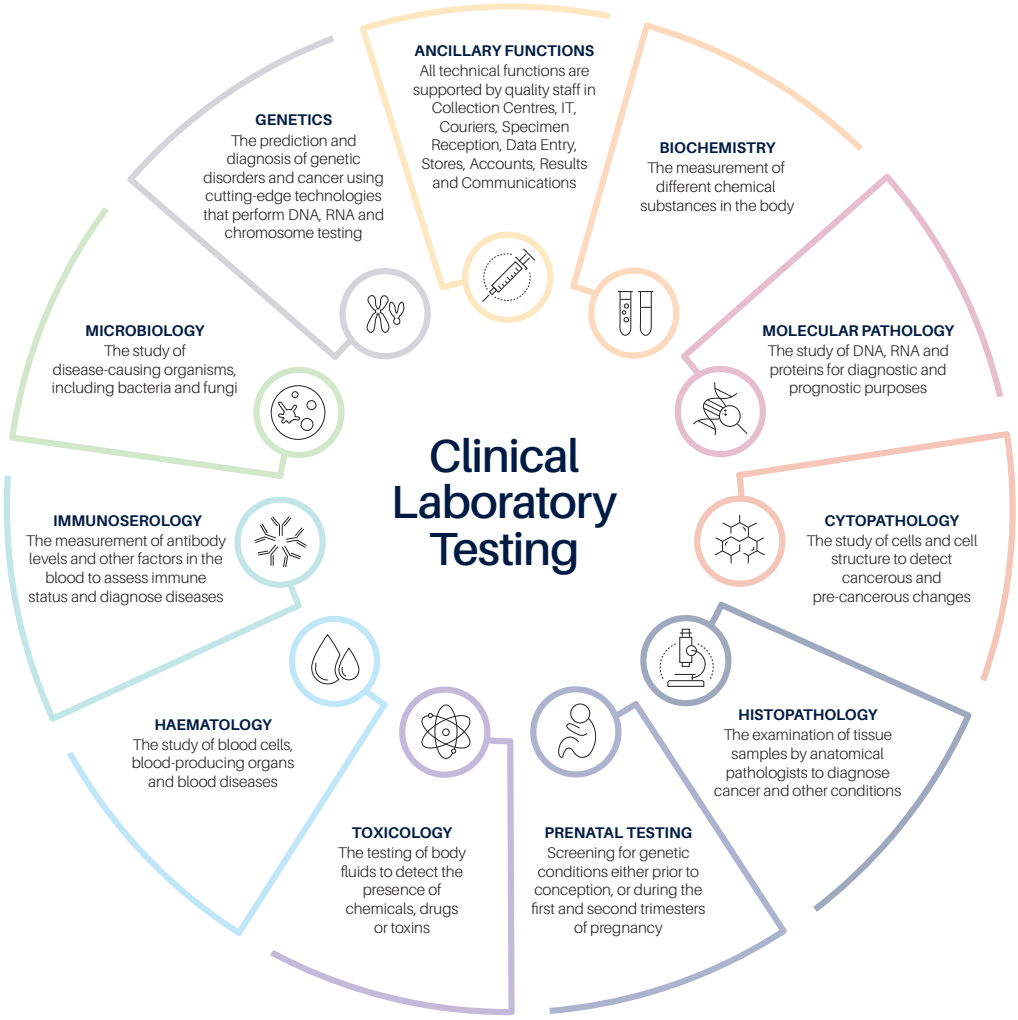


Directors' Report

OPERATING AND FINANCIAL REVIEW

In some countries in which Sonic operates, laboratories offer specimen collection services, although referring doctors still do some collections themselves. In Australia, approximately 35% of specimens are collected by the referring doctor. In Germany, Belgium and Switzerland, laboratories generally do not offer specimen collection services.

Laboratory medicine tests generally fall into categories as shown below:



Histopathology and cytopathology ('anatomical pathology') mainly involve the diagnosis of cancers by the examination of tissue and cells. The testing of other body specimens (blood, urine, sputum etc.) is usually referred to as clinical laboratory or clinical pathology testing. In some markets, such as Australia and New Zealand, it is usual for laboratories to provide both anatomical pathology and clinical laboratory testing as part of the one service. In other markets, anatomical pathology can be seen as a separate service.

Sonic's laboratories are highly sophisticated, providing broad menus of complex tests, in addition to state-of-the-art automation for accurate and rapid turnaround of routine tests. Sonic offers a range of more than 3,000 different tests. Sonic's large laboratories reach or exceed tertiary teaching hospital laboratory standards and are recognised for their specialised testing expertise, for example, in anatomical pathology, genetic and molecular testing.

OPERATING AND FINANCIAL REVIEW

Diagnostic imaging (including radiology) is the medical specialty of using medical imaging technologies to diagnose and treat diseases. The array of imaging technologies includes magnetic resonance imaging (MRI), computed tomography (CT), positron emission tomography (PET), nuclear medicine studies, ultrasound, mammography, bone densitometry and general X-ray. Diagnostic imaging also includes interventional radiology, the performance of medical procedures under the guidance of imaging technologies.

In addition to clinical laboratories and diagnostic imaging, Sonic conducts a number of smaller complementary businesses (disclosed in the Other category in the Segment information note, along with corporate office costs). The most significant of these are the Independent Practitioner Network (IPN) medical centre business, the Sonic HealthPlus occupational health business, and Australia's largest skin health business, together involve more than 200 primary care clinics across Australia, providing facilities and administrative services to around 2,000 general practitioners. Approximately 70% of all Australians live within 10 kilometres of a Sonic clinic.

Financial results

A summary of consolidated revenue and earnings is set out below.

				% Change	
	2025 Constant Currency[1]	2025 Statutory	2024	2025 Constant Currency v 2024	2025 Statutory v 2024
	$'000	$'000	$'000		
Revenue	9,516,049	**9,645,448**	8,967,405	6.1%	7.6%
Gain related to sale of West division in USA	–	–	32,341		
Total	9,516,049	**9,645,448**	8,999,746		
EBITDA before gain related to sale of West division	1,702,303	**1,724,994**	1,602,201	6.2%	7.7%
Gain related to sale of West division		–	32,341		
EBITDA[2]	1,702,303	**1,724,994**	1,634,542		
Depreciation	(715,277)	**(722,519)**	(694,389)	3.0%	4.1%
EBITA	987,026	**1,002,475**	940,153	5.0%	6.6%
Amortisation of intangibles	(92,106)	**(92,846)**	(82,916)	11.1%	12.0%
Net interest expense	(157,068)	**(158,764)**	(126,586)	24.1%	25.4%
Income tax expense	(203,929)	**(206,943)**	(186,847)	9.1%	10.8%
Net (profit) attributable to minority interests	(29,579)	**(30,325)**	(32,710)	(9.6)%	(7.3)%
Net profit attributable to Sonic shareholders	504,344	**513,597**	511,094	(1.3)%	0.5%
Gain related to sale of West division	–	–	(32,341)		
Net profit before gain related to West division	504,344	**513,597**	478,753	5.3%	7.3%
Cash generated from operations		**1,296,790**	1,071,512		21.0%
Earnings per share					
Basic earnings per share (cents per share)	105.0	**107.0**	107.3	(2.1)%	(0.3)%
Diluted earnings per share (cents per share)	104.8	**106.7**	107.2	(2.2)%	(0.5)%
Diluted earnings per share before gain related to sale of West division (cents per share)	104.8	**106.7**	100.4	4.4%	6.3%

[1] For an explanation of Constant Currency refer to (a) on the following page
[2] EBITDA = Earnings before interest, tax, depreciation and amortisation

An explanation of the figures reported above is provided in the following pages of this report.

Directors' Report

OPERATING AND FINANCIAL REVIEW

Explanation of results

a) *Constant Currency*

As a result of Sonic's expanding operations outside of Australia, Sonic is increasingly exposed to currency exchange rate translation risk, meaning that Sonic's offshore earnings and assets fluctuate when reported in AUD.

The average currency exchange rates for the year to 30 June 2025 for the Australian dollar (A$, AUD or $) versus the currencies of Sonic's offshore earnings varied from those in the comparative period, impacting Sonic's AUD reported earnings ('Statutory' earnings). The underlying earnings in foreign currency are not affected.

As in prior periods, in addition to the statutory disclosures, elements of Sonic's results for the year have also been presented on a 'Constant Currency' basis (that is, using the same exchange rates to convert the current period foreign earnings into AUD as applied in the comparative period, being the average rates for that period). This facilitates comparability of the Group's performance, by providing a view on the underlying business performance without distortion caused by exchange rate volatility.

In preparing the Constant Currency reporting, the foreign currency elements of the relevant line item in the Income Statement is restated using the relevant prior period average exchange rate. There is only this one adjustment to each line item, so no reconciliation is required.

The average exchange rates used were as follows:

	2025 Statutory	2024 and Constant Currency
AUD/USD	**0.6479**	0.6559
AUD/EUR	**0.5958**	0.6062
AUD/GBP	**0.5007**	0.5207
AUD/CHF	**0.5616**	0.5817
AUD/NZD	**1.0963**	1.0810

To manage currency translation risk, Sonic uses 'natural' hedging, under which foreign currency assets (businesses) are matched to the extent possible with same currency debt. Therefore:

- as the AUD value of offshore assets changes with currency movements, so does the AUD value of the debt; and
- as the AUD value of foreign currency EBIT changes with currency movements, so does the AUD value of the foreign currency interest expense.

As Sonic's foreign currency earnings grow, debt is repaid, and interest rates change, the natural hedges have only a partial effect, so AUD reported earnings do fluctuate. Sonic believes it is inappropriate to hedge translation risk (a non-cash risk) with real cash hedging instruments.

OPERATING AND FINANCIAL REVIEW

b) *Revenue*

Revenue breakdown	2025 Statutory Revenue	% of 2025 Statutory Revenue	2025 Constant Currency Revenue	2024 Statutory Revenue	2025 Constant Currency v 2024
	AUD M		AUD M	AUD M	Growth
Laboratory – Australia and New Zealand	**2,104**	**21.9%**	**2,104**	1,994	5.5%
Laboratory – USA	**2,110**	**21.9%**	**2,083**	2,147	(3.0)%
Laboratory – Europe	**3,975**	**41.3%**	**3,871**	3,475	11.4%
Radiology – Australia	**970**	**10.1%**	**970**	880	10.2%
Other	**465**	**4.8%**	**465**	446	4.3%
Revenue	**9,624**	**100%**	**9,493**	8,942	6.2%
Interest income	**22**		**23**	25	
Total revenue	**9,645**		**9,516**	8,967	6.1%

FY2025 organic revenue growth for the Group was 5%.

Organic revenue growth by laboratory market was as follows:

- Australian 6%
- USA (1)%
- Germany 4%
- Switzerland 4%
- UK 14%
- Belgium 2%

Organic growth in the laboratory divisions was augmented by business acquisitions in Germany and Switzerland, mainly in the FY2024 year. US reported revenue was reduced due to the sale of the West division in H2 FY2024. UK revenue growth was especially strong, with the commencement of the Hertfordshire and West Essex NHS outsource contract on 1 March 2025.

Radiology organic revenue growth was very strong at 10%, and included indexation of fees and targeted private billing. Sonic's Radiology business continues to benefit from the trend towards growth in higher value modalities.

Revenue for Sonic Clinical Services ('SCS'), mainly comprising Sonic's medical centre and occupational health businesses (the major component of the Other segment, which also includes other minor operations), grew 2%.

c) *Earnings*

EBITDA for the Group grew 8% on the prior year (excluding the A$32 million non-recurring gain related to the sale of the West division in the USA in FY2024). On a normalised basis, EBITDA margins grew 40 bps, as shown in the table below, driven by 5% organic revenue growth and gains from cost efficiency programs. Margin expansion was achieved notwithstanding the impacts of the initially low-margin but highly synergistic acquisitions of Risch and Pathology Watch, and the initial loss on the Hertfordshire and West Essex contract. Synergy initiatives from the acquisitions completed in FY2024 and FY2025 are on track, with the majority of benefits to be realised in FY2026 and FY2027.

Labour costs as a percentage of revenue reduced versus the comparative period, reflecting cost reduction initiatives.

Consumables cost remained constant as a percentage of revenue as changes in testing mix, in particular the growth in genetic testing, offset savings achieved through procurement initiatives.

OPERATING AND FINANCIAL REVIEW

Normalised EBITDA Margins	H1	H2	Full Year	Normalisation
				A$ million
FY2025 Reported EBITDA margins	17.7%	18.0%	17.9%	
Acquisition and restructuring costs	0.1%	0.4%	0.2%	22*
German KV quota change+	–	0.3%	0.2%	13
Queensland cyclone	–	0.1%	0.1%	6*
FY2025 Normalised EBITDA margins	**17.8%**	**18.8%**	**18.4%**	**41**
FY2024 Reported EBITDA margins	17.1%	19.1%	18.2%	
Gain related to sale of West division USA	–	(0.6)%	(0.3)%	(32)
Acquisition and restructuring costs	0.2%	0.1%	0.1%	14
FY2024 Normalised EBITDA margins	17.3%	18.6%	18.0%	(18)
Increase in Normalised margins	**50bps**	**20bps**	**40bps**	

* Non-recurring items in FY2025
+ Change to minimum KV quota level for statutory insurance fee schedule (EBM) from 1 January 2025

d) *Depreciation*

Depreciation increased 4% from the prior year (3% on a Constant Currency basis), less than the growth in revenue.

e) *Intangibles amortisation*

Intangibles amortisation mainly relates to internally developed and purchased software.

f) *Interest expense*

Net interest expense increased 25% on the prior year (24% at Constant Currency rates), due to the business acquisitions completed during FY2024, and higher interest rates on refinanced long term debt.

Sonic's debt is drawn in foreign currencies as 'natural' balance sheet hedging of Sonic's offshore operations (see (a) Constant Currency above).

Interest rate risk management arrangements are in place in accordance with Sonic's Treasury Policy.

g) *Tax expense*

The effective tax rate for the year was 27.6%, slightly higher than the guidance provided in August 2024 and February 2025 of 26-27%, mainly due to the mix of profitability in jurisdictions with differing corporate tax rates.

h) *Cash flow from operations*

Cash generated from operations was 21% higher than in the prior year due to a 48% reduction in income taxes paid. Tax payments in the prior year were unusually high as tax related to COVID-19 testing profits in earlier years became due. Tax paid in FY2025 was 17% lower than the tax expense due to timing of instalments and return lodgements.

Gross operating cash flow equated to 94% of EBITDA, with working capital impacted by the Change Healthcare situation. In February 2024, Change Healthcare experienced a cyber event, which prevented parts of Sonic's USA business from billing and/or collecting debtors. Sonic received interest free advances to replace the cash that would have been received from debtors. Some repayments of these advances were made during FY2025 as debtors were collected. The balance of advances from Change Healthcare at 30 June 2025 was US$86 million. These advances will be repaid as further debtors are collected, and Sonic intends to offset any ultimate shortfall in relevant debtor collections against the Change Healthcare advances, although this offset has not yet been formally agreed with Change Healthcare.

OPERATING AND FINANCIAL REVIEW

Financial position

Sonic's net assets at 30 June 2025 of A$8,473M increased by A$398M, or 5%, on the prior year. The main components of this increase were:

- A$402M increase relating to net currency exchange rate translation impacts
- A$23M reserve movement for share based payments.

Excluding the impacts of AASB 16, net (of cash) interest-bearing debt increased A$469M (20%) from the prior year level to A$2,818M. This increase largely resulted from currency exchange rate movements of A$205M and A$130M of payments for business acquisitions and investments. None of the business acquisitions completed in the year were material to Sonic. A significant component of the total consideration for these acquisitions was attributable to goodwill.

Sonic's net interest-bearing debt at 30 June 2025 (excluding AASB 16 impacts) comprised:

	Facility limit (M)	Drawn (M)	AUD (M) available
Notes held by USA investors – USD (fixed coupons)	US$550	US$550	–
Notes held by USA investors – Euro (fixed coupons)	€730	€730	–
Bank debt facilities			
USD (multicurrency) limits	US$225	US$126	150
Euro (multicurrency) limits	€874	€307	1,016
AUD (multicurrency) limits	A$607	A$214	393
CHF (multicurrency) limits	CHF125	CHF203*	(149)
Minor debt/finance leasing facilities	n/a	A$5+	–
Cash	n/a	A$(674)+	674
Available liquidity at 30 June 2025			**2,084**
Net interest-bearing debt (excluding lease liabilities under AASB 16)		**A$2,818**	

+ Various currencies
* Part of the CHF debt was drawn in facilities denominated in other currencies

Sonic's credit metrics at 30 June 2025 were as follows:

	30.6.25	31.12.24	30.6.24
Debt cover (times)	2.1	2.0	1.9
Interest cover (times)	10.1	10.5	12.0
Gearing ratio	24.7%	24.0%	22.3%

Definitions:
- Debt cover = Net Debt/EBITDA (bank covenant limit <3.5)
- Interest cover = EBITA/Net interest expense (bank covenant limit >3.25)
- Gearing ratio = Net Debt/[Net Debt + equity] (USPP note covenant limit <55%)
- Calculations as per Sonic's senior debt facility definitions, which exclude the impacts of AASB 16 *Leases*

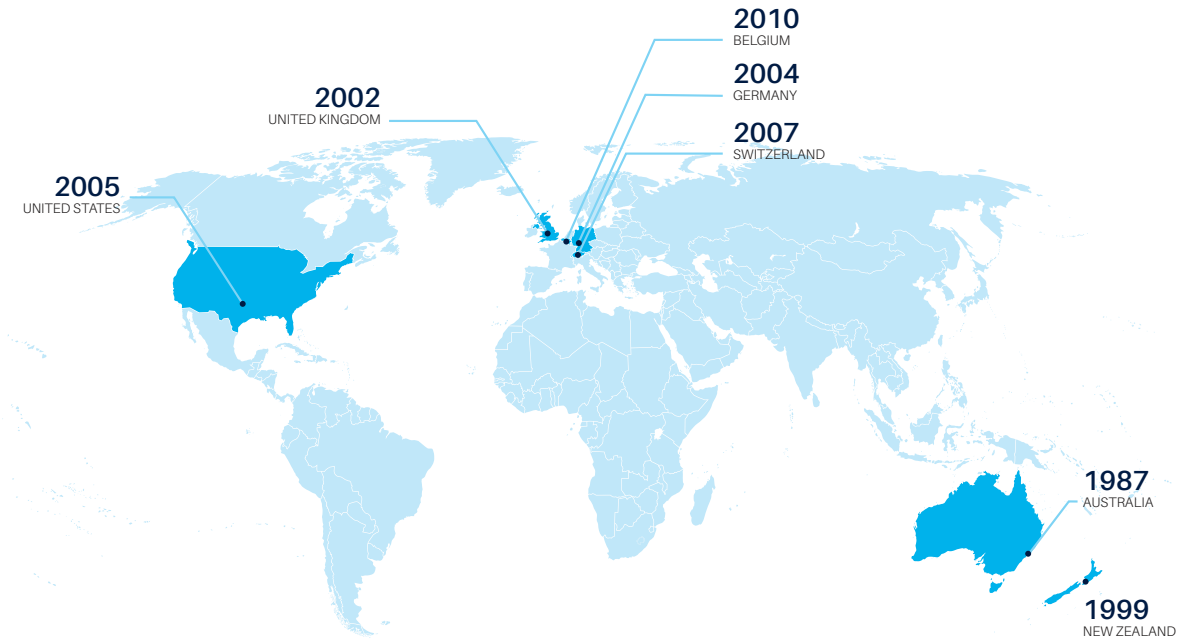
Directors' Report

OPERATING AND FINANCIAL REVIEW

Sonic's senior debt facility limits are due to expire as follows **(note that the figures shown below are the facility limits, not drawn debt):**

Calendar Year	AUD (M)	USD (M)	Euro (M)	CHF (M)
2026	–	–	245	–
2027	450	125	–	–
2028	–	–	305	–
2029	157	100	184	–
2030	–	300	220	125
2031	–	–	265	–
2032	–	150	85	–
2034	–	–	200	–
2035	–	100	–	–
2039	–	–	100	–
	607	**775**	**1,604**	**125**

Countries of operation
(Years shown are the years Sonic entered each market)



OPERATING AND FINANCIAL REVIEW

Business model and strategies

Since the early 1990s, Sonic Healthcare has consistently pursued and promoted a management and operational philosophy of Medical Leadership. The impact of this approach has been to develop a company whose services are optimally aligned with the needs of physicians and their patients. Medical Leadership encompasses a management commitment to the maintenance of professionalism and 'good medicine' at all times. It fosters an understanding of the doctor–patient relationship and it puts quality first.

Sonic's operations are structured as a federation, with individual subsidiaries or geographical divisions working in a synergistic network to achieve best practice outcomes in terms of service and business excellence. The structure reinforces the identity and management autonomy of each local operation. Each operation has its own CEO or President and management team. When Sonic acquires businesses, they generally maintain their management autonomy, brand and, consequently, their local 'flavour'. This is the structure that is most resonant with local medical communities and which best preserves acquired goodwill. However, Sonic's operations work in a collaborative way within the structure, via central executives and widespread inter-company communication, to achieve synergies and improved performance. Detailed benchmarking within the Group leading to best practice, group purchasing, IT, E-health, quality system sharing and centralisation of testing are all examples of continuous improvement activities within the Group.

Sonic's Medical Leadership philosophy and federation structure have resulted in significant brand differentiation in the market place. The Company's operations are viewed as specialist medical practices, rather than as businesses. This market differentiation has not only fostered strong organic revenue growth over the years but has often made Sonic the preferred acquirer when laboratory or radiology practice founders and owners wish to realise the value of their practices without seeing their focus on the medical nature of the business lost to a more 'corporatised' acquirer. Similarly, hospital systems choose to partner with Sonic for laboratory services on the basis of Sonic's culture. Sonic's culture and structure have also served to attract and retain top pathologists, radiologists, scientific staff and managers, with staff turnover at this important senior level consistently at very low levels.

Sonic's strategy is to utilise its unique culture, values and structure to grow revenue organically (including through winning laboratory outsourcing contracts) and to complete value-enhancing acquisitions and joint ventures, so as to achieve and build upon leading positions in targeted geographic laboratory markets. These positions provide sufficient size and infrastructure to facilitate synergies and economies of scale to drive margin improvements, earnings growth and increasing returns on capital invested. Sonic has a successful track record of consolidating fragmented markets in Australia, Europe and the USA, using its market differentiation to drive both organic revenue growth and to attract like-minded laboratories for acquisition. Sonic is also well placed to benefit from the increasing trend for governments and others to outsource their diagnostic testing to the private sector, in order to address growing healthcare costs.

The Company's principal objective is to increase value for its stakeholders (including shareholders, staff and the community) in a sustainable manner while ensuring that its operations are conducted ethically and in accordance with the Company's Core Values, Code of Conduct, Medical Leadership culture, medical ethics and law.

Prospects for future years

Sonic operates in attractive and growing global healthcare markets, carefully chosen based on a range of factors, including political, legal and financial stability, reliable and stable healthcare funding systems, fragmentation of the market and cultural understanding. Within these markets there is increasing demand for diagnostic services arising from growing and ageing populations, new tests and preventative medicine. Against this favourable backdrop, Sonic expects to continue for the foreseeable future to grow revenue, earnings and returns on investment organically, including through outsourcing contracts, and further enhanced by synergistic business acquisitions and joint ventures. Organic growth in the markets in which Sonic participates has averaged approximately 5% per annum over the long term (excluding COVID-19 revenue fluctuations). Based on recent trends and other factors, Sonic believes organic growth could even be higher than this into the future.

Laboratory operations offer many levers which can be adjusted to optimise individual processes, and Sonic's managers are constantly seeking efficiency gains within their businesses, aided by the early adoption of new technologies and the sharing of experiences with colleagues from around the globe.

Directors' Report

OPERATING AND FINANCIAL REVIEW

In the USA and Germany, anatomical pathology has traditionally been seen as a separate service to clinical laboratory testing and there has been less consolidation of anatomical pathology providers. Sonic has deep anatomical pathology experience from operating in other markets, especially Australia, where anatomical pathology and clinical laboratory testing are provided as an integrated service. Sonic has a long-term vision of bringing the two disciplines together in the USA and Germany, with consequent revenue and cost synergies and service enhancement for referrers and patients, and is targeting both anatomical pathology and clinical laboratory growth opportunities in those countries.

Within Sonic's existing countries of operation, future acquisitions are most likely to occur in the USA and Germany, given the size and fragmentation of those markets, although opportunities will also be targeted in Switzerland and Belgium. About half of the clinical laboratory market in the USA is represented by hospital laboratories, and Sonic has a strategy to seek to partner with hospital groups for their laboratory services, including potential acquisition of outreach lab assets. Sonic is not actively seeking laboratory acquisitions in Australia (due to potential anti-trust limitations) or New Zealand. In the UK, acquisitions are unlikely, as the market is dominated by the National Health Service (NHS) and Sonic is the largest private participant. However, substantial growth opportunities exist from potential NHS and private hospital laboratory outsourcing contracts.

The acquisition in July 2025 of Laboratory Group Dr. Kramer & Colleagues ('LADR'), one of the largest laboratory groups in Germany, has also given Sonic a presence in Poland and a small laboratory joint-venture interest in Finland. The Polish laboratory is majority owned by LADR (with founders/local management owning the balance), has annual revenue of ~€30 million and a strong market share in its region of operations (the Silesian region of Southern and South-Western Poland). These positions will provide Sonic the opportunity and market knowledge to consider in future years whether to expand further in Poland or Finland.

Sonic is also interested in growing its Australian radiology and clinical services businesses via acquisitions. Whilst the present focus for acquisitions is on Sonic's existing markets, a 'watching brief' is maintained to identify opportunities that arise for further prudent and strategic international expansion.

Sonic intends:

- to maintain a solid investment-grade profile with conservative leverage
- to operate in a sustainable and responsible manner
- to preserve Sonic's reputation, culture and Core Values; and
- to ensure the attraction and retention of the best people to drive the business forward, including retaining key staff from acquisitions.

With regard to more short-term prospects, Sonic has provided earnings guidance for FY2026. Sonic expects EBITDA for FY2026 in the range of A$1.87 to A$1.95 billion on a Constant Currency basis, representing up to ~13% growth on FY2025 EBITDA.

Depreciation (including of leased assets) is expected to be a similar percentage of revenue in FY2026 as in FY2025.

Net interest expense is expected to increase by 15 to 20% from the FY2025 level (on a Constant Currency basis), due mainly to the business acquisitions already completed in FY2026.

The effective tax rate is expected to be ~27%.

Key guidance considerations:

- Includes completed acquisitions only.
- Excludes potential PAMA fee reductions in the USA from 1 January 2026 (impact ~A$15M), as these are expected to be deferred or cancelled.
- No other regulatory changes are assumed.
- Current interest rates are assumed to prevail.

Sonic is currently considering a number of additional acquisition opportunities.

Sonic expects that the use of artificial intelligence in pathology and radiology will cause step-changes in efficiency, quality, and capacity in coming years, and the Company is investing in IT and infrastructure, including for digital pathology, to unlock these benefits. In addition to Sonic's own specific investments and strategies in this space, increasingly AI tools are becoming available in the market generally that will add efficiency to Sonic's operations over time.

OPERATING AND FINANCIAL REVIEW

As a result of Sonic's size and global market presence, opportunities present themselves from time to time that are not necessarily part of Sonic's core strategies but may be synergistic. These opportunities are assessed by management and the Board to determine whether their pursuit is in the best interests of shareholders. Further information on likely strategic developments has not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the interests of the Group.

Risks

Sonic's approach to identifying and managing business risks is described in the Corporate Governance Statement included in this Annual Report. The major risks to consider in assessing Sonic's future prospects are:

- A pandemic or epidemic could impact Sonic's patient volumes and/or ability to provide core services. Whilst the experience with the COVID-19 pandemic demonstrated Sonic's resilience and the important role of a major laboratory company in such a scenario, this may not be the case in every circumstance.
- Sonic's reported revenue and earnings will fluctuate with changes in the currency exchange rates between the Australian dollar (Sonic's reporting currency) and the currencies of Sonic's offshore operations. As previously noted, Sonic uses foreign currency borrowings as a partial (natural) hedge.
- In most of Sonic's markets the majority of revenue is priced based on fee schedules set by government or quasi-government bodies and, especially in the USA, insurance companies. As a result of the strong underlying volume growth drivers, healthcare funders will sometimes use fee cuts or other adjustments to curb growth in their outlays. Sonic mitigates this risk through its geographic and line-of-business diversification, by seeking diversified sources of revenue for its services within markets, and by being one of the largest, more efficient operators and therefore less impacted by adverse market changes than smaller, less efficient players. In general, fee pressures drive further market consolidation, feeding into Sonic's core strategy of growth both organically and by acquisition, with attendant synergy capture and economies of scale.
- Healthcare businesses are subject to significant levels of regulation. Changes in regulation can have the impact of increasing costs or reducing revenue (through volume reductions). Sonic attempts to mitigate this risk by using its market leadership positions to help shape the healthcare systems in which it operates. Sonic takes active roles in industry associations, and encourages its people to take leadership positions in colleges and other professional and craft organisations. In addition, Sonic's size and efficiency allows it to benefit from market consolidation driven by the impacts of regulatory changes on smaller players.
- Loss of a licence or accreditation required to operate one or more of Sonic's businesses could impact revenue both directly and through damage to Sonic's reputation. The likelihood of this risk having a material impact is considered low, given the focus on quality within Sonic.
- Sonic's strategies include the acquisition of businesses and entering into joint ventures and long-term contracts to provide diagnostic testing. There is a risk that an acquisition, joint venture or contract may not achieve its expected financial performance, or give rise to an unexpected liability. Sonic seeks to mitigate these risks through thorough due diligence, and through warranties and indemnities in acquisition and contract documentation.
- There is always the risk of heightened competition in Sonic's markets, whether from more aggressive behaviour of an existing competitor, or from a new competitor. This could include a competitor introducing a new development in testing or introducing new tests that result in less demand for Sonic's services. A change in competition could impact revenue and/or costs. Sonic's leadership is alert to potential changes in the marketplace and reacts swiftly when threats are perceived. Technological changes in diagnostic testing tend to happen more slowly than in industries such as consumer goods. For a testing technology to reach the point of widespread use, it must first be proven to be 'good medicine', including obtaining regulatory approvals and through peer review, and secondly, healthcare funders must be willing to pay for it (for example, by inclusion on government or quasi-government fee schedules). These inherent delays allow competitors and other market participants to revise their own strategies to address the competitive threat. In addition, the broad range of tests (~3,000) offered by Sonic's laboratories provides protection against new developments.
- Relationships with referring physicians (including general practitioners, surgeons and other specialists), hospital groups and other parties with whom Sonic contracts to provide services are important to Sonic's businesses. If, for any reason, Sonic failed to maintain strong relationships with these parties or damaged its reputation with them, there would be a risk that it could lose business to competitors.

Directors' Report

OPERATING AND FINANCIAL REVIEW

- Sonic's businesses rely on information technology systems. A disruption to a core IT platform, including as a result of a cybersecurity breach, could have significant operational, financial and/or reputational impacts, particularly if confidential patient data were to be obtained by unauthorised persons. Sonic has implemented strategies to mitigate this risk. The Company has a comprehensive Information Security Management System (ISMS) in place, supported by staff training and awareness programs. Internal systems are monitored and regularly tested (at a minimum, as changes are made to the core software or infrastructure). The information security objectives of confidentiality, integrity, access and privacy are achieved by the implementation of a multi-layered approach and application of key controls (defence-in-depth). Sonic's ISMS sets out the controls in the following domains: Governance and Administrative, Information Security, Personnel Security, Physical Security, Operational Security, Technical Security and Cyber Security. External facing systems are monitored and regularly tested (including third party penetration testing). As part of Sonic's compliance work for specific country requirements (such as KRITIS in Germany, ISO27001 in the UK, ISM and ISO27001 in Australia, SOC2, ISO27001 and HITRUST in USA) these protections are continually reviewed and improved. An external provider is engaged to conduct Global NIST Maturity Audits for all of Sonic's countries of operation, assessing ongoing improvements against a baseline.
- Whilst individual events are unlikely to have any significant impact, inaccurate diagnostic results due to actual or alleged mistakes or errors could result in financial loss and/or reputational damage, particularly if the issue is systemic. Sonic maintains insurance cover to mitigate its financial exposure and has processes in place to manage reputational risks.
- Sonic uses prudent levels of debt to reduce its cost of capital and to increase earnings per share. It is therefore subject to the risk of rising interest rates (either on floating rate debt or when existing facilities expire), the future availability of funding, and potential breach of a term or condition of its debt facilities. Sonic has a sophisticated Treasury Policy in place to manage these risks, developed and overseen by Sonic's Treasury Management Committee, which includes a renowned expert external consultant.
- With operations in seven jurisdictions, Sonic is potentially exposed to changes in taxation legislation or interpretation which could increase its effective tax rate.

The Sonic Board has continued its careful consideration of environmental and social sustainability risks, with a particular focus on climate-related risks and human rights.

In FY2025, the Company completed a quantitative assessment of the potential financial impacts of climate-related risks and opportunities. This assessment built on qualitative analysis conducted in FY2023 by quantifying potential financial impacts of prioritised climate-related risks and opportunities deemed to be most potentially material for Sonic. For the quantitative analysis, three time horizons were considered – short-term (to 2030), medium-term (to 2040), and long-term (to 2050). For each horizon, the analysis evaluated physical and transition-related outcomes under two distinct emissions scenarios: a low-emissions scenario (1.5°C aligned, assuming strong global climate action) and a high-emissions scenario (3°C+, business-as-usual). This approach ensured the assessment captured near-term influences as well as longer-range uncertainties under a changing climate. In total, five climate-related risks and one opportunity were examined across these scenarios and timeframes.

The exercise found that most assessed climate risks and opportunities are unlikely to cause material financial impacts for Sonic in the near to long-term, with the exception of potential carbon pricing under a scenario of aggressive climate action. The carbon pricing risk refers to a scenario that considers an additional operating expense that may be borne by companies for each tonne of carbon that they produce in future. The per tonne cost of carbon evaluated by Sonic is based on the Network for Greening the Financial System's (NGFS) 'shadow emissions price' which acts as a proxy for policy stringency (such as governments introducing a carbon tax) and technological change (such as costs associated with development of low carbon products passed through from the supply chain), which rises with more ambitious climate action.

Under the low-emissions scenario (NGFS 'Net Zero', strong climate action), where aggressive policies to limit warming are assumed, modelling showed Sonic could face potentially material financial exposure across all time horizons if our emissions were to continue to grow without any mitigation efforts. In practice, Sonic is actively reducing emissions, and has committed to net zero emissions by 2050. By contrast, in a high-emissions scenario (NGFS 'Current Policies', with slower or minimal policy action), the NGFS shadow carbon price remains significantly lower, resulting in a smaller financial impact. As such, the overall materiality impact of this risk is highly scenario dependent.

Whilst a carbon pricing cost carries potential material risk for Sonic, the magnitude of its impact is uncertain. The assessment conducted requires assumptions about future carbon price levels, timing, and geographic scope, which are uncertain given evolving climate policies.

Additionally, Sonic's own future emissions profile (influenced by growth and decarbonisation efforts) will affect costs – if Sonic reduces its carbon footprint, the financial impact from any given carbon price would lessen, and vice versa.

OPERATING AND FINANCIAL REVIEW

Ultimately, the quantitative risk assessment exercise identified a potential carbon pricing cost as material under certain scenarios and time horizons, but the exact scale of impact has a confidence range. Sonic will continue to refine this analysis as policies and our ability to project future emissions evolve.

Despite the uncertainties associated with this risk, importantly, it highlights carbon cost exposure as a key climate-related risk for Sonic to strategically manage. As with other climate risks evaluated in the quantitative analysis and found to be non-material, Sonic recognises that monitoring and management of these risks provides vital insights for enhancing climate and operational resilience for the future, even in the event they don't materially impact short-, medium-, or long-term finances at a corporate level.

Details of Sonic's FY2025 quantitative assessment of climate-related risks and opportunities will be available in the Company's 2025 Sustainability Report, ahead of disclosure in Sonic's FY2026 Annual Report in accordance with the Australian Sustainability Reporting Standards (ASRS).

Although Sonic's operations are located in developed nations with well-established laws governing labour standards and human rights, the Company remains vigilant in its review of its own operations and global supply chain to identify and reduce the risk of modern slavery practices. Please refer to our 2025 Modern Slavery Statement (available in November 2025) for more details.

The above list should not be taken to be a comprehensive list of risks associated with Sonic. In particular, it excludes risks relating to the general economic environment and other generic risk areas that affect most companies.

Sonic's geographic, business line and branding diversification, plus our federation structure, broad menu of tests offered and low customer concentrations mean that few, if any, of the usual operating risks faced by a healthcare business would have a material impact on Sonic as a whole.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Since the end of the financial year, the Directors are not aware of any matter or circumstance not otherwise dealt with in these financial statements that has significantly or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years other than on 1 July 2025 Sonic completed the transaction to acquire Laboratory Group Dr. Kramer & Colleagues ('LADR') for a cash and debt free enterprise value of €423 million. This was satisfied by cash and the issue of 13,833,980 Sonic ordinary shares.

Directors' Report

Left to Right
Neville Mitchell
Dr Katharine Giles
Kate Spargo
Prof Mark Compton
Dr Colin Goldschmidt
Prof Christine Bennett
Prof Suzanne Crowe
Nicola Wakefield Evans
Chris Wilks

INFORMATION ON DIRECTORS

a) Directors' profiles

Professor Mark Compton AM
Chairman
BSc MBA FAICD FCHSM FAIM FRS (NSW)
Non-executive, independent Director, appointed October 2014 (Chairman from November 2015)

Prof Compton has extensive senior executive experience in healthcare services. He is currently Adjunct Professor in Management (Healthcare Leadership) at Macquarie University (Macquarie Business School), Non-executive Director of The Hospitals Contribution Fund of Australia and Non-executive Chairman of not-for-profit organisations St Luke's Care and the Order of St John (St John Ambulance). His previous experience includes Chief Executive Officer of each of St Luke's Care, Immune Systems Therapeutics Limited and the Royal Flying Doctor Service of Australia. He was also Chief Executive Officer and Managing Director of the formerly ASX-listed companies SciGen Limited and Alpha Healthcare Limited. Prof Compton has also held a number of non-executive director roles, including as Non-executive Chairman of ASX-listed Next Science Limited from May 2021 (Non-executive Director from 2018) to 23 August 2023, and for formerly ASX-listed Independent Practitioner Network Limited (2004-2008). He was also Chairman of the Woolcock Institute of Medical Research, Non-executive Director of Macquarie University Hospital and Chairman and Chancellor of St John Ambulance Australia (having served as a volunteer for more than 50 years). In recognition of his work in the healthcare sector and his service to the community, he was awarded the Centenary Medal of the Commonwealth of Australia, appointed by Her Majesty the Queen as a Knight in the Order of St John in 2004 and as Bailiff Grand Cross in 2017, and was appointed as a Member of the Order of Australia (AM) in January 2010. He is a member of the Audit Committee and the Remuneration and Nomination Committee.

Dr Colin Goldschmidt
CEO and Managing Director
MBBCh FRCPA FAICD
Executive Director, appointed January 1993

Dr Goldschmidt is the CEO and Managing Director of Sonic Healthcare. He is a qualified medical doctor and pathologist who completed his medical training in Sydney. Dr Goldschmidt became CEO of Sonic in 1993 and has led Sonic's global expansion by committing the Company to a unique model of Medical Leadership, which incorporates operational and cultural attributes focussed on care for staff and highest quality service to doctors and patients. He is a member of Sonic's Risk Management Committee and holds memberships with numerous industry, medical and laboratory associations.

Christopher Wilks
CFO and Finance Director
BCom FAICD
Executive Director, appointed December 1989

Mr Wilks became Finance Director and Chief Financial Officer of Sonic Healthcare in 1993. He has a background in chartered accounting and investment banking and was previously a partner in a private investment bank. Mr Wilks has held directorships in a number of public companies and is currently a Non-executive Director of Silex Systems Limited (since 1988), a listed company divested by Sonic in 1996.

Directors' Report

INFORMATION ON DIRECTORS

Emeritus Professor Christine Bennett AO

MBBS FRACP Master Paed GAICD

Non-executive, independent Director, appointed September 2022

Professor Bennett is a specialist paediatrician with over 40 years of healthcare industry experience across the private, public and not-for-profit sectors. She holds a Bachelor of Medicine, Bachelor of Surgery from the University of Sydney, a Master of Paediatrics from the University of New South Wales, and is a Fellow of the Royal Australasian College of Physicians. Professor Bennett is an experienced non-executive director in for-profit and social enterprises and is currently a Non-executive Director of ASX-listed Regis Healthcare Limited (since March 2018), and the Australian Digital Health Agency (since March 2025), Patron of Research Australia, Convenor of the Champions of Change Health Coalition STEM and Health Group for gender equality, and a member of Chief Executive Women. She is also an advisor to the Digital Health Cooperative Research Centre and in 2024 completed a certificate on AI Ethics and Board Oversight. Her previous Board non-executive director roles include Telstra Health, HeartWare Limited, Symbion Health Limited and Chair of Sydney Children's Hospital Network. In December 2021, Professor Bennett retired from and was awarded Emeritus Professor by The University of Notre Dame Australia where she was Deputy Vice Chancellor, Enterprise & Partnerships and Dean, School of Medicine, Sydney for over ten years. Her prior experience has included being Group Executive and Chief Medical Officer for MBF and then Bupa Health and Care Services; CEO and later Chair of Research Australia; Managing Director of Total Health Enterprise Ltd; Partner in Health and Life Sciences for KPMG Australia; CEO of Westmead Hospital and Community Health Services; General Manager for the Royal Hospital for Women; and Head of Planning in NSW Health. Professor Bennett has an active commitment to and involvement in medical professional issues, public policy and medical research. In 2008 she was appointed as Chair of the National Health and Hospitals Reform Commission producing a long-term blueprint for reform of health and aged care in Australia. Professor Bennett was awarded an Officer of the Order of Australia (AO) in the 2014 Australia Day Honours in recognition of her distinguished service to medicine and health care leadership. Professor Bennett is a member of the Risk Management Committee.

Professor Suzanne Crowe AO

MBBS (Hons) FRACP MD FAICD

Non-executive, independent Director, appointed April 2020

Professor Crowe is a qualified medical specialist and physician-scientist, holding medical and MD degrees from Monash University, and an internal medicine specialist qualification in Infectious Diseases from the Royal Australasian College of Physicians. She is a Fellow of the Australian Institute of Company Directors and holds a Diploma in Medical Laboratory Technology from the Royal Melbourne Institute of Technology. Professor Crowe's current positions include Non-executive Director of ASX- and NASDAQ-listed Avita Medical, Inc. (from January 2016), and Emeritus Professor of Medicine at Monash University, Melbourne (from 2020). She was a Non-executive Director of St Vincent's Health Australia Ltd from January 2013 until October 2021. She retired from Burnet Institute as Associate Director in 2018 following a 30-year research career, having played an integral role in Burnet's development as a global research organisation. Professor Crowe retired as Principal Specialist in Infectious Diseases at The Alfred Hospital, Melbourne in 2019 after 35 years of service. She has served as a Member of the Prime Minister's Science Engineering and Innovation Council (India/China Working Group), as Head of the World Health Organization (WHO) Regional Reference Laboratory for HIV Resistance Testing and as an HIV advisor to WHO for 25 years. She was appointed a Fellow of the Australian Academy of Health and Medical Sciences in 2015, and an Officer of the Order of Australia (AO) in 2020, in recognition of her distinguished service to health and aged care administration, clinical governance, biomedical research, and to education. Professor Crowe is Chair of the Risk Management Committee and a member of the Remuneration and Nomination Committee.

INFORMATION ON DIRECTORS

Dr Katharine Giles

MBBS (Hons) MBA GAICD

Non-executive, independent Director, appointed September 2022

Dr Giles holds a Bachelor of Medicine, Bachelor of Surgery (Hons) and an MBA (Dean's Honours list) from the University of Western Australia. She is a registered medical practitioner with the Medical Board of Australia. After initially practicing as a medical doctor, Dr Giles moved to commercial pursuits which combined science, medicine and health. Dr Giles is currently Managing Director and Chief Executive Officer of OncoRes Medical (since 2017), which is developing a novel imaging technology to improve cancer outcomes. Dr Giles is also a Venture Partner at Brandon Capital Partners (since 2012), a venture capital firm dedicated to developing and supporting Australian life sciences businesses. She was previously an Investment Manager with Stone Ridge Ventures, a fund manager specialising in seed-to-early-stage technology investment, and a Founding Director of the Australian Government's National Reconstruction Fund Corporation. Dr Giles has start-up experience in medical apps, diagnostics and fitness devices and has served on the boards of private health care related technology companies. She is a member of the Curtin University Commercialisation Advisory Board.

Neville Mitchell

BCom CA

Non-executive, independent Director, appointed September 2017

Mr Mitchell is a qualified Chartered Accountant with international healthcare and finance experience. He was Chief Financial Officer and Company Secretary of ASX-listed Cochlear Limited (until March 2017), a world leading medical device developer, manufacturer and seller of hearing devices. Mr Mitchell is currently on the boards of ASX-listed Fisher and Paykel Healthcare Corporation (Non-executive Director from November 2018, Non-executive Chair from August 2024) and Sigma Healthcare Limited (Non-executive Director from February 2023). He was formerly a Non-executive Director of ASX-listed Osprey Medical, Inc. (from July 2012 until May 2022) and QBiotics Group Limited (from November 2017 to May 2023). He has also performed roles with a number of industry and government committees. Mr Mitchell is Chair of the Audit Committee and a member of the Risk Management Committee.

Kate Spargo

LLB (Hons) BA FAICD

Non-executive, independent Director, appointed July 2010

Ms Spargo has gained broad business experience as both a legal advisor, having worked in private practice and government, and as a director. Ms Spargo has been a director of both listed and unlisted companies for more than 20 years and is currently a director of the ASX-listed company Bapcor Limited (from March 2023). Ms Spargo also holds non-executive director roles with CIMIC Group Limited, the Future Fuels Cooperative Research Centre and Geelong Football Club Limited. Ms Spargo was previously a Non-executive Director of Fletcher Building Limited, Xenith IP Group Limited, Adairs Limited (from May 2015 to September 2024) and Sigma Healthcare Limited (from December 2015 to February 2025). Ms Spargo is Chair of the Remuneration and Nomination Committee and is a member of the Audit Committee.

Directors' Report

INFORMATION ON DIRECTORS

Nicola Wakefield Evans AM

BJuris LLB FAICD

Non-executive, independent Director, appointed 10 February 2025

Ms Wakefield Evans is a highly experienced non-executive director, business leader and corporate finance lawyer. She holds a Bachelor of Jurisprudence and a Bachelor of Laws from the University of New South Wales and is a qualified lawyer in Australia, Hong Kong and the United Kingdom. Over a 35 year international career, she has gained a broad range of commercial, business management, strategy and legal experience in the financial services, health, energy and infrastructure sectors. She was a corporate advisory partner at King & Wood Mallesons for more than 20 years and also held several key management positions at the firm including Managing Partner International in Hong Kong and Managing Partner, Practice in Sydney. Ms Wakefield Evans is currently a member of the Australia Future Fund Board of Guardians, and a Non-executive Director of ASX-listed Viva Energy Group Limited (from August 2021), Clean Energy Finance Corporation, the GO Foundation and The University of New South Wales Foundation Limited. She is also Chair of MetLife Australia and a panel member of the Australian Government's Takeovers Panel.

Ms Wakefield Evans' previous non-executive directorships have included Lendlease Group (until November 2024), Macquarie Group Limited (until February 2024) and Macquarie Bank Limited, Toll Holdings Limited, BUPA Australia & New Zealand, the Australian Institute of Company Directors and Chair of the 30% Club Australia.

In 2019 Ms Wakefield Evans was invited by the Australian Government to be a member of the Australian delegation to the United Nations Commission on the Status of Women. She is a member of Chief Executive Women, and in 2023 was appointed as a Member of the Order of Australia (AM) in recognition of significant service to business, the law, and diversity.

b) Company Secretary

Paul Alexander

BEc CA FFin MAICD

Mr Alexander has been the Deputy Chief Financial Officer of Sonic Healthcare Limited since 1997 and Sonic's Company Secretary since 2001. Prior to joining Sonic, Mr Alexander gained 10 years' experience in professional accounting practice, and was also Financial Controller and Company Secretary of a subsidiary of a UK-headquartered multinational company for two years.

INFORMATION ON DIRECTORS

c) Directors' interests in shares, options and performance rights as at 24 September 2025

Director's name	Class of shares	Number of shares	Interest	Number of options	Number of performance rights
Dr CS Goldschmidt	Ordinary	991,018	Personally	1,037,068+	156,950+
	Ordinary	10,217	Beneficially	–	–
CD Wilks	Ordinary	529,936	Personally	420,397+	70,728+
	Ordinary	100,623	Beneficially	–	–
Prof MR Compton	Ordinary	459	Personally	–	–
	Ordinary	15,057	Beneficially	–	–
Prof C Bennett	Ordinary	7,100	Beneficially	–	–
Prof S Crowe	Ordinary	3,788	Personally	–	–
	Ordinary	3,760	Beneficially	–	–
Dr K Giles	Ordinary	3,600	Beneficially	–	–
N Mitchell	Ordinary	9,770	Beneficially	–	–
KD Spargo	Ordinary	3,000	Personally	–	–
	Ordinary	24,500	Beneficially	–	–
N Wakefield Evans	Ordinary	4,000	Beneficially	–	–

+ Vesting of options and performance rights is subject to challenging performance conditions designed to align the interests of the Executives with those of shareholders. None of the performance rights have vested to date. 383,792 of Dr CS Goldschmidt's and 146,256 of CD Wilks' options have vested to date.

MEETINGS OF DIRECTORS

The number of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 30 June 2025, and the number of meetings attended by each Director (while they were a member of the Board or relevant Committee) were:

Director's name	Full meetings of Directors		Meetings of Committees					
			Audit		Remuneration and Nomination		Risk Management	
	Number of meetings attended	Number of meetings held	Number of meetings attended	Number of meetings held	Number of meetings attended	Number of meetings held	Number of meetings attended	Number of meetings held
Dr CS Goldschmidt	9	9	–	–	–	–	3	3
CD Wilks	9	9	–	–	–	–	–	–
Prof MR Compton	9	9	4	4	3	3	–	–
Prof C Bennett	8	9	–	–	–	–	3	3
Prof S Crowe	9	9	–	–	3	3	3	3
Dr K Giles	9	9	–	–	–	–	–	–
N Mitchell	9	9	4	4	–	–	3	3
LJ Panaccio	2	3	1	2	1	2	–	1
KD Spargo	8	9	4	4	3	3	–	–
N Wakefield Evans	4	4	–	–	–	–	–	–

Directors' Report

INSURANCE OF OFFICERS

The Company has entered into agreements to indemnify all Directors of the Company that are named above, and current and former Directors of the Company and its controlled entities, against all liabilities to persons (other than the Company or related entity) which arise out of the performance of their normal duties as Director or executive officer, unless the liability relates to conduct involving lack of good faith. The Company has agreed to indemnify the Directors and executive officers against all costs and expenses incurred in defending an action that falls within the scope of the indemnity and any resulting payments.

The Directors' and officers' liability insurance provides cover against costs and expenses, subject to the terms and conditions of the policy, involved in defending legal actions and any resulting payments arising from a liability to persons (other than the Company or related entity) incurred in their position as a Director or executive officer, unless the conduct involves a wilful breach of duty or an improper use of inside information or position to gain advantage. The insurance policy does not allow disclosure of the nature of the liabilities insured against or the premium paid under the policy.

ENVIRONMENTAL REGULATION

The Group is subject to environmental regulation in respect of the transport and disposal of medical waste. The Group contracts with reputable, licensed businesses to dispose of waste. The Directors believe that the Group has complied with all relevant environmental regulations and there have been no investigations or claims during the financial year.

NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important.

The Board of Directors has considered the position and, in accordance with the advice received from the Audit Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the *Corporations Act 2001*. In the opinion of the Directors, none of the services provided undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 52.

Details of the amounts paid or payable to the auditor (PricewaterhouseCoopers Australia) for audit and non-audit services during the year are disclosed in Note 34 – Remuneration of auditors.

SHARE OPTIONS

Information on share options is detailed in Note 35 – Share-based payments.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Instrument to the nearest thousand dollars or, in certain cases, to the nearest dollar.

REMUNERATION REPORT

Letter from the Chair of the Remuneration and Nomination Committee

Dear Shareholders,

The Board of Sonic Healthcare is pleased to present the 2025 Remuneration Report, which explains our remuneration structures, summarises the performance of the Company during the year, and details the consequential remuneration outcomes.

Sonic Healthcare achieved a net profit for the 2025 financial year of A$514 million, on revenues of A$9.6 billion. The Group achieved 5% organic revenue growth and 40 basis points of margin expansion on a normalised basis. The EBITDA earnings guidance range Sonic provided to the market in August 2024 was $1.7–1.75 billion on a Constant Currency basis, and this was achieved, with Constant Currency EBITDA of $1.702 billion or $1.730 billion before non-recurring items. Total dividends for the year were A$1.07 per share, up 1% on the prior year, supported by the Company's strong balance sheet, cash flows and future earnings growth expectations.

Sonic's management teams globally throughout the year were acutely focussed on organic growth, tight cost control, and progressing the projects required to realise the synergies expected from the significant acquisitions the Company has made in Switzerland, Germany and the USA in recent years. Earnings growth is expected to accelerate in FY2026 and continue into future years as the synergies from acquired businesses are realised and operating leverage driven by strong organic growth within our businesses strengthens.

A major milestone during the year was the signing (completion occurred on 1 July 2025) of the acquisition of Laboratory Group Dr. Kramer & Colleagues ('LADR') – one of the 'Top 5' medical laboratory groups in Germany. LADR is one of the largest acquisitions ever undertaken by Sonic, with an enterprise value of €423 million. This acquisition has solidified our market leadership position in Germany and provides substantial synergy opportunities. The sellers, who will continue with the business, were attracted by Sonic's Medical Leadership culture, and took 13.8 million Sonic shares as part of the consideration, clearly demonstrating their commitment and belief in Sonic's future.

Sonic's sustainability strategy continued to be successfully implemented in FY2025. Additional resources have been added, key short-term milestones achieved, and progress made towards longer term goals. Details will be provided in the 2025 Sustainability Report, to be published in November 2025.

The Sonic Healthcare Foundation, which was established and funded by Sonic in FY2022 as part of Sonic's commitment to the social aspects of sustainability, continued its incredible work in 2025. The Foundation provides healthcare support for some of the world's most disadvantaged communities, and its activities continue to expand. Currently the Foundation assists clinics and hospitals in South Sudan, Tanzania, Uganda, Ethiopia and the Democratic Republic of Congo. Staff and supporters of Sonic Healthcare are rightly proud of the meaningful, self-sustaining healthcare improvements the Foundation delivers, and we hope that our shareholders share in this.

I am pleased to report that Sonic has maintained its longstanding excellent staff safety record in 2025. Attention to the health, safety and wellbeing of our staff is an integral part of Sonic's culture. On the Board's behalf, I wish to thank all Sonic team members for their contributions to the Company over the last year.

Changes to Remuneration Structures for 2025

No adjustments have been made to the Company's remuneration framework in 2025.

Directors' Report

REMUNERATION REPORT

Remuneration outcomes

The award of an STI is based on both an EBITDA target (80% of the opportunity) and strategic qualitative or non-financial targets (20% of the opportunity). The EBITDA target for FY2025 was set based on the Company's earnings guidance provided to the market (in August 2024), with a grid to determine the level of award based on the EBITDA achieved. The achievement of a Constant Currency EBITDA of $1.702 billion for the year gave rise to an award of 81.2% of the relevant component of the target STI award.

In relation to the strategic qualitative component, the Board assessed the performance of the Executives in areas including Medical Leadership culture, strategy development and execution, reputation and risk management, and the oversight and management of the federation model, as well as specific milestones in relation to the Company's sustainability strategy. The assessments were then discussed with the Executives, who volunteered to accept 50% of the relevant component of the target STI award, in recognition of the impact on shareholders of Sonic's share price performance during and since the 2025 financial year.

In total (for both the EBITDA and qualitative components), the Executives were awarded 75% of the target STI amount.

For the LTI with a performance measurement period of 3 years to 30 June 2025, none of the options and rights will vest. Under the ROIC performance condition, 78.5% of the target average ROIC was achieved, with the minimum hurdle being 100%. For the relative total shareholder return component, the relative TSR achieved equated to the 16th percentile, with the minimum hurdle being the 51st percentile.

The Sonic Board seeks to maintain the appropriate alignment between executive rewards and shareholder interests, and we review our remuneration approach each year.

Remuneration Reports are necessarily complicated by their nature, and we continually try to enhance the readability of our Report, including welcoming feedback from shareholders and proxy advisers for consideration in future years.

Kate Spargo
24 September 2025

REMUNERATION REPORT

In this report

a) Key management personnel
b) Year in review
c) 2025 performance and remuneration outcomes for Executive Directors
d) 2025 Executive Director remuneration framework
e) Remuneration governance
f) Non-executive Director remuneration
g) Statutory remuneration disclosures for key management personnel
h) Other statutory disclosures

a) Key management personnel

The table below lists the Directors of Sonic Healthcare Limited, who were the key management personnel (KMP) of the Group throughout the financial years ended 30 June 2025 and 2024 unless otherwise stated.

Name	Position
Non-executive Directors	
Prof MR Compton AM	Chairman
Prof C Bennett AO	Non-executive Director
Prof S Crowe AO	Non-executive Director
Dr K Giles	Non-executive Director
N Mitchell	Non-executive Director
LJ Panaccio (until 19 November 2024)	Non-executive Director
KD Spargo	Non-executive Director
N Wakefield Evans AM (from 10 February 2025)	Non-executive Director
Executive Directors	
Dr CS Goldschmidt	Managing Director
CD Wilks	Finance Director

The Board is satisfied that given the Company operates in a federation structure and the consequent distributed management model, there are no other KMP at the Group level.

b) Year in review

Sonic Healthcare reported revenues of $9.6 billion and a net profit for the year to 30 June 2025 of $514 million. Sonic's businesses performed strongly during the year, with the Group achieving 5% organic revenue growth and 40 basis points of margin expansion on a normalised basis. The EBITDA earnings guidance range Sonic provided to the market in August 2024 was $1.7–1.75 billion on a Constant Currency basis, and this was achieved, with Constant Currency EBITDA of $1.702 billion or $1.730 billion before non-recurring items.

REMUNERATION REPORT

During the year, Sonic's management teams globally were acutely focussed on driving organic growth, tightly controlling costs, and progressing the many workstreams required to realise the synergies expected from the significant acquisitions the Company has made in Switzerland, Germany and the USA in recent years. A significant development during the year was the signing (completion occurred on 1 July 2025) of the acquisition of Laboratory Group Dr. Kramer & Colleagues ('LADR') – one of the 'Top 5' medical laboratory groups in Germany. LADR is one of the largest acquisitions ever undertaken by Sonic, with an enterprise value of €423 million. This acquisition has solidified our market leadership position in Germany and provides substantial synergy opportunities. The sellers, who will continue with the business, were attracted by Sonic's Medical Leadership culture, and took 13.8 million Sonic shares as part of the consideration, clearly demonstrating their commitment and belief in Sonic's future.

Shareholders were rewarded with total dividends for the year of A$1.07 per share, up 1% on FY2024, supported by the Company's strong balance sheet, cash flows and future earnings expectations.

Sonic's sustainability strategy continued to be successfully implemented in FY2025, with the completion of key short-term milestones and progress made as expected towards longer term goals. Details will be provided in the 2025 Sustainability Report, to be published in November 2025.

c) 2025 performance and remuneration outcomes for Executive Directors

The Board did not exercise discretion to adjust any variable remuneration performance targets or outcomes for 2024 or 2025. In light of 2025 performance, remuneration outcomes were as follows:

i) Fixed Remuneration

Fixed and Total Target Remuneration values have remained unchanged for Dr CS Goldschmidt since 2017 and for CD Wilks since 2023.

ii) STI outcomes

Under the EBITDA performance condition, the relevant portion of the STI was paid based on the EBITDA level achieved per the grid below (with pro rata applying between levels).

The Constant Currency EBITDA earnings guidance range Sonic provided to the market in August 2024 was A$1.7–1.75 billion. The Target EBITDA was set at the 75th percentile of this range, being A$1.738 billion. The actual FY2025 Constant Currency EBITDA achieved was A$1.702 billion, resulting in a payout of 81.2% of the relevant target component under the EBITDA performance condition, which relates to 80% of the total target STI amount.

	FY2025 EBITDA A$M	% of Target EBITDA	% of 80% of STI
Maximum payout level	3,475	200.0%	150%
Guidance top end	1,750	100.7%	120%
Target	**1,738**	100.0%	100%
Guidance bottom end	1,700	97.8%	80%
Threshold payout level	1,651	95.0%	50%

The remaining 20% of the target STI award was subject to the qualitative strategic performance conditions. In considering these conditions, detailed information was sought from a range of sources both within and outside of the Company, following which an assessment of the performance of the Executives was made by the Board. The assessments were then discussed with the Executives, who volunteered to accept 50% of the relevant component of the target STI award, in recognition of the impact on shareholders of Sonic's share price performance during and post FY2025.

REMUNERATION REPORT

50% of the portion of the target STI award related to qualitative strategic performance conditions (the 20%) is assessed based on progress with the Company's environmental, governance and sustainability objectives, and is assessed against the achievement of specific milestones/objectives for the year. For the 2025 year these were:

- completion of a comprehensive quantitative assessment of Sonic's climate related risks and opportunities under low (1.5°C aligned) and high (3°C+) emissions scenarios over short-term, medium-term and long-term time horizons
- undertake assurance of Sonic's global scope 1 and 2 greenhouse gas (GHG) emissions for FY2025, in preparation for limited assurance requirements of mandatory disclosures in FY2026
- monitor and support preparations for upcoming mandatory disclosures including ASRS and California SB253 and SB261
- oversight of Sonic's sustainability ratings agency submissions, including annual Climate Disclosure Project (CDP) submission
- progress towards environmental targets
- increased share of renewable energy in total energy consumption
- increased engagement with suppliers on environmental issues
- ensuring appropriate resourcing and organisational structures are in place to progress the Company's sustainability strategies, progress against targets and overall sustainability program maturity.

These milestones/objectives were achieved.

The other 50% of the relevant portion (20%) of the target STI award was assessed with reference to the following factors:

- promotion of, and adherence to, Sonic Healthcare's Core Values and Foundation Principles
- the exercise and promulgation of Sonic's Medical Leadership culture
- the Federation model employed at Sonic Healthcare, and its effective management
- risk management within the Company
- the external standing and reputation of the Company
- financial leadership and innovation (for the Finance Director).

These 'qualitative' factors are not able to be measured in the same way as the EBITDA target. However the Board believes it is these factors, and the behaviours and actions that are linked to them, which are the basis of Sonic Healthcare's success as a healthcare provider and as a business. The Board believes that the Company is driven by the ideal of Medical Leadership, which means putting the patient and their treating clinician at the centre of all Sonic does. Sonic's Values and Principles derive from Medical Leadership, and the Company's standing and reputation have been built from it.

The table below summarises the 2025 STI outcomes.

	STI target as a % of Fixed Remuneration	Target STI $	% of Target STI actually awarded	% of Target STI forfeited	Actual STI award $
Dr CS Goldschmidt					
2025	92%	2,201,368	75.0%	25.0%	1,650,643
2024	92%	2,201,368	20.0%	80.0%	440,274
CD Wilks					
2025	105%	1,263,206	75.0%	25.0%	947,185
2024	105%	1,263,206	20.0%	80.0%	252,641

REMUNERATION REPORT

iii) LTI outcomes

The options and performance rights issued as LTI for the Executives are subject to challenging vesting conditions. Of the options and performance rights with a performance measurement period for three years to 30 June 2025, 0% (2024: 25%) satisfied the performance conditions, as follows:

LTI outcomes (1 July 2022 to 30 June 2025)			
Performance measure	Overall weighting	Performance achieved	% eligible to vest
Relative TSR	75%	16th percentile	0%
Target Average ROIC	25%	78.5% of target ROIC	0%
Total	**100%**		**0%**

For the ROIC component of the LTI issue made in FY2023, the performance was as follows: FY2023 (target: 9%, achieved: 8.8%), FY2024 (target: 9%, achieved: 6.5%) and FY2025 (target: 9%, achieved: 5.9%). This resulted in 78.5% of the target ROIC being achieved over the three-year performance period. ROIC was calculated excluding the impacts of the accounting standard AASB 16. Refer to the Financial History (page 7) for a description of the methodology.

REMUNERATION REPORT

iv) Historical performance of the Group and relationship to remuneration of key management personnel

The table below summarises Sonic Healthcare's performance over the last five years and the changes in remuneration of key management personnel (but excluding Non-executive Directors who do not receive performance-based or equity-based remuneration).

	2021	2022	2023	2024	2025	Compound average annual growth rate[1]
Growth in EBITDA (on a Constant Currency basis)	88.9%	10.7%	(40.7)%	(7.2)%	4.1%	**3.4%**
Net profit attributable to members ($M)	1,315	1,461	685	511	514	**(0.5)%**
Diluted earnings per share (cps)	273.1	302.5	145.0	107.2	106.7	**(0.7)%**
Dividends declared per share (cps)	91	100	104	106	107	**4.7%**
Enterprise value[2] ($M)	19,292	16,386	17,633	14,984	15,688	**(1.0)%**
Total Shareholder Return[3]	68.4%	32.0%	27.7%	(23.5)%	(10.0)%	**n/a**
Change in total Fixed Remuneration of Executives[4]	0%	0%	3.2%	0%	0%	**0.6%**
Change in STI of Executives[4]	395.5%	0%	(64.3)%	(58.6)%	274.9%	**22.4%**
Change in total remuneration of Executives[5]	53.7%	13.3%	(21.9)%	(14.2)%	26.2%	**8.0%**
LTI vesting (for 3-year performance period ended that year)	100%	100%	84.3%	25%	0%	**n/a**

[1] The compound average annual growth rate is calculated over the five-year period shown with 2020 as the base year.
[2] Enterprise value is the Company's market capitalisation (number of issued shares times closing share price) plus net interest-bearing debt (excluding lease liabilities under AASB 16) at 30 June.
[3] Total Shareholder Return is calculated over a rolling three-year performance period and assumes dividend reinvestment.
[4] Change in total Fixed Remuneration and STI of Executives is the percentage increase/(decrease) over the prior year of total Fixed Remuneration and STI of all key management personnel in place for the relevant periods (but excluding Non-executive Directors).
[5] Change in total remuneration of Executives is the percentage increase/(decrease) over the prior year of total remuneration (cash plus long service leave accrued plus the calculated value of equity remuneration) of all key management personnel in place for the relevant periods (but excluding Non-executive Directors).

The table above demonstrates the relationship between the performance of the Group and the remuneration of its key management personnel. Remuneration has fluctuated from year to year largely dependent on the extent to which the STI performance hurdle related to EBITDA was met. Total remuneration has also fluctuated depending upon whether elements of equity-based remuneration have met challenging (non-market based) performance conditions.

Directors' Report

REMUNERATION REPORT

d) 2025 Executive Director remuneration framework

i) Remuneration strategy

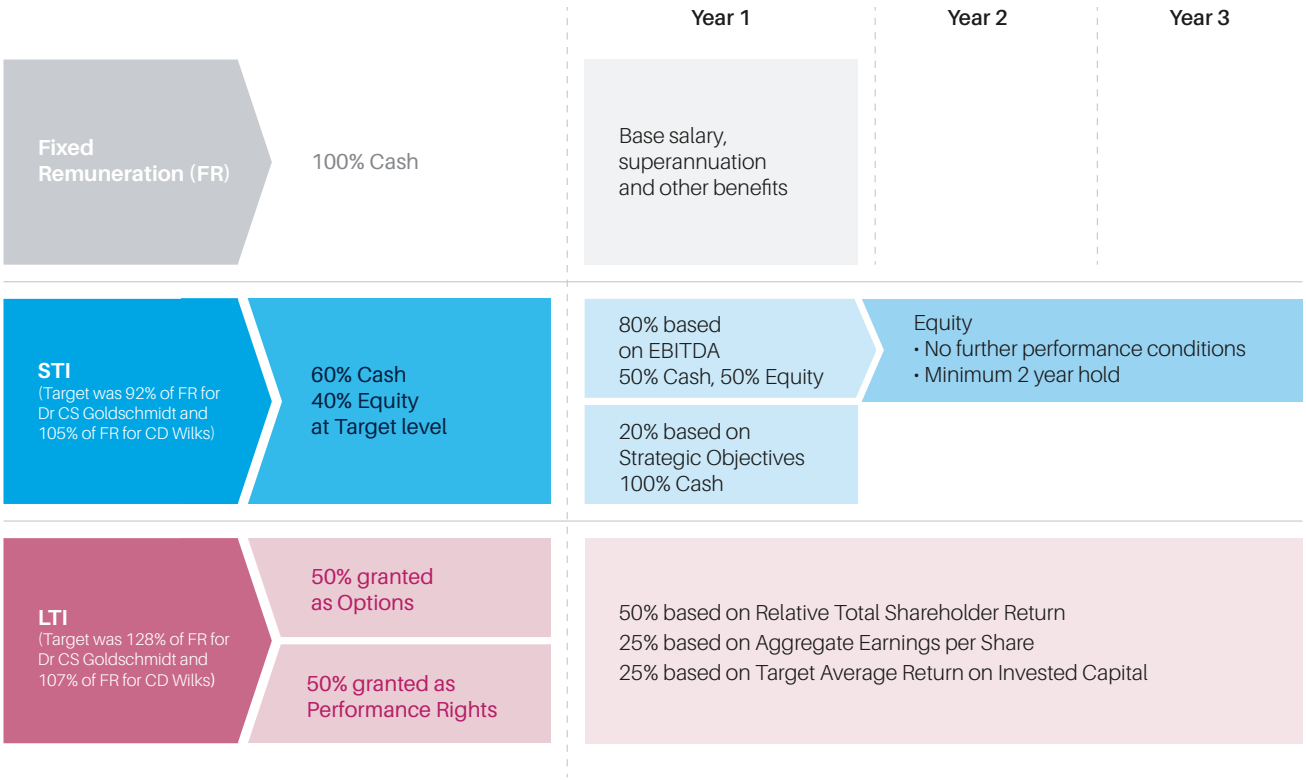
Sonic Healthcare's remuneration opportunities are structured and set at levels that are intended to attract, motivate and retain Executives capable of leading and managing the Group's operations, and to align remuneration with the creation of value for shareholders.

Sonic Healthcare's remuneration policy links the remuneration of the Managing Director and the Finance Director to Sonic's performance through the award of conditional entitlements. These conditional entitlements relate to the performance of the Group and align reward with the creation of value for shareholders.

The remuneration strategy is designed to support Sonic's business strategy. In particular, the approaches support the unique nature of the decentralised federated structure, complexity of the global organisation and the acquisitive nature of the business.

Summary of remuneration components

The graphic below summarises the target remuneration components and timing of delivery.



REMUNERATION REPORT

The table below outlines the purpose, performance link and value to shareholders of each remuneration component.

	Fixed Remuneration (FR)	Short-Term Incentive (STI)	Long-Term Incentive (LTI)
Purpose	Baseline level of remuneration to attract and retain individuals with the skills, experience and capability to deliver the business strategy. Executive Directors may take part of their base salary as other benefits, such as motor vehicles, including any associated fringe benefits tax.	Motivate and reward for contributing to the achievement of annual financial and strategic objectives.	Align participants with long-term business strategy and the creation of shareholder value and returns over the long term.
Performance link	Reviewed annually, taking into account market benchmarks, performance and experience of Executive Directors and Company performance.	Performance is assessed against EBITDA targets and strategic objectives.	Performance is assessed against Relative Total Shareholder Return (TSR), Earnings per Share (EPS) and Return on Invested Capital (ROIC).
Value delivered to shareholders	The remuneration of current Executive Directors reflects the individual's significant commitment to the success of Sonic Healthcare. These individuals have led the delivery of strategic outcomes and shareholder returns over an extended period of time.	Aligned to earnings and delivery of annual strategic objectives that support the longer-term strategy. Deferred portion delivered in equity.	The LTI is fully delivered as equity and performance measures are aligned to long-term shareholder returns and value creation.

ii) Market positioning of fixed and total remuneration opportunities

Remuneration arrangements for Dr CS Goldschmidt and CD Wilks are reviewed annually by the Remuneration and Nomination Committee, referencing market benchmarking. Consideration is given to companies of similar size and complexity based on market capitalisation, global complexity (determined by offshore portion of revenue) and industry. Companies in the Financials and Metals and Mining sectors are excluded from market comparisons.

Fixed Remuneration and Total Target Remuneration (being Fixed Remuneration, STI and LTI) were targeted at the 75th percentile for the Managing Director and at the 80th percentile for the Finance Director when set. Fixed and Total Target Remuneration values had remained unchanged for 5 years to 30 June 2022. In the 2022 annual review of remuneration carried out by the Board's Remuneration and Nomination Committee, independent market benchmarking revealed that CD Wilks' remuneration had fallen behind the targeted percentile versus CFOs of companies of similar sizes and complexity based on market capitalisation, global complexity and industry. His Fixed Remuneration was therefore increased to $1,200,000 with effect from 1 July 2022, with proportionate increases in the other elements of his remuneration package. No changes were made in FY2024 or FY2025. Dr CS Goldschmidt's target remuneration has remained unchanged for 8 years. The target market positioning reflects the value of the specific individuals to Sonic Healthcare taking into consideration the following factors:

- The positioning of Sonic Healthcare, by market capitalisation, relative to other companies in the comparator groups. As Sonic's size placed it towards the top of the comparator groups considered, the positioning of the Managing Director and the Finance Director's remuneration towards the top of like roles within these groups was, in the Board's view, appropriate.
- The current Managing Director and Finance Director have led the Company in driving sustained share price growth, demonstrating Medical Leadership and delivering significant shareholder value over more than 30 years. Both are among the longest tenured and successful incumbents in their respective roles within the ASX 200, having served in their roles since 1993. The Board considered it appropriate to recognise the value of the knowledge, skills and experience the individuals bring to Sonic Healthcare, as well as the sustained performance they have delivered.
- Reflecting their sustained performance, both the Managing Director and Finance Director have built and retained large shareholdings with Sonic Healthcare over their significant tenure, resulting in a high level of alignment between the Executives and shareholders.
- The role and strategic responsibilities of CD Wilks, Finance Director, are considered broader than those of a typical CFO role.

REMUNERATION REPORT

iii) Remuneration mix

The table below provides a summary of target remuneration mix for 2025 (and 2024) for Dr CS Goldschmidt and CD Wilks:

	Fixed Remuneration (% of total remuneration)	Target STI (% of total remuneration)	LTI opportunity (% of total remuneration)
Dr CS Goldschmidt	~31%	~29%	40%
CD Wilks	32%	~34%	~34%

iv) Detailed overview of STI and LTI arrangements

Additional information for the STI and LTI arrangements for the year ended 30 June 2025 are detailed below.

STI Plan

Key question	Sonic Healthcare approach
Who is eligible to participate in the STI plan?	The Managing Director and Finance Director are eligible to participate in the STI plan.
What are Executive Directors able to earn under the STI plan?	▪ **Target opportunity:** 92% of Fixed Remuneration for the Managing Director and 105% for the Finance Director. ▪ **Maximum opportunity:** Both can earn up to 140% of target for the achievement of stretch performance.
What is the mix of performance conditions?	The STI is determined based on the extent to which the following conditions are met: ▪ 80% based on EBITDA ▪ 20% based on Strategic Objectives (of which 50% relates specifically to sustainability objectives)
How does the EBITDA performance condition work?	Achievement of a target level of underlying EBITDA. The annual EBITDA performance target is based on the upper quartile of market earnings guidance, or where no guidance is provided, based on market expectation. EBITDA is used as a performance criterion as it is consistent with the way Sonic gives earnings guidance to the market and is a clearer measure of operational performance than net profit or earnings per share as it is not distorted by changes in income tax law or interest rates. Up to 150% of the component of Target STI which relates to EBITDA growth can be paid in defined circumstances where there has been significant outperformance.
What are the Strategic Objective measures?	The Strategic Objectives applicable to the STI are as follows: ▪ Promotion of, and adherence to, Sonic Healthcare's Core Values and Foundation Principles ▪ The exercise and promulgation of Sonic's Medical Leadership culture ▪ The Federation model employed at Sonic Healthcare, and its effective management ▪ Risk management within the Company ▪ External standing and reputation (including stakeholder management, brand and quality) ▪ Financial leadership and innovation (for C.D. Wilks) ▪ Progress with the Company's environmental, governance and sustainability objectives (50% weighting)
How is the STI delivered?	50% of the EBITDA related component is delivered as rights to Sonic Healthcare shares. The rights/shares are held in the Sonic Healthcare Employee Share Trust for a period of at least two years. The remainder of the STI is delivered as cash with no deferral.

REMUNERATION REPORT

LTI Plan

The award features for the grant made during the 2025 financial year are as follows:

Key question	Sonic Healthcare approach
Who is eligible for awards under the LTI plan?	The Managing Director and Finance Director are eligible to participate in the LTI plan.
Are awards made on an annual basis under the LTI plan?	Yes, LTI grants are made on an annual basis, subject to shareholder approval at the Company's Annual General Meeting. This allows the Board to review the performance conditions on an annual basis and/or adjust the mix between types of instruments for changes in circumstances.
What form do the awards take?	The LTI is delivered half in options and half in performance rights.
Are dividends paid on unvested LTI awards?	No, unvested options and performance rights are not eligible for dividends. Executive Directors are only rewarded to the extent performance conditions have been achieved at the end of the performance period and awards are exercised.
How is the number of awards to grant determined?	The number of options issued was determined based on a Black Scholes methodology valuation at the time of grant. The valuation does not allow for any discounts relating to performance conditions. The exercise price of the options is determined using the Volume Weighted five-day Average market Price ('five-day VWAP') for Sonic Healthcare shares preceding the date of grant. The number of performance rights issued was determined by dividing 50% of the maximum value of LTI (i.e. the proportion granted as performance rights) by the five-day VWAP for Sonic Healthcare shares preceding the date of grant.
What is the mix of performance conditions?	Awards vest under the LTI plan based on the extent to which the following conditions are achieved over the three-year performance measurement period: ▪ Relative TSR (45% weighting) ▪ Aggregate Earnings per Share (EPS) (33% weighting) ▪ Average Return on Invested Capital (ROIC) (22% weighting) Note that the weighting percentages are impacted by the potential to earn up to 150% for the Aggregate EPS measure. Based on target remuneration (as opposed to maximum) the percentages would be 50%, 25% and 25%.
How does the Relative TSR performance condition work?	Relative Total Shareholder Return (TSR) provides a direct link between executive remuneration and shareholder return relative to the Company's peers. Sonic Healthcare's TSR is measured against the S&P ASX 100 Accumulation Index, excluding Banks and Resource companies, over the three-year performance period. Sonic Healthcare's TSR performance is ranked relative to the TSRs of the other constituents of this reference group. Awards under the Relative TSR condition vest as follows:

TSR ranking achieved	Percentage of options and rights that vest
Below the 51st percentile	0% vesting of Relative TSR component
51st percentile	50% vesting of Relative TSR component
Greater than 51st and less than 75th percentile	Pro rata between 50% and 100% vesting of Relative TSR component
75th percentile and above	100% vesting of Relative TSR component

REMUNERATION REPORT

Key question	Sonic Healthcare approach
How does the Aggregate EPS performance condition work?	Sonic Healthcare's Aggregate EPS over three years is measured against an Aggregate EPS target. EPS is calculated as Net Profit after Tax, divided by the fully diluted weighted average number of ordinary shares on issue during a year. EPS is calculated on a 'Constant Currency' basis (to AUD using average currency exchange rates for the base financial year). Using a Constant Currency measure of EPS removes volatility from exchange rate movements that are out of the control or influence of the Executive Directors. Growth in EPS has been chosen as a condition as it is a direct measure of Company performance and maintains a strong correlation with long-term shareholder return. Awards under the aggregate EPS condition vest as follows:

Aggregate EPS (cents) for 3 years ending 2027	Percentage of options and rights that vest
Less than 355	0% vesting of aggregate EPS component
Equal to 355	30% vesting of aggregate EPS component
Between 355 and 390	Pro rata between 30% and 100% vesting of aggregate EPS component
Equal to 390	100% of aggregate EPS component
Between 390 and 428	Pro rata between 100% and 150% vesting of aggregate EPS component
Equal to or greater than 428	150% of aggregate EPS component

355 cents per share equates to compound annual growth of 5%, 390 cents per share equates to compound annual growth of 10% and 428 cents equates to compound annual growth of 15%, in each case over a base of 107.2 cents per share, which was the actual EPS for FY24.

How does the Target Average ROIC performance condition work?	The Board sets a ROIC target at the beginning of each measurement year, taking into account market conditions and Company-specific factors at the time. The ROIC target for the first year of the performance period (2025) was 9%. After completion of the three-year measurement period, the average of the actual ROIC over the three years will be compared to the average of the three ROIC targets ('Target Average ROIC'). Measurement of the average actual ROIC will exclude any significant uncontrollable or one-off events, and the initial impact of business development initiatives, as approved by the Board. ROIC has been chosen as a performance condition as the Board believes that a primary focus in coming years should be improvement in the return from the substantial investments the Company has made into its businesses. Awards under the Average ROIC condition vest as follows:

Average ROIC over 3 years	Percentage of options and rights that vest
Less than Target Average ROIC	0% vesting of Average ROIC component
Equal to Target Average ROIC	40% vesting of Average ROIC component
Greater than Target Average ROIC and less than 110% of Target Average ROIC	Pro rata between 40% and 100% vesting of average ROIC component
110% of Target Average ROIC or greater	100% vesting of average ROIC component

Does the LTI have re-testing?	No, there is no re-testing. Options and performance rights for which the performance conditions are not satisfied lapse immediately after the performance measurement is finalised. The Board may make adjustments in measuring performance under the Aggregate EPS and Target Average ROIC conditions to ensure the intent of the incentive plan is retained e.g. for a change in accounting standards.
How are the awards delivered under the LTI?	Vesting of LTI grants is dependent upon the achievement of the performance conditions outlined above over the three-year performance period. Options can only be exercised when the market price of Sonic Healthcare shares is higher than the exercise price. The performance rights will automatically exercise if and when the Board determines the performance conditions have been achieved. Entitlements are satisfied either through an allotment of new Sonic Healthcare ordinary shares to participants or the purchase of existing shares on-market.

REMUNERATION REPORT

e) Remuneration governance

i) Service agreements

None of the key management personnel of Sonic Healthcare Limited has a service contract. Rather, the terms and entitlements of employment are governed by applicable employment laws. There are no set contract/employment periods, and no sign-on payments have been made.

Other than contributions to superannuation funds during employment periods and notice periods under applicable employment laws, the Group does not contract to provide retirement benefits to Executive or Non-executive Directors.

Key remuneration-related terms for the Executive Directors are outlined below:

Cessation of employment

The Board has the discretion to determine the treatment of unvested awards where the participant is judged to be a 'good leaver'. The Board may choose to enable the participant to retain the portion of the LTI which vests (subject to the performance conditions) for a specified period of time following the cessation of employment or to apply another treatment depending on the circumstances surrounding the departure.

To be judged a 'good leaver' the Executive Director would need to provide sufficient notice, assist with succession planning and transition and make themselves reasonably available to assist/answer queries of their replacement for a period post-employment.

The Board views this arrangement to be in the best interests of the Company and its shareholders, as the Executive Directors will be incentivised to minimise disruption/loss of value associated with their departure. Cessation of employment in all other circumstances will trigger forfeiture of all unvested entitlements, unless the Board determines otherwise.

The Board retains discretion in relation to the treatment of any deferred STI where there is cessation of employment.

Change of control

If a takeover bid or other public proposal is made for voting shares in the Company which the Board reasonably believes is likely to lead to a change of control, unvested options and performance rights may vest at the Board's discretion, having regard to pro rata performance and the circumstances leading to the potential change of control.

Malus and clawback

Where, in the opinion of the Board, a participant has obtained, or will obtain, an unfair benefit as a result of an act which:

- constitutes fraud, or dishonest or gross misconduct in relation to the affairs of the Group or any Group Company;
- brings the Group or any Group Company into disrepute;
- is in breach of their obligations to the Group or any Group Company, including compliance with any applicable Company policy;
- constitutes a failure to perform any other act reasonably and lawfully requested of the participant; or
- has the effect of delivering strong Company performance in a manner which is unsustainable or involves unacceptably high risk, and results, or is likely to result, in a detrimental impact on Company performance following the end of the period;

the Board may, to ensure that no unfair benefit is obtained by the participant, in its absolute discretion, subject to applicable laws, determine any treatment in relation to an award, including, without limitation, to:

- vary downwards (including to nil) the number of shares/securities in respect of which an award vests;
- reset the performance condition and/or alter the period(s) applying to awards;
- deem all or any awards which have not vested to have lapsed or been forfeited (as relevant); or
- determine any treatment in relation to an award as the Board deems fit.

REMUNERATION REPORT

ii) Remuneration policy and governance oversight

The following diagram illustrates Sonic Healthcare's remuneration governance framework and the key roles of the Remuneration and Nomination Committee, which currently consists of three Non-executive independent Directors.

SONIC BOARD

- Oversees Non-executive Director and Executive Director remuneration and remuneration policies.
- With the support of the Remuneration and Nomination Committee, the Board is responsible for monitoring the performance of Executive Directors and the alignment of remuneration policies with Sonic's purpose, values, strategic objectives and shareholders.
- Reviews and approves recommendations from the Remuneration and Nomination Committee.

REMUNERATION AND NOMINATION COMMITTEE

- Makes specific recommendations to the Board on remuneration packages and other terms of employment for the Executive and Non-executive Directors.
- Advises the Board in relation to equity-based incentive schemes for all other employees.
- Seeks advice from the Risk Management Committee on risk-related matters.
- Seeks advice from independent consultants where appropriate.

REMUNERATION ADVISORS

- Provide independent advice to the Remuneration and Nomination Committee or management on remuneration market data, market practice or other remuneration-related matters.
- No remuneration recommendations were made by an external adviser in 2024 or 2025.

MANAGEMENT

- Makes recommendations to the Remuneration Committee on the Group's remuneration strategy and framework.
- Provides relevant performance, financial and risk information to support decision-making.

REMUNERATION REPORT

f) Non-executive Director remuneration

Remuneration of Non-executive Directors is determined by the Board within the maximum amount approved by the shareholders. At the Annual General Meeting on 19 November 2024, shareholders approved a maximum annual amount of $3,000,000 for remuneration of Non-executive Directors, of which $2,032,816 was paid in 2025. Current fees (effective from 1 July 2023) are as set out in the table below.

Fees per annum		Committee Chair	Members
	Current	Current	Current
Chairman (inclusive of Committee work)	$577,500		
Base Non-executive Director fee	$210,000		
Audit Committee		$49,350	$24,150
Risk Management Committee		$39,900	$19,950
Remuneration and Nomination Committee		$42,000	$21,000

Options and performance rights are not issued and performance-based remuneration is not payable to Non-executive Directors.

g) Statutory remuneration disclosures for key management personnel

The following tables show the total remuneration for Sonic Healthcare's KMP for 2024 and 2025. These disclosures have been calculated in accordance with the relevant accounting standards.

Non-executive Directors	Year	Short-term employee benefits		Post-employment benefits	Total
		Salary & fees	Other benefits[1]	Superannuation	
Name		$	$	$	$
Prof MR Compton *Chairman*	FY2025	547,568	–	29,932	577,500
	FY2024	550,101	–	27,399	577,500
Prof C Bennett	FY2025	206,234	–	23,716	229,950
	FY2024	202,669	–	22,294	224,963
Prof S Crowe	FY2025	242,960	–	27,940	270,900
	FY2024	239,324	–	26,326	265,650
Dr K Giles	FY2025	188,341	–	21,659	210,000
	FY2024	189,189	–	20,811	210,000
N Mitchell	FY2025	250,493	–	28,807	279,300
	FY2024	251,901	–	27,399	279,300
LJ Panaccio	FY2025	94,970	–	10,921	105,891
	FY2024	247,838	–	27,262	275,100
KD Spargo	FY2025	247,668	–	28,482	276,150
	FY2024	248,784	–	27,366	276,150
N Wakefield Evans	FY2025	74,552	–	8,573	83,125

[1] Other benefits include fringe benefits tax where applicable

REMUNERATION REPORT

Executive Directors	Year	Short-term employee benefits			Post-employment benefits	Equity-based remuneration			Other long-term benefits	Total	Performance related % of total remuneration
		Salary & fees	Other benefits[1]	STI (cash)	Superannuation	Value of deferred STI rights	Value of shares	Value of options and rights[2]	Long-service leave accrued[3]		
Name		$	$	$	$	$	$	$	$	$	%
Dr CS Goldschmidt *Managing Director*	FY2025	2,367,702	–	935,390	29,932	715,253	–	2,313,415	37,989	6,399,681	62
	FY2024	2,370,235	–	440,274	27,399	–	–	2,285,975	38,323	5,162,206	53
CD Wilks *Finance Director*	FY2025	1,170,068	–	536,753	29,932	410,432	–	959,393	18,873	3,125,451	61
	FY2024	1,172,601	–	252,641	27,399	–	–	916,031	19,007	2,387,679	49

[1] Other benefits include fringe benefits tax where applicable.
[2] The equity-based remuneration amounts disclosed relate to options and performance rights issued under the Sonic Healthcare Limited Employee Option Plan and the Performance Rights Plan and represent the assessed fair values at the date they were granted, allocated equally over the service periods up to the vesting dates. Fair values for these options and performance rights have been determined using a pricing model consistent with the Black Scholes methodology that takes into account the exercise price, the term of the option/right, the impact of dilution, the non-tradeable nature of the option/right, the current price and expected price volatility of the underlying share, the expected dividend yield, and risk-free interest rate for the term of the option/right. The fair value of the options and performance rights granted is adjusted to reflect market vesting conditions (using a Monte Carlo simulation) but excludes the impact of non-market vesting conditions.
[3] Long-service leave accrued is calculated using the increase in accrued leave balances during the year.

REMUNERATION REPORT

h) Other statutory disclosures

i) Options and rights that were exercised during the financial year

During the financial year the following options and performance rights over ordinary shares in the Company were exercised by key management personnel.

	Dr CS Goldschmidt	CD Wilks
2025		
Options and rights exercised	Nil	Nil
2025 Total intrinsic value of options and rights at the date of exercise	**$nil**	**$nil**
2024		
Options issued in November 2018 with a performance measurement period to 30 June 2021 (having fully vested after satisfying performance conditions) with a $21.69 exercise price	462,372	205,415
Performance rights issued in November 2020 with a performance measurement period to 30 June 2023 (having vested after satisfying performance conditions which caused 15.7% of the total rights to be issued to be forfeited) with a nil exercise price	42,478	16,187
Deferred share rights issued in September 2022 for STI performance to 30 June 2022 (resulting shares must be held until September 2024)	7,767	4,048
Deferred share rights issued in September 2023 for STI performance to 30 June 2023 (resulting shares must be held until September 2025)	10,217	5,863
2024 Total intrinsic value of options and rights at the date of exercise	**$6,735,013**	**$2,971,813**

ii) Equity disclosures relating to key management personnel

Options and performance rights held during the financial year

After approval by shareholders at the 2021, 2022, 2023 and 2024 Annual General Meetings, the Executive Directors were issued the following LTI (the 'FY2022 Issue', 'FY2023 Issue', 'FY2024 Issue' and 'FY2025 Issue'):

	FY2022 Issue		FY2023 Issue		FY2024 Issue		FY2025 Issue	
	Dr CS Goldschmidt	CD Wilks	Dr CS Goldschmidt	CD Wilks	Dr CS Goldschmidt	CD Wilks	Dr CS Goldschmidt	CD Wilks
Options over shares in Sonic Healthcare Limited	248,622	94,745	265,915	111,589	313,113	131,395	340,163	142,746
Performance rights over shares in Sonic Healthcare Limited	39,409	15,018	46,752	19,619	59,696	25,051	65,700	27,570

REMUNERATION REPORT

	FY2022 Issue	FY2023 Issue	FY2024 Issue	FY2025 Issue
Options exercise price	$38.90	$32.79	$28.89	$26.25
Performance condition measurement period	3 years to 30 June 2024	3 years to 30 June 2025	3 years to 30 June 2026	3 years to 30 June 2027
Earliest vesting date, if performance conditions are met	18 November 2024	17 November 2025	29 November 2026	19 November 2027
Expiry date	18 November 2026	17 November 2027	29 November 2028	19 November 2029
Fair value of each option at grant date	$5.27	$3.87	$3.03	$4.70
Fair value of each right at grant date	$25.11	$19.53	$17.81	$19.86
Percentage that satisfied vesting conditions	25.0%	0%	tbd	tbd

The total value for remuneration purposes (to be allocated over the vesting period) of the options and performance rights that were issued in FY2025 as part of LTI remuneration (the FY2025 issue) was $2,903,289 for Dr CS Goldschmidt and $1,218,323 for CD Wilks.

Option holdings

The number of options over ordinary shares held beneficially or personally during the current financial year by the key management personnel of the Group in relation to remuneration arrangements are set out below:

Director's name	Balance at 1 July 2024	Issued during the 2025 year	(Forfeited) during the 2025 year	(Exercised) during the 2025 year	(Expired) during the FY25 year	Balance at 30 June 2025	(Forfeited) since year end	Vested and exercisable at 30 June 2025
Dr CS Goldschmidt	1,557,034	340,163	(186,467)	–	(407,747)	1,302,983	(265,915)	383,792
CD Wilks	641,446	142,746	(71,059)	–	(181,147)	531,986	(111,589)	146,256

Performance rights

The number of performance rights held personally or beneficially during the current financial year by the key management personnel of the Group in relation to remuneration arrangements are set out below:

Director's name	Balance at 1 July 2024	Issued during the 2025 year	(Forfeited) during the 2025 year	(Exercised) during the 2025 year	Balance at 30 June 2025	(Forfeited) since year end	Vested and exercisable at 30 June 2025
Dr CS Goldschmidt	145,857	65,700	(29,557)	–	182,000	(46,752)	9,852
CD Wilks	59,688	27,570	(11,264)	–	75,994	(19,619)	3,754

REMUNERATION REPORT

Shareholdings

The number of shares held personally or beneficially during the current financial year by the key management personnel of the Group are set out below:

Director's name	Balance at 1 July 2024	Issued during the 2025 year on the exercise of options or rights	Shares provided as remuneration during the 2025 year	Other changes during the 2025 year	Balance at 30 June 2025
Dr CS Goldschmidt	991,383	–	–	–	991,383
CD Wilks	626,805	–	–	–	626,805
Prof MR Compton	14,516	–	–	1,000	15,516
Prof C Bennett	5,100	–	–	2,000	7,100
Prof S Crowe	7,200	–	–	348	7,548
Dr K Giles	2,750	–	–	850	3,600
N Mitchell	9,770	–	–	–	9,770
KD Spargo	26,000	–	–	1,500	27,500
N Wakefield Evans	–	–	–	4,000	4,000

Whilst Sonic currently does not have a minimum shareholding requirement for Non-executive Directors, all are encouraged to, and do, hold shares. The Managing Director and Finance Director are required to, and have, shareholdings (including purchased shares, vested securities and unvested securities not subject to performance measures) at least equivalent in value to 150% and 75% (respectively) of Fixed Remuneration.

iii) Transactions with key management personnel

There were no other transactions with key management personnel during 2025 or 2024.

iv) Amounts receivable from/payable to other key management personnel

There were no amounts receivable from/payable to other key management personnel at 30 June 2025 (2024: $nil).

v) Doubtful debts

No provision for doubtful debts has been raised in relation to any receivable or loan balance with key management personnel, nor has any expense been recognised.

vi) Securities trading policy

Under the Sonic Healthcare Securities Trading Policy, all Sonic Healthcare employees are prohibited from buying or selling Sonic Healthcare securities (including shares, options, debt securities) at any time they are aware of any material price-sensitive information that has not been made public, and are reminded of the laws against 'insider trading'.

Certain 'Designated Officers', including all Directors and Executive Directors (and specified related parties), are also prohibited from trading in periods other than in 8-week windows following the release of half-year and full-year results, five weeks after Sonic Healthcare's Annual General Meeting, and 2-week periods following Sonic Healthcare's provision to the market at any other time of definitive guidance regarding the next annual result to be released. The Sonic Healthcare Board of Directors must specifically consider and approve the opening of the 'trading window' in each instance. Exceptions to this prohibition can be approved by the Chairman (for Directors) or the Managing Director (for all other employees) in circumstances of severe financial hardship (as defined in the Policy).

REMUNERATION REPORT

Sonic Healthcare's Chair or Managing Director may impose other periods when Designated Officers are prohibited from trading because price-sensitive, non-public information may exist. All trading by Designated Officers must be notified to the Company Secretary. Prohibitions also apply to trading in financial instruments related to Sonic Healthcare shares and to trading in the shares of other entities using information obtained through employment with Sonic Healthcare.

In addition, the Managing Director and Finance Director are required to obtain approval from the Chair of the Sonic Healthcare Board of Directors before selling any shares.

Designated Officers are prohibited from entering into transactions in products which limit the economic risk of participating in unvested entitlements under any equity-based remuneration schemes and from short-term trading and short-selling arrangements in relation to Sonic Healthcare securities. Designated Officers are required to commit to these prohibitions by signing the Securities Trading Policy and will forfeit their equity reward should they be found to be in breach. Directors of Sonic Healthcare Limited are also prohibited from entering into margin lending or other secured financing arrangements in relation to Sonic Healthcare securities without the prior approval of the Chair and disclosure of such arrangements to the Board.

All Sonic Healthcare securities dealings by Directors are promptly notified to the Australian Securities Exchange (ASX) in accordance with Sonic Healthcare's Continuous Disclosure obligations.

Directors' Report

This Directors' Report is made in accordance with a resolution of the Directors.

Dr CS Goldschmidt
Director

CD Wilks
Director

Sydney
24 September 2025

Auditor's Independence Declaration

As lead auditor for the audit of Sonic Healthcare Limited for the year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been:

a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b. no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Sonic Healthcare Limited and the entities it controlled during the period.

Aishwarya Chandran
Partner
PricewaterhouseCoopers

Sydney
24 September 2025

PricewaterhouseCoopers, ABN 52 780 433 757
One International Towers Sydney, Watermans Quay, BARANGAROO NSW 2000,
GPO BOX 2650, SYDNEY NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au
Level 11, 1PSQ, 169 Macquarie Street, PARRAMATTA NSW 2150,
PO Box 1155 PARRAMATTA NSW 2124
T: +61 2 9659 2476, F: +61 2 8266 9999, www.pwc.com.au

pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

Corporate Governance Statement

The Board of Sonic Healthcare continues to place great importance on the governance of the Company, which it believes is vital to its wellbeing and success. There are two elements to the governance of companies: performance and conformance. Both are important, but it is critical that focus on conformance does not detract from the principal function of a business, which is to undertake prudent activities to:

- generate rewards for shareholders who invest their capital
- provide services of value to customers
- provide meaningful employment for employees

and to do so in a way that is sustainable and contributes positively to the community.

The principal features of Sonic's corporate governance framework are set out in this statement, which is current as at 24 September 2025, and has been approved by the Board.

Sonic's Board and management are committed to governance that recognises that all aspects of the Group's operations are conducted ethically, responsibly and with the highest standards of integrity. The Board has adopted practices and policies designed to achieve these aims. Sonic supports the ASX Corporate Governance Council Corporate Governance Principles and Recommendations ('the Recommendations') in advancing good corporate governance, and has complied with the fourth edition during the 2025 financial year. Sonic's website (www.sonichealthcare.com) includes a Corporate Governance section that sets out the information required by the Recommendations, plus other relevant information, including copies of all Policies, Charters and Codes referred to in this report.

Sonic's Code of Conduct and Core Values (listed below) set out the fundamental principles that govern the way that all Sonic people conduct themselves. Sonic's Core Values apply equally to every employee of Sonic and were formulated with significant input from Sonic's staff. They have been embraced throughout the Group. Sonic's Core Values are:

- **Commit to Service Excellence**
  To willingly serve all those with whom we deal, with unsurpassed excellence.
- **Treat each other with Respect & Honesty**
  To grow a workplace where trust, team spirit and equity are an integral part of everything we do.
- **Demonstrate Responsibility & Accountability**
  To set an example, to take ownership of each situation to the best of our ability and to seek help when needed.
- **Be Enthusiastic about Continuous Improvement**
  To never be complacent, to recognise limitations and opportunities for ourselves and processes, and to learn through these.
- **Maintain Confidentiality**
  To keep all information pertaining to patients, as well as professional and commercial issues, in strict confidence.

A description of the Company's main corporate governance practices is set out below. All these practices, unless otherwise stated, were in place throughout the 2025 financial year. Any issues of non-compliance with the Recommendations are specifically noted and explained.

Corporate Governance Statement

1. BOARD OF DIRECTORS

Profiles of the Directors and Company Secretary are included in the Directors' Report.

a) Role of the Board

The Board of Directors is accountable to shareholders for the performance of the Company and the Group and is responsible for the culture, values and corporate governance practices of the Group. The Board's principal objective is to increase value for the Company's stakeholders (including shareholders, staff and the community) in a sustainable manner while ensuring that the Group's activities are managed in accordance with its culture and values.

Sonic's corporate governance practices provide the structure which enables the Board's principal objective to be achieved, whilst ensuring that the business and affairs of the Group are conducted ethically and in accordance with the Company's Core Values, Code of Conduct, Medical Leadership Principles, medical ethics and law.

The Sonic Medical Leadership Principles are summarised as:
- Personalised service for doctors and patients
- Respect for our people
- Company conscience
- Operational excellence
- Professional and academic expertise

The Board's responsibilities include:
- demonstrating leadership at strategic and cultural levels
- defining the Group's purpose and setting its strategic objectives
- approving the Group's Core Values, Medical Leadership Principles and Code of Conduct to underpin the desired culture within the Group
- overseeing management in its implementation of the Group's strategic objectives, instilling of the Group's values and performance generally
- monitoring financial and sustainability performance and reporting (including climate related disclosures)
- appointing the Chair and Managing Director, and assessing the performance of Directors
- setting the Group's risk appetite and monitoring and ensuring the maintenance of adequate risk management identification, control and reporting mechanisms
- monitoring risks, including in relation to taxation governance and risk, and environmental, and in particular climate-related risks
- overseeing clinical quality, patient safety and regulatory matters
- overseeing the Group's sustainability (ESG) strategy and compliance with mandatory disclosure and assurance requirements in all operating jurisdictions, including approval of Sonic's annual Sustainability Report
- overseeing the Group's cybersecurity, including data security and privacy requirements and the Group's information security management system
- oversight of strategy and governance related to artificial intelligence
- protecting human rights, including approval of Sonic's annual Modern Slavery Statement
- ensuring the Group's remuneration policies are aligned with the Group's purpose, values, strategic objectives and risk appetite
- ensuring the business is conducted ethically and transparently (including meeting taxation obligations and providing tax transparency).

The Board delegates authority for operational management of the business to the Managing Director and senior executives. The Managing Director also oversees the implementation of strategies approved by the Board, and is responsible for providing accurate and relevant information to enable the Board to perform its responsibilities. Senior executives reporting to the Managing Director have their roles and responsibilities defined in specific position descriptions. The Board uses a number of Committees to support it in matters that require more intensive review and involvement. Details of the Board Committees are provided below.

As part of its commitment to good corporate governance, the Board regularly reviews the practices and standards governing the Board's composition, independence and effectiveness, the accountability and compensation of Directors (and senior executives) and the Board's responsibility for the stewardship of the Group.

Corporate Governance Statement

1. BOARD OF DIRECTORS

The role and responsibilities of the Board, the functions reserved for the Board and those delegated to management have been formalised in the Sonic Board Charter.

The Company Secretary is appointed by the Board and is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. Each Director is able to communicate directly with the Company Secretary.

b) Composition of the Board

The Directors of the Company in office at the date of this statement are:

Director's name	Term of office (Years)	Position	Expertise	Committees
Prof Mark Compton	11	Chairman, Non-executive, independent Director	Healthcare industry and company management	Member of Audit Committee and Remuneration and Nomination Committee
Dr Colin Goldschmidt	32	Managing Director, Chief Executive Officer	Healthcare industry and company management. Sustainability experience. Pathologist	Member of Risk Management Committee
Mr Chris Wilks	35	Finance Director, Chief Financial Officer	Finance, strategy, accounting, banking, secretarial and company management	
Prof Christine Bennett	3	Non-executive, independent Director	Medicine, healthcare industry and management, healthcare policy, medical research, governance and sustainability	Member of Risk Management Committee
Prof Suzanne Crowe	5	Non-executive, independent Director	Medicine, medical research, governance and company oversight	Chair of Risk Management Committee and member of Remuneration and Nomination Committee
Dr Katharine Giles	3	Non-executive, independent Director	Medicine, medical research, technology and innovation, management, venture capital	
Mr Neville Mitchell	8	Non-executive, independent Director	Finance, tax, international healthcare and company management	Chair of Audit Committee and member of Risk Management Committee
Ms Nicola Wakefield Evans	1	Non-executive, independent Director	Law, governance, mergers and acquisitions, sustainability, diversity and company oversight	
Ms Kate Spargo	15	Non-executive, independent Director	Law, governance, sustainability and company oversight	Chair of Remuneration and Nomination Committee and member of Audit Committee

The composition of Sonic's Board is consistent with the principle of medical management and leadership, which has been a core strategy of Sonic since 1993. Sonic's Managing Director is a pathologist, and the Board also includes three other medical specialists, ensuring that it has the capacity to understand complex medical issues and be in close touch with the medical marketplace. The presence of medical practitioners on Sonic's Board also gives comfort both to referring doctors (Sonic's customers) and to owners of diagnostic practices that Sonic seeks to acquire.

The Board currently comprises seven Non-executive Directors, all of whom are considered independent and two Executive Directors. The independent Directors perform major roles in the Board Committees. All Board members speak English, the language in which Board and shareholder meetings are held and key corporate documents are prepared.

Corporate Governance Statement

1. BOARD OF DIRECTORS

The Sonic Board comprises members with a diverse mix of business skills, including industry-specific expertise, management skills and experience, broader management experience, including senior leadership positions in listed companies, finance, tax and legal skills, expertise in corporate governance, sustainability experience (including awareness of impacts on organisations, the economy, environment and people) and expertise in acquiring and merging healthcare businesses. The Board considers that it has an appropriate mix of skills, expertise, tenure and diversity.

The Board has resolved that the position of Chairman of the Board is to be held by an independent Director. The independence of each of the Non-executive Directors is assessed annually, and it is the view of the Board that each should continue to be regarded as independent. The tenure of Ms Spargo was specifically addressed in their assessment and the Board was satisfied that she had not become too close to management such that her capacity to bring independent judgement to bear or to act in the best interests of all shareholders is compromised. Ms Spargo has advised that she will permanently retire from the Board by the end of her current 3-year term (in 2027). The Board intends to conduct a process to recruit one, and perhaps two, new independent Non-executive Directors during 2026.

c) Board renewal

The size and composition of the Board is determined by the full Board acting on recommendations of the Remuneration and Nomination Committee. Sonic's constitution requires that the Board comprise no more than twelve and no fewer than three Directors at any time. Sonic's constitution also requires all Directors, other than the Managing Director, to offer themselves for re-election at an AGM, such that they do not hold office without re-election for longer than three years.

The Board (with input from the Remuneration and Nomination Committee) regularly reviews its succession planning. A matrix is used to guide the assessment of the current Directors, and to identify desirable characteristics for future appointments. The matrix is as follows:

- Medical practitioners
- Industry-specific management experience
- Leadership experience (preferably CEO level)
- Experience on other listed entity boards
- Strategy and business development
- Strategic focus
- Medical technology development
- Financial acumen, including taxation knowledge
- Banking/treasury experience
- Risk management
- Corporate governance
- Legal
- International experience
- People management and remuneration
- Climate change and emissions reduction
- Human rights and modern slavery
- Healthcare access and affordability
- Workplace health, safety and wellbeing
- Diversity, equity and inclusion
- Cybersecurity
- Digital/data strategy
- Acquisitions and mergers
- Gender diversity
- Tenure diversity

Before appointing a Director or senior executive, Sonic undertakes comprehensive reference checks including education, employment, character reference, criminal record and bankruptcy checks. Potential existing or foreseeable future conflicts of interest are also considered.

Directors receive a letter of appointment and a deed of access and indemnity. The letter of appointment outlines Sonic's expectations of Directors with respect to their participation, time commitment and compliance with Sonic policies. An induction process for incoming Directors is coordinated by the Company Secretary. To assist Directors to understand relevant developments, the Board receives regular updates at Board meetings, workshops and site visits, along with relevant reading materials.

d) Board meetings

The Board meets formally at least six times a year to consider a broad range of matters, including culture, strategy, financial performance reviews, sustainability issues (including environmental, social and governance matters), capital management and acquisitions. Details of meetings (both full Board and Committees) and attendances are set out in the Directors' Report.

1. BOARD OF DIRECTORS

e) Independent professional advice and access to information

Each Director has the right to seek independent professional advice at the Company's expense. However, prior approval of the Chairman is required, which is not unreasonably withheld.

All Directors have unrestricted access to Company records and information and receive detailed financial and operational reports from senior management during the year to enable them to carry out their duties. Directors also liaise with senior management as required and may consult with other employees and seek additional information on request.

f) Conflicts of interest of Directors

The Board has guidelines dealing with disclosure of interests by Directors and participation and voting at Board meetings where any such interests are discussed. In accordance with the *Corporations Act*, any Director with a material personal interest in a matter being considered by the Board does not receive the relevant Board papers, must not be present when the matter is being considered, and may not vote on the matter.

g) Securities trading

Under Sonic's Securities Trading Policy, Sonic employees are prohibited from buying or selling or otherwise trading Sonic Healthcare securities (including shares, options, debt securities) at any time they are aware of any material price-sensitive information that has not been made public, and are reminded of the laws against 'insider trading'. Certain 'Designated Officers', including all Directors and senior executives (and specified related parties), are also prohibited from trading in periods other than in 8-week windows following the release of half-year and full-year results, a 5-week window following the Annual General Meeting, and 2-week periods following the provision to the market at any time by Sonic of definitive guidance regarding the next annual result to be released. The Sonic Board of Directors must specifically consider and approve the opening of the 'trading window' in each instance. Exceptions to this prohibition can be approved by the Chair (for other Directors) or the Managing Director (for all other employees) in circumstances of severe financial hardship (as defined in the Policy).

Sonic's Chair or Managing Director may impose other periods when Designated Officers are prohibited from trading because price-sensitive, non-public information may exist. All trading by Designated Officers must be notified to the Company Secretary. Prohibitions also apply to short-term trading, short selling, trading in financial instruments related to Sonic's securities, including products that limit the economic risk of unvested rights, options or shareholdings in Sonic, and to trading in the securities of other entities using information obtained through employment with Sonic.

Directors of Sonic Healthcare Limited are also prohibited from entering into margin lending or other secured financing arrangements in relation to Sonic securities without the prior approval of the Chair and disclosure of such arrangements to the Board. In addition, the Managing Director and Finance Director are required to obtain approval from the Chair before selling any shares. All Sonic securities dealings by Directors are promptly notified to the Australian Securities Exchange (ASX).

h) Remuneration of Non-executive Directors

The current maximum total remuneration that may be paid to all Non-executive Directors is $3,000,000 per annum, as approved by shareholders in November 2024. The total amount paid to Non-executive Directors in the 2025 financial year was $2,032,816. Non-executive Directors are not entitled to any performance-based or equity-based remuneration. No retirement benefit schemes (other than statutory superannuation) apply to Non-executive Directors. Further details of Sonic's remuneration policies for Executive Directors and senior executives of the Company, and the relationship between such policy and the Company's performance, are provided in the Directors' Report.

Corporate Governance Statement

2. BOARD COMMITTEES

To assist the Board in fulfilling its duties, there are currently three Board Committees whose terms of reference and powers are determined by the Board. Details of Committee meetings and attendances are set out in the Directors' Report.

a) Audit Committee

Members of the Audit Committee are:

Mr N Mitchell | *Chair*
Prof MR Compton
Ms KD Spargo

The Committee operates under a formal Charter. The Charter requires that the Audit Committee comprises between three and six members, all of whom must be independent Directors, and that the Chair of the Committee is not to be the Chair of the Board.

The principal role of the Audit Committee is to provide the Board, investors and other stakeholders with confidence that the financial reports for the Company (including mandatory sustainability reporting) represent a true and fair view of the Company's financial condition and operational results in all material respects, and are in accordance with relevant accounting standards.

The responsibilities of the Audit Committee are set out in its Charter and include:

- assisting the Board in its oversight responsibilities by monitoring and advising on:
  - the integrity of the financial reporting (inclusive of sustainability and climate reporting) of the Company
  - the Company's accounting policies and practices
  - the external auditors' independence and performance
  - compliance with legal and regulatory requirements and related policies, including in relation to taxation and sustainability reporting
  - compliance with the policy framework in place from time to time
  - internal controls, and the overall efficiency and effectiveness of financial operations
- oversight of the Company's financial and climate-related risk management processes, including the internal audit function (known as the Sonic Business Assurance Program)
- providing a forum for communication between the Board, executive management and external auditors
- providing a conduit to the Board for external advice on audit and internal controls.

The external auditors, the Managing Director and the Finance Director are invited to Audit Committee meetings at the discretion of the Committee. The Committee meets at least twice per year.

In fulfilling its responsibilities, the Audit Committee receives regular reports from management, the head of the Business Assurance Program and the external auditors. These reports include:

- any material breaches of the Company's Code of Conduct
- any material incidents reported under the Company's Global Whistleblower Policy
- any material breaches of the Company's Anti-bribery and Corruption Policy.

The Committee also meets with the external auditors at least twice per year, and more frequently if necessary, and reviews any significant disagreements between the auditors and management, irrespective of whether they have been resolved. The external auditors have a clear line of direct communication at any time to both the Chair of the Audit Committee and the Chair of the Board.

The Audit Committee has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party.

2. BOARD COMMITTEES

b) Risk Management Committee

Members of the Risk Management Committee are:

Prof S Crowe | *Chair*
Prof C Bennett
Dr CS Goldschmidt
Mr N Mitchell

The Committee operates under a formal Charter. The Charter requires that the Risk Management Committee comprises at least three members, the majority of whom must be independent Directors, and that the Chair of the Committee must be an independent Director.

The Risk Management Committee's responsibilities are set out in its Charter and include:

- assisting the Board in its oversight responsibilities by monitoring and advising on:
  - the identification and management of all material risks, including but not limited to risks relating to:
    - brand, culture and reputation, including in relation to Modern Slavery and the ethical use of A.I.
    - workplace health and safety
    - people
    - clinical care and quality
    - operations
    - legal and regulatory
    - information protection including cybersecurity risks, including data security and privacy risks
    - financial management, including taxation risks
    - environment and climate (including both risks and opportunities)
    - strategy and sustainability
  - internal controls and treatments for identified risks including the Company's insurance program
  - the Company's overall risk management program
- providing a forum for communication between the Board, management and external risk management advisors
- providing a conduit to the Board for external advice on risk management.

The Committee meets at least twice per year.

c) Remuneration and Nomination Committee

Members of the Remuneration and Nomination Committee are:

Ms KD Spargo | *Chair*
Prof MR Compton
Prof S Crowe

The Remuneration and Nomination Committee operates under a formal Charter. The Charter requires that the Remuneration and Nomination Committee comprises at least three members, all of whom are to be independent Directors.

The Remuneration and Nomination Committee's role, as set out in its Charter, is to:

- review and make recommendations to the Board on remuneration packages and policies applicable to the Managing Director, Finance Director and Non-executive Directors
- advise the Board in relation to equity-based incentive schemes for other employees
- ensure appropriate disclosure is provided to shareholders in relation to remuneration policies, and that equity-based remuneration is within plans approved by shareholders
- review the Board and Board Committee structures
- advise the Board on the recruitment, appointment, retirement and removal of Directors
- assess and promote the enhancement of competencies of Directors
- review Board succession plans
- make recommendations to the Board in relation to workforce and Board diversity and measurable objectives in relation to gender diversity, and monitor progress toward achievement of those objectives.

The Committee meets on an as-required basis. The Remuneration and Nomination Committee, when deemed necessary, directly obtains independent advice on the appropriateness of remuneration.

Corporate Governance Statement

3. APPROACH TO DIVERSITY

As a medical diagnostic company, Sonic Healthcare's business relies on the services provided to referrers and patients by thousands of Sonic staff every day. In addition, in seeking to continually improve Sonic's services and financial performance, the Company relies on the input and expertise of its Directors, managers, pathologists, radiologists, other medical practitioners and staff. It is therefore critical that Sonic's workforce brings a broad range of experiences, talents and viewpoints to the business. Diversity is valued as it assists the Company to meet its objectives, and ensures that Sonic's people at all levels of the Company reflect our customers and the communities we serve.

Sonic Healthcare strives to maintain a healthy, safe, inclusive and productive environment that is free from discrimination and harassment based on race, colour, religion, political beliefs, gender, gender identity, socio-economic or cultural background, perspective, experiences, sexual orientation, marital or family status, age, national origin or disability. In addition, the Company is committed to the continued development and implementation of initiatives to remove barriers that disadvantage any person or group, such that everyone is able to compete on equal terms. Within Sonic, recruitment, development, promotion and remuneration are based on merit. These principles are an integral part of Sonic's corporate culture, and are encapsulated in the Sonic Core Values and the Company's Diversity Policy.

The Remuneration and Nomination Committee of the Sonic Board recommends annually measurable objectives for promoting and maintaining gender diversity, and measures and reports on progress towards achievement of those objectives. The Managing Director has discretion with regard to the specific initiatives to be implemented by management to achieve the objectives.

The proportion of female employees to total employees within the Group at 30 June 2025 was:

	2025	2024
Non-executive Directors of Sonic Healthcare Limited	71%	57%
Directors of Sonic Healthcare Limited	56%	44%
Executive staff of the Group+	39%	38%
Other senior leadership positions	54%	56%
Total senior leadership positions*	51%	53%
All employees	72%	72%

+ Includes executives to the 'CEO-2' level, plus, if not already included, direct reports to the heads of each of Sonic's operating subsidiaries.
* Includes Directors, executive staff and other senior leadership positions.

The Company's current objective in relation to gender diversity is to monitor and maintain the percentage of females in senior leadership positions at a level greater than 40% and at least 50% in the workforce generally. In addition, the Company has the objective to have not less than 40% of its Directors of each of male and female genders. These objectives were achieved in 2025.

4. IDENTIFYING AND MANAGING BUSINESS RISKS

Sonic recognises that risk management is an integral part of good management and corporate governance practice and is fundamental to driving shareholder value across the business.

Sonic views the management of risk as a core managerial capability. Risk management is strongly promoted internally and forms part of the performance evaluation of key executives.

Sonic's material business risks are described in the operating and financial review section of the Directors' Report. Information on Sonic's impact on society and the environment can be found in Sonic's Sustainability Report available on Sonic's website.

a) Responsibilities

The Board determines the overall risk profile of the business and risk appetite for the Company and is responsible for monitoring and ensuring the maintenance of adequate risk management policies, controls and reporting mechanisms.

To assist the Board in fulfilling its duties, it is aided by the Audit Committee and the Risk Management Committee. The Board has delegated to these Committees responsibility for ensuring:

- the Company's material business risks, including strategic, financial, operational, compliance (including taxation compliance and mandatory sustainability reporting), environmental and social sustainability risks, are identified
- systems are in place to assess, manage, monitor and report on those risks, and that those systems are operating effectively
- management compliance with Board-approved policies
- internal controls are operating effectively across the business
- all Group companies are in compliance with laws and regulations relating to their activities
- the Company is operating with due regard to the risk appetite set by the Board.

The Audit Committee and Risk Management Committee update the Board on all relevant matters.

Management is responsible for the identification, assessment and management of business risks. During the year, management reported on these matters, including the effectiveness of the management of Sonic's material business risks, to the Audit Committee and Risk Management Committee, who then reported these matters to the Board. The Risk Management Committee reviewed the Company's risk management framework and reported on that review to the Board.

b) Risk management policies, systems and processes

Sonic's activities across all of its operating entities are subject to regular review and continuous oversight by executive management and the Board Committees. The Chief Executive Officers of the individual operating companies are responsible for the identification and management of risk within their business. To assist in this, executive management has developed an effective control environment to help manage the significant risks to its operations. This environment includes the following components:

- clearly defined management responsibilities, management accountabilities and organisational structures
- established policies and procedures that are widely disseminated to, and understood by, employees
- regular internal review of policy compliance and the effectiveness of systems and controls
- central team for management of taxation-related risks
- central team to oversee sustainability strategies, risks, opportunities and reporting
- comprehensive training programs for staff in relation to operational practices and compliance requirements
- strong management reporting framework for both financial and operational information
- creation of an open culture to share risk management information and to continuously improve the effectiveness of Sonic's risk management approach
- benchmarking across operations to share best practice and further reduce the operational risk profile
- Sonic's Core Values, a uniting code of conduct embraced by Sonic employees
- Sonic's Code of Conduct and Global Whistleblower Policy
- centrally administered Group insurance program, ensuring a consistent and adequate approach across all operating areas
- the ongoing engagement of a professional Risk Manager to coordinate the Company's approach to material business risk management.

Corporate Governance Statement

4. IDENTIFYING AND MANAGING BUSINESS RISKS

Control systems and policy compliance are reviewed by Sonic's Business Assurance Program (Sonic's internal audit function). The Head of Business Assurance reports to the Audit Committee, and to the Company Secretary for administrative purposes. The Business Assurance Program liaises with, but is independent of, the external auditor, and has full access to the Audit Committee and Risk Management Committee, Sonic management and staff, and records. The Audit Committee determines the scope for the Business Assurance Program each year and monitors management's response to recommended system enhancements.

c) Regulatory compliance

Sonic's laboratory, radiology and medical centre activities are subject to Commonwealth and State law in Australia, and similar regulatory control in offshore locations. These laws cover such areas as laboratory and collection centre operations, workplace health and safety, radiation safety, Modern Slavery, privacy of information and waste management.

Sonic's network of pathology laboratories, collection centres and radiology centres is required to meet and remain compliant with set performance criteria determined by government and industry bodies.

To support this, Sonic's operating policies and procedures are overseen by internal quality assurance and workplace health and safety managers who review operational compliance.

In addition, practising pathologists and radiologists are required to be registered and licensed in accordance with Medical Board and government regulations. The accreditation and licensing of locations, equipment and personnel is subject to regular, random audits by government experts and medical peer groups. Sonic also undertakes internal reviews to ensure continued best practice and compliance.

Sonic's established procedures, focus on best practice, Medical Leadership model, structured staff training, and the external review activities serve to mitigate operational risk and support regulatory compliance.

d) Managing Director and Finance Director certification

Sonic has adopted a policy requiring the Managing Director and the Finance Director to provide the Board with written certification in relation to its financial reporting processes. For the 2025 financial year, the Managing Director and Finance Director made the following certifications:

- that the financial records of the Company have been properly maintained
- that the financial statements and notes comply in all material respects with the relevant accounting standards
- that the financial statements and notes give a true and fair view, in all material respects, of the Company's financial condition and operational results
- that the statements above are founded on a sound system of risk management and internal control which operates effectively in all material respects in relation to financial reporting risks.

5. ETHICAL STANDARDS

The Company has a Code of Conduct that outlines the standards required so that the Directors and management conduct themselves with the highest ethical standards. All employees of the Company and its controlled entities are informed of the Code. The Directors regularly review this Code to ensure it reflects best practice in corporate governance. The Code is further supported by the Sonic Core Values.

To augment the Code of Conduct and Core Values, the Company has formally implemented and disclosed the following global policies:

- Anti-bribery and Corruption Policy
- Code of Conduct and Ethics
- Continuous Disclosure Policy
- Data Security Statement
- Diversity Policy
- Environmental Policy
- Global Whistleblower Policy
- Health, Safety and Wellbeing Policy
- Labour Standards and Human Rights Policy
- Modern Slavery reporting
- Privacy Policy
- Securities Trading Policy
- Supplier Policy
- Taxation Governance Statement

6. CONTINUOUS DISCLOSURE

The Company Secretary has been nominated as the person responsible for communications with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX listing rules, and overseeing and coordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

Sonic has formalised its policies and procedures on information disclosure in a Continuous Disclosure Policy. The Policy focuses on continuous disclosure of any information concerning the Company and its controlled entities that a reasonable person would expect to have a material effect on the price of the Company's securities, and sets out management's responsibilities and reporting procedures in this regard.

All information disclosed to the ASX is then immediately posted on the Company's website and provided to the Directors. Presentations to analysts on aspects of the Company's operations are released to the ASX and posted on the Company's website ahead of the presentation.

The Company's investor relations program facilitates effective two-way communication with investors and analysts. In addition to large/institutional investors, the Company seeks to engage with retail shareholder groups, including meeting with representatives of the Australian Shareholders' Association at least annually. All investor relations discussions are conducted or monitored by the Managing Director, Finance Director or Company Secretary and are limited to discussion of non-price sensitive information and material previously announced on the ASX platform.

The Company discloses within the relevant report its process to verify the integrity of the contents of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.

7. THE ROLE OF SHAREHOLDERS

The Board aims to provide access and communicate openly with shareholders and to ensure that shareholders are informed of all major developments affecting the Group's state of affairs. Information is communicated to shareholders as follows:

- via the Company's website (available at www.sonichealthcare.com), which includes electronic and other contact details. Shareholders are able to register on the website to receive email alerts of all announcements made to the ASX
- the Annual Report is available to all shareholders on the Company's website and is distributed to those shareholders who elect to receive it. The Board ensures that the Annual Report includes relevant information about the operations of the Group during the year, changes in the state of affairs of the Group and details of likely future developments, in addition to the other disclosures required by law
- proposed major changes in the Group which may impact on share ownership rights are submitted to a vote of shareholders.

To further facilitate communication with shareholders, the Company has established electronic shareholder communication processes via its Share Registry. Shareholders are able to access online Annual Reports, notices of meetings, proxy forms and voting, and receive electronic statements (for example, holding statements) by email.

Where possible, the Company provides advance notice of significant group briefings, including for the half- and full-year results announcements, by publishing details on the Company website and extending open invitations. Telephone dial-in details are generally made available. Records are kept of group and one-on-one briefings with investors and analysts. All shareholder enquiries are responded to in a fair and respectful manner.

The Board encourages full participation of shareholders at the AGM to ensure a high level of accountability and identification with the Group's strategy and goals. AGMs are held at readily accessible locations and facilitate virtual attendance. Advance notice is provided on the Investor Calendar page of the Company's website. Ample opportunity is provided for shareholders to question the Board and the external auditor at the AGM. Important issues are presented to the shareholders as single resolutions and all substantive resolutions are decided by a poll.

The shareholders are responsible for voting on the appointment of Directors. The Company ensures that the relevant Notice of Meeting contains all material information in its possession relevant to a decision on whether to elect a Director.

Corporate Governance Statement

8. EXTERNAL AUDITORS

The Company's policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually. Sonic requires its external auditor to attend the AGM and be available to answer shareholder questions about the conduct of the audit and the auditor's report. It is the policy of the external auditors to provide an annual declaration of their independence to the Audit Committee.

9. PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND DIRECTORS, AND KEY EXECUTIVE OFFICERS

a) The Board and its Committees

The Board carries out an annual evaluation of its own performance in meeting its key responsibilities in accordance with the Board Charter, by undertaking the following activities:

- the Chairman discusses with each Director their individual performance and ideas for improvement based on surveys completed by each Director
- the Board as a whole discusses and analyses its own performance, including suggestions for change or improvement and assessment of the extent to which the Board has discharged its responsibilities as set out in the Board Charter
- periodically, an external consultant is engaged to coordinate the reviews and provide additional insights.

The performance review covers matters such as contribution to strategy development, interaction with management, operation and conduct of meetings, and specific performance objectives for the year ahead. The review also identifies any need for Directors to undertake further professional development.

The Board also obtains feedback on its performance and operations from key people, such as the external auditors.

Each Committee of the Board is required to undertake an annual performance evaluation and report the results of this review to the Board.

Performance evaluation results are discussed by the Board, and initiatives are undertaken, where appropriate, to strengthen the effectiveness of the Board's operation and that of its Committees. The Board periodically reviews the skills, experience and expertise of its Directors and its practices and procedures for both the present and future needs of the Company.

Reviews of the performance of the Board, its Committees and individual Directors were conducted during the year.

9. PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND DIRECTORS, AND KEY EXECUTIVE OFFICERS

b) The Managing Director and Finance Director

The performances of the Managing Director and Finance Director are formally reviewed by the Board annually, including during the 2025 year. The performance criteria include:

- economic results of the Group
- fulfilment of objectives and duties
- personnel and resource management
- promotion of and adherence to Sonic's Core Values, Foundation Principles, Federation model and culture of Medical Leadership
- corporate governance and compliance
- risk management
- external standing and reputation (including stakeholder management, brand and quality)
- progress with sustainability governance and strategies
- additionally for the Finance Director, financial leadership and innovation.

Performance evaluation results are considered by the Remuneration and Nomination Committee in determining the level and structure of remuneration for the Managing Director and Finance Director.

c) Senior executives

The Managing Director evaluates senior executives at least annually (including during the 2025 year) with qualitative and quantitative measures against agreed business and personal objectives. These business and personal objectives are consistent with those used in the performance reviews for the Managing Director and Finance Director.

Senior executives receive letters of appointment with terms of employment governed by applicable employment laws.

Financial Report

Consolidated Income Statement	67
Consolidated Statement of Comprehensive Income	68
Consolidated Balance Sheet	69
Consolidated Statement of Changes in Equity	70
Consolidated Cash Flow Statement	71
Notes to the Consolidated Financial Statements	72
Consolidated Entity Disclosure Statement	144
Directors' Declaration	155
Independent Auditor's Report to the Members of Sonic Healthcare Limited	156

SONIC HEALTHCARE LIMITED
ABN 24 004 196 909

30 JUNE 2025

Consolidated Income Statement

FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025	2024
		$'000	$'000
Revenue from operations	3	**9,645,448**	8,967,405
Other income	3	-	32,341
Total		**9,645,448**	8,999,746
Labour and related costs		**(4,695,279)**	(4,375,051)
Consumables used		**(1,561,851)**	(1,451,616)
Depreciation	4	**(722,519)**	(694,389)
Transportation		**(267,564)**	(249,790)
Utilities		**(200,083)**	(196,212)
Borrowing costs	4	**(180,509)**	(151,347)
Amortisation of intangibles	4	**(92,846)**	(82,916)
Other expenses from ordinary activities		**(1,173,932)**	(1,067,774)
Profit from ordinary activities before income tax expense		**750,865**	730,651
Income tax expense	6	**(206,943)**	(186,847)
Profit from ordinary activities after income tax expense		**543,922**	543,804
Net (profit) attributable to minority interests		**(30,325)**	(32,710)
Profit attributable to members of Sonic Healthcare Limited	28(b)	**513,597**	511,094

		Cents	Cents
Basic earnings per share	37	**107.0**	107.3
Diluted earnings per share	37	**106.7**	107.2

The above Consolidated Income Statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025	2024
		$'000	$'000
Profit from ordinary activities after income tax expense		**543,922**	543,804
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations	28(a)	**412,326**	(82,458)
Items that will not be reclassified to profit or loss			
Fair value (losses) on financial asset	28(a)	**(4,408)**	(7,562)
Actuarial (losses) on retirement benefit obligations	25(f)	**(7,728)**	(13,601)
Other comprehensive income for the period, net of tax		**400,190**	(103,621)
Total comprehensive income for the period		**944,112**	440,183
Total comprehensive income attributable to:			
Members of Sonic Healthcare Limited		**898,322**	408,858
Minority interests		**45,790**	31,325
		944,112	440,183

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

AS AT 30 JUNE 2025

	Notes	2025	2024
		$'000	$'000
Current assets			
Cash and cash equivalents	38(a)	**673,773**	645,001
Receivables	7	**1,503,362**	1,362,175
Inventories	8	**226,976**	208,834
Current tax assets	20	**40,293**	–
Other	9	**161,222**	136,985
Total current assets		**2,605,626**	2,352,995
Non-current assets			
Receivables	10	**23,787**	22,237
Investments	11	**231,112**	198,348
Property, plant and equipment	12	**1,787,259**	1,656,500
Right-of-use assets	13	**1,545,643**	1,395,384
Intangible assets	14	**9,766,666**	9,126,264
Deferred tax assets	15	**83,573**	65,936
Other	16	**10,252**	8,810
Total non-current assets		**13,448,292**	12,473,479
Total assets		**16,053,918**	14,826,474
Current liabilities			
Payables	17	**1,314,037**	1,240,486
Interest-bearing liabilities	18	**80,786**	297,490
Lease liabilities	19	**380,143**	363,540
Current tax liabilities	20	**55,944**	27,494
Provisions	21	**371,539**	367,244
Other	22	**20,953**	25,940
Total current liabilities		**2,223,402**	2,322,194
Non-current liabilities			
Interest-bearing liabilities	23	**3,408,432**	2,690,400
Lease liabilities	19	**1,301,449**	1,163,938
Deferred tax liabilities	24	**412,005**	362,588
Provisions	25	**146,215**	144,213
Other	26	**89,199**	68,016
Total non-current liabilities		**5,357,300**	4,429,155
Total liabilities		**7,580,702**	6,751,349
Net assets		**8,473,216**	8,075,125
Equity			
Parent entity interest			
Contributed equity	27	**4,142,012**	4,140,911
Reserves	28(a)	**637,373**	224,435
Retained earnings	28(b)	**3,544,113**	3,552,277
Total parent entity interest		**8,323,498**	7,917,623
Minority interests		**149,718**	157,502
Total equity		**8,473,216**	8,075,125

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2025

	Share capital	Reserves	Retained earnings	Total	Minority interests	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2023	3,842,423	339,884	3,554,197	7,736,504	185,358	7,921,862
Profit for the period	–	–	511,094	511,094	32,710	543,804
Other comprehensive income for the period	–	(88,635)	(13,601)	(102,236)	(1,385)	(103,621)
Total comprehensive income for the period	–	(88,635)	497,493	408,858	31,325	440,183
Transactions with owners in their capacity as owners						
Dividends paid	–	–	(499,413)	(499,413)	–	(499,413)
Shares issued	281,129	(24,932)	–	256,197	–	256,197
Transfers to share capital	23,986	(23,986)	–	–	–	–
Costs of share transactions net of tax	(41)	–	–	(41)	–	(41)
Share-based payments	–	27,032	–	27,032	–	27,032
Acquisition of shares	(10,000)	–	–	(10,000)	–	(10,000)
Allocation of treasury shares	3,414	(3,414)	–	–	–	–
Acquisition of minority interests	–	(1,514)	–	(1,514)	75	(1,439)
Dividends paid to minority interests in controlled entities	–	–	–	–	(59,256)	(59,256)
Balance at 30 June 2024	4,140,911	224,435	3,552,277	7,917,623	157,502	**8,075,125**
Profit for the period	–	–	513,597	513,597	30,325	**543,922**
Other comprehensive income for the period	–	392,453	(7,728)	384,725	15,465	**400,190**
Total comprehensive income for the period	–	392,453	505,869	898,322	45,790	**944,112**
Transactions with owners in their capacity as owners						
Dividends paid	–	–	(514,033)	(514,033)	–	**(514,033)**
Transfers to share capital	583	(583)	–	–	–	**–**
Costs of share transactions net of tax	(5)	–	–	(5)	–	**(5)**
Share-based payments	–	22,536	–	22,536	–	**22,536**
Allocation of treasury shares	523	(523)	–	–	–	**–**
Acquisition of minority interests	–	(945)	–	(945)	1,159	**214**
Dividends paid to minority interests in controlled entities	–	–	–	–	(54,733)	**(54,733)**
Balance at 30 June 2025	**4,142,012**	**637,373**	**3,544,113**	**8,323,498**	**149,718**	**8,473,216**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Cash Flow Statement

FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025	2024
		$'000	$'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		**9,702,071**	8,885,906
Payments to suppliers and employees (inclusive of goods and services tax)		**(8,087,432)**	(7,363,999)
Gross operating cash flow		**1,614,639**	1,521,907
Interest received		**21,745**	24,761
Borrowing costs		**(168,697)**	(145,491)
Income taxes paid		**(170,897)**	(329,665)
Net cash inflow from operating activities	38(b)	**1,296,790**	1,071,512
Cash flows from investing activities			
Payment for purchase of controlled entities, net of cash acquired		**(94,574)**	(1,346,039)
Payments for property, plant and equipment		**(336,243)**	(470,612)
Proceeds from sale of non-current assets		**5,827**	150,545
Payments for investments		**(35,700)**	(40,211)
Payments for intangibles		**(126,452)**	(108,889)
Repayment of loans by other entities		**20,166**	17,254
Loans to other entities		**(10,642)**	(7,491)
Net cash (outflow) from investing activities		**(577,618)**	(1,805,443)
Cash flows from financing activities			
Proceeds from issues of shares and other equity securities (net of transaction costs and related taxes)		**(8)**	204,411
Payments for buyback and treasury shares		**–**	(10,000)
Proceeds from borrowings		**2,045,591**	2,092,076
Repayment of borrowings		**(1,802,675)**	(744,987)
Principal elements of lease payments		**(412,240)**	(389,753)
Dividends paid to Company's shareholders		**(514,033)**	(499,413)
Transactions related to minority interests		**200**	–
Dividends paid to minority interests in subsidiaries		**(52,764)**	(59,928)
Net cash (outflow)/inflow from financing activities		**(735,929)**	592,406
Net (decrease) in cash and cash equivalents		**(16,757)**	(141,525)
Cash and cash equivalents at the beginning of the financial year		**645,001**	797,994
Effects of exchange rate changes on cash and cash equivalents		**45,529**	(11,468)
Cash and cash equivalents at the end of the financial year	38(a)	**673,773**	645,001
Financing arrangements	23		
Non-cash financing and investing activities	38(c)		

The above Consolidated Cash Flow Statement should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

Note 1	Summary of material accounting policies	74
Note 2	Segment information	91
Note 3	Revenue and other income	93
Note 4	Expenses	94
Note 5	Dividends	95
Note 6	Income tax	95
Note 7	Receivables – Current	98
Note 8	Inventories – Current	99
Note 9	Other assets – Current	99
Note 10	Receivables – Non-current	100
Note 11	Investments – Non-current	100
Note 12	Property, plant and equipment – Non-current	101
Note 13	Right-of-use assets – Non-current	102
Note 14	Intangible assets – Non-current	103
Note 15	Deferred tax assets – Non-current	105
Note 16	Other assets – Non-current	106
Note 17	Payables – Current	106
Note 18	Interest-bearing liabilities – Current	106
Note 19	Lease liabilities	106
Note 20	Tax assets and liabilities – Current	107
Note 21	Provisions – Current	107

Note 22	Other liabilities – Current	108
Note 23	Interest-bearing liabilities – Non-current	108
Note 24	Deferred tax liabilities – Non-current	110
Note 25	Provisions – Non-current	111
Note 26	Other liabilities – Non-current	114
Note 27	Contributed equity	114
Note 28	Reserves and retained earnings	116
Note 29	Deed of cross guarantee	117
Note 30	Investments in subsidiaries	120
Note 31	Commitments for expenditure	126
Note 32	Contingent liabilities	126
Note 33	Secured borrowings	126
Note 34	Remuneration of auditors	127
Note 35	Share-based payments	127
Note 36	Related parties	132
Note 37	Earnings per share	133
Note 38	Statement of cash flows	133
Note 39	Financial risk management	135
Note 40	Parent company financial information	142
Note 41	Events occurring after reporting date	143

Notes to the Consolidated Financial Statements

30 JUNE 2025

NOTE 1 | SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the Financial Report are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

The Financial Report includes financial statements for the Consolidated Group ('the Group') consisting of Sonic Healthcare Limited ('Parent Company' or 'Company') and its subsidiaries. The financial statements were authorised for issue by the Directors on 24 September 2025.

a) Basis of preparation

This general purpose Financial Report has been prepared in accordance with Australian Accounting Standards, Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. The Company is a for-profit entity for the purpose of preparing the financial statements.

Compliance with IFRS

The consolidated financial statements of the Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The Parent Company financial information included in Note 40 also complies with IFRS.

Historical cost convention

These financial statements have been prepared under the historical cost convention, except for the revaluation of financial assets and liabilities (including derivative instruments) at fair value through profit or loss and plan assets of retirement benefit obligations measured at fair value.

Comparatives may be restated to enhance comparability with the current year.

b) Principles of consolidation and equity accounting

The Consolidated Group financial statements incorporate the assets and liabilities of all subsidiaries controlled by Sonic Healthcare Limited as at 30 June 2025 and the results of all subsidiaries for the year then ended. Sonic Healthcare Limited and its controlled entities together are referred to in this Financial Report as the Group or the Consolidated Group.

Subsidiaries are all those entities (including special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Minority interests in the results and equity of controlled entities are shown separately in the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Balance Sheet respectively.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group (refer to Note 1(e)).

i) Sonic Healthcare Limited Employee Share Trust (SHEST)

The Group has formed a trust to obtain and hold shares for the purpose of providing shares under selected Group equity plans. This trust is consolidated, as the substance of the relationship is that the trust is controlled by the Group. Shares held by the SHEST are disclosed as treasury shares and deducted from contributed equity.

ii) Changes in ownership interests

The Group treats transactions with minority interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and minority interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to minority interests and any consideration paid or received is recognised in a separate reserve within equity.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly-controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a jointly-controlled entity or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

iii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

c) Income tax

The income tax expense or benefit for the period is the tax payable or receivable on the current period's taxable income based on the income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Sonic Healthcare Limited and its wholly-owned Australian controlled entities have implemented the Australian tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are offset in the consolidated financial statements.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Companies within the Group may be entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure (e.g. the Research and Development Tax Incentive regime in Australia or other investment allowances). The Group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense.

d) Foreign currency translation

i) Functional and presentation currency

Items included in the financial statements of each entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Group's financial statements are presented in Australian dollars, which is Sonic Healthcare Limited's functional and presentation currency.

ii) Transactions

Foreign currency transactions are initially translated into the functional currency using the rates of exchange prevailing at the date of the transaction. At the balance sheet date amounts payable and receivable in foreign currencies are translated to Australian currency at rates of exchange current at that date. Resulting foreign exchange differences are recognised in the Income Statement except where they are deferred in equity as cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

iii) Foreign controlled entities

The assets and liabilities of foreign controlled entities are translated into Australian currency at rates of exchange current at the balance sheet date, while their income and expenses are translated at the average of rates prevailing during the year. Exchange differences arising on translation are taken to the foreign currency translation reserve. Differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. When a foreign operation is sold, a proportionate share of such exchange difference is reclassified to the Income Statement, as part of the gain or loss on sale where applicable.

e) Business combinations

The acquisition method of accounting is used to account for all business combinations regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. On an acquisition-by-acquisition basis, the Group recognises any minority interest in the acquiree either at fair value or at the minority interest's proportionate share of the acquiree's net identifiable assets.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of the acquisition. The discount rate used is the incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

Identifiable assets acquired and liabilities and contingent liabilities assumed in an acquisition are measured initially at their fair values at the acquisition dates, irrespective of the extent of any minority interest. Goodwill is brought to account on the basis described in Note 1(m)(i).

The excess of the consideration transferred, the amount of any minority interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

f) Revenue recognition

Revenue is recognised when services are transferred to a customer, in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those services by applying the five-step model set out in AASB 15. Revenue is recognised for the major business activities as follows:

i) Laboratory medicine and radiology services

Laboratory medicine and radiology services revenue is recognised at a point in time when the test or service is completed.

ii) Other medical services

Revenue from other medical services is recognised over time as the performance obligation is satisfied. Revenue is recognised based on the services provided at period end date. Payments to doctors in medical centre and occupational health businesses in exchange for contracting the Group's services for a period of time are capitalised as a contract asset and amortised on a straight-line basis against revenue over the life of the contract.

iii) Interest income

Interest income is recognised using the effective interest method.

iv) Dividends

Dividends are recognised as revenue when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence.

g) Receivables

All trade debtors are initially recognised at their fair value being the amounts receivable and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade debtors are generally required to be settled within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off in the period in which they are identified. A provision for impairment loss is recognised using the simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped on shared credit risk characteristics and days past due.

h) Inventories

Inventories, comprising consumable stores stock, are valued at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the first in, first out (FIFO) basis.

i) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each financial year end.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

j) Investments and other financial assets

i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments only when its business model for managing those assets changes.

ii) Recognition and derecognition

Purchases and sales of financial assets settled through the regular settlement for that particular investment are recognised on trade date, being the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

iv) Impairment

The Group assesses on a forward-looking basis the expected credit losses on its debt instruments carried at amortised cost and fair value through other comprehensive income. The impairment methodology depends on whether there has been a significant increase in credit risk.

k) Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any impairment in value.

Depreciation is calculated using the straight-line method to allocate the net cost of each item of property, plant and equipment (excluding land), net of their residual values over their estimated useful lives to the Group. Land is not depreciated. Estimates of remaining useful lives and residual values are made on a regular basis for all assets, with annual reassessments for major items. The estimated useful lives are as follows:

Buildings and improvements	40 years
Plant and equipment	3–15 years

The cost of improvements to, or on, leasehold properties is amortised over the unexpired period of the lease or the estimated useful life of the improvement to the Group, whichever is the shorter.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value of the asset is greater than its estimated recoverable amount (Note 1(i)). An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the Income Statement in the period the item is derecognised.

l) Leases

The Group leases properties, equipment and vehicles under rental contracts which are typically made for fixed periods of between 1 month and 20 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

A single recognition and measurement approach is applied to all leases that the Group is the lessee for, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Lease liabilities

At the commencement date of the lease the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement, if the interest rate implicit in the lease is not readily determinable. To determine the incremental borrowing rate the Group uses a build-up approach that starts with appropriate swap and corporate bond rates with adjustments specific to the lease based on term and currency.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The finance cost is charged to the Income Statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, such as a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Contracts may contain both lease and non-lease components. For leases where the non-lease component is not separately identified, the Group has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

ii) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The costs of right-of-use assets includes the amount of lease liabilities recognised, less any lease incentives received. The recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. Right-of-use assets are subject to annual impairment assessment.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term recognition criteria exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption, which applies to miscellaneous low-value assets (e.g. IT equipment and small items of office furniture) that do not have quantitative or qualitative significance. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term within the lease expense line item.

iv) Variable lease payments

Variable lease payments reflect the lease component of consumables expenditure in situations where supplier contracts include the placement of equipment which the Group does not own. Such arrangements are used where it is commercially advantageous to the Group. Variable lease payments are not significant in comparison to fixed lease payments and vary based on a number of factors, including the value and quantity of equipment placed and the length of the supplier contract.

v) Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not the respective lessor. As at 30 June 2025 approximately 50% of the Group's leases have extension options of which 11% have been assessed as being reasonably certain to be exercised (these options have therefore been included in the calculation of the lease liability at the period end). The value of payments (undiscounted) for all optional periods represent approximately 378% of the FY2025 year's lease payments.

vi) Sale and leaseback

The Group may periodically sell land and buildings and lease them back where it is commercially advantageous to do so. These types of transactions are not prevalent given the relatively small proportion of properties that the Group owns compared to leased. If the transfer of an asset satisfies the requirements of AASB 15 to be accounted for as a sale, the right-of-use asset arising from the leaseback is measured at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the Group. Accordingly, only the amount of any gain or loss that relates to the rights transferred is recognised in the Income Statement.

vii) Lessor accounting

The Group enters into lease agreements as lessor in respect of some property leases (largely related to the medical centre operations). Where the Group is an intermediate lessor it accounts for the head lease and the sub-lease as two separate contracts.

The sub-lease is a finance lease where it transfers substantially all the risks and rewards of ownership to the lessee. All other sub-leases are operating leases. The determination of whether a sub-lease is classified as a finance lease or operating lease is made by reference to the right-of-use asset arising from the head lease. The majority of sub-leases have lease terms substantially shorter than the head lease and accordingly are classified as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

The Group recognises on the Balance Sheet a net investment in a lease as the sum of the lease payments receivable plus any unguaranteed residual value, discounted at the interest rate implicit in the lease.

m) Intangible assets

i) Goodwill

Goodwill represents the excess of the cost of the business combination over the acquirer's interest in the net fair value of identifiable assets and liabilities acquired at the date of acquisition. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill acquired in business combinations is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Any goodwill acquired is allocated to each of the cash-generating units (CGUs) expected to benefit from the combination's synergies. The goodwill allocated to the CGUs for the purpose of assessing impairment is identified according to business segment (laboratory and radiology) and country of operation (Australia, New Zealand, UK, USA, Germany, Switzerland and Belgium).

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to that entity.

ii) Intangible assets acquired from a business combination

Intangible assets acquired from a business combination are capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets.

The useful lives of these intangible assets are assessed to be either finite or indefinite.

Where amortisation is charged on assets with finite lives, this expense is taken to the Income Statement.

Intangible assets are tested for impairment where an indicator of impairment exists, and in the case of indefinite life intangibles annually, either individually or at the cash-generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

Included in intangibles is the value of certain brand names acquired as part of the purchase of certain laboratory businesses and controlled entities.

The brand names have been assessed as having an indefinite useful life after consideration of the following factors:

- the length of time during which the brand name has been in use,
- the stability of the healthcare industry,
- the market perception and recognition of the brands which have consistently facilitated the retention and growth of revenue in both the local and national market places,
- active promotion of the brands in the marketplace,
- brand names are a registered legal trademark of the business. The registration of brands is renewable at minimal cost and minimal difficulty.

iii) Software development

Expenditure on software development is capitalised when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and the costs can be measured reliably. The expenditure capitalised comprises all attributable costs. Capitalised software development costs are recorded as finite life intangible assets and amortised from the point at which the asset is ready for use on a straight-line basis over its estimated useful life of 10 years. Capitalised development expenditure is stated at cost less accumulated amortisation. The carrying value is reviewed for impairment annually, or more frequently, if an indicator of impairment arises.

The costs of acquiring computer software for internal use are capitalised as intangible non-current assets where the software is used to support significant business systems and the expenditure leads to the creation of an asset. The expected useful life is generally 3–10 years.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Income Statement when the asset is derecognised.

Intangible assets (other than software development costs) created within the business are not capitalised and expenditure is charged against profits in the period in which the expenditure is incurred.

iv) Software-as-a-Service arrangements (SaaS)

SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. As such the Group does not receive a software intangible asset at the contract commencement date. Implementation costs including costs to configure or customise the cloud provider's application software are generally recognised as operating expenses when the services are received.

Costs incurred for the development of distinct software that enhances or modifies, or creates additional capability to, existing systems and meets the definition of and recognition criteria for an intangible asset are recognised as intangible assets.

n) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

o) Interest-bearing liabilities

All loans and borrowings are initially recognised at fair value plus transaction costs, thereafter interest-bearing loans and borrowings are measured at amortised cost using the effective interest method. Interest is accrued over the period it becomes due and is recorded as part of other creditors. Fees paid on the establishment of loan facilities measured at amortised cost are capitalised and amortised on a straight-line basis over the term of the facility.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

p) Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. Changes in fair value are either taken to the Income Statement or an equity reserve (refer below). The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges);
- hedges of the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges), or;
- hedges of a net investment in a foreign operation (net investment hedges).

The Group documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 39. Movements in the hedging reserve in shareholders' equity are shown in Note 28.

i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Income Statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in the Income Statement within borrowing costs, together with changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk. The gain or loss relating to the ineffective portion is recognised in the Income Statement within other income or other expenses.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity using a recalculated effective interest rate.

ii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in the Income Statement within other income or other expenses.

Amounts accumulated in equity are recycled to the Income Statement in the periods when the hedged item will affect profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the Income Statement within borrowing costs.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Income Statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the Income Statement.

The fair value of the Group's cash flow hedges are determined by external advisors using the present value of estimated future cash flows.

iii) Net investment hedges

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in equity. The gain or loss relating to the ineffective portion of the hedge is recognised immediately in the Income Statement within other income or other expenses.

Gains and losses accumulated in equity are included in the Income Statement when the foreign operation is partially disposed of or sold.

iv) Derivatives that do not qualify for hedge accounting

For derivatives that do not qualify for hedge accounting, any gains or losses arising from changes in fair value are taken directly to the Income Statement and are included in other income or other expenses.

q) Employee benefits

i) Wages and salaries, annual leave

Liabilities for wages and salaries and annual leave are recognised and are measured at the amounts expected to be paid when the liabilities are settled.

ii) Long service leave

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the current provision for employee benefits and is measured in accordance with (i) above. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the non-current provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

iii) Retirement benefit obligations

Certain employees of the Group are entitled to benefits from defined contribution superannuation plans on retirement, disability or death. The defined contribution plans receive fixed contributions from Group companies and the Group's legal or constructive obligation is limited to these contributions.

Contributions to the defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The Group also has defined benefit superannuation plans in relation to certain non-Australian employees, which provide defined lump sum benefits based on years of service and final average salary.

A liability or asset in respect of defined benefit plans is recognised in the Balance Sheet, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the superannuation fund's assets at that date. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method.

Consideration is given to expected future wages and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. In countries where there is a deep market in high-quality corporate bonds, the market rates on those bonds are used rather than government bonds. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, outside profit or loss, directly in the Statement of Comprehensive Income. Past service costs are recognised immediately in the Income Statement.

iv) Profit sharing and bonus plans

A liability for employee benefits in the form of profit sharing and bonus plans is recognised in other creditors when there is no realistic alternative but to settle the liability and at least one of the following conditions is met:

- there are formal terms in the plan for determining the amount of the benefit, or
- the amounts to be paid are determined before the time of completion of the Financial Report, or
- past practice gives clear evidence of the amount of the obligation.

Liabilities for profit sharing and bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

v) Employee benefit on-costs

Employee benefit on-costs, including payroll tax, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

vi) Equity-based compensation benefits

Equity-based compensation benefits are provided to employees under various plans. Information relating to these plans is set out in Note 35.

The fair value of equity remuneration granted under the various employee plans is recognised as an expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the shares and options ('the vesting period'). The fair value at grant date is determined using a pricing model consistent with the Black Scholes methodology that takes into account the exercise price, the term of the option, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the arrangement.

The fair value of the options and shares granted is adjusted to reflect market vesting conditions (using a Monte Carlo simulation) but excludes the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of shares and options that are expected to vest. At each balance sheet date, the entity revises its estimate of the number of shares and options that are expected to vest. The employee benefit expense recognised each period takes into account the most recent estimate.

No expense is recognised for shares and options that do not ultimately vest due to a failure to meet a non-market vesting condition.

Upon the exercise of options, the balance of the share-based payments reserve relating to those options is transferred to share capital.

The dilutive effect, if any, of outstanding shares and options is reflected as additional share dilution in the calculation of diluted earnings per share.

The Parent Company issues options to employees of subsidiary companies as part of the Group's remuneration strategy. When options are exercised, the subsidiary company reimburses the Parent Company for the excess of the market price at the time of exercise over the exercise price. These amounts are credited to contributed equity in the Parent Company's accounts, and eliminated on consolidation.

vii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

r) Borrowing costs

Borrowing costs include:

- interest on bank overdrafts, short-term and long-term borrowings, including amounts paid or received on interest rate swaps,
- amortisation of discounts or premiums relating to borrowings,
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings, and
- lease charges.

Borrowing costs are expensed as incurred unless they relate to qualifying assets. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use. In these circumstances, borrowing costs are capitalised to the cost of the assets using the weighted average interest rate applicable to the entity's outstanding borrowings during the year.

s) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. For share buybacks the total cost of purchasing Sonic ordinary shares is deducted from contributed equity.

t) Cash and cash equivalents

Cash and cash equivalents includes cash at bank and in hand, and deposits at call with financial institutions which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

u) Earnings per share

i) Basic earnings per share

Basic earnings per share is calculated by dividing net profit after income tax attributable to members of the Parent Company by the weighted average number of ordinary shares on issue during the financial year excluding treasury shares.

ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share by taking into account the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

v) Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision makers who are responsible for allocating resources and assessing performance of the operating segments have been identified as the Chief Executive Officer and the Board of Directors.

Segment revenues, expenses and results include transfers between segments. Such transfers are priced on an 'arm's-length' basis and are eliminated on consolidation.

w) Dividends

Provision is made for the amount of any dividend declared, determined or publicly recommended by the Directors on or before the end of a financial year but not distributed at balance date.

x) Repairs and maintenance

Plant and equipment, and premises occupied, require repairs and maintenance from time to time in the course of operations. The costs associated with repairs and maintenance are charged as expenses as incurred, except where they relate to an improvement in the useful life of an asset, in which case the costs are capitalised and depreciated in accordance with Note 1(k).

y) Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable.

An impairment loss is recognised for any initial or subsequent write down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group) but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

z) Provisions

Provisions are recognised when the Group has a present legal, equitable or constructive obligation as a result of past transactions or other past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

When there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. Any increase in the provision due to the passage of time is recognised as borrowing costs expense.

Restructuring provisions are recognised where the Group has completed a business combination where there is a detailed formal plan for the restructure, and a present obligation immediately prior to the business combination and its execution was not conditional upon it being acquired by the Group.

aa) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included within sundry debtors or sundry creditors in the Balance Sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

ab) Rounding of amounts

The Company is of a kind referred to in ASIC Legislation Instrument 2016/191 issued by the Australian Securities & Investments Commission, relating to the 'rounding off' of amounts in the Financial Report. Amounts in the Financial Report have been rounded off in accordance with that Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

ac) Significant accounting estimates and assumptions

The preparation of financial statements requires the use of estimates and assumptions of future events to determine the carrying amounts of certain assets and liabilities.

Key estimates and assumptions used in the preparation of the Financial Report are:

i) Impairment of goodwill and intangibles with indefinite useful lives

The Group determines whether goodwill and intangibles with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating units to which the goodwill and intangibles with indefinite useful lives are allocated. The assumptions used in this estimation of recoverable amount and the carrying amount of goodwill and intangibles with indefinite useful lives are discussed in Note 14.

ii) Share-based payment transactions

The Group measures the cost of equity-settled share-based payments at fair value at the grant date using a pricing model consistent with the Black Scholes methodology, taking into account the terms and conditions upon which the instruments were granted, as discussed in Note 35.

iii) Provisional accounting of business combinations

The Group provisionally accounts for certain business combinations where the Group is in the process of ascertaining the fair values of the identifiable assets, liabilities and contingent liabilities acquired. In doing so, the Group has relied on the best estimate of the identifiable assets, liabilities and contingent liabilities as disclosed in Note 30, until the quantification and treatment of items under review is complete.

iv) Pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. These assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability. Market yields on government bonds are used in countries where there is no deep market in corporate bonds.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 25.

v) Income tax

The Group is subject to income taxes in several jurisdictions around the world. Significant judgement is required in determining the provision for income taxes on a worldwide basis. Where the final tax outcome is different from amounts provided, such differences will impact the current or deferred tax provisions in the period in which such outcome is obtained.

vi) Trade debtors

Accounts receivable assessments require significant judgement in the USA due to contractual allowances, being discounts provided to certain payers against the Company's patient fee schedules. Revenue is billed at the fee schedule rate, but is recognised net of estimated contractual discounts. Adjustments are then made to revenue based on final payments received. Management diligently reviews allowances to ensure that the recoverable amount of debtors is materially accurate.

vii) Determination of the lease term as the non-cancellable term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal including penalties to terminate, the value of leasehold improvements remaining plus current and future expected economic performance from use of the asset. After the commencement date, the Group generally can only make a reasonable certainty assessment within six to twelve months of the exercise of an option or at other times if there is a significant event or change in circumstances that is within its control and affects the ability to exercise (or not to exercise) the option to renew.

viii) Calculation of the incremental borrowing rates

Where the Group cannot readily determine the interest rate implicit in lease contracts the present value of the Group's lease liabilities are estimated using the incremental borrowing rate as if leasing over a similar term the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The Group uses observable inputs such as market interest rates as applicable.

ad) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not applicable to the Group for the financial year ended 30 June 2025. The Group has elected not to early adopt these new standards and interpretations. These standards are not expected to have a material impact on the entity in the current or future reporting periods or on foreseeable future transactions.

As a result of the adoption of the amendments to AASB 101, the Group changed its accounting policy for the classification of borrowings.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification.

This new policy did not result in a change in the classification of the Group's borrowings. The Group did not make retrospective adjustments as a result of adopting the amendments to AASB 101.

ae) Parent Company financial information

The financial information for the Parent Company, Sonic Healthcare Limited, disclosed in Note 40 has been prepared on the same basis as the consolidated financial statements, except as set out below.

i) Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the financial statements of Sonic Healthcare Limited.

ii) Tax consolidation legislation

Sonic Healthcare Limited and its wholly-owned Australian controlled entities implemented the tax consolidation legislation with effect from 30 June 2004, and have notified the Australian Taxation Office of this event. The head entity, Sonic Healthcare Limited, and the controlled entities in the tax consolidated group account for their own deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a standalone tax payer in its own right. In addition to its own current and deferred tax amounts Sonic Healthcare Limited, as the head entity in the tax consolidated group, also recognises the current tax liabilities (or assets) assumed from the controlled entities in the tax consolidated group. Under tax sharing and funding agreements amounts receivable or payable between the tax consolidated entities are recognised within current amounts receivable/payable to controlled entities.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate Sonic Healthcare Limited for any current tax payable assumed and are compensated by Sonic Healthcare Limited for any current tax receivable transferred under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

iii) Share-based payments

The grant by the Parent Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

NOTE 2 | SEGMENT INFORMATION

Business segments

The Group's Chief Executive Officer and the Board of Directors (the chief operating decision makers) review the Group's performance both by the nature of services provided and geographic region. Discrete financial information about each operating segment is reported to the Chief Executive Officer and the Board of Directors on at least a monthly basis and is used to assess performance and determine the allocation of resources.

The Group has the following reportable segments:

i) Laboratory

Pathology/clinical laboratory services provided in Australia, New Zealand, the United Kingdom, the United States of America, Germany, Switzerland and Belgium.

The geographic regions have been aggregated into one reportable segment, as they provide similar services and have similar expected growth rates, cost structures, risks and return profiles.

ii) Radiology

Diagnostic imaging services provided in Australia.

iii) Other

Includes corporate office functions, medical centre operations (IPN), occupational health services (Sonic HealthPlus) and other minor operations. In addition, acquisition costs and certain other non-recurring costs are expensed in this segment from time to time. In FY2024, this segment included a gain relating to the sale of the West division in the USA.

The internal reports use a 'Constant Currency' basis for reporting revenue and Net Profit Before Tax (NPBT) with foreign currency elements restated using the relevant prior period average exchange rates. The segment revenue and NPBT have therefore been presented using Constant Currency. In FY2025 NPBT was calculated after lease interest, but excluding interest on debt and non-lease interest income. In FY2024 non-lease interest income was included in NPBT.

Notes to the Consolidated Financial Statements

30 JUNE 2025

2025	Laboratory	Radiology	Other	Eliminations	Total
	$'000	$'000	$'000	$'000	$'000
Segment revenue (Constant Currency)					
External sales	8,057,473	968,798	468,033	–	9,494,304
Inter-segment sales	1,494	874	4,514	(6,882)	–
Total segment revenue (Constant Currency)	8,058,967	969,672	472,547	(6,882)	9,494,304
Currency exchange rate movements	129,399	–	–	–	129,399
Total segment revenue (Statutory)	8,188,366	969,672	472,547	(6,882)	9,623,703
Interest income					21,745
Total revenue					**9,645,448**
Result					
Segment NPBT (Constant Currency)	777,976	141,421	(89,969)	–	829,428
Currency exchange rate movements	14,093	–	–	–	14,093
Segment NPBT (Statutory)	792,069	141,421	(89,969)	–	843,521
Unallocated interest expense					(92,656)
Profit before tax					**750,865**
Income tax expense					(206,943)
Profit after income tax expense					**543,922**
Allocated interest expense	50,887	7,753	8,057	–	**66,697**
Depreciation and amortisation expense	605,800	91,768	117,797	–	**815,365**
EBITDA	1,448,724	240,942	35,328	–	**1,724,994**
Labour and related costs	3,779,356	570,741	345,182	–	**4,695,279**
Other non-cash items	54,950	7,144	17,960	–	**80,054**

2024	Laboratory	Radiology	Other	Eliminations	Total
	$'000	$'000	$'000	$'000	$'000
Segment revenue					
External sales	7,614,939	879,202	448,503	–	8,942,644
Inter-segment sales	1,470	706	4,409	(6,585)	–
Total segment revenue	7,616,409	879,908	452,912	(6,585)	8,942,644
Other income	–	–	32,341	–	32,341
Total segment revenue and other income	7,616,409	879,908	485,253	(6,585)	8,974,985
Interest income					24,761
Total revenue and other income					8,999,746
Result					
Segment NPBT	767,290	125,037	(64,801)	–	827,526
Unallocated interest expense					(96,875)
Profit before tax					730,651
Income tax expense					(186,847)
Profit after income tax expense					543,804
Allocated interest expense	42,161	5,753	6,558	–	54,472
Depreciation and amortisation expense	576,286	87,242	113,777	–	777,305
EBITDA	1,367,911	217,490	49,141	–	1,634,542
Labour and related costs	3,516,826	518,250	339,975	–	4,375,051
Other non-cash items	(76,789)	4,384	(9,012)	–	(81,417)

Geographical information

	Revenues from sales to external customers+		Non-current assets+^	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Australia	**3,509,117**	3,287,867	**3,683,170**	3,696,859
United States of America	**2,109,558**	2,147,450	**3,569,657**	3,368,398
Germany	**1,948,838**	1,769,093	**3,117,728**	2,727,070
Other	**2,056,190**	1,738,234	**2,763,052**	2,416,868
Total	**9,623,703**	8,942,644	**13,133,607**	12,209,195

+ Note that changes between years are affected by exchange rate movements and the timing of business acquisitions.
^ Note that this includes all non-current assets other than financial instruments and deferred tax assets.

NOTE 3 | REVENUE AND OTHER INCOME

	2025	2024
	$'000	$'000
Services revenue		
Medical services revenue	**9,618,933**	8,934,198
Other		
Interest received or due and receivable	**21,156**	24,014
Finance income on net investment in leases	**589**	747
Income from sub-leasing right-of-use assets	**4,520**	4,755
Other revenue	**250**	3,691
	26,515	33,207
Total	**9,645,448**	8,967,405
Other income		
Gain related to sale of West division	**-**	32,341
Disaggregated revenue		
Laboratory		
USA	**2,109,270**	2,147,164
Australia	**2,072,593**	1,960,417
Germany	**1,948,582**	1,768,906
Switzerland	**1,078,490**	888,856
UK	**795,123**	669,174
Belgium	**151,906**	146,846
New Zealand	**29,563**	31,774
Non-laboratory		
Radiology	**968,622**	878,929
Other (medical centres, occupational health services etc.)	**465,034**	445,823
	9,619,183	8,937,889

Contract asset balances of $3,046,000 (2024: $3,582,000) and $5,150,000 (2024: $4,392,000) have been recognised in current receivables and non-current receivables respectively as at 30 June 2025 relating to upfront doctor payments in the clinical services businesses.

NOTE 4 | EXPENSES

	2025	2024
	$'000	$'000
Profit before income tax includes the following specific expenses		
Finance costs		
Finance charges on capitalised leases	**61,977**	50,758
Other borrowing costs	**118,532**	100,589
Total borrowing costs	**180,509**	151,347
Amortisation of intangibles	**92,846**	82,916
Depreciation of		
Plant and equipment	**295,259**	289,599
Buildings	**11,451**	10,314
Total depreciation	**306,710**	299,913
Depreciation charge of right-of-use assets		
Buildings	**402,230**	382,230
Equipment	**13,579**	12,246
Total right-of-use asset depreciation	**415,809**	394,476
Lease expense		
Short-term leases	**37,985**	43,429
Low-value leases	**4,728**	3,938
Variable leases – Other	**21,329**	18,126
Total lease expense	**64,042**	65,493
Defined contribution superannuation expense	**208,463**	185,117
Bad and doubtful trade debtors	**204,816**	204,752
Repairs and maintenance	**305,445**	277,918

NOTE 5 | DIVIDENDS

	2025	2024
	$'000	$'000
Total dividends paid on ordinary shares during the year		
Final dividend for the year ended 30 June 2024 of 63 cents (2023: 62 cents) per share paid on 19 September 2024 (2023: 21 September 2023), franked to 0% (2023: 100%)	**302,655**	293,923
Interim dividend for the year ended 30 June 2025 of 44 cents (2024: 43 cents) per share paid on 20 March 2025 (2024: 21 March 2024), franked to 0% (2024: 0%)	**211,378**	205,490
	514,033	499,413
Dividends not recognised at year end		
In addition to the above dividends, since year end the Directors declared a final dividend of 63 cents (2024: 63 cents) per ordinary share, franked to 35% (2024: 0%) based on tax paid at 30%. The aggregate amount of the final dividend paid on 18 September 2025 (2024: 19 September 2024) out of retained earnings at the end of the year, but not recognised as a liability is:	**311,370**	302,655
Franked dividends		
The 2025 final dividend declared after the year end was 35% franked.		
Franking credits available at the year end for subsequent financial years based on a tax rate of 30%	**11,614**	868

The consolidated amounts include franking credits that would be available if distributable profits of subsidiaries not part of the Australian tax group were paid as dividends.

Dividend Reinvestment Plan

The Company's Dividend Reinvestment Plan remained suspended for the FY2025 final dividend, as it was throughout the 2025 and 2024 financial years.

NOTE 6 | INCOME TAX

a) Income tax expense

	2025	2024
	$'000	$'000
Current tax	**179,272**	155,620
Deferred tax	**21,837**	34,650
Under provision in prior years – deferred tax	**9,135**	8,736
(Over) provision in prior years – current tax	**(3,301)**	(12,159)
Income tax expense	**206,943**	186,847
Deferred income tax expense included in income tax expense comprises		
(Increase)/decrease in deferred tax assets (Note 15)	**(17,769)**	7,389
Increase in deferred tax liabilities (Note 24)	**48,741**	35,997
	30,972	43,386

b) Income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

	2025	2024
	$'000	$'000
Profit before income tax expense	**750,865**	730,651
Tax at the Australian tax rate of 30% (2024: 30%)	**225,260**	219,195
Tax effect of amounts which are not deductible/ (taxable) in calculating taxable income		
Difference in overseas tax rates	**(26,780)**	(30,957)
Potential deductions relating to equity remuneration	**(157)**	10,293
Non-deductible share based payments	**6,761**	8,110
Under/(over) provision in prior years	**5,834**	(3,423)
Non-taxable gain relating to the sale of West division	**–**	(9,702)
Other deductible/non-taxable items (net)	**(3,975)**	(6,669)
Income tax expense	**206,943**	186,847

c) Tax (benefit)/expense relating to items of other comprehensive income

Actuarial (losses) on retirement benefit obligations	**(1,211)**	(2,633)
Fair value (losses) on financial asset	**(1,889)**	(3,241)
Tax (benefit)/expense relating to items of other comprehensive income	**(3,100)**	(5,874)

d) Amounts recognised directly in equity

Capital raising costs	**2**	18

e) Tax losses

Deferred tax assets of $47,079,000 (2024: $35,383,000) on the Group's Balance Sheet at 30 June 2025 relate to income tax losses (Note 15) across the Group. Income tax losses for which no deferred tax asset has been recognised total $9,170,000 (2024: $13,318,000).

The benefit of tax losses will only be obtained if:

i) the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised, or
ii) the losses are transferred to an eligible entity in the Group, and
iii) the Group continues to comply with the conditions for deductibility imposed by tax legislation, and
iv) no changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the losses.

f) Unrecognised temporary differences

	2025	2024
	$'000	$'000
Temporary differences relating to investments in subsidiaries for which deferred tax assets and liabilities have not been recognised		
Foreign currency translation	**238,947**	118,338
Undistributed earnings	**2,637**	2,687
	241,584	121,025

A deferred tax asset has not been recognised in respect of temporary differences arising as a result of the translation of the financial statements of the Group's overseas subsidiaries. The deferred tax asset will only arise in the event of disposal of the subsidiaries, and no such disposals are expected in the foreseeable future.

Certain subsidiaries of Sonic Healthcare Limited have undistributed earnings which, if paid out as dividends, would be unfranked and therefore subject to tax in the hands of the recipient. A taxable temporary difference exists, however no deferred tax liability has been recognised as the Parent Company is able to control the timing of distributions from these subsidiaries and is not expected to distribute these profits in the foreseeable future.

g) Tax consolidation legislation

Sonic Healthcare Limited and its wholly-owned Australian subsidiaries implemented the Australian tax consolidation legislation at 30 June 2004. The accounting policy in relation to this legislation is set out in Note 1(c).

On adoption of the tax consolidation legislation, the entities in the tax consolidated group entered into a tax sharing agreement. In the opinion of the Directors, the tax sharing agreement is a valid agreement under the tax consolidation legislation and limits the joint and several liability of the wholly-owned entities in the case of a default by Sonic Healthcare Limited.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate Sonic Healthcare Limited for any current tax payable assumed and are compensated by Sonic Healthcare Limited for any current tax receivable and deferred tax assets related to unused tax losses or unused tax credits that are transferred to Sonic Healthcare Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments. The funding amounts are recognised as current intercompany receivables or payables.

h) OECD Pillar Two model rules

The Group is within the scope of the OECD Pillar Two model rules, and it applies the AASB 112 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. Under the legislation, the Group is liable to pay a top-up tax for any difference between the effective tax rate in each jurisdiction and the 15% minimum rate.

The Group has estimated that the effective tax rates exceed 15% in all jurisdictions in which it operates.

NOTE 7 | RECEIVABLES – CURRENT

	2025	2024
	$'000	$'000
Trade debtors	**1,336,525**	1,065,728
Less: provision for impairment (a)	**(217,765)**	(154,838)
	1,118,760	910,890
Accrued revenue	**209,136**	278,368
Amounts owing from other entities and contract assets	**4,662**	19,467
Net investment in finance lease receivables	**5,763**	6,180
Sundry debtors	**165,041**	147,270
	1,503,362	1,362,175

Significant terms and conditions

Trade debtors are generally required to be settled within 30 days.

Sundry debtors generally arise from transactions outside the usual trading activities of the Group. Collateral is not normally obtained.

Transactions outside the usual operating activities of the Group have given rise to amounts owing from other entities. Repayments are specified by agreements.

a) Impaired trade debtors

A provision for impairment loss is recognised using the simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance for all trade receivables and adjusts for any known forward-looking issues specific to the debtors and the economic environment. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. As at 30 June 2025 current trade debtors of the Group with a value of $217,765,000 (2024: $154,838,000) were impaired.

Movements in the provision for impairment of receivables were as follows:

	2025	2024
	$'000	$'000
Opening balance at 1 July	**154,838**	170,999
Provisions on acquisition of controlled entities	**2**	11,887
Provision for impairment expensed[+]	**193,422**	185,671
Foreign exchange movements	**4,290**	(212)
Receivables written off	**(134,787)**	(213,507)
Closing balance at 30 June	**217,765**	154,838

[+] Excludes amounts written off directly to the Income Statement.

Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash in excess of the cost of recovery.

b) Ageing analysis

At 30 June 2025, the ageing analysis and expected credit losses of trade debtors are as follows:

	Gross value		Expected credit losses	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Not past due	**658,291**	624,689	**13,624**	20,564
30-60 days past due	**160,204**	153,260	**12,256**	22,448
60-90 days past due	**97,056**	86,628	**17,115**	27,131
90-120 days past due	**72,440**	61,362	**17,143**	22,980
120 days+ past due	**348,534**	139,789	**157,627**	61,715
Closing balance at 30 June	**1,336,525**	1,065,728	**217,765**	154,838

All other trade debtors and classes within 'Receivables – current' do not contain impaired assets and are not past due. Based on the credit history of these receivables, it is expected that these amounts will be received when due. The Group does not hold collateral in relation to these receivables.

c) Foreign exchange and interest rate risk

Information about the Group's exposure to foreign currency risk and interest rate risk in relation to trade and other receivables is provided in Note 39. No material carrying amounts of the Group's trade debtors are denominated in a non-functional currency.

d) Fair value and credit risk

Due to the short-term nature of these receivables, the carrying value is assumed to approximate their fair value. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables mentioned above.

NOTE 8 | INVENTORIES – CURRENT

	2025	2024
	$'000	$'000
Consumable stores at cost	**226,976**	208,834

NOTE 9 | OTHER ASSETS – CURRENT

	2025	2024
	$'000	$'000
Prepayments	**161,222**	136,985

NOTE 10 | RECEIVABLES – NON-CURRENT

	2025	2024
	$'000	$'000
Amounts owing from other entities and contract assets	**16,341**	11,469
Net investment in finance lease receivables	**7,446**	10,768
	23,787	22,237

Undiscounted lease payments receivable									
	1 year or less	Over 1 and less than 2 years	Over 2 and less than 3 years	Over 3 and less than 4 years	Over 4 and less than 5 years	Over 5 years	Total	Unearned finance income	Carrying value
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Finance leases	6,210	4,066	1,950	1,177	339	427	14,169	(960)	13,209
Operating leases	27	–	–	–	–	–	27		
	6,237	4,066	1,950	1,177	339	427	14,196		

Amounts owing from other entities

Transactions outside the usual operating activities of the Group give rise to these amounts receivable. Interest is charged at commercial rates and repayments are specified by agreements.

Fair values

The carrying value of non-current receivables approximates their fair value.

Credit risk exposures

The credit risk on financial assets of the Group which have been recognised on the Balance Sheet, other than investments in shares, is generally the carrying amount, net of any provisions for impairment. Where entities have a right of set-off and intend to settle on a net basis, this set-off has been reflected in the financial statements in accordance with accounting standards.

None of the non-current receivables are past due or impaired.

NOTE 11 | INVESTMENTS – NON-CURRENT

	2025	2024
	$'000	$'000
Investments accounted for using the equity method	**92,788**	66,646
Other financial assets	**138,324**	131,702
	231,112	198,348

The Group has interests in a number of associates and joint ventures that are accounted for using the equity method. The contribution of these investments is not material to the Group. The most significant amount included within other financial assets is the Group's investment into Harrison.ai.

NOTE 12 | PROPERTY, PLANT AND EQUIPMENT – NON-CURRENT

	Freehold land & buildings	Plant & equipment	Total
	$'000	$'000	$'000
At 30 June 2023			
Cost	415,624	3,496,813	3,912,437
Accumulated depreciation	(105,384)	(2,296,123)	(2,401,507)
Net book amount	310,240	1,200,690	1,510,930
Year ended 30 June 2024			
Opening net book amount	310,240	1,200,690	1,510,930
Additions	75,227	369,756	444,983
Additions through business combinations	–	48,119	48,119
Disposals	(538)	(8,102)	(8,640)
Transfers	–	(33,495)	(33,495)
Depreciation (Note 4)	(10,314)	(289,599)	(299,913)
Foreign exchange movements	(1,766)	(3,718)	(5,484)
Closing net book amount	372,849	1,283,651	1,656,500
At 30 June 2024			
Cost	487,767	3,848,387	4,336,154
Accumulated depreciation	(114,918)	(2,564,736)	(2,679,654)
Net book amount	372,849	1,283,651	1,656,500
Year ended 30 June 2025			
Opening net book amount	372,849	1,283,651	1,656,500
Additions	13,295	350,805	364,100
Additions through business combinations (Note 30)	–	3,244	3,244
Disposals	–	(5,490)	(5,490)
Transfers	(19,568)	18,031	(1,537)
Depreciation (Note 4)	(11,451)	(295,259)	(306,710)
Foreign exchange movements	8,574	68,578	77,152
Closing net book amount	**363,699**	**1,423,560**	**1,787,259**
At 30 June 2025			
Cost	494,303	4,338,606	4,832,909
Accumulated depreciation	(130,604)	(2,915,046)	(3,045,650)
Net book amount	**363,699**	**1,423,560**	**1,787,259**

Non-current assets pledged as security

Refer to Note 33 for information on non-current assets pledged as security by the Group.

NOTE 13 | RIGHT-OF-USE ASSETS – NON-CURRENT

	2025	2024
	$'000	$'000
Buildings	**1,530,486**	1,381,290
Equipment	**15,157**	14,094
	1,545,643	1,395,384

Additions to the right-of-use assets during the 2025 financial year comprised $265,340,000 (2024: $348,039,000) of new leases, including those added through business acquisitions, and $261,792,000 (2024: $217,861,000) of remeasured leases (including recognition of option periods).

NOTE 14 | INTANGIBLE ASSETS – NON-CURRENT

	Brand names	Goodwill	Software+	Other	Total
	$'000	$'000	$'000	$'000	$'000
At 30 June 2023					
Cost	188,493	7,335,616	1,031,525	24,711	8,580,345
Accumulated amortisation and impairment	(54,553)	(98,187)	(626,650)	(11,336)	(790,726)
Net book amount	133,940	7,237,429	404,875	13,375	7,789,619
Year ended 30 June 2024					
Opening net book amount	133,940	7,237,429	404,875	13,375	7,789,619
Acquisition of businesses	–	1,330,069	112,230	–	1,442,299
Additions – externally acquired	–	–	21,574	4,622	26,196
Additions – internally generated	–	–	82,693	–	82,693
Disposals	–	(86,139)	(1,864)	–	(88,003)
Transfers	–	–	33,495	–	33,495
Amortisation charge (Note 4)	–	–	(80,859)	(2,057)	(82,916)
Foreign exchange movements	–	(76,242)	(790)	(87)	(77,119)
Closing net book amount	133,940	8,405,117	571,354	15,853	9,126,264
At 30 June 2024					
Cost	188,154	8,502,489	1,288,004	29,236	10,007,883
Accumulated amortisation and impairment	(54,214)	(97,372)	(716,650)	(13,383)	(881,619)
Net book amount	133,940	8,405,117	571,354	15,853	9,126,264
Year ended 30 June 2025					
Opening net book amount	133,940	8,405,117	571,354	15,853	9,126,264
Acquisition of businesses (Note 30)	–	102,956	–	–	102,956
Additions – externally acquired	–	–	25,220	84	25,304
Additions – internally generated	–	–	101,148	–	101,148
Disposals	–	–	(2,304)	–	(2,304)
Transfers	–	–	1,537	–	1,537
Final acquisition accounting adjustments	–	8,185	(38,814)	–	(30,629)
Amortisation charge (Note 4)	–	–	(91,972)	(874)	(92,846)
Foreign exchange movements	–	521,947	13,069	220	535,236
Closing net book amount	**133,940**	**9,038,205**	**579,238**	**15,283**	**9,766,666**
At 30 June 2025					
Cost	188,755	9,315,050	1,416,940	29,540	10,950,285
Accumulated amortisation and impairment	(54,815)	(276,845)	(837,702)	(14,257)	(1,183,619)
Net book amount	**133,940**	**9,038,205**	**579,238**	**15,283**	**9,766,666**

+ Software includes both externally acquired software and capitalised development costs, being an internally generated intangible asset.

a) Impairment testing of goodwill and intangibles with indefinite useful lives

Goodwill is allocated to the Group's cash-generating units (CGUs) for the purposes of assessing impairment according to business segment and geographic location. A summary of the goodwill allocation is presented below.

2025							
Australia Laboratory	UK Laboratory	USA Laboratory	Germany Laboratory	Switzerland Laboratory	Belgium Laboratory	Radiology	Total
$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
1,078,895	145,608	2,929,948	2,384,153	1,317,997	588,095	593,509	9,038,205

2024							
Australia Laboratory	UK Laboratory	USA Laboratory	Germany Laboratory	Switzerland Laboratory	Belgium Laboratory	Radiology	Total
$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
1,030,073	133,006	2,854,998	2,097,265	1,168,709	527,613	593,453	8,405,117

The carrying value of brand names of $133,940,000 at 30 June 2025 relates solely to the Australia Laboratory CGU and the recoverable amounts are assessed as part of the recoverable amount of the CGU.

The recoverable amount of a CGU is measured as the higher of value in use ('VIU') and fair value less costs of disposal ('FVLCD').

VIU calculations use cash flow projections based on financial budgets/forecasts approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the terminal growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

FVLCD is based on a market participant perspective and is estimated using assumptions that a market participant would use when pricing the CGU.

In calculating the FVLCD of the USA and Belgium Laboratory CGUs, future forecast cash flows represent a market participant's view of the future cash flows that would be available to them. The measurement of these CGUs is classified as a level 3 fair value under the accounting standard AASB 13. In the prior year the recoverable amount for the USA Laboratory CGU was assessed using the VIU methodology.

b) Key assumptions used

The recoverable amount of each cash-generating unit is the net present value of the future cash flows of the cash-generating unit. Recoverable amounts have been assessed using management's best estimates of:

- FY2026 Board and management approved profit and loss and cash flow budgets for each cash-generating unit;
- forecast earnings growth factors consistent with historical growth rates, current performance, expected changes and adjustments for a market participant's perspective;
- prevailing market based discount rates taking into account the interest rate environment of different geographies; and
- assessments of terminal growth rates, predominantly based on long term inflation rates.

2025	Australia Laboratory	UK Laboratory	USA Laboratory	Germany Laboratory	Switzerland Laboratory	Belgium Laboratory	Radiology
Average earnings growth rate	11%	8%	12%	8%	7%	6%	9%
Pre-tax discount rates (unless indicated)	10.8%	10.4%	9.0%+	10.1%	9.2%	9.0%+	10.8%
Terminal growth rate	3.0%	3.0%	2.5%	2.2%	1.0%	2.5%	3.0%

2024	Australia Laboratory	UK Laboratory	USA Laboratory	Germany Laboratory	Switzerland Laboratory	Belgium Laboratory	Radiology
Average earnings growth rate	11%	15%	10%*	8%	13%	6%	9%
Pre-tax discount rates (unless indicated)	10.5%	9.9%	10.0%	9.5%	8.6%	11.0%	10.5%
Terminal growth rate	3.0%	3.0%	3.0%	2.2%	1.0%	2.5%	3.0%

+ Post-tax rates

* The USA Laboratory average earnings growth rate shown in the prior year above excluded the modelled expected benefits of an enhanced revenue collection system which is being rolled out nationally.

After performing sensitivity analysis, management believes that any reasonably possible change in the key assumptions on which the recoverable amount has been assessed would not cause the carrying amount to exceed the recoverable amount in any of the cash-generating units other than potentially for the Belgium, USA and Australia Laboratory CGUs.

Belgium

- If a market participant did not believe they would be able to increase earnings margins by ~15 percentage points through cost synergies this may result in the recoverable amount being equal to or less than the carrying value for the Belgium Laboratory CGU.

USA

- If a market participant did not believe they would be able to increase earnings margins by ~11 percentage points through cost synergies this may result in the recoverable amount being equal to or less than the carrying value for the USA Laboratory CGU.

Australia Laboratory

- If the average annual earnings growth rate reduces by 375 basis points, it would cause the recoverable amount to be equal to the carrying value for the Australia Laboratory CGU. Management action would be taken to respond to any adverse changes in assumptions to mitigate the impact of any such change.

NOTE 15 | DEFERRED TAX ASSETS – NON-CURRENT

	2025	2024
	$'000	$'000
Deferred tax assets	**83,573**	65,936
The balance comprises temporary differences attributable to		
Amounts recognised in profit or loss		
Doubtful debts	**36,143**	34,830
Employee benefits	**93,409**	91,779
Sundry accruals	**36,931**	46,719
Unrealised foreign exchange movements	**165**	169
Lease liability	**466,948**	421,674
Tax losses	**47,079**	35,383
	680,675	630,554
Amounts recognised directly in equity/other comprehensive income		
Share issue costs incurred in prior years	**159**	221
Deferred tax assets	**680,834**	630,775
Less: amounts offset against deferred tax liabilities (Note 24)	**(597,261)**	(564,839)
Net deferred tax assets	**83,573**	65,936
Movements		
Opening balance at 1 July	**65,936**	72,375
(Charged)/credited to the Income Statement (Note 6)	**17,769**	(7,389)
Acquisition/disposal of subsidiaries	**10,768**	(951)
Foreign exchange movements	**(10,900)**	1,901
Closing balance at 30 June	**83,573**	65,936

NOTE 16 | OTHER ASSETS – NON-CURRENT

	2025	2024
	$'000	$'000
Prepayments	**10,252**	8,810

NOTE 17 | PAYABLES – CURRENT

	2025	2024
	$'000	$'000
Trade creditors	**446,572**	313,538
Sundry creditors and accruals	**867,465**	926,948
	1,314,037	1,240,486

Fair value and risk exposure

Due to the short-term nature of these payables, the carrying value is assumed to approximate their fair value. Information about the Group's exposure to foreign currency exchange rate risk is provided in Note 39.

NOTE 18 | INTEREST-BEARING LIABILITIES – CURRENT

	2025	2024
	$'000	$'000
Unsecured		
Bank loans	**184**	206
USPP notes (Note 23(a))	**80,602**	297,284
	80,786	297,490

NOTE 19 | LEASE LIABILITIES

	2025	2024
	$'000	$'000
Current	**380,143**	363,540
Non-current	**1,301,449**	1,163,938
	1,681,592	1,527,478

NOTE 20 | TAX ASSETS AND LIABILITIES – CURRENT

	2025	2024
	$'000	$'000
Income tax assets	**40,293**	–
Income tax (liabilities)	**(55,944)**	(27,494)

NOTE 21 | PROVISIONS – CURRENT

	2025	2024
	$'000	$'000
Employee benefits	**371,477**	366,865
Lease exit costs	**62**	379
	371,539	367,244

The lease exit costs represent future payments for leased premises under non-cancellable operating leases. Movements in lease exit costs during the financial year are set out below:

	Total
	$'000
Carrying amount at 1 July 2024	24,158
Additional provisions recognised	2,376
Applied against provision	(917)
Foreign exchange movements	2,451
Carrying amount at 30 June 2025	28,068
Representing lease exit costs:	
Current	62
Non-current (Note 25)	28,006
	28,068

NOTE 22 | OTHER LIABILITIES – CURRENT

	2025	2024
	$'000	$'000
Unsecured		
Amounts owing to vendors	**20,908**	25,654
Other	**45**	286
	20,953	25,940

The amounts owing to vendors comprise deferred consideration for business acquisitions made in the current and prior periods (refer Note 30). Amounts owing to vendors and other loans are non-interest bearing. The carrying value of these amounts approximates their fair value.

NOTE 23 | INTEREST-BEARING LIABILITIES – NON-CURRENT

	2025	2024
	$'000	$'000
Unsecured		
Bank loans	**1,344,870**	1,335,274
USPP notes (a)	**2,062,678**	1,355,126
Amounts owing to vendors (b)	**884**	–
	3,408,432	2,690,400

Details of the fair values and interest rate risk exposure relating to each of these liabilities are set out in Note 39.

a) USPP notes

In November 2014 Sonic issued €110M of notes with a tenor of 10 years to investors in the United States Private Placement market which were repaid in FY2025. In June 2016 and November 2016 Sonic issued €45M and €200M of notes with tenors of 10 years. In October 2017 Sonic issued €75M (repaid in FY2025) and €85M of notes with tenors of 7 and 15 years respectively. In January 2020 Sonic issued US$300M, US$150M and US$100M of notes with tenors of 10, 12 and 15 years respectively. In August 2024 Sonic issued a further €100M, €200M and €100M of notes with tenors of 7, 10 and 15 years respectively.

b) Amounts owing to vendors

The amounts owing to vendors comprise deferred consideration for business acquisitions. These amounts are interest bearing. The carrying value of these amounts approximates their fair value.

c) Financing facilities available

At 30 June 2025, the following financing facilities were available:

2025	Total facilities at 30 June 2025	Facilities used at 30 June 2025	Facilities unused at 30 June 2025
	000's	000's	000's
Bank overdraft	A$20,680	A$6,207	A$14,473
Bank loans			
Syndicated facilities multicurrency Euro limits	€589,000	€270,440	€318,560
Syndicated facilities multicurrency CHF limits	CHF125,000	CHF125,000	CHF0
Syndicated facilities multicurrency AUD limits	A$607,000	A$214,000	A$393,000
Syndicated facilities multicurrency USD limits	US$100,000	US$12,000	US$88,000
Bilateral facilities multicurrency Euro limits	€285,000	€120,000	€165,000
Bilateral facilities multicurrency USD limits	US$125,000	US$114,000	US$11,000
Notes held by USA investors – USD	US$550,000	US$550,000	US$0
Notes held by USA investors – Euro	€730,000	€730,000	€0
Minor debt, leasing and hire purchase facilities	A$8,694	A$3,694	A$5,000

2024	Total facilities at 30 June 2024	Facilities used at 30 June 2024	Facilities unused at 30 June 2024
	000's	000's	000's
Bank overdraft	A$18,018	A$0	A$18,018
Bank loans			
Syndicated facilities multicurrency Euro limits	€589,000	€206,490	€382,510
Syndicated facilities multicurrency CHF limits	CHF125,000	CHF125,000	CHF0
Syndicated facilities multicurrency AUD limits	A$407,000	A$250,788	A$156,212
Syndicated facilities multicurrency USD limits	US$100,000	US$57,000	US$43,000
Bilateral facilities multicurrency Euro limits	€285,000	€285,000	€0
Notes held by USA investors – USD	US$550,000	US$550,000	US$0
Notes held by USA investors – Euro	€515,000	€515,000	€0
Minor debt, leasing and hire purchase facilities	A$16,878	A$6,904	A$9,974

Facilities used at 30 June 2025 total A$3,491,281,000 (2024: A$2,993,924,000).

NOTE 24 | DEFERRED TAX LIABILITIES – NON-CURRENT

	2025	2024
	$'000	$'000
Deferred tax liabilities	**412,005**	362,588
The balance comprises temporary differences attributable to		
Amounts recognised in profit or loss		
Prepayments and sundry debtors	**12,800**	12,756
Inventories	**17,450**	16,981
Accrued revenue	**34,737**	28,316
Right-of-use assets	**422,928**	379,857
Intangibles	**424,868**	378,525
Property, plant and equipment	**96,360**	110,871
Capitalised costs	**123**	121
	1,009,266	927,427
Less: amounts offset against deferred tax assets (Note 15)	**(597,261)**	(564,839)
Net deferred tax liabilities	**412,005**	362,588
Movements		
Opening balance at 1 July	**362,588**	332,731
Charged to the Income Statement (Note 6)	**48,741**	35,997
(Credited) to other comprehensive income	**(3,100)**	(5,874)
Amounts recognised directly in equity	**(2)**	(18)
Foreign exchange movements	**3,778**	(248)
Closing balance at 30 June	**412,005**	362,588

NOTE 25 | PROVISIONS – NON-CURRENT

	2025	2024
	$'000	$'000
Employee benefits	**47,254**	57,645
Retirement benefit obligations	**70,955**	62,789
Lease exit costs	**28,006**	23,779
	146,215	144,213

a) Retirement benefit obligations

Certain employees of the Group are entitled to benefits from superannuation plans on retirement, disability or death. The Group contributes to defined contribution plans for the majority of employees. The defined contribution plans receive fixed contributions from Group companies and the Group's legal or constructive obligation is limited to these contributions. The Group has defined benefit plans in relation to certain non-Australian employees. The defined benefit plans provide lump sum benefits based on years of service and final average salary.

The following sets out details in respect of defined benefit plans only.

b) Balance Sheet amounts

The amounts recognised in the Balance Sheet are determined as follows:

	2025	2024
	$'000	$'000
Present value of the defined benefit plan obligations	**937,852**	771,255
Fair value of defined benefit plan assets	**(866,897)**	(708,466)
Net liability in the Balance Sheet	**70,955**	62,789

The Group has no legal obligation to settle this liability with an immediate contribution or additional one-off contributions. The Group intends to continue to contribute to the Sonic Suisse defined benefit plans at a percentage of insured salaries (0.5% to 19.3% dependent on the employee's age bracket) in line with the actuary's latest recommendations and Swiss laws. No contributions are required to be made by the Group to the Bioscientia Healthcare Group defined benefit plan as future benefits are paid directly by Bioscientia and not from a separate plan asset pool.

c) Categories of plan assets

The major categories of plan assets as a percentage of total plan assets are as follows:

	2025	2024
	%	%
Cash – quoted	**2.0**	2.6
Mortgages – quoted	**0.0**	0.8
Real estate – quoted	**19.2**	19.6
Bonds – quoted	**37.6**	37.4
Equities – quoted	**28.7**	33.2
Alternative investments – quoted	**12.5**	6.4
	100.0	100.0

d) Reconciliations

	2025	2024
	$'000	$'000
Reconciliation of the present value of the defined benefit obligation, which is partly funded		
Balance at the beginning of the year	**771,255**	432,768
Current service cost	**24,504**	19,009
Past service cost	**(5,740)**	(1,467)
Interest cost	**11,614**	11,844
Actuarial losses	**28,312**	34,230
Benefits paid	**(8,604)**	(11,630)
Member contributions	**23,862**	18,640
Additions through business combinations	**17,997**	271,034
Net transfers	**(42,418)**	6,680
Foreign exchange movements	**117,070**	(9,853)
Balance at the end of the year	**937,852**	771,255
Reconciliation of the fair value of plan assets		
Balance at the beginning of the year	**708,466**	385,647
Interest income	**11,507**	11,531
Actuarial gains	**19,373**	17,996
Contributions by Group companies	**27,215**	22,522
Benefits paid	**(7,344)**	(10,352)
Member contributions	**23,862**	18,640
Additions through business combinations	**18,597**	264,691
Net transfers	**(42,418)**	6,680
Foreign exchange movements	**107,639**	(8,889)
Balance at the end of the year	**866,897**	708,466

e) Amounts recognised in Income Statement

	2025	2024
	$'000	$'000
Current service cost	**24,504**	19,009
Past service cost	**(5,740)**	(1,467)
Net interest expense	**107**	313
Total included in the Income Statement	**18,871**	17,855

f) Amounts recognised in Statement of Comprehensive Income

Actuarial (losses) recognised in the year	**(7,728)**	(13,601)
Cumulative actuarial (losses) recognised in the Statement of Comprehensive Income	**(23,583)**	(15,855)

g) Principal actuarial assumptions

The principal actuarial assumptions used (expressed as weighted averages) were as follows:

	2025	2024
	%	%
Discount rate	**1.3**	1.4
Future salary increases	**1.1**	1.4

If the discount rate had increased/decreased by 100 basis points (2024: 100 basis points), the impact on the net defined benefit obligation would have been a decrease of 118.0%/increase of 162.5% (2024: decrease of 109.0%/increase of 135.4%). The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet.

h) Employer contributions

Sonic Suisse defined benefit plans

Employer contributions to the defined benefit plans are based on recommendations by the plan's actuary. Actuarial assessments are made on a yearly basis.

The objective of funding is to ensure that the benefit entitlements of members and other beneficiaries are fully funded by the time they become payable. To achieve this objective, the actuary has adopted a method of funding which seeks to have benefits funded by means of a total contribution which is expected to be a percentage of members' insured salaries over their working lifetimes.

Using the funding method described above and actuarial assumptions, the actuary recommended in the latest actuarial review the payment of employer contributions varying from 0.5% to 19.3% (2024: 2.4% to 12.3%) of the insured salaries of employees based on the employee age bracket and in accordance with Swiss laws.

Total employer contributions expected to be paid by Group companies for the year ending 30 June 2026 are based on the 2025 rates and are estimated at $27,598,000 (2024: $24,190,000).

The weighted average duration of the defined benefit obligation is 13.5 years (2024: 13.5 years).

i) Experience adjustments

	2025	2024
	$'000	$'000
Experience adjustments arising on plan liabilities	**(30,242)**	(920)
Experience adjustments arising on plan assets	**19,373**	17,996

NOTE 26 | OTHER LIABILITIES – NON-CURRENT

	2025	2024
	$'000	$'000
Unsecured		
Amounts owing to vendors	**89,164**	67,730
Other	**35**	286
	89,199	68,016

The amounts owing to vendors comprises deferred consideration for business acquisitions made in current and prior periods (refer Note 30). These amounts are non-interest bearing. The carrying amount approximates their fair value.

NOTE 27 | CONTRIBUTED EQUITY

a) Share capital

	2025	2024	2025	2024
	Shares	Shares	$'000	$'000
Fully paid ordinary shares	**480,403,973**	480,403,973	**4,148,075**	4,147,497
Other equity securities				
Treasury shares	**(184,278)**	(200,176)	**(6,063)**	(6,586)
	480,219,695	480,203,797	**4,142,012**	4,140,911

b) Movements in ordinary share capital

Date	Details	Number of shares	Issue price	Total
2024				$'000
1/7/23	Opening balance of the Group	470,805,824		3,842,423
22/3/24	Shares issued as part consideration for Dr Risch business combination	1,864,163		51,728
Various	Shares issued following exercise of employee options	7,733,986	Various	229,401
Various	Transfers from equity remuneration reserve	–		23,986
Various	Costs of share transactions net of tax	–		(41)
30/6/24	Balance of the Group	480,403,973		4,147,497

Date	Details	Number of shares	Issue price	Total
2025				$'000
1/7/24	Opening balance of the Group	480,403,973		4,147,497
Various	Transfers from equity remuneration reserve	–		583
Various	Costs of share transactions net of tax	–		(5)
30/6/25	**Balance of the Group**	**480,403,973**		**4,148,075**

c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote.

d) Options and performance rights

Details of options and performance rights issued, exercised and forfeited during the financial year and options and performance rights outstanding at the end of the financial year are set out in Note 35.

e) Dividend Reinvestment Plan

The Company's DRP remained suspended.

f) Treasury shares

Treasury shares are shares in Sonic Healthcare Limited that are held by the Sonic Healthcare Limited Employee Share Trust (SHEST) for the purpose of providing shares under selected Group equity plans.

Date	Details	Number of shares	Total
2024			$'000
1/7/23	Opening balance	–	–
22/8/23	On-market purchase of treasury shares by SHEST	303,934	10,000
Various	Subscription for unissued shares by SHEST	4,621,986	146,039
Various	Transfer of shares to employees to satisfy exercise of options/rights	(4,725,744)	(149,453)
30/6/24	Balance of the Group	200,176	6,586

Date	Details	Number of shares	Total
2025			$'000
1/7/24	Opening balance	200,176	6,586
Various	Transfer of shares to employees to satisfy exercise of options/rights	(15,898)	(523)
30/6/25	**Balance of the Group**	**184,278**	**6,063**

NOTE 28 | RESERVES AND RETAINED EARNINGS

a) Reserves

		2025	2024
		$'000	$'000
Equity remuneration reserve	(i)	**(127,069)**	(148,499)
Foreign currency translation reserve	(ii)	**796,488**	394,459
Share option reserve	(iii)	**16,427**	16,427
Revaluation reserve	(iv)	**3,272**	3,272
Financial assets at FVOCI reserve	(v)	**(10,049)**	(5,641)
Transactions with minority interests	(vi)	**(41,696)**	(35,583)
		637,373	224,435
Movements			
Equity remuneration reserve			
Balance 1 July		**(148,499)**	(123,199)
Share-based payments		**22,536**	27,032
Employee share scheme issue		**(523)**	(28,346)
Transfer to share capital (options/rights exercised)		**(583)**	(23,986)
Balance 30 June		**(127,069)**	(148,499)
Foreign currency translation reserve			
Balance 1 July		**394,459**	475,760
Net exchange movement on translation of foreign subsidiaries		**402,029**	(81,301)
Balance 30 June		**796,488**	394,459
Share option reserve			
Balance 1 July		**16,427**	16,427
Movement		**–**	–
Balance 30 June		**16,427**	16,427
Revaluation reserve			
Balance 1 July		**3,272**	3,272
Movement		**–**	–
Balance 30 June		**3,272**	3,272
Financial assets at FVOCI reserve			
Balance 1 July		**(5,641)**	1,921
Fair value (losses) in period		**(4,408)**	(7,562)
Balance 30 June		**(10,049)**	(5,641)
Transactions with minority interests			
Balance 1 July		**(35,583)**	(34,297)
Transactions relating to minority interests		**(945)**	(1,514)
Net exchange movement		**(5,168)**	228
Balance 30 June		**(41,696)**	(35,583)

i) Equity remuneration reserve

The equity remuneration reserve reflects the fair value of equity-settled share-based payments. Fair values are determined using a pricing model consistent with the Black Scholes methodology and recognised over the service period up to the vesting date. When shares are issued or options are exercised the associated fair values are transferred to share capital.

ii) Foreign currency translation reserve

Exchange differences arising on translation of the foreign subsidiaries are taken to the foreign currency translation reserve as described in accounting policy Note 1(d)(iii).

iii) Share option reserve

The share option reserve reflects the value of options issued as part of consideration for business combinations. The value of the options represents the assessed fair value at the date they were granted and has been determined using a pricing model consistent with the Black Scholes methodology that takes into account the exercise price, the term of the option, the impact of dilution, the non-tradeable nature of the option, the current price and expected volatility of the underlying share, the expected dividend yield, and the risk-free interest rate for the term of the option.

iv) Revaluation reserve

The revaluation reserve is used to record increments and decrements on the initial revaluation of non-current assets.

v) Financial assets at Fair Value through Other Comprehensive Income (FVOCI) reserve

This reserve is used to measure the fair value movements in equity securities which are not held for trading and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group considers this classification to be the most appropriate.

vi) Transactions with minority interests

This reserve is used to record the differences described in Note 1(b) which may arise as a result of transactions with minority interests that do not result in a loss of control in addition to transfers from the minority interests account on disposal of a subsidiary.

b) Retained earnings

	2025	2024
	$'000	$'000
Retained earnings at the beginning of the financial year	**3,552,277**	3,554,197
Net profit attributable to members of Sonic Healthcare Limited	**513,597**	511,094
Dividends paid in the year (Note 5)	**(514,033)**	(499,413)
Actuarial (losses) on retirement benefit obligations (Note 25)	**(7,728)**	(13,601)
Retained earnings at the end of the financial year	**3,544,113**	3,552,277

NOTE 29 | DEED OF CROSS GUARANTEE

The 'Closed Group' (refer Note 30) are parties to a Deed of Cross Guarantee dated 25 May 2022 under which each company guarantees the debts of the others. By entering into the deed, the wholly-owned entities which are large proprietary companies have been relieved from the requirements of the *Corporations Act 2001* to prepare and lodge a financial report, directors' report and auditor's report under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785.

The companies represent a 'Closed Group' for the purposes of the Instrument, and as there are no other parties to the Deed of Cross Guarantee that are controlled by Sonic Healthcare Limited, they also represent the 'Extended Closed Group'.

Notes to the Consolidated Financial Statements

30 JUNE 2025

a) Consolidated Income Statement of the Extended Closed Group

	2025	2024
	$'000	$'000
Revenue	**4,031,952**	3,602,095
Labour and related costs	**(1,888,411)**	(1,774,056)
Consumables used	**(375,479)**	(355,181)
Depreciation	**(385,004)**	(374,801)
Utilities	**(82,231)**	(79,872)
Borrowing costs	**(84,044)**	(66,833)
Amortisation of intangibles	**(42,957)**	(39,295)
Transportation	**(26,319)**	(25,956)
Other expenses from ordinary activities	**(303,763)**	(283,464)
Profit before income tax expense	**843,744**	602,637
Income tax expense	**(91,106)**	(85,953)
Net profit attributable to members of the Extended Closed Group	**752,638**	516,684

b) Consolidated Statement of Comprehensive Income of the Extended Closed Group

Profit from ordinary activities after income tax expense	**752,638**	516,684
Other comprehensive income		
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	**282**	(54)
Items that will not be reclassified to profit or loss		
Fair value (losses) on financial asset	**(4,408)**	(7,562)
Other comprehensive income for the period, net of tax	**(4,126)**	(7,616)
Total comprehensive income for the period	**748,512**	509,068

c) Reconciliation of retained earnings

Retained earnings at the beginning of the financial year	**1,082,860**	1,065,589
Profit from ordinary activities after income tax expense	**752,638**	516,684
Dividends paid during the year	**(514,033)**	(499,413)
Retained earnings at the end of the financial year	**1,321,465**	1,082,860

d) Consolidated Balance Sheet of the Extended Closed Group

	2025	2024
	$'000	$'000
Current assets		
Cash and cash equivalents	**143,313**	109,492
Receivables	**1,327,587**	1,319,997
Inventories	**56,800**	55,453
Other	**35,606**	33,753
Total current assets	**1,563,306**	1,518,695
Non-current assets		
Receivables	**7,210**	13,107
Investments	**4,023,001**	3,534,129
Property, plant and equipment	**782,157**	759,852
Right-of-use assets	**720,792**	688,644
Intangible assets	**1,932,609**	1,920,594
Deferred tax assets	**25,044**	8,943
Other	**9**	63
Total non-current assets	**7,490,822**	6,925,332
Total assets	**9,054,128**	8,444,027
Current liabilities		
Payables	**1,224,249**	1,134,471
Lease liabilities	**241,930**	235,454
Current tax liabilities	**25,090**	–
Provisions	**277,614**	272,773
Other	**379**	45
Total current liabilities	**1,769,262**	1,642,743
Non-current liabilities		
Interest-bearing liabilities	**1,251,454**	1,052,579
Lease liabilities	**544,843**	517,019
Provisions	**30,801**	27,840
Deferred tax liabilities	**1,038**	3,906
Other	**381**	605
Total non-current liabilities	**1,828,517**	1,601,949
Total liabilities	**3,597,779**	3,244,692
Net assets	**5,456,349**	5,199,335
Equity		
Parent Company interest		
Contributed equity	**4,236,054**	4,234,953
Reserves	**(101,170)**	(118,478)
Retained earnings	**1,321,465**	1,082,860
Total equity	**5,456,349**	5,199,335

NOTE 30 | INVESTMENTS IN SUBSIDIARIES

Details of significant subsidiaries of Sonic Healthcare Limited	Country of incorporation	Class of share	Beneficial interest 2025 %	Beneficial interest 2024 %
A.C.N. 002 889 545 Pty Ltd (i)	Australia	Ord	100	100
A.C.N. 094 980 944 Pty Limited (i)	Australia	Ord	100	100
Artisan Aesthetics Group Pty Ltd	Australia	Ord	100	100
Canberra X-Ray Pty Ltd (i)	Australia	Ord	100	100
Capital Pathology Pty Ltd (i)	Australia	Ord	100	100
Castlereagh Co Pty Limited (i)	Australia	Ord	100	100
Castlereagh Services Pty Limited (i)	Australia	Ord	100	100
Clinipath Pathology Pty Ltd (i)	Australia	Ord	100	100
Clinpath Laboratories Pty. Ltd. (i)	Australia	Ord	100	100
Consultant Pathology Services Pty. Limited (i)	Australia	Ord	100	100
Cosmedcloud Pty Ltd	Australia	Ord	100	100
Diagnostic Services Pty. Ltd. (i)	Australia	Ord	100	100
Douglass Hanly Moir Pathology Pty Limited (i)	Australia	Ord	100	100
Epworth Medical Imaging Pty Ltd	Australia	Ord	80	80
Epworth Pathology	Australia		50.1	50.1
Gemini Medical Services Pty Ltd (i)	Australia	Ord	100	100
Hanly Moir Pathology Pty. Limited (i)	Australia	Ord	100	100
Hunter Imaging Group Pty Limited (i)	Australia	Ord	100	100
IPN Clinics Victoria Pty Ltd (i)	Australia	Ord	100	100
IPN Healthcare (VIC) Pty Ltd (i)	Australia	Ord	100	100
IPN Healthcare Pty Limited (i)	Australia	Ord	100	100
IPN Medical Centres (NSW) Pty Ltd (i)	Australia	Ord	100	100
IPN Medical Centres (QLD) Pty Ltd (i)	Australia	Ord	100	100
IPN Medical Centres (VIC) Pty Ltd (i)	Australia	Ord	100	100
IPN Medical Centres Pty Ltd (i)	Australia	Ord	100	100
IPN Medical Victoria Pty Ltd (i)	Australia	Ord	100	100
IRG Co Pty Limited (i)	Australia	Ord	100	100
L. & A. Services Pty. Ltd. (i)	Australia	Ord	100	100
Matrix Skin Cancer Clinics Pty Ltd (i)	Australia	Ord	100	100
Medihelp Services Pty. Ltd. (i)	Australia	Ord	100	100
Melbourne Pathology Cabrini Pty Ltd	Australia	Ord	50.1	50.1
Melbourne Pathology Pty Limited (i)	Australia	Ord	100	100
Melbourne Pathology Services Pty Limited	Australia	Ord	100	100
National Skin Cancer Centres Pty Ltd	Australia	Ord	100	–
Northern Pathology Pty Ltd (i)	Australia	Ord	100	100
Pacific Medical Imaging Pty Limited (i)	Australia	Ord	100	100
Paedu Pty Limited (i)	Australia	Ord	100	100

(i) These subsidiaries comprise the 'Closed Group' under the Deed of Cross Guarantee. By entering into the deed wholly-owned entities which are large proprietary companies have been granted relief from the necessity to prepare a financial report, directors' report and auditor's report in accordance with ASIC Corporations (Wholly-owned Companies) Instrument 2016/785. For further information see Note 29.

Details of significant subsidiaries of Sonic Healthcare Limited	Country of incorporation	Class of share	Beneficial interest 2025 %	Beneficial interest 2024 %
Prime Health Group Pty Limited (i)	Australia	Ord	100	100
Queensland X-Ray Pty Ltd (i)	Australia	Ord	100	100
Radiology Victoria Pty Ltd	Australia	Ord	100	100
San Pathology Pty Ltd (i)	Australia	Ord	100	100
SKG Radiology Pty Ltd (i)	Australia	Ord	100	100
Sonic Clinical Services Pty Ltd (i)	Australia	Ord	100	100
Sonic Clinical Trials Pty Limited	Australia	Ord	100	100
Sonic Healthcare Australia Pathology Pty Limited (i)	Australia	Ord	100	100
Sonic Healthcare Australia Radiology Pty Limited (i)	Australia	Ord	100	100
Sonic Healthcare International Pty Limited (i)	Australia	Ord	100	100
Sonic Healthcare Services Pty Limited (i)	Australia	Ord	100	100
Sonic HealthPlus Pty Ltd (i)	Australia	Ord	100	100
Sonic Medlab Holdings Australia Pty Limited (i)	Australia	Ord	100	100
Sonic Pathology (Queensland) Pty Limited (i)	Australia	Ord	100	100
Sonic Pathology (Victoria) Pty Limited (i)	Australia	Ord	100	100
Southern Pathology Services Pty Limited (i)	Australia	Ord	100	100
Sullivan Nicolaides Pty Ltd (i)	Australia	Ord	100	100
Sunton Pty Limited (i)	Australia	Ord	100	100
Vita Group Pty Limited	Australia	Ord	100	100
A.M.L. BV	Belgium	Ord	100	100
A.M.L. WEST BV	Belgium	Ord	100	100
Klinisch Labo Rigo BV	Belgium	Ord	100	100
Medvet BV	Belgium	Ord	100	100
Sonic Healthcare Benelux NV	Belgium	Ord	100	100
allgäuLab MVZ GmbH	Germany	Ord	100	–
Bioscientia Institut für medizinische Diagnostik GmbH	Germany	Ord	100	100
biovis Diagnostik MVZ GmbH	Germany	Ord	100	100
Dr. Staber & Kollegen GmbH	Germany	Ord	100	100
GLP medical services GmbH	Germany	Ord	100	100
LabKom Biochemische Dienstleistungen GmbH	Germany	Ord	100	100
Labor 28 MVZ GmbH	Germany	Ord	100	100
Labor Augsburg MVZ GmbH	Germany	Ord	100	100
Labor Deutscher Platz Leipzig MVZ GmbH	Germany	Ord	100	100
Labor Dr. von Froreich GmbH	Germany	Ord	100	100
Med-Lab Med. Dienstleistungs GmbH	Germany	Ord	100	100
MVZ Bioscientia Labor Duisburg GmbH	Germany	Ord	100	100
MVZ diagnosticum GmbH	Germany	Ord	100	100
MVZ für Histologie, Zytologie und molekulare Diagnostik Düren GmbH	Germany	Ord	100	100
MVZ für Histologie, Zytologie und molekulare Diagnostik Trier GmbH	Germany	Ord	100	100

(i) These subsidiaries comprise the 'Closed Group' under the Deed of Cross Guarantee. By entering into the deed wholly-owned entities which are large proprietary companies have been granted relief from the necessity to prepare a financial report, directors' report and auditor's report in accordance with ASIC Corporations (Wholly-owned Companies) Instrument 2016/785. For further information see Note 29.

Notes to the Consolidated Financial Statements

30 JUNE 2025

Details of significant subsidiaries of Sonic Healthcare Limited	Country of incorporation	Class of share	Beneficial interest 2025 %	Beneficial interest 2024 %
MVZ für Laboratoriumsmedizin und Mikrobiologie Würzburg GmbH	Germany	Ord	100	100
MVZ Labor für Cytopathologie Dr. Steinberg GmbH	Germany	Ord	100	100
MVZ Labor im Sommershof GmbH	Germany	Ord	100	100
MVZ Medizinische Laboratorien Düsseldorf GmbH	Germany	Ord	100	100
MVZ Medizinisches Labor Bremen GmbH	Germany	Ord	100	100
MVZ Medizinisches Labor Celle GmbH	Germany	Ord	100	100
MVZ Medizinisches Labor Nord MLN GmbH	Germany	Ord	100	100
MVZ Medizinisches Labor Oldenburg Dr. Müller GmbH	Germany	Ord	100	100
MVZ Pathologie & Zytologie Rhein-Sieg GmbH	Germany	Ord	100	100
MVZ Pathologie Berlin Berger Fietze Linke Nadjari GmbH	Germany	Ord	100	100
MVZ Pathologie, Zytologie und Molekularpathologie Neuss GmbH	Germany	Ord	100	–
Sonic Healthcare Germany GmbH & Co. KG	Germany		100	100
Medlab Central Limited (i)	New Zealand	Ord	100	100
Aurigen SA	Switzerland	Ord	100	100
Bioanalytica AG	Switzerland	Ord	100	100
Bioexam AG	Switzerland	Ord	100	100
Dianalabs SA	Switzerland	Ord	99.8	99.8
DIANAPATH SA	Switzerland	Ord	100	100
Dr Risch arc lémanique SA	Switzerland	Ord	100	100
Dr. Risch AG	Switzerland	Ord	100	100
Dr. Risch Ostschweiz AG	Switzerland	Ord	100	100
Dr. Risch Ticino SA	Switzerland	Ord	100	100
Ecobion SA	Switzerland	Ord	100	100
Imagerie du Flon SA	Switzerland	Ord	78.8	78.8
LABORATOIRES BBV S.A.	Switzerland	Ord	100	100
MCL Medizinische Laboratorien AG	Switzerland	Ord	100	100
medica Ärztebedarf AG	Switzerland	Ord	100	100
MEDICA Medizinische Laboratorien AG	Switzerland	Ord	100	100
MEDISYN SA	Switzerland	Ord	100	100
Medizinische Laboratorien Dr. Toggweiler AG	Switzerland	Ord	100	100
Ortho-Analytic AG	Switzerland	Ord	100	100
Pathologie Institut Enge AG	Switzerland	Ord	100	100
Polyanalytic S.A.	Switzerland	Ord	90	90
Proxilab analyses médicales SA	Switzerland	Ord	100	100
Sonic Suisse Labs SA	Switzerland	Ord	100	100
Health Services Laboratories LLP	United Kingdom		51	51
HSL (Analytics) LLP	United Kingdom		51	51
HSL (FM) LLP	United Kingdom		51	51
HSL (Nominee) Ltd	United Kingdom	Ord	51	51
HSL PATHOLOGY LLP	United Kingdom		51	51

(i) These subsidiaries comprise the 'Closed Group' under the Deed of Cross Guarantee. By entering into the deed wholly-owned entities which are large proprietary companies have been granted relief from the necessity to prepare a financial report, directors' report and auditor's report in accordance with ASIC Corporations (Wholly-owned Companies) Instrument 2016/785. For further information see Note 29.

Details of significant subsidiaries of Sonic Healthcare Limited	Country of incorporation	Class of share	Beneficial interest 2025 %	Beneficial interest 2024 %
LABex Analytics LLP	United Kingdom		100	100
LABex Facilities LLP	United Kingdom		100	100
SH Euro Finance PLC	United Kingdom	Ord	100	100
Sonic Healthcare Holding Company	United Kingdom	Ord	100	100
TDL Genetics Limited	United Kingdom	Ord	100	100
The Doctors Laboratory Limited	United Kingdom	Ord	100	100
American Esoteric Laboratories, Inc.	United States	Ord	100	100
Aurora Diagnostics, LLC	United States		100	100
Aurora Research Institute, LLC	United States		100	100
Bernhardt Laboratories, Inc.	United States	Ord	100	100
BMHSI/AEL Microbiology Laboratory, GP	United States		74.6	74.6
CBLPath, Inc.	United States	Ord	100	100
Cleveland Skin Pathology Laboratory, Inc.	United States	Ord	100	100
Clinical Laboratories of Hawaii, LLP	United States		100	100
Clinical Pathology Laboratories, Inc.	United States	Ord	100	100
Connecticut Laboratory Partnership, LLC	United States		51	51
Consultants in Laboratory Medicine of Greater Toledo, Inc.	United States	Ord	100	100
Cytopath, Inc.	United States	Ord	100	100
DermDX New England, LLC	United States		100	100
Dermpath New England, LLC	United States		100	100
East Side Clinical Laboratory, Inc.	United States	Ord	100	100
Genetics Associates, LLC	United States		100	–
Greensboro Pathology, LLC	United States		100	100
Memphis Pathology Laboratory	United States		100	100
Pacific Point Laboratories, Inc.	United States	Ord	100	100
Pan Pacific Pathologists, LLC	United States		100	100
Pathology Laboratories, Inc.	United States	Ord	100	100
Pathology Solutions, LLC	United States		100	100
Pathology Watch, Inc.	United States	Ord	100	100
ProPath Services, LLC	United States		100	100
Richard Bernert, LLC	United States		100	100
Seacoast Pathology, Inc.	United States	Ord	100	100
Sonic Healthcare USA Investments, Inc.	United States	Ord	100	100
Sonic Healthcare USA, Inc.	United States	Ord	100	100
Sunrise Medical Laboratories, Inc.	United States	Ord	100	100
Twin Cities Dermatopathology, LLC	United States		100	100

Business combinations

a) Acquisition of subsidiaries/business assets

Acquisitions of subsidiaries/business assets in the period included:

- National Skin Cancer Clinics located in Australia (acquired April 2025)
- A number of smaller healthcare acquisitions.

The initial accounting for these business combinations has only been determined provisionally at the date of this report, as the Group is still in the process of reviewing acquisition balance sheets and identifying assets and liabilities not previously recorded so as to determine the fair values of the identifiable assets, liabilities and contingent liabilities acquired. The contribution these acquisitions made to the Group was immaterial individually and in aggregate.

The aggregate cost of the acquisitions, the values of the identifiable assets and liabilities, and the goodwill arising on acquisition are detailed below:

	Total
	$'000
Consideration – cash paid	80,735
Less: cash of entities acquired	(7,589)
	73,146
Other consideration	14,000
Deferred consideration	19,967
Total consideration	107,113
Fair value of identifiable net assets of businesses acquired	
Trade debtors and accrued revenue	3,127
Other receivables and prepayments	479
Inventories	1,649
Property, plant and equipment	3,244
Right-of-use assets	7,094
Deferred tax assets	1,715
Payables and other liabilities	(3,694)
Lease liabilities	(7,094)
Current tax liabilities	(361)
Provision for employee entitlements	(634)
Deferred tax liabilities	(1,368)
	4,157
Goodwill	102,956

The goodwill arising from the business acquisitions is attributable to their reputation in the local market, the benefit of marginal profit and synergies expected to be achieved from integrating the business with existing operations, expected revenue growth, future market development, the assembled workforce and knowledge of local markets.

These benefits are not able to be individually identified or recognised separately from goodwill. $50,683,000 of the purchased goodwill recognised is expected to be deductible for income tax purposes over a 15 year period.

Acquisition related costs of $4,820,000 are included in other expenses in the Income Statement.

The fair value of acquired debtors and other receivables is $3,606,000. The gross contractual amount due is $3,608,000 of which $2,000 is expected to be uncollectible.

b) Reconciliation of cash paid to Cash Flow Statement

	2025	2024
	$'000	$'000
Cash consideration for acquisitions in the financial year	**80,735**	1,401,144
Acquisition costs	**4,820**	12,314
Cash consideration paid to vendors for acquisitions in previous financial years	**16,608**	5,291
Less: cash of entities acquired	**(7,589)**	(72,710)
Payment for purchase of controlled entities, net of cash acquired	**94,574**	1,346,039

c) Acquisition of PathologyWatch and Dr Risch Group (prior year)

The acquisition accounting for PathologyWatch (acquired January 2024), Dr Risch Group (acquired March 2024), and other smaller healthcare acquisitions were finalised in the current reporting period. The aggregate cost of these acquisitions, the value of the identifiable assets and liabilities, and the goodwill arising on acquisition are detailed below:

	PathWatch	Dr Risch Group	Other	Total
	$'000	$'000	$'000	$'000
Consideration – cash paid	210,270	150,031	6,472	366,773
Less: cash of entities acquired	(30,026)	4,619	(217)	(25,624)
	180,244	154,650	6,255	341,149
Equity consideration for acquisition of Dr Risch Group	–	51,728	–	51,728
Deferred consideration	–	39,662	–	39,662
Total consideration	180,244	246,040	6,255	432,539
Fair value of identifiable net assets of businesses acquired				
Trade debtors and accrued revenue	2,994	25,162	2,078	30,234
Other receivables and prepayments	100	8,697	187	8,984
Inventories	–	4,251	562	4,813
Investments	–	3,469	–	3,469
Property, plant and equipment	2,478	16,309	1,672	20,459
Right-of-use assets	1,245	38,811	2,123	42,179
Intangible assets (software)	67,114	4,427	–	71,541
Deferred tax assets	6,683	4,752	115	11,550
Payables and other liabilities	(14,247)	(34,714)	(1,775)	(50,736)
Lease liabilities	(1,245)	(38,811)	(2,123)	(42,179)
Current tax assets/(liabilities)	–	–	144	144
Provision for employee entitlements	–	(7,577)	(783)	(8,360)
Other provisions	–	(12,929)	–	(12,929)
Deferred tax liabilities	(12,640)	–	–	(12,640)
	52,482	11,847	2,200	66,529
Goodwill	127,762	234,193	4,055	366,010

The total adjustment to goodwill during the reporting period as a result of finalising these business combinations was an increase of $8,185,000.

d) Acquisitions since balance date

On 1 July 2025 Sonic completed the transaction to acquire Laboratory Group Dr. Kramer & Colleagues ('LADR') in Germany for a cash and debt free enterprise value of €423 million. This was satisfied by cash and the issue of 13,833,980 Sonic ordinary shares. On 19 August 2025 Sonic acquired the business of Cairo Diagnostics in the USA. The initial accounting for these business combinations is incomplete as the Group is in the process of reviewing acquisition balance sheets and determining the fair value of the identifiable assets, liabilities and contingent liabilities acquired.

NOTE 31 | COMMITMENTS FOR EXPENDITURE

Capital commitments

	2025	2024
	$'000	$'000
Commitments for the acquisition of property, plant and equipment contracted for at the reporting date but not recognised as liabilities, payable		
Within one year	**125,466**	116,288

NOTE 32 | CONTINGENT LIABILITIES

Sonic Healthcare Limited and certain subsidiaries, as disclosed in Note 30, are parties to a Deed of Cross Guarantee under which each company guarantees the debts of the others.

The Group has provided guarantees in respect of workers compensation insurance of $16,108,000 (2024: $15,353,000) and for the performance of certain contracts by subsidiary entities. It is not expected that these guarantees will be called upon.

The Group presently has litigation (including in relation to medical malpractice claims) and other claims for which the timing of resolution and potential economic outflow are uncertain. Obligations assessed as having probable future economic outflows capable of reliable measurement are provided at reporting date. Individually significant matters, including narrative on potential future exposures incapable of reliable measurement have not been disclosed so as to not prejudice the Group.

NOTE 33 | SECURED BORROWINGS

Lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of a default. Refer to Notes 13 and 19 for details of the carrying value of leased assets and liabilities.

NOTE 34 | REMUNERATION OF AUDITORS

	2025	2024
	$	$
PricewaterhouseCoopers – Australian firm		
Audit and review of financial reports of Group entities	**1,981,046**	1,908,330
Other assurance services	**105,313**	27,655
Other services	**–**	111,950
Total audit and other services	**2,086,359**	2,047,935
Related practices of PricewaterhouseCoopers Australian firm (including overseas PricewaterhouseCoopers firms)		
Audit and review of financial reports of Group entities	**1,860,331**	1,603,314
Non-PricewaterhouseCoopers audit firms		
Audit and review of financial reports of Group entities	**1,002,244**	879,570

The non-audit services provided were not considered to be of a nature that could give rise to a conflict of interest or loss of independence for the external auditors.

NOTE 35 | SHARE-BASED PAYMENTS

The Group has several equity-settled share-based compensation plans for executives and employees. The fair value of equity remuneration granted under the various plans is recognised as an expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to shares and options ('the vesting period'). Details of the pricing model and the measurement inputs utilised to determine the fair value of shares and options granted are disclosed in Note 1(q) to the financial statements.

a) Sonic Healthcare Limited Employee Option Plan

Options are granted under the Sonic Healthcare Limited Employee Option Plan for no consideration. Options granted are able to be exercised subject to the following vesting periods unless otherwise specified:

- Up to 50% may be exercised after 30 months from the date of grant.
- Up to 75% may be exercised after 42 months from the date of grant.
- Up to 100% may be exercised after 54 months from the date of grant.

Options granted under the plan expire after 58 months (unless otherwise specified) and carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share. No option holder has any right under the options to participate in any other share issue of the Company or of any other entity.

The grants of options on 5 December 2019, 22 May 2020, 19 November 2021, 26 October 2022, 22 May 2023, 29 November 2023, 31 May 2024 and 17 April 2025 are subject to different vesting and expiry periods with 100% becoming exercisable three years after grant date until expiry one year later, subject to vesting conditions.

The following options and performance rights+ were granted under executive Long-Term Incentive (LTI) arrangements and are also subject to different vesting and expiry periods. Vesting is subject to challenging performance conditions, details of which are set out in the relevant annual Remuneration Report. The percentage of the options and rights which met the performance conditions is shown in the table below.

Grant date	Options	Performance rights+	Earliest vesting date^	Performance conditions measurement period	% meeting performance conditions	Expiry date
21 November 2018	667,787	87,560	21 November 2021	3 years to 30 June 2021	100.0%	21 November 2023
19 November 2019	588,894	64,907	19 November 2022	3 years to 30 June 2022	100.0%	19 November 2024
18 November 2020	527,191	69,624	18 November 2023	3 years to 30 June 2023	84.3%	18 November 2025
18 November 2021	343,367	54,427	18 November 2024	3 years to 30 June 2024	25.0%	18 November 2026
17 November 2022	377,504	66,371	17 November 2025	3 years to 30 June 2025	0%	17 November 2027
29 November 2023	444,508	84,747	29 November 2026	3 years to 30 June 2026	tbd	29 November 2028
19 November 2024	482,909	93,270	19 November 2027	3 years to 30 June 2027	tbd	19 November 2029

+ See b) below for details of the Performance Rights Plan.
^ Options can only vest when the market price of Sonic shares is higher than the exercise price.

Sonic Healthcare ordinary shares to be awarded on exercise/conversion of the options and performance rights may be satisfied by the issue of new shares or the purchase of shares on-market.

Set out below are summaries of options granted under the Sonic Healthcare Limited Employee Option Plan.

2025										
Grant date	Expiry date	Exercise price	Balance at start of the year	Granted during the year	Forfeited during the year	Exercised during the year	Expired during the year	Balance at end of the year	Exercisable at end of the year	Balance at date of this report
			Number	Number	Number	Number	Number	Number	Number	Number
19/11/19	19/11/24	$29.26	588,894	–	–	–	(588,894)	–	–	–
18/11/20	18/11/25	$34.21	444,207	–	–	–	–	444,207	444,207	444,207
18/11/21	18/11/26	$38.90	343,367	–	(257,526)	–	–	85,841	85,841	85,841
19/11/21	19/11/25	$39.75	4,606,633	–	(40,000)	–	–	4,566,633	4,566,633	4,546,633
26/10/22	26/10/26	$31.59	4,582,206	–	(35,000)	–	–	4,547,206	–	4,547,206
17/11/22	17/11/27	$32.79	377,504	–	–	–	–	377,504	–	–
22/05/23	22/05/27	$35.93	100,000	–	–	–	–	100,000	–	100,000
29/11/23	29/11/27	$28.91	6,970,745	–	(35,000)	–	–	6,935,745	–	6,915,745
29/11/23	29/11/28	$28.89	444,508	–	–	–	–	444,508	–	444,508
31/05/24	31/05/28	$24.00	6,970,745	–	(35,000)	–	–	6,935,745	–	6,915,745
19/11/24	19/11/29	$26.25	–	482,909	–	–	–	482,909	–	482,909
17/04/25	17/04/29	$25.30	–	6,923,821	–	–	–	6,923,821	–	6,923,821
Total			**25,428,809**	**7,406,730**	**(402,526)**	**–**	**(588,894)**	**31,844,119**	**5,096,681**	**31,406,615**
Weighted average exercise price			**$30.33**	**$25.36**	**$36.18**	**$0**	**$29.26**	**$29.12**	**$39.25**	

2024									
Grant date	Expiry date	Exercise price	Balance at start of the year	Granted during the year	Forfeited during the year	Exercised during the year	Expired during the year	Balance at end of the year	Exercisable at end of the year
			Number	Number	Number	Number	Number	Number	Number
21/11/18	21/11/23	$21.69	667,787	–	–	(667,787)	–	–	–
14/12/18	14/10/23	$21.83	804,000	–	–	(804,000)	–	–	–
21/02/19	21/12/23	$24.30	407,500	–	–	(407,500)	–	–	–
19/11/19	19/11/24	$29.26	588,894	–	–	–	–	588,894	588,894
05/12/19	05/12/23	$28.58	2,573,199	–	–	(2,165,699)	(407,500)	–	–
22/05/20	22/05/24	$27.28	4,643,500	–	–	(3,689,000)	(954,500)	–	–
18/11/20	18/11/25	$34.21	527,191	–	(82,984)	–	–	444,207	444,207
18/11/21	18/11/26	$38.90	343,367	–	–	–	–	343,367	–
19/11/21	19/11/25	$39.75	4,616,633	–	(10,000)	–	–	4,606,633	–
26/10/22	26/10/26	$31.59	4,602,206	–	(20,000)	–	–	4,582,206	–
17/11/22	17/11/27	$32.79	377,504	–	–	–	–	377,504	–
22/05/23	22/05/27	$35.93	100,000	–	–	–	–	100,000	–
29/11/23	29/11/27	$28.91	–	6,970,745	–	–	–	6,970,745	–
29/11/23	29/11/28	$28.89	–	444,508	–	–	–	444,508	–
31/05/24	31/05/28	$24.00	–	6,970,745	–	–	–	6,970,745	–
Total			20,251,781	14,385,998	(112,984)	(7,733,986)	(1,362,000)	25,428,809	1,033,101
Weighted average exercise price			$31.39	$26.53	$34.24	$26.44	$27.67	$30.33	$31.39

The weighted average share price at the date of exercise for options exercised in the 2025 year was nil (2024: $31.49).
The weighted average remaining contractual life of share options on issue at the end of the year was 2.4 years (2024: 2.9 years).

Fair value of options granted

The average assessed fair value of options granted during the year ended 30 June 2025 was $3.04 per option (2024: $3.13).
The valuation model inputs for options granted during the years ended 30 June 2025 and 30 June 2024 included:

Grant date	Expiry date	Exercise price	Share price at time of grant	Expected life (years from date of issue)	Share price volatility (based on 3 year historic prices)	Risk free rate	Dividend yield
29/11/23	29/11/27	$28.91	$28.91	3.5	19.1%	4.0%	3.8%
29/11/23	29/11/28	$28.89	$28.91	4.0	19.1%	4.0%	3.8%
31/05/24	31/05/28	$24.00	$24.00	3.5	16.7%	4.1%	4.1%
19/11/24	19/11/29	$26.25	$27.99	4.0	22.9%	4.1%	3.7%
17/04/25	17/04/29	$25.30	$25.30	3.5	19.2%	3.4%	4.0%

A Monte Carlo simulation was applied to fair value the relative Total Shareholder Return (TSR) performance condition element of options granted. The model simulated Sonic's TSR and compared it against the peer group over the vesting periods.

b) Sonic Healthcare Limited Performance Rights Plan

Performance rights are granted under the Sonic Healthcare Limited Performance Rights Plan for no consideration and carry no dividend or voting rights. When exercisable, each performance right is convertible into one ordinary share. No rights holder has any right to participate in any other share issue of the Company or of any other entity.

2025										
Grant date	Expiry date	Exercise price	Balance at start of the year	Granted during the year	Forfeited during the year	Exercised during the year	Expired during the year	Balance at end of the year	Exercisable at end of the year	Balance at date of this report
			Number	Number	Number	Number	Number	Number	Number	Number
23/09/21	See below*	Nil	14,093	–	(2,271)	(11,822)	–	–	–	–
18/11/21	18/11/26	Nil	54,427	–	(40,821)	–	–	13,606	13,606	–
17/11/22	17/11/27	Nil	66,371	–	–	–	–	66,371	–	–
29/11/23	29/11/28	Nil	84,747	–	–	–	–	84,747	–	84,747
02/09/24	02/09/25	Nil	–	17,558	(1,790)	–	–	15,768	–	–
19/11/24	01/10/25	Nil	–	4,076	–	(4,076)	–	–	–	–
19/11/24	19/11/29	Nil	–	93,270	–	–	–	93,270	–	93,270
24/09/25	01/10/26	Nil	–	–	–	–	–	–	–	49,661
Total			**219,638**	**114,904**	**(44,882)**	**(15,898)**	**-**	**273,762**	**13,606**	**227,678**

2024									
Grant date	Expiry date	Exercise price	Balance at start of the year	Granted during the year	Forfeited during the year	Exercised during the year	Expired during the year	Balance at end of the year	Exercisable at end of the year
			Number	Number	Number	Number	Number	Number	Number
18/11/20	18/11/25	Nil	69,624	–	(10,959)	(58,665)	–	–	–
23/09/21	See below*	Nil	30,057	–	(1,881)	(14,083)	–	14,093	–
18/11/21	18/11/26	Nil	54,427	–	–	–	–	54,427	–
21/09/22	01/10/23	Nil	11,815	–	–	(11,815)	–	–	–
17/11/22	17/11/27	Nil	66,371	–	–	-	–	66,371	–
26/09/23	01/10/24	Nil	–	16,080	–	(16,080)	–	–	–
29/11/23	01/10/24	Nil	–	3,115	–	(3,115)	–	–	–
29/11/23	29/11/28	Nil	–	84,747	–	–	–	84,747	–
Total			232,294	103,942	(12,840)	(103,758)	–	219,638	–

*One third would have expired on 01/09/22, one third on 01/09/23 and one third on 01/09/24.

The weighted average remaining contractual life of performance rights on issue at the end of the year was 3.2 years (2024: 3.3 years).

Fair value of rights granted

The average assessed fair value of rights granted during the year ended 30 June 2025 was $21.19 per right (2024: $18.19).
The valuation model inputs for performance rights granted during the years ended 30 June 2025 and 30 June 2024 included:

Grant date	Expiry date	Exercise price	Share price at time of grant	Expected life (years from date of issue)	Share price volatility (based on 3 year historic prices)	Risk free rate	Dividend yield
29/11/23	01/10/24	Nil	$28.91	0.3	19.1%	4.3%	3.8%
29/11/23	29/11/28	Nil	$28.91	3.0	19.1%	4.0%	3.8%
02/09/24	02/09/25	Nil	$27.87	1.0	20.5%	4.2%	3.9%
19/11/24	01/10/25	Nil	$27.99	0.3	22.9%	4.2%	3.7%
19/11/24	19/11/29	Nil	$27.99	3.0	22.9%	4.1%	3.7%

A Monte Carlo simulation was applied to fair value the TSR performance condition element of performance rights granted.
The model simulated Sonic's TSR and compared it against the peer group over the vesting periods.

c) Expenses arising from share-based payment transactions

Total expenses arising from equity-settled share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	2025	2024
	$'000	$'000
Equity remuneration	**22,536**	27,032

d) Shares issued on the exercise of options/rights up to the date of this report

i) Sonic Healthcare Limited Employee Option Plan

No ordinary shares of Sonic were issued during the year ended 30 June 2025 under the Sonic Healthcare Limited Employee Option Plan. No options have been exercised since that date.

ii) Sonic Healthcare Limited Performance Rights Plan

A total of 15,898 performance rights were exercised during the year ended 30 June 2025 under the Sonic Healthcare Limited Performance Rights Plan, satisfied by 15,898 shares purchased on-market. 29,158 performance rights have been exercised since 30 June 2025 and up to the date of this report, satisfied by shares purchased on-market. No amounts were payable on issue of those shares.

e) Options and rights granted to officers

During the year nil options or rights were issued to the five highest remunerated officers of the Company who are not already disclosed as key management personnel.

NOTE 36 | RELATED PARTIES

a) Parent entities and subsidiaries

Sonic Healthcare Limited is the ultimate Parent Company in the Group comprising the Company and its subsidiaries as detailed in Note 30.

b) Key management personnel compensation

Details of remuneration of key management personnel and transactions with them have been disclosed in the Remuneration Report within the Directors' Report. The aggregate remuneration of the key management personnel is shown below:

	2025	2024
	$	$
Short-term employee benefits	**6,862,699**	6,165,557
Long-term employee benefits	**56,862**	57,330
Post-employment benefits	**239,894**	233,655
Share-based payments	**4,398,493**	3,202,006
Total compensation	**11,557,948**	9,658,548

c) Transactions and outstanding balances with associates

	2025	2024
	$'000	$'000
Provision of services to associates	**105,784**	106,172
Provision of services from associates	**2,145**	2,205
Interest income	**92**	173
Current payables	**5,011**	4,873
Current receivables	**13,963**	15,338
Loans receivable	**–**	1,153

NOTE 37 | EARNINGS PER SHARE

	2025	2024
	Cents	Cents
Basic earnings per share	**107.0**	107.3
Diluted earnings per share	**106.7**	107.2

	2025	2024
Weighted average number of ordinary shares used as the denominator	Shares	Shares
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**480,214,951**	476,100,803
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**481,344,168**	476,988,506

Options and performance rights over ordinary shares are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options and rights have not been included in the determination of basic earnings per share.

Details of the options and rights exercised, forfeited and issued in the period between the reporting date and the date of this report are detailed in Note 35.

	2025	2024
Reconciliations of earnings used in calculating earnings per share	$'000	$'000
Net profit	**543,922**	543,804
Net (profit) attributable to minority interests	**(30,325)**	(32,710)
Earnings used in calculating basic and diluted earnings per share	**513,597**	511,094

NOTE 38 | STATEMENT OF CASH FLOWS

a) Cash at bank and on hand

	2025	2024
	$'000	$'000
Cash at bank and on hand	**673,773**	645,001

Cash balances bear interest rates of between 0.00% – 4.33% (2024: 0.00% – 5.49%).

b) Reconciliation of net cash inflow from operating activities to operating profit after income tax

	2025	2024
	$'000	$'000
Operating profit after income tax	**543,922**	543,804
Add non-cash items	**844,216**	736,412
Add/(less) changes in assets and liabilities during the financial year		
(Increase)/decrease in trade debtors and accrued revenue	**(66,935)**	(207,836)
(Increase)/decrease in other receivables and prepayments	**(30,834)**	(44,871)
(Increase)/decrease in inventories	**(4,509)**	(18)
(Increase)/decrease in deferred tax assets	**(10,581)**	32,179
Increase/(decrease) in payables and other liabilities	**(17,751)**	205,953
Increase/(decrease) in current tax liabilities	**(16,494)**	(187,912)
Increase/(decrease) in other provisions	**(4,373)**	3,243
Increase/(decrease) in provision for employee entitlements	**16,385**	(19,968)
Increase/(decrease) in deferred tax liabilities	**43,744**	10,526
Net cash inflow from operating activities	**1,296,790**	1,071,512

c) Non-cash financing and investing activities

The following non-cash financing and investing activities occurred during the year and are not reflected in the Cash Flow Statement:

- Acquisition of right-of-use assets (Note 13)
- Options and rights issued to employees for no cash consideration (Note 35)

d) Reconciliation of liabilities arising from financing activities

	Balance at 1 July 2024	Cash flows	Acquisition/ (disposal)	Other non-cash movements	Foreign exchange adjustments	Balance at 30 June 2025
	$'000	$'000	$'000	$'000	$'000	$'000
Lease liabilities	1,527,478	(412,240)	7,094	492,951	66,309	1,681,592
Bank loans	1,335,480	(117,944)	–	–	127,518	1,345,054
USPP notes	1,652,410	360,860	–	–	130,010	2,143,280
Amounts due to vendor	–	–	884	–	–	884
Total	**4,515,368**	**(169,324)**	**7,978**	**492,951**	**323,837**	**5,170,810**

NOTE 39 | FINANCIAL RISK MANAGEMENT

The Group is exposed to the following categories of financial risks as part of its overall capital structure; market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's risk management program addresses the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

The Group has adopted the following philosophies towards financial risk management:

- to take a proactive approach in identifying and managing material treasury risks;
- not to take speculative derivative positions;
- to structure hedging to reflect underlying business objectives; and
- to reduce volatility and provide more certainty of earnings.

Financial risk management is carried out by a central treasury department ('Group Treasury') which identifies, evaluates and hedges financial risks to support the Group's strategic and operational objectives. Group Treasury operates within the parameters of a Board-approved Treasury Policy and is overseen by Sonic's Treasury Management Committee, which comprises Sonic's CEO, CFO, Deputy CFO, Treasurer, and an expert external consultant.

The Treasury Policy provides written principles for overall financial risk management as well as policies covering specific areas, such as liquidity, funding and interest rate risk, foreign exchange risk, credit risk and operational treasury risk. One of the key responsibilities of Group Treasury is the management of the Group's debt facilities.

a) Capital risk management

The Group's objectives when managing capital are to safeguard the consolidated entity's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group is proactively managed by issuing new shares by way of institutional placements, shareholder purchase plans, rights issues, as part consideration for acquisitions, or activation from time to time of the Company's Dividend Reinvestment Plan; by utilising the SHEST to buy Sonic's shares on market; by conducting on-market share buybacks; or by varying the amount of dividends paid to shareholders.

The capital structure of the Group is mainly monitored on the basis of the Net Debt to Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) Ratio, which is also a covenant under Sonic's senior debt facilities (with a maximum permitted level of 3.5 times). Other ratios considered are the Gearing Ratio and Interest Cover Ratio, which are also covenants under senior debt facilities. Each covenant is calculated excluding the impact of AASB 16 *Leases*. Future compliance with these debt covenants is modelled by reference to a rolling 5-year financial forecast model.

During FY2024 and FY2025 the Group maintained a Net Debt to EBITDA ratio of between 0.6 to 2.1 times. The Company's pre-pandemic history demonstrates Net Debt to EBITDA being conservatively and consistently managed around the middle of a 2 to 3 times range.

The Net Debt to EBITDA ratio is calculated as Net (of cash) Interest Bearing Debt divided by EBITDA. EBITDA is normalised for acquisitions made during a period, equity remuneration expense (a non-cash item) and for acquisition-related costs which are expensed under AASB 3 *Business Combinations.* Net Interest Bearing Debt is adjusted for currency rate fluctuations.

The Gearing Ratio is calculated as Net Interest Bearing Debt divided by Net Interest Bearing Debt plus Equity (per the Balance Sheet excluding the impacts of AASB 16), and must be maintained below 55% under certain of the Company's USPP note agreements. The Gearing Ratio is not a covenant under the Company's bank debt facilities and the 2019, 2024 and 2025 USPP note agreements.

The Group is required to maintain an Interest Cover Ratio greater than 3.25 times under the debt facilities, calculated as EBITA divided by Net Interest Expense. EBITA is normalised for equity remuneration expense and acquisition-related costs.

These three ratios are the only financial undertakings under Sonic's debt facilities.

The ratios calculated using the facility definitions, which exclude the impact of AASB 16, at 30 June 2025 and 30 June 2024 were as follows:

	2025	2024
Net Debt to EBITDA (times)	**2.1**	1.9
Gearing	**24.7%**	22.3%
Interest Cover (times)	**10.1**	12.0

b) Market risk

i) Foreign currency risk

Foreign currency risk refers to the risk that the value of a financial commitment, recognised asset or liability will fluctuate due to changes in foreign currency rates.

Foreign currency risk arising on the translation of the net assets of the Group's foreign controlled entities, which have a different functional currency, is managed at the Group level. The Group manages this foreign exchange translation risk by 'natural' balance sheet hedges, i.e. having borrowings denominated in the same functional currencies of the foreign controlled entities. The foreign currency gains or losses arising from this risk are recorded through the foreign currency translation reserve. As Sonic's foreign currency earnings grow, interest rates change and debt is repaid, the natural hedge becomes less effective, so AUD reported earnings do fluctuate. The underlying earnings in foreign currency however are not affected. Capital hedging is not undertaken given the cash flow implications of ongoing hedging and the long-term nature of investments.

The Group is not significantly exposed to transactional foreign currency risk associated with receipts and payments that are required to be settled in foreign currencies. These transactions are limited in number; therefore the exposure is typically identified and managed on a case-by-case basis, usually by the spot or forward purchase of foreign currencies.

The carrying amount of the Group's bank loans and USPP notes are denominated in the following currencies (amounts in AUD):

	2025	2024
	$'000	$'000
USD	**1,027,200**	910,318
EURO	**1,858,158**	1,618,237
AUD	**214,000**	129,000
CHF	**388,976**	330,335
	3,488,334	2,987,890

Hedge of net investments in foreign operations

Of the total bank loans and USPP notes of $3,488,334,000 (2024: $2,987,890,000), $1,008,965,000 (2024: $910,318,000) are denominated in USD and qualify as a hedge of the Group's net investment in operations in the United States. In addition, $388,976,000 (2024: $330,335,000) are denominated in CHF and qualify as a hedge of the Group's net investment in operations in Switzerland. Gains or losses on retranslation of these borrowings are transferred to equity to offset any gains or losses on translation of the net investment in these operations. The ineffectiveness recognised in the Income Statement from net investment hedges was $nil (2024: $nil).

The remaining bank loans and USPP notes of $1,876,393,000 (2024: $1,618,237,000) denominated in USD and EUR (2024: EUR) are in the same functional currency as Sonic's operations in the United States, Germany and Belgium (2024: Germany and Belgium) and act as a 'natural' balance sheet hedge against foreign currency earnings fluctuations.

Sensitivity analysis

Based on the financial instruments held at 30 June 2025, had the Australian dollar weakened/strengthened by 10% (2024: 10%) against all relevant currencies, the Group's post-tax profit would have been $nil higher/$nil lower (2024: $nil higher/$nil lower), as a result of having minimal exposure to foreign currency denominated financial instruments. Other components of equity would have been $nil lower/higher (2024: $nil lower/higher).

ii) Interest rate risk

Sonic Healthcare Limited and certain subsidiaries are party (from time to time) to derivative financial instruments such as interest rate swaps in the normal course of business in order to hedge exposure to fluctuations in interest rates. Derivatives are exclusively used for hedging purposes i.e. not as trading or speculative instruments. The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in AASB 7.

Interest rate swap contracts – cash flow hedge

The Group's main interest rate risk arises from bank loans that are subject to variable interest rates (relevant loans totalling 2025: $1,345,054,000; 2024: $1,335,480,000). It is the Group's policy to protect against increasing interest rates by maintaining a level of fixed rate debt instruments such as USPP notes, which represented approximately 60% of total bank loans and USPP notes in 2025 (2024: over 55%), and/or by entering into interest rate swap contracts under which it is obliged to receive interest at variable rates and to pay interest at fixed rates.

The Group's policy is to ensure exposure to increases in floating interest rates does not impact annual net profit after tax over a 3-year period by more than a specified percentage as defined within the hedging parameters of the Group's Treasury Policy, and will not result in a breach of the Interest Cover Ratio covenant under the Group's debt facilities. Hedging is undertaken as and when required to ensure exposure to interest rate risk is managed within these parameters.

There were no fixed interest rate swaps in place during the year or at balance sheet date in the current or previous financial year. There was no ineffective portion of swaps during either the current or previous financial year.

Interest rate swap contracts – fair value hedge

The Group's strategy is to minimise interest expense and ensure exposure to movements in market interest rates are managed in line with the Treasury Policy. The Group enters into interest rate swap contracts from time to time under which it is obliged to receive interest at fixed rates and to pay interest at variable rates. The contracts are settled on a net basis. There were no contracts of this nature in place during 2025 and 2024.

Interest rate risk exposures

The Group's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the following tables.

Fixed interest rate maturities

	Notes	1 year or less	Over 1 year and less than 2 years	Over 2 years and less than 3 years	Over 3 years and less than 4 years	Over 4 years and less than 5 years	Over 5 years	Non-interest bearing	Total
30 June 2025		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Assets									
Cash and deposits		106,450	–	–	–	–	–	61,033	167,483
Trade debtors	7	–	–	–	–	–	–	1,336,525	1,336,525
Accrued revenue	7	–	–	–	–	–	–	209,136	209,136
Sundry debtors	7	–	–	–	–	–	–	165,041	165,041
Amounts owing from other entities	7,10	1,598	2,069	1,400	903	5,650	1,169	8,214	21,003
Net investment in finance leases	7, 10	5,763	3,826	1,810	1,110	304	396	–	13,209
Investments	11	–	–	–	–	–	–	231,112	231,112
Total assets		113,811	5,895	3,210	2,013	5,954	1,565	2,011,061	2,143,509
Liabilities									
Trade and other creditors	17	–	–	–	–	–	–	1,314,037	1,314,037
Amounts owing to vendors	22,23,26	–	884	–	–	–	–	110,072	110,956
Other liabilities	22, 26	–	–	–	–	–	–	80	80
Lease liabilities	19	380,143	309,277	232,743	170,322	119,041	470,066	–	1,681,592
USPP notes	18,23	80,602	358,230	-	–	455,858	1,248,590	–	2,143,280
Total liabilities		460,745	668,391	232,743	170,322	574,899	1,718,656	1,424,189	5,249,945
30 June 2024		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Assets									
Cash and deposits		18,961	–	–	–	–	–	43,910	62,871
Trade debtors	7	–	–	–	–	–	–	1,065,728	1,065,728
Accrued revenue	7	–	–	–	–	–	–	278,368	278,368
Sundry debtors	7	–	–	–	–	–	–	147,270	147,270
Amounts owing from other entities	7, 10	1,283	2,729	1,304	568	1,528	949	8,575	16,936
Net investment in finance leases	7, 10	6,180	4,986	3,123	1,390	722	547	–	16,948
Investments	11	–	–	–	–	–	–	198,348	198,348
Total assets		26,424	7,715	4,427	1,958	2,250	1,496	1,742,199	1,786,469
Liabilities									
Trade and other creditors	17	–	–	–	–	–	–	1,240,486	1,240,486
Amounts owing to vendors	22, 26	–	–	–	–	–	–	93,384	93,384
Other liabilities	22, 26	–	–	–	–	–	–	572	572
Lease liabilities	19	363,540	287,364	203,466	149,254	105,054	418,800	–	1,527,478
USPP notes	18,23	297,284	72,312	321,389	–	–	961,425	–	1,652,410
Total liabilities		660,824	359,676	524,855	149,254	105,054	1,380,225	1,334,442	4,514,330

Floating interest rate maturities

	Notes	1 year or less	Over 1 year and less than 2 years	Over 2 years and less than 3 years	Over 3 years and less than 4 years	Over 4 years and less than 5 years	Over 5 years	Total	Weighted average interest rate
30 June 2025		$'000	$'000	$'000	$'000	$'000	$'000	$'000	%
Assets									
Cash and deposits		506,290	–	–	–	–	–	506,290	2.46
Total assets		506,290	–	–	–	–	–	506,290	
Liabilities									
Bank loans	18,23	184	173,226	428,938	328,654	–	414,052	1,345,054	2.95
Total liabilities		184	173,226	428,938	328,654	–	414,052	1,345,054	
30 June 2024		$'000	$'000	$'000	$'000	$'000	$'000	$'000	%
Assets									
Cash and deposits		582,130	–	–	–	–	–	582,130	2.18
Amounts owing from other entities	7	14,000	–	–	–	–	–	14,000	6.31
Total assets		596,130	–	–	–	–	–	596,130	
Liabilities									
Bank loans	18,23	206	438,783	325,497	265,310	165	305,519	1,335,480	4.34
Total liabilities		206	438,783	325,497	265,310	165	305,519	1,335,480	

Sensitivity analysis

If interest rates in all relevant currencies applied to financial instruments held at 30 June 2025 had changed by -100/+100 basis points (2024: -100/+100 basis points) for the financial year with all other variables held constant, the Group's post-tax profit for the year would have been $3,143,000/$5,780,000 higher/lower mainly as a result of lower/higher interest expense from bank loans (2024: $5,169,000/$5,169,000 higher/lower mainly as a result of lower/higher interest expense from bank loans). Other components of equity would have been $3,143,000/$5,780,000 higher/lower as a result of a decrease/increase in interest expense (2024: $5,169,000/$5,169,000 higher/lower as a result of a decrease/increase in interest expense). The impacts on profit and equity of an increase in basis points is higher in FY2025 due to a lower amount of floating rate cash balances. Sonic bank facilities have a zero base rate floor and with low base rates currently on CHF debt there is a reduced impact of a decrease in basis points on the interest expense, and therefore profit and equity, compared to the prior year.

iii) Other price risk

The Group does not have significant exposure to fluctuations in the fair values or future cash flows of financial instruments associated with changes in market prices.

c) Credit risk

The credit risk on financial assets of the Group which have been recognised on the Balance Sheet, other than investment in shares, is generally the carrying amount, net of any provisions for impairment. Where entities have a right of set-off and intend to settle on a net basis, this set-off has been reflected in the financial statements in accordance with accounting standards.

The Group does not have any material exposure to any individual customer or counterparty other than certain government or statutory funded bodies in the countries in which the Group operates. There are no other significant concentrations of credit risk within the Group.

Receivable balances and ageing analysis are monitored on an ongoing basis. In order to minimise the Group's exposure to bad debts, rigorously enforced processes are in place to send reminder notices, demands for repayments and ultimately to refer to debt collection agencies. Credit limits are imposed and monitored for commercial customers. See Note 7 for further analysis of credit risk for receivable balances.

The Group has not renegotiated any material collection/repayment terms of any financial assets in the current or previous financial year.

Credit risk in the treasury context is defined as the risk of sustaining a loss as a result of a counterparty that has accepted a deposit from the Group and/or entered into a financial transaction with the Group related to the management of treasury related risks. Sonic has established counterparty exposure limits and seeks to only enter into transactions with counterparties who are senior lenders to the Group.

d) Liquidity risk

The Group is exposed to funding and liquidity risks including the risk that in refinancing its debt, the Group may be exposed to an increased credit spread (the credit spread is the margin that must be paid over the equivalent government or risk free rate or swap rate) and the risk of not being able to refinance debt obligations or meet other cash outflow obligations at a reasonable cost when required.

The Group's strong cash flows and Balance Sheet are a major mitigator of this type of risk, along with the dynamics of the medical diagnostic services market. The Group seeks to further mitigate these risks by structuring its debt with a spread of maturities, maintaining excellent relationships with a number of leading Australian and international banks, diversifying funding sources by accessing the private placement bond market in the USA and the syndicated bank loan market in Europe, and keeping sufficient committed credit lines available for short- to medium-term needs (balanced against the cost of maintaining such lines) in accordance with Sonic's Treasury Policy.

The tables below analyse the Group's financial liabilities and net-settled derivative financial instruments into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows including interest (other than in the 'carrying value' column). The table ignores the maturities of undrawn credit lines. For interest rate swaps the cash flows are estimated using forward interest rates applicable at the reporting date.

Contractual maturities of financial liabilities

	Notes	1 year or less	Over 1 year and less than 2 years	Over 2 years and less than 5 years	Over 5 years	Total contractual cash flows	Carrying value
30 June 2025		$'000	$'000	$'000	$'000	$'000	$'000
Liabilities							
Trade and other creditors	17	1,314,037	–	–	–	1,314,037	1,314,037
Amounts owing to vendors	22,23,26	20,935	77,389	12,705	–	111,029	110,956
Bank loans	18,23	40,330	211,857	794,666	414,052	1,460,905	1,345,054
USPP notes	18,23	147,673	420,377	632,895	1,447,404	2,648,349	2,143,280
Other liabilities	22,26	45	35	–	–	80	80
Lease liabilities	19	437,571	351,073	601,502	551,268	1,941,414	1,681,592
Financial guarantee contracts		16,108	–	–	–	16,108	–
Total liabilities		1,976,699	1,060,731	2,041,768	2,412,724	7,491,922	6,594,999
30 June 2024		$'000	$'000	$'000	$'000	$'000	$'000
Liabilities							
Trade and other creditors	17	1,240,486	–	–	–	1,240,486	1,240,486
Amounts owing to vendors	22,26	25,654	3,595	59,054	5,081	93,384	93,384
Bank loans	18,23	58,974	486,335	661,243	305,715	1,512,267	1,335,480
USPP notes	18,23	336,638	108,227	410,256	1,036,505	1,891,626	1,652,410
Other liabilities	22,26	286	286	–	–	572	572
Lease liabilities	19	411,795	321,989	524,926	493,488	1,752,198	1,527,478
Financial guarantee contracts		15,353	–	–	–	15,353	–
Total liabilities		2,089,186	920,432	1,655,479	1,840,789	6,505,886	5,849,810

The financial guarantee contracts relate to guarantees given by the Group in respect of workers compensation insurance. The guarantees are the maximum amounts allocated to the earliest period in which the guarantees could be called. The Group does not expect these payments to eventuate.

There have been no material breaches and no defaults of loans in the current or preceding reporting periods.

e) Net fair value of financial assets and liabilities

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the Group approximates their carrying amounts.

The net fair value of other monetary financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

For non-traded equity investments, the net fair value is determined using valuation techniques (Note 1(j)).

f) Fair values

The carrying amounts of financial assets and liabilities on the Consolidated Group Balance Sheet approximate their fair values except for fixed rate long-term borrowings which had a fair value of $2,055,955,000.

Fair value hierarchy

AASB 7 *Financial Instruments*: *Disclosures* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

i) quoted prices (unadjusted) in active markets for identified assets or liabilities (level 1),
ii) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
iii) inputs for the asset or liability that are not based on observable market value (unobservable inputs) (level 3).

Level 1 includes an equity investment in a listed Australian entity which has been valued based on a quoted price in an active market. Level 3 includes amounts owing to vendors which are recognised based on the assessed fair value using the contractual nature of the terms and conditions of the deferred consideration and other financial assets which are recognised based on the assessed fair value using latest available information.

There were no transfers between fair value hierarchies or changes to valuation techniques for recurring fair value measurements in the period.

NOTE 40 | PARENT COMPANY FINANCIAL INFORMATION

a) Summary financial information

The individual financial statements for the Parent Company show the following aggregate amounts:

	2025	2024
Balance sheet	$'000	$'000
Current assets	**4,436,651**	4,251,886
Total assets	**8,644,684**	8,144,186
Current liabilities	**3,534,034**	3,260,291
Total liabilities	**3,658,235**	3,355,804
Shareholders' equity		
Contributed equity	**4,276,827**	4,275,726
Reserves		
Equity remuneration reserve	**(126,071)**	(147,501)
Share option reserve	**16,427**	16,427
Retained earnings	**819,266**	643,730
Total equity	**4,986,449**	4,788,382
Profit for the year	**689,569**	521,693
Total comprehensive income	**689,569**	521,693

b) Guarantees entered into by the Parent Company

The Parent Company is a party to the Deed of Cross Guarantee as disclosed in Note 29. No liabilities have been assumed by the Parent Company in relation to this guarantee as it is expected the parties to the Deed of Cross Guarantee will continue to generate positive cash flows. The Parent Company has further provided guarantees of $156,401,000 (2024: $157,756,000) in respect of property leases and workers compensation insurance for subsidiary entities. In addition the Parent Company has provided guarantees of the performance of certain contracts by subsidiary entities. No liability was recognised by the Parent Company or the Consolidated Group in relation to these guarantees, as their fair values are immaterial.

c) Contingent liabilities of the Parent Company

The Parent Company had no contingent liabilities as at 30 June 2025 or 30 June 2024 other than as described in (b) above.

d) Contractual commitments for the acquisition of property, plant or equipment

The Parent Company had contractual commitments for the acquisition of property, plant or equipment as at 30 June 2025 of $94,694,000.

NOTE 41 | EVENTS OCCURRING AFTER REPORTING DATE

Since the end of the financial year, no matter or circumstance not otherwise dealt with in these financial statements has arisen that has significantly or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial years other than on 1 July 2025 Sonic completed the transaction to acquire Laboratory Group Dr. Kramer & Colleagues ('LADR') for a cash and debt free enterprise value of €423 million. This was satisfied by cash and the issue of 13,833,980 Sonic ordinary shares. On 19 August 2025 Sonic acquired the business of Cairo Diagnostics in the USA.

Consolidated Entity Disclosure Statement

30 JUNE 2025

BASIS OF PREPARATION

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the *Corporations Act 2001* and includes information for each entity that was part of the Group as at 30 June 2025 in accordance with AASB 10 *Consolidated Financial Statements*.

DETERMINATION OF TAX RESIDENCY

Section 295 (3A)(vi) of the *Corporations Act 2001* defines tax residency as having the meaning in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, Sonic has applied the following interpretations:

- **Australian tax residency:** Sonic has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5; and
- **Foreign tax residency:** where necessary, Sonic has ensured compliance with applicable foreign tax legislation.

PARTNERSHIPS AND TRUSTS

Australian tax law generally does not contain corresponding residency tests for partnerships and trusts and these entities are typically taxed on a flow-through basis. Additional disclosures on the tax status of partnerships and trusts have been provided where relevant.

Consolidated Entity Disclosure Statement

30 JUNE 2025

Entity name	Body corporate, partnership or trust	Place incorporated/ formed	% of share capital held directly or indirectly by the Company in the body corporate	Australian or Foreign tax resident	Jurisdiction for Foreign resident
A.C.N. 002 889 545 Pty Ltd	Body corporate	Australia	100%	Australian	n/a
A.C.N. 094 980 944 Pty Limited	Body corporate	Australia	100%	Australian	n/a
ACE Radiology Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Alliance Imaging Pty Ltd (i)	Body corporate	Australia	100%	Australian	n/a
Alliance Imaging Unit Trust	Trust	Australia	N/A	Australian	n/a
Artisan Aesthetics Group Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Auburn Road Family Medical Centre Pty Limited	Body corporate	Australia	100%	Australian	n/a
Azalea Holdings Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Beachhead Holdings Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Calculate Holdings Pty Ltd	Body corporate	Australia	52.9%	Australian	n/a
Canberra X-Ray Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Capital Pathology Pty Ltd (i)	Body corporate	Australia	100%	Australian	n/a
Capital Pathology Trust	Trust	Australia	N/A	Australian	n/a
Castlereagh Co Pty Limited	Body corporate	Australia	100%	Australian	n/a
Castlereagh Services Pty Limited (i)	Body corporate	Australia	100%	Australian	n/a
Castlereagh Unit Trust	Trust	Australia	N/A	Australian	n/a
Clinipath Pathology Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Clinmed Pty Limited	Body corporate	Australia	100%	Australian	n/a
Clinpath Laboratories Pty. Ltd.	Body corporate	Australia	100%	Australian	n/a
Communique Holdings Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Consultant Pathology Services Pty. Limited	Body corporate	Australia	100%	Australian	n/a
Continuous Care Doctor Training Pty. Ltd.	Body corporate	Australia	100%	Australian	n/a
Cosmedcloud Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Cubiko Holdings Pty Ltd	Body corporate	Australia	53.4%	Australian	n/a
Cubiko Pty Ltd	Body corporate	Australia	53.4%	Australian	n/a
Daraban Pty. Ltd.	Body corporate	Australia	100%	Australian	n/a
Delta Health Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Diagnostic Pathology Pty Limited	Body corporate	Australia	100%	Australian	n/a
Diagnostic Services Pty. Ltd.	Body corporate	Australia	100%	Australian	n/a
Douglass Hanly Moir Pathology Pty Limited	Body corporate	Australia	100%	Australian	n/a
Dr Deputising NSW Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Dr Deputising QLD Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Dr Deputising Pty Ltd (i)	Body corporate	Australia	100%	Australian	n/a
Dr Deputising WA Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Edenlea Properties Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Edgecliff Medical Centre No.2 Pty Limited	Body corporate	Australia	100%	Australian	n/a
Epworth Medical Imaging Pty Ltd	Body corporate	Australia	80%	Australian	n/a

(i) This entity is a trustee of a trust within the consolidated entity.
(ii) This entity is a partner of a partnership within the consolidated entity.

Consolidated Entity Disclosure Statement

30 JUNE 2025

Entity name	Body corporate, partnership or trust	Place incorporated/ formed	% of share capital held directly or indirectly by the Company in the body corporate	Australian or Foreign tax resident	Jurisdiction for Foreign resident
Epworth Pathology	Partnership	Australia	N/A	Australian	n/a
Evmar Holdings Pty. Limited	Body corporate	Australia	100%	Australian	n/a
Formulab International Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Gainsby Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Geek Squad Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Gemini Medical Services Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Hanly Moir Pathology Pty. Limited (i)	Body corporate	Australia	100%	Australian	n/a
Health Essentials Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Hunter Imaging Group Pty Limited	Body corporate	Australia	100%	Australian	n/a
Hunter Valley X-Ray Pty Ltd	Body corporate	Australia	100%	Australian	n/a
IPN Clinics Victoria Pty Ltd	Body corporate	Australia	100%	Australian	n/a
IPN Healthcare (VIC) Pty Ltd	Body corporate	Australia	100%	Australian	n/a
IPN Healthcare Pty Limited	Body corporate	Australia	100%	Australian	n/a
IPN Medical Centres (NSW) Pty Ltd	Body corporate	Australia	100%	Australian	n/a
IPN Medical Centres (QLD) Pty Ltd	Body corporate	Australia	100%	Australian	n/a
IPN Medical Centres (VIC) Pty Ltd	Body corporate	Australia	100%	Australian	n/a
IPN Medical Centres Pty Ltd	Body corporate	Australia	100%	Australian	n/a
IPN Medical Victoria Pty Ltd	Body corporate	Australia	100%	Australian	n/a
IRG Co Pty Limited	Body corporate	Australia	100%	Australian	n/a
Joodie Holdings No. 2 Pty Limited	Body corporate	Australia	100%	Australian	n/a
Kedron Park 24 Hour Medical Centre Pty Ltd	Body corporate	Australia	100%	Australian	n/a
L. & A. Services Pty. Ltd. (i)	Body corporate	Australia	100%	Australian	n/a
Lifescreen Australia Pty Limited	Body corporate	Australia	100%	Australian	n/a
LUMC Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Maga Pty Ltd (i)	Body corporate	Australia	100%	Australian	n/a
Marrickville Medical Centre No.2 Pty Limited	Body corporate	Australia	100%	Australian	n/a
Matrix Skin Cancer Clinics Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Medical Control Centre Unit Trust	Trust	Australia	N/A	Australian	n/a
Medihelp General Practice Pty Limited	Body corporate	Australia	100%	Australian	n/a
Medihelp Services Pty. Ltd.	Body corporate	Australia	100%	Australian	n/a
Melbourne Pathology Cabrini Pty Ltd (i)	Body corporate	Australia	50.1%	Australian	n/a
Melbourne Pathology Pty Limited (ii)	Body corporate	Australia	100%	Australian	n/a
Melbourne Pathology Service Trust	Trust	Australia	N/A	Australian	n/a
Melbourne Pathology Services Pty Limited (i)	Body corporate	Australia	100%	Australian	n/a
Metford PET CT Pty Ltd	Body corporate	Australia	50.1%	Australian	n/a
National Skin Cancer Centres Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Newcastle Diagnostic Imaging Pty Ltd	Body corporate	Australia	100%	Australian	n/a

(i) This entity is a trustee of a trust within the consolidated entity.
(ii) This entity is a partner of a partnership within the consolidated entity.

Consolidated Entity Disclosure Statement

30 JUNE 2025

Entity name	Body corporate, partnership or trust	Place incorporated/ formed	% of share capital held directly or indirectly by the Company in the body corporate	Australian or Foreign tax resident	Jurisdiction for Foreign resident
Next Byte Holdings Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Next Byte Pty Ltd (i)	Body corporate	Australia	100%	Australian	n/a
Next Byte Unit Trust	Trust	Australia	N/A	Australian	n/a
Northern Pathology Pty Ltd	Body corporate	Australia	100%	Australian	n/a
NSCC Holdings Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Nuclear Medicine Co Pty Limited	Body corporate	Australia	100%	Australian	n/a
OCP (QLD) Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Pacific Medical Imaging Pty Limited (i)	Body corporate	Australia	100%	Australian	n/a
Paedu Pty Limited (i)	Body corporate	Australia	100%	Australian	n/a
Paedu Unit Trust	Trust	Australia	N/A	Australian	n/a
Penrith Medical Centre No. 2 Pty Limited	Body corporate	Australia	100%	Australian	n/a
Practice Management Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Precedence Health Care Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Preston Property Pty. Ltd.	Body corporate	Australia	100%	Australian	n/a
Prime Health Group Pty Limited	Body corporate	Australia	100%	Australian	n/a
Queensland X-Ray Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Radiology Victoria Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Redcliffe Peninsula Medical Service Pty. Ltd.	Body corporate	Australia	100%	Australian	n/a
Redlands X-Ray Services Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Royal Brisbane Place Medical Centre Pty. Limited	Body corporate	Australia	100%	Australian	n/a
San Pathology Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Silverspoon Holdings Pty Ltd	Body corporate	Australia	100%	Australian	n/a
SKG Radiology Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Sonic AI Holdings Pty Limited	Body corporate	Australia	100%	Australian	n/a
Sonic AI IP Pty Limited	Body corporate	Australia	100%	Australian	n/a
Sonic Clinical Services Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Sonic Clinical Trials Pty Limited	Body corporate	Australia	100%	Australian	n/a
Sonic Healthcare (UK) Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Sonic Healthcare Australia Pathology Pty Limited	Body corporate	Australia	100%	Australian	n/a
Sonic Healthcare Australia Radiology Pty Limited	Body corporate	Australia	100%	Australian	n/a
Sonic Healthcare Genetics Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Sonic Healthcare International Pty Limited	Body corporate	Australia	100%	Australian	n/a
Sonic Healthcare Limited Employee Share Trust	Trust	Australia	N/A	Australian	n/a
Sonic Healthcare Limited (ii)	Body corporate	Australia	100%	Australian	n/a
Sonic Healthcare Pathology Pty Limited	Body corporate	Australia	100%	Australian	n/a
Sonic Healthcare Services Pty Limited	Body corporate	Australia	100%	Australian	n/a
Sonic HealthPlus Pty Ltd	Body corporate	Australia	100%	Australian	n/a

(i) This entity is a trustee of a trust within the consolidated entity.
(ii) This entity is a partner of a partnership within the consolidated entity.

Consolidated Entity Disclosure Statement

30 JUNE 2025

Entity name	Body corporate, partnership or trust	Place incorporated/ formed	% of share capital held directly or indirectly by the Company in the body corporate	Australian or Foreign tax resident	Jurisdiction for Foreign resident
Sonic Medlab Holdings Australia Pty Limited	Body corporate	Australia	100%	Australian	n/a
Sonic Nurse Connect Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Sonic Pathology (Queensland) Pty Limited	Body corporate	Australia	100%	Australian	n/a
Sonic Pathology (Victoria) Pty Limited	Body corporate	Australia	100%	Australian	n/a
Sonic Pathology AI Holdings Pty Limited	Body corporate	Australia	100%	Australian	n/a
Southcare Physiotherapy Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Southern Pathology Services Pty Limited	Body corporate	Australia	100%	Australian	n/a
Sports Imaging Co Pty Limited	Body corporate	Australia	100%	Australian	n/a
Sports MRI Australia Pty. Limited	Body corporate	Australia	100%	Australian	n/a
SQDGlobal Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Stratum Medical Services Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Sullivan Nicolaides Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Sunshine Employment Pty. Limited	Body corporate	Australia	100%	Australian	n/a
Sunton Pty Limited (i)	Body corporate	Australia	100%	Australian	n/a
System 7 Laboratories Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Taringa 24 Hour Medical Centre Pty Ltd	Body corporate	Australia	100%	Australian	n/a
The Bradley Services Unit Trust	Trust	Australia	N/A	Australian	n/a
The Hanly Moir Pathology Trust	Trust	Australia	N/A	Australian	n/a
The Hunter Imaging Services Unit Trust	Trust	Australia	N/A	Australian	n/a
The Melbourne Pathology Cabrini Trust	Trust	Australia	N/A	Australian	n/a
The Mobile Phone Shop Pty. Ltd.	Body corporate	Australia	100%	Australian	n/a
The Pacific Medical Imaging Unit Trust	Trust	Australia	N/A	Australian	n/a
The Sprague Kam Unit Trust	Trust	Australia	N/A	Australian	n/a
The Ultrarad 2 Unit Trust	Trust	Australia	N/A	Australian	n/a
Tribal Accessories Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Ultrarad Holdings Pty Ltd	Body corporate	Australia	99.9%	Australian	n/a
Ultrarad Pty. Ltd. (i)	Body corporate	Australia	100%	Australian	n/a
United Healthcare Medical Centre Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Vita Group Pty Limited	Body corporate	Australia	100%	Australian	n/a
VTG Artisan Pty Ltd	Body corporate	Australia	100%	Australian	n/a
VTG CC Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Woch Nominees Pty Ltd (i)	Body corporate	Australia	100%	Australian	n/a
Woch Services Unit Trust	Trust	Australia	N/A	Australian	n/a
A.M.L. BV	Body corporate	Belgium	100%	Foreign	Belgium
A.M.L. WEST BV	Body corporate	Belgium	100%	Foreign	Belgium
Klinisch Labo Rigo BV	Body corporate	Belgium	100%	Foreign	Belgium
Medvet BV	Body corporate	Belgium	100%	Foreign	Belgium

(i) This entity is a trustee of a trust within the consolidated entity.
(ii) This entity is a partner of a partnership within the consolidated entity.

Consolidated Entity Disclosure Statement

30 JUNE 2025

Entity name	Body corporate, partnership or trust	Place incorporated/ formed	% of share capital held directly or indirectly by the Company in the body corporate	Australian or Foreign tax resident	Jurisdiction for Foreign resident
Sonic Healthcare Benelux NV	Body corporate	Belgium	100%	Foreign	Belgium
allgäuLab MVZ GmbH	Body corporate	Germany	100%	Foreign	Germany
aptus 2306. GmbH	Body corporate	Germany	100%	Foreign	Germany
Bioscientia Healthcare GmbH	Body corporate	Germany	100%	Foreign	Germany
Bioscientia Institut für medizinische Diagnostik GmbH	Body corporate	Germany	100%	Foreign	Germany
Bioscientia Logistik GmbH	Body corporate	Germany	100%	Foreign	Germany
Bioscientia MVZ Jena GmbH	Body corporate	Germany	100%	Foreign	Germany
Bioscientia MVZ Labor Karlsruhe GmbH	Body corporate	Germany	100%	Foreign	Germany
Bioscientia MVZ Labor Mittelhessen GmbH	Body corporate	Germany	100%	Foreign	Germany
Bioscientia MVZ Labor Saar GmbH	Body corporate	Germany	100%	Foreign	Germany
Bioscientia MVZ Saarbrücken GmbH	Body corporate	Germany	100%	Foreign	Germany
Bioscientia Real Estate GmbH	Body corporate	Germany	100%	Foreign	Germany
biovis Diagnostik MVZ GmbH	Body corporate	Germany	100%	Foreign	Germany
ComSSys - Computer und Software Systeme GmbH	Body corporate	Germany	100%	Foreign	Germany
Dr. Staber & Kollegen GmbH	Body corporate	Germany	100%	Foreign	Germany
GLP medical services GmbH	Body corporate	Germany	100%	Foreign	Germany
GMD – Gesellschaft für medizinische Dienstleistungen mbH	Body corporate	Germany	100%	Foreign	Germany
Klinik an der Weißenburg GmbH	Body corporate	Germany	100%	Foreign	Germany
LabKom Biochemische Dienstleistungen GmbH	Body corporate	Germany	100%	Foreign	Germany
Labor 28 MVZ GmbH	Body corporate	Germany	100%	Foreign	Germany
Labor 28 Potsdam MVZ GmbH	Body corporate	Germany	100%	Foreign	Germany
Labor an der Salzbruecke MVZ GmbH	Body corporate	Germany	100%	Foreign	Germany
Labor Augsburg Administration GmbH	Body corporate	Germany	100%	Foreign	Germany
Labor Augsburg MVZ GmbH	Body corporate	Germany	100%	Foreign	Germany
Labor Deutscher Platz Leipzig MVZ GmbH	Body corporate	Germany	100%	Foreign	Germany
Labor Dr. von Froreich GmbH	Body corporate	Germany	100%	Foreign	Germany
Labor Hannover MVZ GmbH	Body corporate	Germany	100%	Foreign	Germany
Labor Mainz MVZ GmbH	Body corporate	Germany	100%	Foreign	Germany
Med-Lab Med. Dienstleistungs GmbH	Body corporate	Germany	100%	Foreign	Germany
MEDICEM Med. Diagn. Institut Kempten GmbH	Body corporate	Germany	100%	Foreign	Germany
MVZ Bioscientia Labor Duisburg GmbH	Body corporate	Germany	100%	Foreign	Germany
MVZ diagnosticum GmbH	Body corporate	Germany	100%	Foreign	Germany
MVZ für Histologie, Zytologie und molekulare Diagnostik Düren GmbH	Body corporate	Germany	100%	Foreign	Germany
MVZ für Histologie, Zytologie und molekulare Diagnostik Trier GmbH	Body corporate	Germany	100%	Foreign	Germany

(i) This entity is a trustee of a trust within the consolidated entity.
(ii) This entity is a partner of a partnership within the consolidated entity.

Consolidated Entity Disclosure Statement

30 JUNE 2025

Entity name	Body corporate, partnership or trust	Place incorporated/ formed	% of share capital held directly or indirectly by the Company in the body corporate	Australian or Foreign tax resident	Jurisdiction for Foreign resident
MVZ für Laboratoriumsmedizin und Mikrobiologie Würzburg GmbH	Body corporate	Germany	100%	Foreign	Germany
MVZ Institut für Pathologie Würselen-Aachen GmbH	Body corporate	Germany	100%	Foreign	Germany
MVZ Labor Bochum MLB GmbH	Body corporate	Germany	100%	Foreign	Germany
MVZ Labor für Cytopathologie Dr. Steinberg GmbH	Body corporate	Germany	100%	Foreign	Germany
MVZ Labor im Sommershof GmbH	Body corporate	Germany	100%	Foreign	Germany
MVZ Medizinische Laboratorien Düsseldorf GmbH	Body corporate	Germany	100%	Foreign	Germany
MVZ Medizinisches Labor Bremen GmbH	Body corporate	Germany	100%	Foreign	Germany
MVZ Medizinisches Labor Celle GmbH	Body corporate	Germany	100%	Foreign	Germany
MVZ Medizinisches Labor Nord MLN GmbH	Body corporate	Germany	100%	Foreign	Germany
MVZ Medizinisches Labor Oldenburg Dr. Müller GmbH	Body corporate	Germany	100%	Foreign	Germany
MVZ Pathologie & Zytologie Rhein-Sieg GmbH	Body corporate	Germany	100%	Foreign	Germany
MVZ Pathologie Berlin Berger Fietze Linke Nadjari GmbH	Body corporate	Germany	100%	Foreign	Germany
MVZ Pathologie, Zytologie und Molekularpathologie Neuss GmbH	Body corporate	Germany	100%	Foreign	Germany
MVZ Rheumazentrum Saalebogen GmbH	Body corporate	Germany	100%	Foreign	Germany
MVZ Zentrum für Pathologie & Zytologie Düsseldorf GmbH	Body corporate	Germany	100%	Foreign	Germany
Orthopädietechnik Mayer & Behnsen GmbH	Body corporate	Germany	100%	Foreign	Germany
Sanovis Healthcare GmbH	Body corporate	Germany	100%	Foreign	Germany
Sonic Healthcare Eight GmbH	Body corporate	Germany	100%	Foreign	Germany
Sonic Healthcare Europe GmbH (ii)	Body corporate	Germany	100%	Foreign	Germany
Sonic Healthcare Germany GmbH	Body corporate	Germany	100%	Foreign	Germany
Sonic Healthcare Germany GmbH & Co. KG	Partnership	Germany	N/A	Foreign	Germany
Sonic Healthcare Germany Six GmbH	Body corporate	Germany	100%	Foreign	Germany
Sonic Healthcare Investments GmbH	Body corporate	Germany	100%	Foreign	Germany
Sonic Healthcare Nine GmbH	Body corporate	Germany	100%	Foreign	Germany
Sonic Healthcare Real Estate München GmbH	Body corporate	Germany	100%	Foreign	Germany
Sonic Healthcare Seven GmbH	Body corporate	Germany	100%	Foreign	Germany
Sonic Healthcare Ten GmbH	Body corporate	Germany	100%	Foreign	Germany
Supra Rhenum GmbH	Body corporate	Germany	100%	Foreign	Germany
Medlab Pathology Limited	Body corporate	Ireland	100%	Foreign	Ireland
Sonic Healthcare (Ireland) Limited	Body corporate	Ireland	100%	Foreign	Ireland
Sonic Healthcare Continental Europe GmbH (ii)	Body corporate	Italy	100%	Foreign	Italy
Dr. Risch AG	Body corporate	Liechtenstein	100%	Foreign	Liechtenstein
Medlab Central Ltd	Body corporate	New Zealand	100%	Foreign	New Zealand
Aerztelabor Dr. Kurt Furrer GmbH	Body corporate	Switzerland	100%	Foreign	Switzerland

(i) This entity is a trustee of a trust within the consolidated entity.
(ii) This entity is a partner of a partnership within the consolidated entity.

Consolidated Entity Disclosure Statement

30 JUNE 2025

Entity name	Body corporate, partnership or trust	Place incorporated/ formed	% of share capital held directly or indirectly by the Company in the body corporate	Australian or Foreign tax resident	Jurisdiction for Foreign resident
Aurigen SA	Body corporate	Switzerland	100%	Foreign	Switzerland
Bioanalytica Aareland AG	Body corporate	Switzerland	100%	Foreign	Switzerland
Bioanalytica AG	Body corporate	Switzerland	100%	Foreign	Switzerland
Bioexam AG	Body corporate	Switzerland	100%	Foreign	Switzerland
Chinon Holding SA	Body corporate	Switzerland	96.7%	Foreign	Switzerland
CPMA SA	Body corporate	Switzerland	94.4%	Foreign	Switzerland
Dianalabs Mittelland AG	Body corporate	Switzerland	100%	Foreign	Switzerland
Dianalabs SA	Body corporate	Switzerland	99.8%	Foreign	Switzerland
Dianalabs Valais SA	Body corporate	Switzerland	100%	Foreign	Switzerland
DIANAPATH SA	Body corporate	Switzerland	100%	Foreign	Switzerland
Dr Risch arc lémanique SA	Body corporate	Switzerland	100%	Foreign	Switzerland
Dr. Risch AG	Body corporate	Switzerland	100%	Foreign	Switzerland
Dr. Risch Holding AG	Body corporate	Switzerland	100%	Foreign	Switzerland
Dr. Risch Ostschweiz AG	Body corporate	Switzerland	100%	Foreign	Switzerland
Dr. Risch Services AG	Body corporate	Switzerland	100%	Foreign	Switzerland
Dr. Risch Shared Services AG	Body corporate	Switzerland	100%	Foreign	Switzerland
Dr. Risch Ticino SA	Body corporate	Switzerland	100%	Foreign	Switzerland
Ecobion SA	Body corporate	Switzerland	100%	Foreign	Switzerland
Fertas SA	Body corporate	Switzerland	94.4%	Foreign	Switzerland
FLONMED SA	Body corporate	Switzerland	100%	Foreign	Switzerland
Genesupport SA	Body corporate	Switzerland	100%	Foreign	Switzerland
Imagerie du Flon SA	Body corporate	Switzerland	78.8%	Foreign	Switzerland
Institut Arnaboldi AG	Body corporate	Switzerland	100%	Foreign	Switzerland
Institut Virion GmbH	Body corporate	Switzerland	100%	Foreign	Switzerland
LabCare SA	Body corporate	Switzerland	50.9%	Foreign	Switzerland
Labor Prof. Krech und Partner GmbH	Body corporate	Switzerland	100%	Foreign	Switzerland
LABORATOIRES BBV S.A.	Body corporate	Switzerland	100%	Foreign	Switzerland
Labormed Medizinische Laboratorien GmbH	Body corporate	Switzerland	100%	Foreign	Switzerland
LB Medizinisches Labor Solothurn GmbH	Body corporate	Switzerland	100%	Foreign	Switzerland
MCL Medizinische Laboratorien AG	Body corporate	Switzerland	100%	Foreign	Switzerland
med:compact AG	Body corporate	Switzerland	100%	Foreign	Switzerland
medica Ärztebedarf AG	Body corporate	Switzerland	100%	Foreign	Switzerland
MEDICA Medizinische Laboratorien AG	Body corporate	Switzerland	100%	Foreign	Switzerland
Medi-Centre SA	Body corporate	Switzerland	65%	Foreign	Switzerland
Medigenome SA	Body corporate	Switzerland	60%	Foreign	Switzerland
Medisoutien Holding SA	Body corporate	Switzerland	100%	Foreign	Switzerland
MEDISYN SA	Body corporate	Switzerland	100%	Foreign	Switzerland

(i) This entity is a trustee of a trust within the consolidated entity.
(ii) This entity is a partner of a partnership within the consolidated entity.

Consolidated Entity Disclosure Statement

30 JUNE 2025

Entity name	Body corporate, partnership or trust	Place incorporated/ formed	% of share capital held directly or indirectly by the Company in the body corporate	Australian or Foreign tax resident	Jurisdiction for Foreign resident
Medizinische Laboratorien Dr. Toggweiler AG	Body corporate	Switzerland	100%	Foreign	Switzerland
Medizinisches Institut R. Rondez GmbH	Body corporate	Switzerland	100%	Foreign	Switzerland
Mikrogen Labor GmbH	Body corporate	Switzerland	100%	Foreign	Switzerland
one-provide ag	Body corporate	Switzerland	100%	Foreign	Switzerland
Ortho-Analytic AG	Body corporate	Switzerland	100%	Foreign	Switzerland
Pathologie Dr. Noll AG	Body corporate	Switzerland	100%	Foreign	Switzerland
Pathologie Institut Enge AG	Body corporate	Switzerland	100%	Foreign	Switzerland
Polyanalytic S.A.	Body corporate	Switzerland	90%	Foreign	Switzerland
Proxilab analyses médicales SA	Body corporate	Switzerland	100%	Foreign	Switzerland
selftesting.ch GmbH	Body corporate	Switzerland	100%	Foreign	Switzerland
Serolife GmbH	Body corporate	Switzerland	100%	Foreign	Switzerland
Sonic Suisse Labs SA	Body corporate	Switzerland	100%	Foreign	Switzerland
Sonic Suisse SSD SA	Body corporate	Switzerland	100%	Foreign	Switzerland
Virion Labordiagnostik GmbH	Body corporate	Switzerland	100%	Foreign	Switzerland
Health Services Laboratories LLP (ii)	Partnership	United Kingdom	N/A	Foreign	United Kingdom
HSL (Analytics) LLP	Partnership	United Kingdom	N/A	Foreign	United Kingdom
HSL (FM) LLP	Partnership	United Kingdom	N/A	Foreign	United Kingdom
HSL (Nominee) Limited (ii)	Body corporate	United Kingdom	51%	Foreign	United Kingdom
HSL PATHOLOGY LLP	Partnership	United Kingdom	N/A	Foreign	United Kingdom
LABex Analytics LLP	Partnership	United Kingdom	N/A	Foreign	United Kingdom
LABex Facilities LLP	Partnership	United Kingdom	N/A	Foreign	United Kingdom
NWLHT Analytical LLP	Partnership	United Kingdom	N/A	Foreign	United Kingdom
SH Euro Finance PLC (ii)	Body corporate	United Kingdom	100%	Foreign	United Kingdom
Sonic Healthcare Holding Company	Body corporate	United Kingdom	100%	Foreign	United Kingdom
TDL Genetics Limited (ii)	Body corporate	United Kingdom	100%	Foreign	United Kingdom
The Doctors Laboratory Limited (ii)	Body corporate	United Kingdom	100%	Foreign	United Kingdom
AEL of Memphis, LLC (ii)	Body corporate	United States	100%	Foreign	United States
Aeos Labs, Inc.	Body corporate	United States	100%	Foreign	United States
American Esoteric Laboratories, Inc.	Body corporate	United States	100%	Foreign	United States
Aurora Diagnostics, LLC	Body corporate	United States	100%	Foreign	United States
Aurora Greensboro, LLC	Body corporate	United States	100%	Foreign	United States
Aurora LMC, LLC	Body corporate	United States	100%	Foreign	United States
Aurora Massachusetts, LLC	Body corporate	United States	100%	Foreign	United States
Aurora Michigan, LLC	Body corporate	United States	100%	Foreign	United States
Aurora New Hampshire, LLC	Body corporate	United States	100%	Foreign	United States
Aurora Research Institute, LLC	Body corporate	United States	100%	Foreign	United States
Bernhardt Laboratories, Inc.	Body corporate	United States	100%	Foreign	United States

(i) This entity is a trustee of a trust within the consolidated entity.
(ii) This entity is a partner of a partnership within the consolidated entity.

Consolidated Entity Disclosure Statement

30 JUNE 2025

Entity name	Body corporate, partnership or trust	Place incorporated/ formed	% of share capital held directly or indirectly by the Company in the body corporate	Australian or Foreign tax resident	Jurisdiction for Foreign resident
Biopsy Diagnostics, LLC	Body corporate	United States	100%	Foreign	United States
BMHSI/AEL Microbiology Laboratory, GP	Partnership	United States	N/A	Foreign	United States
CBLPath Holdings Corporation	Body corporate	United States	100%	Foreign	United States
CBLPath Transport, Inc.	Body corporate	United States	100%	Foreign	United States
CBLPath, Inc.	Body corporate	United States	100%	Foreign	United States
Cleveland Skin Pathology Laboratory, Inc.	Body corporate	United States	100%	Foreign	United States
Clinical Laboratories of Hawaii, LLP	Partnership	United States	N/A	Foreign	United States
Clinical Pathology Laboratories, Inc.	Body corporate	United States	100%	Foreign	United States
Connecticut Laboratory Partnership, LLC	Body corporate	United States	51%	Foreign	United States
Consultants in Laboratory Medicine of Greater Toledo, Inc.	Body corporate	United States	100%	Foreign	United States
Cunningham Pathology, LLC	Body corporate	United States	100%	Foreign	United States
Cytopath, Inc.	Body corporate	United States	100%	Foreign	United States
DermDX New England, LLC	Body corporate	United States	100%	Foreign	United States
Dermpath New England, LLC	Body corporate	United States	100%	Foreign	United States
East Side Clinical Laboratory, Inc.	Body corporate	United States	100%	Foreign	United States
Genetics Associates, LLC	Body corporate	United States	100%	Foreign	United States
Greensboro Pathology, LLC	Body corporate	United States	100%	Foreign	United States
Laboratory of Dermatopathology ADX, LLC	Body corporate	United States	100%	Foreign	United States
Mark & Kambour Holdings, Inc.	Body corporate	United States	100%	Foreign	United States
Mark & Kambour, LLC	Body corporate	United States	100%	Foreign	United States
Medford Clinical Laboratory, LLC	Body corporate	United States	100%	Foreign	United States
Memphis Pathology Holdings, LLC (ii)	Body corporate	United States	100%	Foreign	United States
Memphis Pathology Laboratory	Partnership	United States	N/A	Foreign	United States
Mid-Atlantic Pathology Services, Inc.	Body corporate	United States	100%	Foreign	United States
Mill Creek Medical Laboratory, LLC	Body corporate	United States	100%	Foreign	United States
MPL Holdings, Inc. (ii)	Body corporate	United States	100%	Foreign	United States
Pacific Point Laboratories, Inc.	Body corporate	United States	100%	Foreign	United States
Pan Pacific Pathologists, LLC	Body corporate	United States	100%	Foreign	United States
Pathology Associates of Sebring, LLC	Body corporate	United States	100%	Foreign	United States
Pathology Laboratories, Inc.	Body corporate	United States	100%	Foreign	United States
Pathology Solutions, LLC	Body corporate	United States	100%	Foreign	United States
Pathology Watch, Inc.	Body corporate	United States	100%	Foreign	United States
ProPath Holdings, LLC	Body corporate	United States	100%	Foreign	United States
ProPath Services, LLC	Body corporate	United States	100%	Foreign	United States
Richard Bernert, LLC	Body corporate	United States	100%	Foreign	United States
Seacoast Pathology, Inc.	Body corporate	United States	100%	Foreign	United States

(i) This entity is a trustee of a trust within the consolidated entity.
(ii) This entity is a partner of a partnership within the consolidated entity.

Consolidated Entity Disclosure Statement

30 JUNE 2025

Entity name	Body corporate, partnership or trust	Place incorporated/ formed	% of share capital held directly or indirectly by the Company in the body corporate	Australian or Foreign tax resident	Jurisdiction for Foreign resident
Sonic Digital Pathology Holdings, Inc.	Body corporate	United States	100%	Foreign	United States
Sonic Hawaii Holdings, Inc. (ii)	Body corporate	United States	100%	Foreign	United States
Sonic Healthcare USA Investments, Inc.	Body corporate	United States	100%	Foreign	United States
Sonic Healthcare USA, Inc.	Body corporate	United States	100%	Foreign	United States
Sonic Land Holdings, LLC	Body corporate	United States	100%	Foreign	United States
Sonic Reference Laboratory, Inc.	Body corporate	United States	100%	Foreign	United States
Sonic USA Holdings, Inc. (ii)	Body corporate	United States	100%	Foreign	United States
Sunrise Medical Laboratories, Inc.	Body corporate	United States	100%	Foreign	United States
Texas Pathology, LLC	Body corporate	United States	100%	Foreign	United States
Twin Cities Dermatopathology, LLC	Body corporate	United States	100%	Foreign	United States
West Georgia Pathology, LLC	Body corporate	United States	100%	Foreign	United States

(i) This entity is a trustee of a trust within the consolidated entity.
(ii) This entity is a partner of a partnership within the consolidated entity.

Directors' Declaration

FOR THE YEAR ENDED 30 JUNE 2025

In the Directors' opinion:

a) the financial statements and Notes set out on pages 66 to 143 are in accordance with the *Corporations Act 2001*, including:
   i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
   ii) giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the financial year ended on that date; and

b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable

c) the Consolidated Entity Disclosure Statement on pages 144 to 154 is true and correct; and

d) at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group identified in Note 30 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the Deed of Cross Guarantee described in Note 29.

Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Managing Director and Finance Director required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors.

Dr CS Goldschmidt
Director

CD Wilks
Director

Sydney
24 September 2025

Independent auditor's report

To the members of Sonic Healthcare Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Sonic Healthcare Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

a. giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended

b. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the consolidated balance sheet as at 30 June 2025
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated cash flow statement for the year then ended
- the consolidated income statement for the year then ended
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information
- the consolidated entity disclosure statement as at 30 June 2025
- the directors' declaration.

PricewaterhouseCoopers, ABN 52 780 433 757
One International Towers Sydney, Watermans Quay, BARANGAROO NSW 2000,
GPO BOX 2650, SYDNEY NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au
Level 11, 1PSQ, 169 Macquarie Street, PARRAMATTA NSW 2150,
PO Box 1155 PARRAMATTA NSW 2124
T: +61 2 9659 2476, F: +61 2 8266 9999, www.pwc.com.au

pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Audit Scope

Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.

The audit comprised of the Group auditor and component auditors. Where audit work was performed by component auditors, we determined the level of involvement we needed to have in their audit work to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period.

The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matter to the Audit Committee.

Key audit matter	*How our audit addressed the key audit matter*
Estimated recoverable amount of goodwill and intangibles with indefinite useful lives *(Refer to note 14)* Under Australian Accounting Standards, the Group is required to test goodwill and intangibles with indefinite useful lives annually for impairment. This assessment is inherently complex and requires judgement in forecasting the cash flows of the Group's cash generating units ("CGUs") and determining discount rates and terminal growth rates used in the discounted cash flow models used to assess impairment (the 'models'). The recoverable amount of goodwill and intangibles with indefinite useful lives was a key audit matter given: • financial significance of goodwill and intangibles with indefinite useful lives to the consolidated balance sheet; and • judgement applied by the Group in performing the impairment assessments.	Assisted by PwC valuation experts in aspects of our work, our audit procedures included, amongst others: • assessing the identification of CGUs and the allocation of carrying value of assets, liabilities and cash flows to those CGUs; • assessing whether the models were prepared in accordance with the requirements of Australian Accounting Standards; • assessing the appropriateness of cash flow forecasts included in the models with reference to historical earnings and budget accuracy, Board and/or management approved budgets and forecasts, future strategic plans, and other market information; • testing the mathematical accuracy, on a sample basis, within the models; • assessing the appropriateness of the discount rates and terminal growth rates applied in the models; • performing sensitivity analyses over the key assumptions used in the models to understand the impact of reasonably possible changes to key assumptions; and • assessing reasonableness of the related financial statement disclosures in light of the requirements of Australian Accounting Standards requirements.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://auasb.gov.au/media/bwvjcgre/ar1_2024.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2025.

In our opinion, the remuneration report of Sonic Healthcare Limited for the year ended 30 June 2025 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

Aishwarya Chandran
Partner

Sydney
24 September 2025

Luminex

Shareholders' Information

1. INFORMATION RELATING TO SHAREHOLDERS

a) Distribution schedule as at 15 September 2025

		No. of holders ordinary shares	Percentage held
1-1,000		59,656	4.76%
1,001-5,000		27,777	11.85%
5,001-10,000		2,411	3.40%
10,001-100,000		1,107	4.59%
100,001 and over		94	75.40%
		91,045	100%
Voting rights	- on a show of hands	1/member	
	- on a poll	1/share	
Percentage of total shares held by the twenty largest registered holders		70.9%	
Number of holders holding less than a marketable parcel		2,699	

b) Substantial shareholders as at 15 September 2025

The Company has received substantial shareholding notices to 15 September 2025 in respect of the following holdings:

	No. of securities	Percentage held
State Street Corporation and its subsidiaries	35,419,922	7.17%
BlackRock Group	34,297,014	6.94%
The Vanguard Group, Inc. and its controlled entities	28,857,614	5.84%

Shareholders' Information

1. INFORMATION RELATING TO SHAREHOLDERS

c) Names of the 20 largest registered holders of equity securities as at 15 September 2025

	No. of securities	Percentage held
HSBC Custody Nominees (Australia) Limited	151,482,588	30.65%
J P Morgan Nominees Australia Pty Limited	62,585,186	12.66%
Citicorp Nominees Pty Limited	56,792,007	11.49%
Jardvan Pty Ltd	15,109,474	3.06%
Gekramon Investment GmbH & Co. KG	13,802,416	2.79%
BNP Paribas Noms Pty Ltd	8,357,561	1.69%
BNP Paribas Nominees Pty Ltd <HUB24 Custodial Serv Ltd>	6,146,467	1.24%
BNP Paribas Nominees Pty Ltd <Agency Lending A/C>	5,386,200	1.09%
Argo Investments Limited	4,226,053	0.86%
National Nominees Limited	3,981,193	0.81%
Netwealth Investments Limited <Wrap Services A/C>	3,846,986	0.78%
HSBC Custody Nominees (Australia) Limited <NT-Comnwlth Super Corp A/C>	3,432,756	0.69%
Australian Foundation Investment Company Limited	3,159,672	0.64%
Netwealth Investments Limited <Super Services A/C>	1,907,879	0.39%
Anton-Martin Familienstiftung<Anton-Martin Foundation A/C>	1,864,163	0.38%
Blaise Mentha	1,850,000	0.37%
Polly Pty Ltd <A/C Patterson Family>	1,817,416	0.37%
IOOF Investment Services Limited <IPS Superfund A/C>	1,758,380	0.36%
Quintal Pty Ltd <Harken Family A/C>	1,587,908	0.32%
BKI Investment Company Limited	1,462,000	0.30%
	350,556,305	**70.93%**

d) Securities subject to voluntary escrow

13,833,980 ordinary shares are subject to voluntary escrow with an expiry date of 1 July 2026.

2. UNQUOTED EQUITY SECURITIES AS AT 15 SEPTEMBER 2025

	No. on issue	No. of holders
Options over unissued ordinary shares	31,784,119	444
Performance rights	244,388	2

Shareholders' Information

3. SHARE REGISTRY

Computershare Investor Services Pty Limited

Registered address:	Level 5, 115 Grenfell Street, Adelaide, SA 5000
Postal address:	GPO Box 1903, Adelaide, SA 5001
Enquiries within Australia:	1300 556 161
Fax within Australia:	1300 534 987
Enquiries outside Australia:	61 3 9415 4000
Fax outside Australia:	61 3 9473 2408
Email:	www.investorcentre.com/contact

Shareholders with enquiries should email, telephone or write to the Share Registry.

Separate shareholdings may be consolidated by advising the Share Registry in writing or by completing a Request to Consolidate Holdings form which can be found online at the above website.

Shareholders who are issuer-sponsored holders should notify the Share Registry of a change of address without delay. Shareholders who are broker-sponsored on the CHESS sub-register must notify their sponsoring broker of a change of address.

For Australian and New Zealand shareholders direct payment of dividends into a nominated Australian or New Zealand account must be arranged with the Share Registry. Shareholders should complete a payment instruction form online or advise the Share Registry in writing with particulars.

The Annual Report is produced for your information. However, should you receive more than one, or wish to be removed from the mailing list for the Annual Report, please advise the Share Registry. Unless you have elected to receive a hard copy of our Annual Report or you have not provided us with your email address, you will continue to receive an electronic copy in accordance with the Corporations Act, until Sonic Healthcare receives a written election from you.

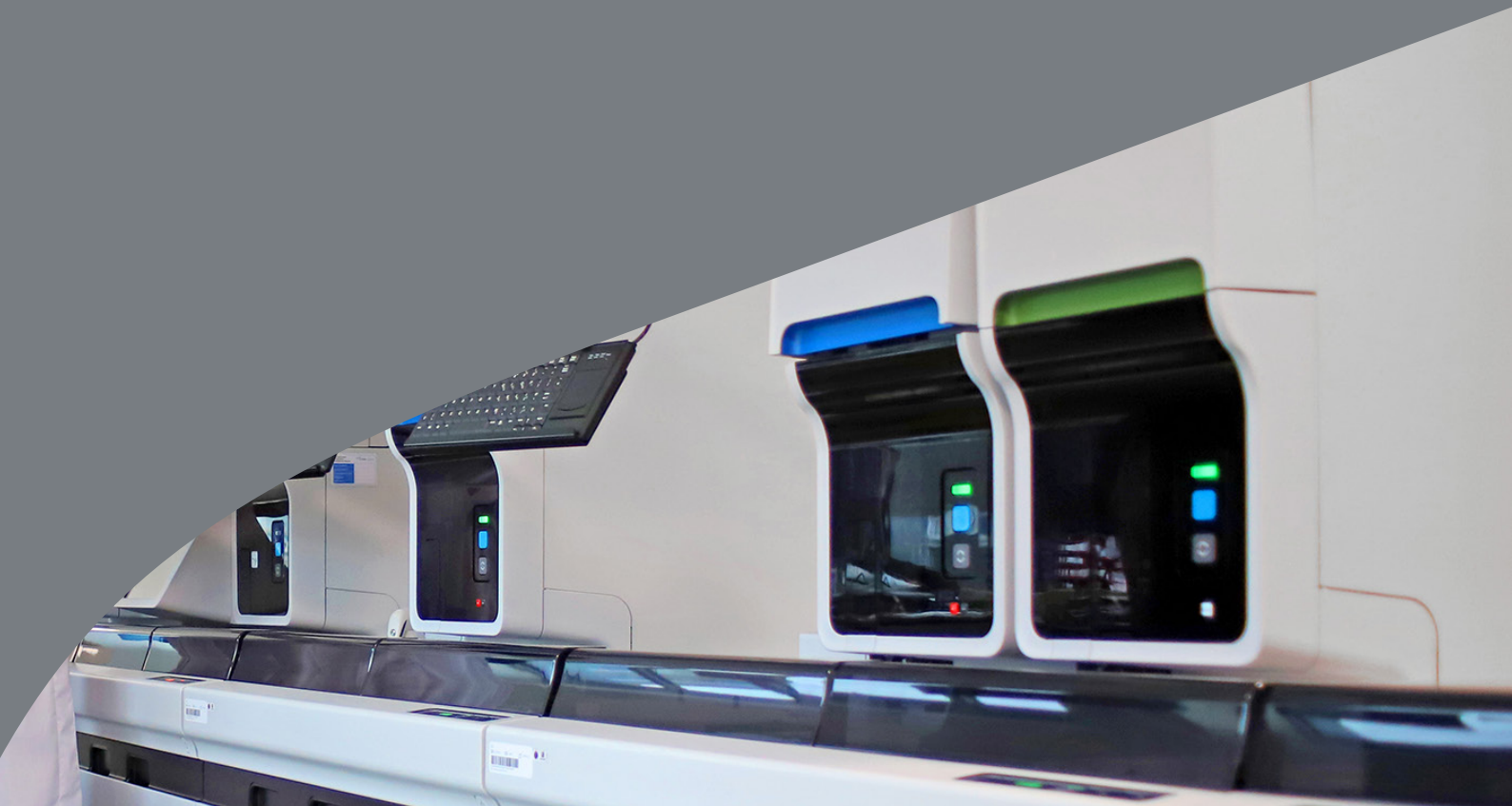
Supporting the environment through electronic communication

With your support of electronic communication channels, Sonic Healthcare has significantly decreased its shareholder communication print production. Less than 2% of Sonic's shareholders still request a hard copy Annual Report, and more than 64% of shareholders receive communications electronically. The result is a reduction in energy and water resources associated with paper production.

4. ANNUAL GENERAL MEETING

The 2025 Annual General Meeting (AGM) will be held at the Fullerton Hotel, 1 Martin Place, Sydney at 10.00am on Thursday 20 November 2025. In addition there will be an option to attend virtually.

This page intentionally left blank



Inset
Connor Groom,
Medical Laboratory Assistant,
The Doctors Laboratory,
London, United Kingdom

Supporting sustainable healthcare
Printed on recycled paper

SONIC
HEALTHCARE
LIMITED