

Friday 19 September 2025

Australian Clinical Labs Limited - 2025 Annual General Meeting

The following announcements to the market are provided:

AGM Notice of Meeting

Proxy Form

Shareholder Question Form

Online Guide from Link Market Services

- ✓ Australian Clinical Labs Limited 2025 Annual Report (including the 2025 Corporate Governance Statement)

Appendix 4G

– ENDS –

This announcement was authorised for release to ASX by the Company Secretary. For further information regarding this announcement, please contact:

Company Secretary

Eleanor Padman

Company Secretary

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About Australian Clinical Labs

ACL is a leading Australian private provider of pathology services. Our NATA accredited laboratories perform a diverse range of pathology tests each year for a range of clients including doctors, specialists, patients, hospitals and corporate clients. ACL is one of the largest private hospital pathology businesses nationally. ACL is focused on its mission of combining talented people, and medical and scientific leadership, with innovative thinking and technologies to empower decision making that saves and improves patients' lives.

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Annual Report 2025

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*Our work over several years,
to integrate disparate systems
and combine them into one
operating platform, sets ACL
apart from competitors.*

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Letter from the Chair and CEO

Dear Shareholders,

It is with great pride that we present to you the FY25 Annual Report for Australian Clinical Labs (ACL). As we mark our fifth year since listing on the ASX, we reflect not only on our achievements but also on the resilience, innovation and strategic clarity that continue to define our journey.

This year, ACL has delivered strong financial and operational performance, navigating a complex healthcare landscape with agility and purpose. Our results are a testament to the dedication of our people, from our pathologists and scientists to our collectors, couriers and corporate teams, who work tirelessly to uphold the highest standards of diagnostic excellence.

Our work over several years to integrate disparate systems and combine them into one operating platform sets ACL apart from competitors, and ensures we are uniquely positioned to both capitalise on opportunities, as well as manage any external challenges in the current environment.

Financial Performance and Shareholder Returns

FY25 was a year of disciplined execution and robust growth. Despite macroeconomic headwinds and evolving market dynamics, ACL achieved:

- Revenue of \$741.3 million, including growth of 6.4%, which is slightly ahead of the broader market growth.
- Underlying EBIT¹ of \$68.0 million, which rose 8.7%, with a full-year margin of 9.2% and a standout second-half margin of 10.9%.
- Underlying EPS increased 13.4% to 17.8 cents per share, reflecting our operational efficiency and strategic focus.
- Free cash flow before interest, tax and financing surged to 30.2%, enabling reinvestment and shareholder returns.
- A final FY25 fully franked dividend of \$0.09. This, combined with the interim dividend already paid, results in a full year dividend of 12.5 cents per share.
- We returned \$44.0 million to shareholders through dividends and a \$19.0 million share buy-back, underscoring our commitment to capital discipline.
- Net debt (excluding lease liabilities) was reduced by \$8.4 million, reinforcing our strong balance sheet and financial flexibility.

These results reflect not just financial strength, but a clear alignment between our strategic priorities and shareholder value creation.

Operational Excellence and Technology Leadership

ACL's operational model continues to set us apart. Our unified national Laboratory Information System (LIS) remains a cornerstone of our efficiency, enabling seamless integration across our network and delivering consistent, high-quality service.

Our pathologist and scientist workflows are designed into a single system across the country that links to our billing system, and interacts at the front end with medical practices, and through the back end with automated result delivery to referrers.

¹ Underlying EBIT, which excludes certain non-recurring revenue and expenses.

This year's results reflect not just financial strength, but a clear alignment between our strategic priorities and shareholder value creation.

The LIS reduces duplication of IT effort, management staff, professional staff, expensive duplicated rosters, compliance and accreditation costs, and enables first-to-market on efficiency projects and revenue maximising activities.

Key operational achievements include:

- A 12.3% increase in laboratory operational efficiency, measured by episodes per FTE.
- An 8% improvement in logistics efficiency, saving over 1.1 million kilometres in fleet travel.
- Labour as a percentage of revenue improved by 60 basis points, now at 43%, reflecting productivity gains.
- A patient Net Promoter Score of +79, highlighting our commitment to patient experience.
- The rollout of AI in back-office functions, laying the groundwork for future cost savings and process automation.

These improvements are not just metrics – they represent our ability to scale intelligently, serve patients better, and operate with precision.

Strategic Growth and Market Expansion

Our growth strategy is focused, disciplined, and margin accretive. We continue to expand our footprint in high-value segments while deepening relationships with key stakeholders across the healthcare ecosystem.

Highlights from FY25 include:

- A 102% increase in Carrier Screening testing within our Human Genetics division. This combined with our revenue growth in Oncology and Pharmacogenetic testing reflected rising demand and our scientific leadership.
- Positive growth in specialist private hospital in-patient volumes, bucking broader market declines.
- Strong GP segment performance: with GP volumes up 6.4% and average fee per request up 2.1%.
- Continued double-digit growth in non-Medicare funded revenue, demonstrating our ability to diversify income streams.

We've also made strategic investments in digitalisation and e-commerce, improving billing accuracy, reducing bad debts, and enhancing the customer experience.



Stephen Roche
Chair

Melinda McGrath
Chief Executive Officer
and Managing Director

Letter from the Chair and CEO *cont.*

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ESG and Sustainability Commitment

ACL remains deeply committed to environmental, social and governance (ESG) principles. We believe that sustainable growth must be inclusive, responsible, and future-focused.

This year, we:

- Reduced fleet travel by over 1 million kilometres, lowering our carbon footprint.
- Cut packaging waste by 32,000 kilograms, thanks to innovations in cold chain logistics.
- Advanced our paperless referral program, improving efficiency and reducing environmental impact.
- Achieved our Board diversity target of 40:40:20, ensuring balanced representation.
- Launched our Reconciliation Action Plan, reaffirming our commitment to Indigenous engagement and inclusion.

These initiatives reflect our belief that long-term success must be built on ethical foundations and community stewardship.

Growth and Innovation Strategy

Disciplined network expansion

We maintain a disciplined approach to network expansion, with a clear focus on driving profitable growth. As part of this strategy, we have restructured our collection centre portfolio and proactively exited from some contracts that would have underperformed this year, ensuring the preservation of our margins.

Despite a decline in market volumes, these measures enabled us to achieve operational leverage earlier in the half. Notably, labour costs as a percentage of revenue were contained at 43%, reflecting strong operational efficiency.

We have also made strategic investments, via collection centre placements, in some group practices that are demonstrating robust growth through their own turnaround initiatives. These practices are acquiring other smaller and underperforming medical centres; and while they may exert a short-term drag on performance, they typically reach maturity within 12 months.

Our partnerships are often with long-standing, high-performing practices operating across multiple sites. These groups approach us to collaborate; and as they expand, we benefit from their growth trajectory.

This disciplined approach to revenue generation has been a key driver of our margin performance. Furthermore, across the organisation, KPIs and incentive structures are closely aligned with EBIT outcomes, extending to laboratory managers and sales teams alike.

Strategic New Business

Innovation is at the heart of ACL's strategy. We are proud to be leading the way in diagnostic science, with several groundbreaking initiatives underway.

Our partnership with Geneseq Biosciences has resulted in the development of a world-first micro RNA test for melanoma, now approved and launched in Australia. ACL holds exclusive rights to this test, and we anticipate strong demand both domestically and internationally.

Strategic New Acquisitions

We remain committed to pursuing domestic acquisitions and adjacent opportunities that are accretive to our business. While we have recently evaluated several promising prospects, they did not meet our criteria for accretive value and were not pursued.

Additionally, our focus continues to be on expanding the SunDoctors business through targeted acquisitions, complemented by sustained organic growth.

Revenue Initiatives

As part of our strategic focus on revenue enhancement, we have launched a key project to digitalise our billing processes, enabling upfront patient billing. Commenced in FY25, this initiative is expected to deliver meaningful returns in the current and future periods.

The project required significant upgrades to our LIS and is designed to address both existing billable tests and those currently unfunded under the Medicare Benefits Schedule (MBS), including tests impacted by recent rebate rule changes. Historically, many of these have been provided at no charge, with costs absorbed over time.

These initiatives reflect our belief that long-term success must be built on ethical foundations and community stewardship.

A 2020 study commissioned by Australian Pathology estimated that approximately 25% of pathology testing is unfunded under the MBS – a gap we are actively working to close.

Key components of the initiative include:

- Digitalisation of billing workflows
- Targeted upfront patient billing
- Recovery of unfunded test costs
- Enhanced non-Medicare billing and pricing
- Funding optimisation strategies
- Indexation opportunities from 2025 onward
- Application of AI to improve billing accuracy and efficiency

This program represents a significant step toward strengthening our revenue base and improving long-term financial sustainability.

Operational Efficiency

We continue to realise year-on-year benefits from our investment in automation and digital tools. A key contributor to our labour efficiency is our advanced forecasting system, which optimises staffing based on projected volumes and skill requirements – particularly valuable during periods of volatility and downtime.

Our Artificial Intelligence (AI) roadmap is progressing well, with applications across Optical Character Recognition (OCR), machine learning, and robotic laboratory instrumentation. This year, we implemented a solution combining OCR and AI to reduce manual data entry, now achieving accuracy rates exceeding human performance. We also extended machine learning from biochemistry into haematology, enhancing diagnostic precision and reducing manual workload for pathologists and scientists.

The 'Lab of the Future' initiative is advancing to business case stage. Leveraging lessons from COVID, it builds on our national LIS to enable flexible workload distribution and footprint reduction. Capex remains steady at \$8–\$10 million annually, covering laboratory, fleet, BAU, and new collection centre investments. IT and digital costs are treated as operational expenses.

We expect the Lab of the Future and associated revenue initiatives to contribute at least \$8 million to EBIT by FY27, with returns well within our capital envelope.

FY26 Guidance and Strategic Outlook

For FY26, Australian Clinical Labs is guiding revenue between \$760–\$780 million and underlying EBIT of \$67–\$73 million. This range reflects the impact of ongoing revenue and efficiency initiatives designed to offset government rebate reductions, as well as the strategic exit from underperforming sites and contracts. The lower end of guidance accounts for continued softness in pathology market growth, following the slowdown observed in H2 FY25.

Looking ahead to FY27, we are advancing a suite of initiatives expected to deliver at least \$8 million in EBIT. These include upfront patient billing to reduce bad debts, pricing enhancements for non-MBS funded tests, and the application of AI across manual workflows and laboratory automation. Our 'Lab of the Future' program is poised to leverage national systems and COVID-era learnings to consolidate operations and drive long-term efficiencies. Together, these initiatives position ACL for sustainable growth and improved profitability beyond FY26.

As we close another successful year, we want to express our gratitude to the ACL team. Their expertise, passion and commitment are the driving force behind everything we do. We would also like to take this opportunity to thank Michael Alscher, Nathaniel Thomson and Crescent Capital Partners who, for close to 10 years, were a major part of the ACL journey, and we wish them all the best in their future endeavours. To our shareholders, thank you for your continued trust and support. Your belief in our mission empowers us to push boundaries, embrace innovation, and deliver lasting value.

Your sincerely,



Stephen Roche
Chair



Melinda McGrath,
Chief Executive Officer
and Managing Director

FY25 Highlights

\$741.3m

Annual Revenue

\$68.0m

Underlying EBIT¹

\$44.0m

Returned to our Shareholders

4,700+

Employees

1,288

Approved Collection Centres

1.1 million

Kilometres Saved in Vehicular Travel

+79

Patient NPS

412k

Customer Ratings

29

Specialist Skin Cancer Clinics

50

NATA Accredited Laboratories

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¹ Underlying EBIT, which excludes certain non-recurring revenue and expenses.



Our Mission and Values

Our Mission and Values were created by our staff and reflect what we stand for, and what we want to achieve as a healthcare organisation.

Our staff take great pride in our Company; and in all of the business units across the country, there are numerous examples of our staff striving to achieve our Mission and Values.

Our Mission

We combine talented people, medical and scientific leadership, with innovative thinking and technologies to empower decision making that saves and improves patients' lives.

Our Values

Our Company Values help us implement our mission and reflect who we are and what we stand for as a Company.

- Patient Focus and Medical Excellence
- Passion and Enthusiasm
- Entrepreneurship and Agility
- Efficiency and Effectiveness
- Respect and Integrity



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ACL's National Footprint

ACL has a national footprint of 1,288 Approved Collection Centres (ACCs) and 29 clinics to collect patient samples; and operates 50 NATA accredited laboratories across mainland Australia.

ACL is one of the largest private hospital pathology businesses nationally. Its established regions of Western Australia, Victoria, New South Wales, Queensland, South Australia and the Northern Territory represent an equivalent market position in community pathology to Sonic Healthcare and Healius. ACL also has a growing presence in the Australian Capital Territory.



Approved Collection Centres

Victoria	487	Queensland.....	40
New South Wales.....	444	Australian Capital Territory.....	13
Western Australia	165	Northern Territory.....	11
South Australia	128		

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1,288

Approved Collection Centres



90+

Hospitals Serviced



50

NATA Accredited Laboratories



29

Specialist Skin Cancer Clinics

Governance and Sustainability

Reconciliation Action Plan

In FY25, ACL published its Reflect Reconciliation Action Plan, which was launched on 27 May 2025 as part of National Reconciliation Week.

This first step marks ACL's commitment to reconciliation and exploring ways to improve the patient experience of Aboriginal and Torres Strait Islander peoples.

Our reconciliation journey was endorsed by our Board of Directors and enthusiastically embraced by our senior executive team, resulting in the formation of ACL's RAP Working Group – responsible for defining ACL's vision for reconciliation and driving internal engagement and awareness of the RAP.

ACL has outlined a specific goal-focused approach across five dimensions of reconciliation, including:

- Building and maintaining a diverse, equitable and inclusive workplace which is culturally sensitive to the needs of Aboriginal and Torres Strait Islander employees.
- Progressing health equality and health equity for Aboriginal and Torres Strait Islander peoples.
- Integrating our mission and values to promote respect for all stakeholders in the delivery of our pathology services.
- Improving national unity through meaningful connections with Aboriginal and Torres Strait Islander patients, stakeholders and partners.
- Achieving historical acceptance of our nation's past.

As part of our commitment to reconciliation, ACL commissioned Emily Bell, a talented young Indigenous artist, to create a bespoke artwork which tells the story of communities across the country connected together by journeys and paths to each other. The colours are not only those of Clinical Labs, but feminine colours and shades to depict the strong female and diverse workforce of Clinical Labs. Emily's painting (pictured) entitled 'Community Connections', is installed at our main laboratory in Clayton Victoria, on Bunurong Country.

ACL is proud of our cultural diversity. We currently employ approximately 4,700 people and are proud of our cultural diversity with more than 40 ancestries represented.

Our commitment to reconciliation is driven by ACL's core values, which includes our focus on patients, medical excellence and acting with respect and integrity towards our Aboriginal and Torres Strait Islander employees and patients.

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Artwork by Emily Bell

'Community Connections'
Acrylic on canvas



eRequests: Digitising Pathology

Electronic pathology requests (eRequests) have become increasingly popular since the pandemic – allowing clinicians to send their patients a pathology request via SMS or email, rather than a paper copy.

ACL was an early adopter of eRequests during the pandemic, supporting our patients and referrers during the rapid rise of telehealth consultations – and it remains an initiative that we have been at the forefront of ever since.

The eRequest technology requires IT implementation on both the laboratory and the practice management software side, and ACL has worked diligently to ensure

we have eRequests running on the three largest practice management systems in Australia – Best Practice, Medical Director and Magentus – as well as our own online result viewer, eResults.

To further enhance the patient experience, ACL has integrated into the solution an innovative Clinical Labs eRequest web app. This tool allows patients to securely access their electronic request form, before directing them to the nearest ACL collection centre based on their current location. Once on-site, our collectors can easily scan and process the eRequest, streamlining the entire process.

Beyond convenience, eRequests offer significant operational advantages: improved ordering accuracy, reduced manual data entry, enhanced security, and a more sustainable, digital workflow. ACL has continued encouraging our referrers towards digital pathology processing with a 31% increase in electronic referrals over FY25 alone – saving over 280,000 pieces of paper.

ACL remains committed to advancing digital pathology, delivering smarter, faster, and more sustainable healthcare solutions.



Read the full ESG report on our website:
<https://investors.clinicallabs.com.au/corporate-responsibility/sustainability/>



Courier Route Optimisation

ACL is committed to delivering timely, accurate pathology results while continuously improving operational efficiency and environmental sustainability.

One of the key ways we achieve this is through our investment in cutting-edge logistics technology.

ACL uses advanced route management software, Route Planner, to coordinate our national courier network and ensure specimens are promptly collected and delivered to our NATA-accredited laboratories for processing. This innovative transport management system enables real-time tracking and dynamic route optimisation, allowing us to eliminate redundant courier runs by hundreds of thousands per year, reprioritise urgent pick-ups as needed and ensure specimens follow the most efficient route back to the laboratory. By using years' worth of trackable data, we've streamlined our courier operations, and are able

to deliver faster results to clinicians and patients while significantly reducing fuel consumption and improving our carbon footprint.

In FY25, our SMART logistics Route Planner technology delivered impressive results, with a 12% reduction in kilometres travelled per episode – equating to a reduction of almost 1.2 million kilometres travelled. Our dynamic route planning technology is fully integrated with our customer-facing Click-to-Collect solution, allowing jobs to get allocated in real time. ACL is proud to be the only pathology provider in Australia to implement this fully-integrated, world-class system.

Recognising that transportation is a major contributor to carbon emissions, we've also prioritised the transition to low-emission vehicles. In FY25, we converted 47 additional vehicles from petrol to hybrid, bringing our total hybrid fleet to 145 vehicles. Looking ahead, we're on track to ensure that at least 50% of our fleet will be hybrid by FY26.

ACL's commitment to innovation, optimisation and sustainability is embedded in everything we do. By investing in technologies like Route Planner and expanding our hybrid fleet, we're not only improving service delivery but also helping to create a more sustainable business.

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Financial Report 2025

For the year ended 30 June 2025

AUSTRALIAN
 **Clinical**abs

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Corporate Directory

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Directors' Report

for the year ended 30 June 2025

The Directors of Australian Clinical Labs Limited (referred to as 'the Company') present their Report for the financial year ended 30 June 2025 (referred to as 'the year' or 'FY25') accompanied by the Financial Report of Australian Clinical Labs Limited and the entities it controlled (referred to as 'Clinical Labs', 'ACL' or 'the Group') from time to time during the year.

Pursuant to the requirements of the *Corporations Act 2001* (Cth) (Corporations Act), the Directors' Report is as follows:

1. Directors

The following persons were Directors of the Company during the year (or, where indicated, during part of the year) and/or up to the date of this Report:

Directors	Position	Date Appointed/Resigned
Current		
Stephen Roche	Chair Independent Non-Executive Director	Appointed Chair 26 August 2025 Appointed 20 June 2025
Melinda McGrath	Chief Executive Officer and Executive Director	
Mark Haberlin	Interim Chair Independent Non-Executive Director	Interim Chair – 1 May 2025 to 25 August 2025
Christine Bartlett	Independent Non-Executive Director	
Dr Leanne Rowe AM	Independent Non-Executive Director	
Sarah Butler	Independent Non-Executive Director	Appointed 1 February 2025
Grant Jeffery	Independent Non-Executive Director	Appointed 1 February 2025
Former		
Michael Alscher	Chair	Resigned 30 April 2025
Nathanial Thomson	Non-Executive Director	Resigned 25 October 2024
Andrew Dutton	Independent Non-Executive Director	Resigned 25 October 2024

1. Directors cont.



Stephen Roche

Chair (from 26 August 2025)
Independent Non-Executive Director
(from 20 June 2025)

Stephen joins the ACL Board with a wealth of strategic and operational experience across several industry sectors including healthcare, retail, building materials and fast-moving consumer goods. Stephen has over 15 years' experience as a director of public companies, not-for-profits and private family offices, having held executive roles as the Managing Director and CEO of Australian Pharmaceutical Industries Limited and Bridgestone Australia & New Zealand.

Stephen is currently the Chair of Baby Bunting Group Limited (ASX: BBN), a Non-Executive Director of GWA Group Limited (ASX: GWA) and a Director of the Adelaide Football Club.

Stephen was formerly a Non-Executive Director of Myer Family Investments Ltd and the Blackmores Group Ltd (ASX: BKL). He also established and was Chair of the Priceline Sisterhood Foundation from 2015, before retiring in 2018. The foundation, with its mission of creating positive health outcomes and support for women, became the official charity for all Wesfarmers Health businesses from 2025.



Melinda McGrath

Chief Executive Officer
and Executive Director

Melinda has been the Chief Executive Officer and Executive Director of ACL's predecessor corporate vehicle, Clinical Laboratories Pty Ltd since 2015. Melinda was appointed an Executive Director of ACL on 19 December 2020. Melinda has more than 30 years' experience in healthcare with over 25 years of experience in chief executive roles and over 15 years of experience in pathology CEO roles.

Melinda has led the organisation's restructure and transformation, building ACL's scale and operational performance improvement over the past seven years, overseeing the integration of Healthscope's Australian pathology business, St John of God Health Care's pathology business, Perth Pathology, SunDoctors and MedLab Pathology. She has also driven the establishment of one performance oriented culture across the organisation, via one unified integrated pathology system.

Melinda was Chief Executive Officer of QML Pathology (part of Healius/ Primary Healthcare) from 2008 to 2015, where she developed five QML brands and established Tasmania Medical Laboratories. Prior to that, Melinda held various transformative chief executive roles at private regional and tertiary referral hospitals in Queensland including The Sunshine Coast Private Hospital, St Andrew's War Memorial Hospital and St Stephens Private Hospital.

Melinda has held board member positions at Metro North Hospitals and Health Service including Royal Brisbane, Prince Charles, Redcliffe, Caboolture and related health services and a superannuation fund, UC Super.

Melinda holds a Bachelor of Human Movement Studies Degree and a Bachelor of Arts Degree from the University of Queensland, a Master of Business Administration from the University of Central Queensland, and a Certificate in Governance Practice from the Governance Institute of Australia.

Directors' Report *cont.*

for the year ended 30 June 2025

1. Directors *cont.*



Mark Haberlin

Independent Non-Executive Director
Interim Chair (from 1 May 2025 to
25 August 2025)
Chair – Audit and Risk Committee

Mark has been a Non-Executive
Director of ACL since 28 April 2021.

Mark has over 25 years of audit, risk
management, capital transactions and
mergers and acquisitions experience
across industries including healthcare,
real estate and financial services.

Mark is the Lead Independent
Director and Chair of the Audit and
Risk Committee of Abacus Property
Group. Previously, Mark was an
independent Non-Executive Director
and the Chair of the Audit and Risk
Committee of Laybuy Group Holdings
Limited, the Chair of PwC Australia
and PwC's Public Reporting Panel,
as well as a Director of the European
Australia Business Council and PwC
Asia Pacific.

Mark holds a Bachelor of Science
(Civil Engineering) (Honours) from
Imperial College London and qualified
as a Chartered Accountant in the
United Kingdom.



Christine Bartlett

Independent Non-Executive Director
Chair – Remuneration and
Nomination Committee
Member – Audit and Risk Committee

Christine was appointed as a
Non-Executive Director on 23 August
2023. Christine is an experienced
Non-Executive Director, with
extensive executive experience
gained through chief executive
officer and senior executive roles with
National Australia Bank Limited, IBM
and Jones Lang LaSalle. Christine has
held roles with national and global
responsibilities and has a strong
commercial perspective, particularly
in fostering innovation and leveraging
new emerging technologies.

Christine is currently the Chair
of CEDA and a Non-Executive
Director of Mirvac Limited, TAL Life
Limited and Reliance Worldwide
Corporation Limited.

Christine is a member of the UNSW
Australian School of Business
Advisory Council, Chief Executive
Women and the Australian Institute
of Company Directors. Christine
holds a Bachelor of Science from
the University of Sydney and
has completed senior executive
management programs at INSEAD.

Christine has previously held
Non-Executive Director roles with
iCare NSW, Clayton Utz, GBST
Holdings Limited, The Smith Family
and Sigma Healthcare Limited.



Dr Leanne Rowe AM

Independent Non-Executive Director
Member – Remuneration and
Nomination Committee

Leanne has been a Non-Executive
Director of ACL since 28 April 2021.

Leanne is a clinical professor and
medical practitioner with over 30
years of clinical experience in the
public and private health systems
across acute care, aged care, mental
health and community health.

Leanne is currently a Non-Executive
Director of Bupa ANZ Group and a
Presiding Member for Medical Panels
Victoria. She has previously served
on a wide range of boards, including
as a Chair of Nexus Hospitals, the
Royal Australian College of General
Practitioners and Barwon Health
(Acting); and as a Non-Executive
Director of Japara Healthcare,
Medibank Private, I-Med Radiology,
the Medical Indemnity Protection
Society and Beyond Blue.

Leanne is a former Deputy Chancellor
of Monash University and has been
awarded a Doctor of Laws (Honoris
Causa) for her services. Leanne
has also received a Member of the
Order of Australia for her services
to medicine.

Her other qualifications include a
Doctor of Medicine Degree (MD),
Bachelor of Medicine and Bachelor of
Surgery Degree (MB BS), Fellowship
of the Australian College of General
Practitioners (FRACGP), and
Fellowship of the Australian Institute
of Company Directors (FAICD).



Sarah Butler

Independent Non-Executive Director
(from 1 February 2025)
**Member – Remuneration and
Nomination Committee**

Sarah has extensive experience in health, insurance, government, consumer and technology industries with a long career in strategy consulting with Booz & Company and subsequently at PwC. Sarah has worked as a strategic advisor in more than 30 countries, including five years spent living and working in China and Asia.

Sarah is currently a Non-Executive Director of Lumonus (global healthtech), Insurance Manufacturers of Australia (being a joint venture of IAG and RACV) and The George Institute for Global Health, where she is also the Chair of the People Committee.

Sarah is a member of Chief Executive Women and a graduate of the Australian Institute of Company Directors. Sarah holds a MA & BA (Hons) in Natural Sciences (Chemistry) from the University of Cambridge.



Grant Jeffery

Independent Non-Executive Director
(from 1 February 2025)
Member – Audit and Risk Committee

Grant has wide-ranging experience in healthcare, aerospace and security services, across public and private companies, having held multiple CEO roles across international businesses based in New York, Singapore, California and Sydney. Prior to his corporate career, Grant served as an Officer in the Royal Australian Air Force for 10 years holding leadership roles across various functional disciplines.

Grant is currently the Chair and Non-Executive Director of Brighter Life Group and an Executive Director of BGI Advisory Services as well as a Board advisor to Dokotela.

Grant holds a Bachelor Electrical and Electronics Engineering from the University of NSW, Graduate Diploma in Technology Management from Deakin University, and has completed executive management training at IMD Business School, Lausanne.

Former Directors

Michael Alscher

Non-Executive Director and Chair
(resigned 30 April 2025)

Member – Audit and Risk Committee
(resigned 30 April 2025)

Nathanial Thomson

Non-Executive Director
(resigned 25 October 2024)

**Member – Remuneration and
Nomination Committee**
(resigned 25 October 2024)

Andrew Dutton GAICD

Independent Non-Executive Director
(resigned 25 October 2024)

**Chair – Remuneration and
Nomination Committee**
(resigned 25 October 2024)

Member – Audit and Risk Committee
(resigned 25 October 2024)

Directors' Report *cont.*

for the year ended 30 June 2025

2. Directorships of Other Listed Companies

The following table shows, for each Director, all directorships of companies that were listed on the ASX, other than the Company, from 30 June 2020, and the period for which each directorship has been held:

Director	Listed Entity	Period Directorship Held
Stephen Roche	Baby Bunting Group Limited GWA Group Limited Blackmores Group Limited	September 2021 – present October 2022 – present September 2021 – August 2023
Melinda McGrath	–	–
Mark Haberlin	Abacus Property Group	November 2018 – present
Christine Bartlett	Mirvac Limited Reliance Worldwide Corporation Limited Sigma Healthcare Limited	December 2014 – present November 2019 – present March 2016 – December 2023
Dr Leanne Rowe AM	Japara Healthcare Limited Doctor Care Anywhere Group PLC	July 2019 – November 2021 September 2020 – November 2021
Sarah Butler	–	–
Grant Jeffery	–	–

3. Meetings of Directors and Board Committees

The number of meetings of the Board and each of the Board Committees held during the year ended 30 June 2025, and the number of meetings attended by each Director are shown below.

From time to time, Directors attend meetings of Committees of which they are not currently members, however, only attendances by Directors who are members of the relevant Committee are shown below:

Directors	Board of Directors		Audit and Risk Committee		Remuneration and Nomination Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Current						
Stephen Roche	1	1	–	–	–	–
Melinda McGrath	16	15	–	–	–	–
Mark Haberlin	16	16	5	5	–	–
Christine Bartlett	16	16	5	5	4	4
Dr Leanne Rowe AM	16	15	–	–	4	4
Sarah Butler	8	7	–	–	1	1
Grant Jeffery	8	8	2	1	–	–
Former						
Michael Alscher	12	12	4	4	2	1
Nathanial Thomson	5	3	–	–	1	1
Andrew Dutton	5	3	1	–	1	–

Further meetings occurred during the year on specific issues, including meetings of the Chair with the CEO and meetings of Non-Executive Directors with management.

4. Directors' Relevant Interests in Shares

The following table sets out the relevant interests that each Director and their immediate family has in the Company's ordinary shares as at the date of this report:

Director	Ordinary Shares	Performance Rights
Stephen Roche	–	–
Melinda McGrath	2,923,331	633,582
Mark Haberin	47,500	–
Christine Bartlett	20,000	–
Dr Leanne Rowe AM	5,000	–
Sarah Butler	–	–
Grant Jeffery	–	–

5. Company Secretary

Eleanor Padman was appointed Company Secretary on 28 April 2021. Eleanor is a corporate lawyer, governance and sustainability expert with more than 25 years' experience gained in the UK and Australia. During the last 10 years Eleanor has held the roles of General Counsel, Company Secretary and Head of Risk and Compliance at various ASX-listed companies. Eleanor established her own boutique advisory business in 2019 and provides corporate governance services to ACL, as well as acting as Company Secretary to the Board and its Committees. Eleanor combines multi-disciplinary technical abilities with a strong commercial approach and a focus on promoting good corporate governance. Eleanor is a Fellow of the Governance Institute of Australia, a Graduate of the Australian Institute of Company Directors and also holds Company Secretary and Non-Executive Director positions for various private companies.

Eleanor holds a Bachelor of Modern Languages (First Class Honours) from the University of Oxford, a Graduate Diploma in Law and Postgraduate Diploma in Legal Practice from the University of Law, London (formerly the College of Law) and a Graduate Diploma in Applied Corporate Governance from the Governance Institute of Australia. Eleanor is currently studying a Masters in Sustainability at the University of Sydney.

6. Principal Activities

During the year the principal continuing activity of the Group was the provision of pathology diagnostic services.

7. Operating and Financial Review

Key financial highlights in the financial year ended 30 June 2025 compared to the financial year ended 30 June 2024 include:

- Total Revenue of \$741.3m up \$44.9m (+6.4%) on FY24.
- Underlying Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA¹) of \$204.0m up 6.8% on FY24.
- Underlying Earnings Before Interest and Tax (EBIT¹) of \$68.0m up 8.7% on FY24.
- Underlying EBIT¹ Margin of 9.2%, up 20 basis points on FY24.
- Statutory EBIT of \$66.1m up \$13.2m on FY24.
- Underlying Net Profit After Tax (NPAT¹) of \$34.0m up 7.7% on FY24.
- Statutory NPAT of \$32.8m up \$8.6m on FY24.
- Free cash flow before interest, tax and financing of \$70.8m up 30.2% on FY24.
- Declared a final fully franked dividend of 9 cps (9 cps for FY24).

¹ Underlying figures are calculated excluding certain non-recurring revenue and expenses (Insurance proceeds – EBITDA/EBIT \$0.9m and NPAT \$0.7m, Other – EBITDA/EBIT \$2.8m and NPAT \$1.9m).

Directors' Report *cont.*

for the year ended 30 June 2025

7. Operating and Financial Review *cont.*

Underlying EBIT grew by 8.7% driven by a combination of organic growth, as well as other operational efficiency initiatives implemented during the period. Operational improvements were seen in our laboratory operations, leveraging ACL's single Laboratory Information System (LIS) and our collection centre productivity improved as we improved the matching of patient flow to operating times.

As in the prior year, ACL has continued to apply a judicious and disciplined approach to network expansion and bidding for commercial contracts in FY25 to preserve profitability margins. This activity resulted in ACL reducing the overall number of collection centres by 34, whilst increasing our total revenue by 6.4%, growing MBS outlays by 7.8%², which was ahead of the broader market and also improving margin as discussed above.

The business continues to demonstrate efficient cash management with free cash flow up on FY24, which has allowed ACL to return \$19.1m to shareholders by way of an on-market buy-back. ACL achieved a conversion of EBITDA to operating cash flow of 113.6% underscoring ACL's continued ability to generate cash for shareholders. In addition to the buy-back, ACL paid \$24.9m in dividends, repaid borrowings of \$13.0m, completing the year in a \$20.5m net debt position (excluding lease liability) (FY24 \$28.9m).

FY25 Operations

ACL is one of the largest providers of pathology services in Australia by revenue, with operations in Victoria, New South Wales, Western Australia, South Australia, Queensland and the Northern Territory with a heritage of hospital based pathology and the skills to deliver time-critical and complex hospital pathology, as well as the scale to efficiently provide community pathology.

ACL's network at 30 June 2025 comprises:

- ~4,700 scientists, collectors and support staff
- 50 accredited laboratories
- 1,288 collection centres
- 29 specialist skin cancer clinics

ACL continues to embed operational efficiency as a core element of its business-as-usual activities, driven by a targeted KPI enhancement program. This persistent approach has enabled ACL to slightly increase its margin in FY25, despite continued cost pressures across the industry, especially in labour and collection centre rents.

Throughout FY25, ACL sustained its operational focus on:

- Capitalising on our unified LIS to further centralise key functions and enhance productivity of our back-office support structures to achieve best in class laboratory productivity, which saw overall laboratory efficiency improve by 12.3% on a panels per FTE basis.
- Innovation through investment in digital technology, artificial intelligence (AI) and machine learning to support testing efficiencies across certain pathology modalities and reduced labour and logistics costs. Driving procurement benefits by taking advantage of our scale, especially in high volume tests.

8. Significant changes in State of Affairs

There was no other significant change in the state of affairs of the Group during the year.

² ACL growth excluding SunDoctors and Queensland and non-Medicare commercial work and adjusted for working days.

9. Business Strategies and Future Developments

The Board and the Executive Management Team are focused on delivering against a growth strategy that will drive expansion in ACL's core community and hospital pathology market, entry into strategic adjacencies and continue to improve operating efficiency. ACL's growth and strategic development is focused on the following five initiatives to drive increased shareholders returns:

1. Disciplined network expansion
 - ACL will continue to invest in sustainable and profitable collection centre network expansion and hospital services growth, with a focus on high value specialist inpatient and outpatient services
 - Look to add complementary non-Medicare additions to network including Clinical Trials and Skin Cancer Clinics
2. Strategic new business
 - ACL is focused on developing a pipeline of new tests and service opportunities through investments in partnerships to support growth
 - ACL will look to invest in new high volume test development, specialist genetics testing and continue to focus on the commercialisation of recently accredited tests for Melanoma
3. Strategic acquisitions
 - ACL continues to actively explore strategic acquisition opportunities for the business with key targets including domestic pathology, SunDoctor clinics, strategic investments aligned to competitive advantage as well as international and adjacent pathology
4. Revenue initiatives
 - ACL continues to focus on the improvement and digitisation of billing process to recover unpaid patient testing
 - Various initiatives to support the growth of non-MBS tests
 - Application of AI to manual billing practices
5. Operational improvement and restructuring
 - ACL will continue to scope and implement its 'Lab of the Future' program leveraging the one lab information system enhancing its automated, borderless, national lab network
 - AI automation of operations and diagnostics/clinical practice

10. Key Risks and Uncertainties

ACL is subject to risks both specific to ACL and ACL's business activities, as well as general risks.

Government policy and regulation may change

ACL seeks to provide affordable pathology services to its patients. This is facilitated through bulk-billing the vast majority of its services to patients and receiving reimbursements through the Australian Government's Medicare Benefits Schedule (MBS). The MBS is subject to continual review and change, with the included services and prices being determined by the Federal Government.

Any changes to the MBS or any other Government funding initiatives, including a reduction in fees or tests that will be covered by the MBS, could lead to a reduction in revenue for ACL and may adversely affect ACL's ability to provide testing and demand for ACL's services.

The nature, timing and impact of future changes to laws, government policies and regulations are not predictable and are beyond ACL's control. Failure by ACL to comply with applicable laws, regulations and other professional standards and accreditation may lead to enforcement actions that disrupt ACL's operations and result in it being subject to fines, penalties, damages and disruption to its operations.

ACL monitors legislative and regulatory developments and engages proactively with key stakeholders to manage this risk.

Directors' Report *cont.*

for the year ended 30 June 2025

10. Key Risks and Uncertainties *cont.*

A failure of technical, process or people controls may contribute to a significant Cyber Security or Data related incident

ACL is heavily dependent on technology for the delivery of the services it provides its customers. Any information technology system is potentially vulnerable to interruption and/or damage from a number of sources, including but not limited to, computer viruses, cyber security attacks and other security breaches, power, systems, internet and data network failures, and natural disasters.

ACL is committed to preventing and reducing cyber security risks. ACL has information security and data protection policies and standards framework established in accordance with the National Institute of Standards and Technology (NIST). ACL implements and operates IT security in-house with the assistance of partners and common IT security technologies to protect, detect and respond to security concerns. ACL conducts routine testing of systems and works closely with third-party security specialists to implement its security roadmap.

Clinical care and patient safety

ACL acknowledges the inherent risks associated with its practice in the healthcare space that could lead to an adverse impact on quality of clinical care and/or patient safety in the course of ACL providing pathology and associated services.

The organisation manages this risk with a detailed clinical governance framework that includes quality assurance procedures, annual credentialing and qualification review, clinical review processes and professional development for all disciplines. ACL's laboratories are all accredited by the National Association of Testing Authorities (NATA) and our pathologists are Fellows of the Royal College of Pathologists Australasia and registered with the Australian Health Practitioner Regulation Agency (AHPRA).

ACL maintains a zero appetite for critical safety incidents, emphasising its commitment to patient safety and is dedicated to maintaining high levels of patient satisfaction.

ACL may be unable to recruit and retain key personnel

The successful operation of ACL's business relies on its ability to recruit and retain experienced and high-performing management, pathologists, scientists, and IT and operating staff. Relationships with certain referrers may be heavily reliant on particular ACL personnel (especially pathologists and scientists), such that their departure from the business could have an adverse impact on ACL's relationship with the referrer. There is significant competition to recruit these personnel, which can lead to increased labour costs.

ACL's focus on diagnostic excellence through its centres of excellence and commitment to continuing professional education for staff and referrers, including training the next generation of pathologists and scientists, help to attract and retain a professional workforce. ACL's unified pathology system also provides flexibility to its national workplace.

ACL is subject to labour agreement negotiations and Fair Work Commission (FWC) determinations

The majority of ACL's employees have terms and conditions of employment governed by enterprise agreements or modern awards which periodically require classification assessment, renegotiation or renewal. Any such classification assessment, renegotiation or renewal may result in increased direct and indirect labour costs for ACL, and issues may also arise during the processes which lead to strikes or other forms of industrial action that could disrupt ACL's operations. This could adversely impact on the financial performance and reputation of ACL.

The FWC is currently reviewing gender-based undervaluation in modern awards, including awards that cover ACL employees. This review aims to address historical gender-based assumptions that have led to lower pay in female-dominated industries.

In addition, any deterioration in the relationship with employees or unions could potentially lead to reputational damage, loss of key employees, increased direct and indirect labour costs or the inability for ACL to undertake the level of services it anticipates in the future.

ACL is currently in negotiations relating to two enterprise agreements. ACL has managers and staff dedicated to negotiating workplace agreements and ensuring staff engagement.

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Pay and Entitlements

Paying employees correctly and ensuring they are paid correct entitlements is essential to maintaining trust and the company's reputation. ACL regularly reviews and enhances baseline controls across the end-to-end pay process. Where possible, automated procedures are utilised to reduce the risk of manual errors. Industrial instruments are proactively reviewed, and management are responsible for staying abreast of changes to industrial relations legislation and ensuring all leaders understand and comply.

ACL's exposure to international developments may impact its operations

ACL sources testing supplies such as reagents and equipment from international markets. Prices of these supplies and equipment are subject to change driven by, among other factors, foreign exchange rates, market demand and supply, and scientific and technological advancements. ACL is unable to pass on cost increases as a substantial portion of ACL's revenue is derived from the MBS with almost all community pathology being bulk-billed under the MBS and some private hospital contracts linked to services in the MBS. Any adverse movements in testing supplies and equipment may increase ACL's costs of business and may have a material adverse impact on ACL's performance.

ACL manages supply price risk by entering into long-term fixed price arrangements with major suppliers for consumable products and by sourcing consumables locally in Australia. ACL remains vigilant in actively monitoring international developments, and managing supply costs and disruptions. For example, ACL has successfully managed the surge in demand for COVID-19 testing with no material operational disruptions.

Another pandemic may impact ACL's business

Pandemic risks, such as COVID-19, pose business continuity risk to ACL. There is the risk from lockdowns across communities in response to a pandemic that the volume of routine pathology testing may be adversely impacted.

There is a risk that staff and laboratories are adversely impacted by a pandemic which limits ACL's ability to provide testing facilities. ACL staff may be front-line personnel providing collection services to customers potentially infected. Notwithstanding policies and procedures in place to mitigate such risks, there is a risk that staff in key operational roles are infected, impacting ACL's operations.

11. 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 affected 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.

12. Dividends

In respect of the full year ended 30 June 2025, a final dividend of 9 cents per share (100% franked) has been declared with a record date of 2 September 2025 and payable 23 September 2025, bringing total dividends for FY25 to 12.5 cents per share (100% franked). This represented a dividend payout ratio of 72% of FY25 Underlying NPAT, which is consistent with ACL's policy of paying out 50% to 70% of Underlying NPAT as a dividend.

The dividend reinvestment plan will remain suspended for the FY2025 final dividend.

13. Share Rights and Options

Information on Australian Clinical Labs Performance Rights and Service Rights is disclosed in Note 21 – Share-Based Payments.

14. Remuneration Report

The Remuneration Report which forms part of this Directors' Report is presented separately from page 32.

Directors' Report *cont.*

for the year ended 30 June 2025

15. Indemnification and Insurance of Directors and Officers

The Company's Constitution provides that the Company may indemnify current and former Directors, alternate Directors, Executive Officers, Officers and auditors of the Company on a full indemnity basis and to the extent permitted by the law against all liabilities and losses incurred as an officer of the Group, except to the extent covered by insurance. Further, the Company's Constitution permits the Company to maintain and pay insurance premiums for Director and officer liability insurance, to the extent permitted by law.

Consistent with (and in addition to) the provisions in the Company's Constitution outlined above, the Company has also entered into deeds of access, indemnity and insurance with all Directors and certain Officers of the Company which provide indemnities against losses incurred in their role, subject to certain exclusions, including to the extent that such indemnity is prohibited by the *Corporations Act 2001* (Cth) or any other applicable law.

During the financial period, the Company paid insurance premiums for a Directors' and officers' liability insurance contract that provides cover for the current and former Directors, alternate Directors, Secretaries, Executive Officers and Officers of the Company and its subsidiaries. The Directors have not included details of the nature of the liabilities covered in this contract or the amount of the premium paid, as disclosure is prohibited under the terms of the contract.

The Group's auditor is Pitcher Partners (Melbourne) (Pitcher Partners). No payment has been made to indemnify Pitcher Partners during or up to the date of this report. No premium has been paid by the Group in respect of any insurance for Pitcher Partners. No Officers of the Group were Partners or Directors of Pitcher Partners whilst Pitcher Partners conducted audits of the Group.

16. Proceedings on behalf of the Company

There are no proceedings brought or intervened in, or applications to bring or intervene in proceedings, on behalf of the Group by a member or other person entitled to do so under section 237 of the *Corporations Act*.

17. Environmental Regulation

The operations of the Group are not subject to any site-specific environmental licences or permits which would constitute particular or significant environmental regulation under the laws of the Australian Government or an Australian Territory.

ACL, through its internal policy and processes, is committed to managing operations in an environmentally sustainable manner to maximise resource efficiency in relation to the consumption of energy and natural resources and minimise waste.

ACL will release the FY25 Environmental, Social and Governance statement in conjunction with the Annual Report.

18. Non-Audit Services

There is no person who has acted as an officer of the Group during the year who has previously been a partner at Pitcher Partners when that firm conducted Clinical Labs' audit.

During the year Pitcher Partners did not provide any non-audit services.

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19. Auditor's Independence Declaration



AUSTRALIAN CLINICAL LABS LIMITED
ABN: 94 645 711 128

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF AUSTRALIAN CLINICAL LABS LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I declare to the best of my knowledge and belief in relation to the audit of the financial report of Australian Clinical Labs Limited for the year ended 30 June 2025, there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) No contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* in relation to the audit.

This declaration is in respect of Australian Clinical Labs Limited and the entities it controlled during the year.

A handwritten signature in black ink, appearing to be 'S D Whitchurch'.

S D WHITCHURCH
Partner

Date: 25 August 2025

A handwritten signature in black ink, appearing to be 'P. O. J.'.

PITCHER PARTNERS
Melbourne

Pitcher Partners. An independent Victorian Partnership ABN 27 975 255 196. Level 13, 664 Collins Street, Docklands, VIC 3008
Pitcher Partners is an association of independent firms. Liability limited by a scheme approved under Professional Standards Legislation.
Pitcher Partners is a member of the global network of Baker Tilly International Limited, the members of which are separate and independent legal entities

Adelaide Brisbane Melbourne Newcastle Sydney Perth

pitcher.com.au

Directors' Report *cont.*

for the year ended 30 June 2025

20. Rounding Amounts

The Company is an entity of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191, dated 24 March 2016, and in accordance with that Instrument, amounts in this report and the Financial Report are rounded off to the nearest thousand dollars or, in certain cases, to the nearest dollar.

Some numerical figures included in this report have been subject to rounding adjustments. Any differences between totals and sums of components in tables or figures contained in this report are due to rounding.

21. Annual General Meeting

ACL will be holding its AGM on 23 October 2025.

Signing of Directors' Report

Signed in accordance with a resolution of the Directors made pursuant to section 298(2) of the *Corporations Act 2001*.
On behalf of the Directors.



Mark Haberlin
Chair

25 August 2025

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Directors' Report *cont.*

for the year ended 30 June 2025

Remuneration Report

Letter from the Chair of the Remuneration and Nomination Committee



Dear Shareholders,

On behalf of the Board of Australian Clinical Labs (ACL), I am pleased to present the 2025 Remuneration Report.

ACL is one of the largest providers of pathology services in Australia by revenue with a heritage of hospital-based pathology and the skills to deliver time-critical and complex hospital pathology, as well as the scale to efficiently provide community pathology.

In FY25, ACL continued to demonstrate the medical excellence and operational discipline required to deliver results in a complex operating and macro-economic environment. ACL had to navigate a recovering but ultimately still subdued pathology sector, an inflationary cost environment and ongoing regulatory pressures, particularly in relation to pricing.

Led by our highly committed and experienced CEO and management team, our people continued to provide high quality services to our doctor and patient community around Australia. Our strategy continues to focus on sustainable and profitable collection centre network expansion and hospital services growth at margin accretive rates.

In September 2024, Crescent Capital sold its 30.12% shareholding in ACL, which it had held since the time of our IPO. This not only significantly changed the profile of our shareholders, it was followed by the orderly retirement of Crescent Capital's nominated directors, Chair Michael Alscher and Nathaniel Thomson. The Board wishes to acknowledge the tremendous strategic guidance provided by those directors, and Crescent Capital, to ACL.

FY25 performance

ACL's business performed to expectations this year, improving margins despite continuing industry cost pressures. As in FY24, ACL has continued to apply a judicious and disciplined approach to network expansion and bidding for commercial contracts in FY25 to preserve profitability margins. ACL continues to embed operational efficiency as a core element of its business-as-usual activities, driven by a targeted KPI enhancement program. This persistent approach has enabled ACL to slightly increase its margin in FY25, despite continued cost pressures across the industry, especially in labour and collection centre rents. Our FY25 result of revenue of \$741.3m (up 6.4% on FY24) and Underlying EBIT of \$68.0m (up 8.7% on FY24), was in line with guidance.

The business continues to demonstrate efficient cash management with free cash flow up on FY24, which has allowed ACL to return \$19.1m to shareholders by way of an on-market buy-back. ACL achieved a conversion of EBITDA to operating cash flow of 113.6% underscoring ACL's continued ability to generate cash for shareholders. In addition to the buy-back, ACL paid \$24.9m in dividends, reduced borrowings by \$13.0m, completing the year in a \$20.5m net debt position (FY24 \$28.9m).

During FY25, ACL delivered a total shareholder return of 15%, outperforming the S&P/ASX 200 Healthcare Index's return of -5%.

FY25 remuneration outcomes

Of our Key Management Personnel (KMP) only our CEO and Managing Director participated in our short-term variable remuneration (STVR) and long-term variable remuneration (LTVR) programs that were available for vesting this year. Our CFO was appointed in the second half of FY25 and did not participate in the STVR.

The STVR program achieved its gateway requirement by recording an Underlying EBITDA Margin (pre AASB 16) of 9.3%. As the gate opened, the CEO's STVR outcome was assessed at 85% of target. The FY23 LTVR grant was tested against the sole indexed total shareholder return (iTSR) measure, which was assessed as below the threshold level of performance for the period, resulting in nil LTVR rights vesting in FY25.

Further detail on our STVR and LTVR outcomes can be found in Section 4.

Remuneration framework and changes for FY25 and FY26

New contract for our Managing Director in FY25

Following the announcement that Crescent Capital had sold its 30.12% shareholding in ACL and in light of the impending departure of its two nominee Directors, coupled with the resignation of the CFO James Davison late in FY24, the Board was focused on securing the continued services of our CEO and Managing Director, Melinda McGrath to continue to lead ACL through this time of significant change, both for ACL and our industry. As announced on 14 October 2024, we extended the term of our

CEO and Managing Director through until 30 August 2026.

As part of that contract extension, the Board increased her fixed remuneration to \$1,500,000. The Board provided this material increase in recognition of the fact that Melinda had not received an increase since ACL joined the ASX in 2021. The actual amount was set with reference to the level of fixed remuneration offered by our closest competitor to its CEO. The Board also agreed a one-off service based two-year incentive worth \$1 million a year for our CEO and Managing Director to provide an additional incentive to commit to a further two-year term. This incentive was in lieu of an FY25 and FY26 LTVR grant. In addition, the Board increased Melinda's STVR opportunity to 100% of fixed salary at Target and 150% at Stretch. The Board was also mindful that our LTVR arrangements have not vested over recent years, which the Board considers a function of the timing and industry environment during our listing and that those still outstanding are highly unlikely to vest. This was the reason the normal LTVR grant was not put to shareholders at last year's AGM.

Other remuneration changes for FY25 and FY26

For the remainder of our executive team, including the CFO, our executive remuneration framework is designed to provide market competitive opportunities to attract and retain key executives with appropriate experience and expertise, while ensuring a majority of the opportunity for our executive team is performance-based through the combination of our STVR and LTVR.

The STVR motivates executives to achieve annual earnings, earnings margin and individual KPIs set in line with our budgets and business plans. As a result of concerns raised regarding the use of a single financial

performance measure (EBITDA) in our STVR, the Board approved the introduction of EBITDA margin and individual KPIs as two additional measures within our STVR plan for FY25 and beyond. In addition, we introduced an underlying EBITDA gate that needs to be achieved before any STVR is payable.

The LTVR aligns the majority of rewards to achieving longer-term performance targets, being relative total shareholder return and EPS growth, designed to underpin growth in shareholder value, while a smaller component is service-based to encourage long-term retention. In order to address concerns over the weighting of the service component in the LTVR, the Board has committed to reducing the weighting of the service component from 34% to 20% for the FY26 LTVR grant and onwards. The remaining 80% for FY26 will be performance based with 50% weighting on EPS and 30% weighting on rTSR. As noted above, the CEO will not participate in the FY26 LTVR grant.

At the 2024 AGM, ACL received a 'first strike' against its 2024 Remuneration Report. The Board has engaged with our investors to understand their primary concerns. The Board has considered that feedback in light of the needs of the business to ensure our remuneration framework remains fit for purpose. The Board is mindful of offering competitive packages while aligning a significant portion of that package to performance outcomes against measures that contribute towards achieving ACL's strategic objectives and our shareholders' expectations.

Our detailed response to the concerns raised in relation to our 2024 remuneration and the changes we implemented for FY25 and are proposing for FY26 is outlined in Section 1 below.

KMP changes during the year

During the year, Andrew Dutton and Crescent Capital's nominees, Nathaniel Thomson and our Chair Michael Alscher, all retired from the Board. Again, I would like to take this opportunity to thank Michael, Nathaniel and Andrew for their contributions to ACL.

As announced to the market, Sarah Butler and Grant Jeffrey joined the Board on 1 February 2025 as additional Independent Non-Executive Directors. Sarah and Grant will stand for election at the forthcoming AGM.

On 20 June 2025, ACL announced to the market its appointment of Stephen Roche, as a new Independent Non-Executive Director to the Board. Stephen will further transition to the role of Chair of the Board on 26 August 2025. I would also like to acknowledge and thank Mark Haberlin who was appointed as Interim Chair of the Board following Michael's departure and the appointment of Stephen to this role.

In addition, Matthew Cordingley joined the Company as CFO on 3 February 2025.

On behalf of the Board, I thank shareholders for their ongoing support of the Company.



Christine Bartlett
Chair, Remuneration and
Nomination Committee

Directors’ Report *cont.*

for the year ended 30 June 2025

Remuneration Report *cont.*

Report Structure

The remuneration report is divided into the following sections:

Section	Overview
1. Response to first strike	Following engagement with key stakeholders and considering the needs of our business, we set out the key concerns raised with the Board and our response.
2. Key Management Personnel for FY25	Details of the Directors and Executives who are subject to the disclosure requirements of this report including Key Management Personnel (KMP).
3. Remuneration overview	An overview of remuneration structures for FY25.
4. FY25 Remuneration outcomes	A summary of the FY25 outcomes including both the STVR and LTVR programs for KMP.
5. The Australian Clinical Labs remuneration strategy, policy and framework	This section provides details of the elements of the remuneration framework, including market positioning, variable remuneration principles, and terms of variable remuneration.
6. FY26 Remuneration highlights	This section includes a summary on key areas for the proposed FY26 framework and provides a summary of the proposed changes.
7. Statutory disclosures	This section provides the statutory disclosures not addressed by preceding sections of the report, including statutory remuneration tables, changes in equity, KMP service agreements, related party loans/ transactions, and the engagement of external remuneration consultants.

1. Response to First Strike

At the 2024 AGM, we received a 'first strike' against our remuneration report (with more than 25% of votes cast against the adoption of the report). Following engagement with key stakeholders and considering the needs of our business, we set out the key concerns raised with the Board and our response.

Concern	Response
High CEO pay	Concerns were raised that the quantum of Melinda McGrath's updated package was high relative to ACL's market capitalisation and industry peers. Melinda is a highly experienced and uniquely qualified CEO for ACL. Since her appointment, she has been integral in leading the transformation of our organisational structure, investment in technology and scaling of our operations to deliver superior efficiency and operating leverage. Following the announcement that Crescent Capital had sold its 30.12% shareholding in ACL and in light of the impending departure of its two nominee Directors, coupled with the resignation of the CFO James Davison late in FY24, the Board was focused on securing the continued services of our CEO and Managing Director, to lead ACL through this time of significant change, both for ACL and our industry. As announced on 14 October 2024, we extended the term of our CEO and Managing Director through until 30 August 2026. As part of that contract extension, the Board increased her fixed remuneration to \$1,500,000. The Board provided this material increase in recognition of the fact that Melinda had not received an increase since ACL joined the ASX in 2021. The actual amount was set with reference to the level of fixed remuneration offered by our closest competitor to its CEO. Providing Melinda with a package that was competitive with that being offered to the CEO of our closest competitor as we both navigate the challenges of the Australian pathology market, was important to securing her services over the next two years in a challenging environment.
Use of a single STVR measure	Proxy advisors raised concerns that our KMP STVR bonuses were based entirely on performance against a solitary underlying EBITDA measure, and that our use of underlying EBITDA excluded some material costs. We use EBITDA pre AASB 16 within our STVR plan because it includes the material rental costs associated with our network of collection centres, and as such we view it as the best measure of profitability for the business. Using a measure such as EBITDA which excludes interest, tax and depreciation and amortisation charges, which focuses on operational earnings (rather than financing and past investment decisions), aims to assess management's operational performance in the current year. In order to address the concern raised and to align with the needs of our business, we introduced EBITDA margin and individual KPIs as two additional measures within our STVR plan for FY25 and beyond. In addition, we introduced an underlying EBITDA % gate that needs to be achieved before any STVR is payable. This is based off an underlying EBITDA % pre AASB 16 and thus takes into account the rental costs associated with our network of collection centres. Further details on our STVR can be found in Section 5.

Directors' Report *cont.*

for the year ended 30 June 2025

Remuneration Report *cont.*

1. Response to First Strike *cont.*

Concern	Response
Greater disclosure regarding STVR measures and achievement	We have enhanced our STVR disclosures in this report, including disclosing the targets for FY25. Details on our FY25 STVR outcomes can be found in Section 4.
Service-based cash award to the CEO in place of an LTVR	Our CEO and MD, Melinda was offered a \$2.0m two-year service-based cash award as part of her contract extension in September 2024 in lieu of a regular three-year performance based LTVR grant in both FY25 and FY26. This amount will be paid if she continues in her role until the end of her current contract in August 2026. This award has been made to align with the two-year extension to Melinda's contract. It was offered as an incentive to remain in her role as CEO, which she has held for 10 years, during a period of significant change for ACL, following the sale of Crescent Capital's significant shareholding and the departure of its nominees on the Board, and for our industry as we emerged from the COVID-19 pandemic. The award was offered in cash given Melinda has built and maintained a significant personal shareholding in ACL.
Insufficiently challenging targets in the initially proposed equity LTVR grant	Queries were raised as to the challenging nature of the proposed EPS growth range for the FY25 LTVR of 4-10% compound annual growth given analyst consensus for the three-year performance period. Concern was also raised at the heavy weighting of the service-based component (34%). The Board viewed 4-10% compound growth as sufficiently challenging given uncertainty regarding pathology use levels returning to longer-term averages, the Federal Government's Medicare Benefits Schedule (MBS) rebate for pathology tests dictating revenue and that COVID-19 levels of earnings growth are not realistic expectations of management in the current environment. Pathology in Australia is funded through the MBS, but most items have not been indexed to keep pace with inflation or rising labour costs since 1999. In the 2024–25 Federal Budget, the Government agreed to resume indexation for only one-third of pathology items, while introducing \$356m in cuts, impacting many tests frequently used by women. The cumulative funding shortfall from the indexation freeze is estimated at approximately \$13.8 billion. We set our LTVR growth targets for EPS at the beginning of FY25 with consideration of our long-range corporate plan which forecasts growth in the pathology industry over the next three years, our peers' growth expectations, our expectations around Government approved changes to pathology charging and our forecasts of cost pressures. The 4-10% compound growth targets were viewed as challenging as it represents a sustainable level of growth in a more stable cycle for the industry. To address concerns over the weighting of the service component in the LTVR, the Board has committed to reducing the weighting of the service component from 34% to 20% for the FY26 LTVR grant and onwards. The remaining 80% for FY26 will be performance-based with 50% weighting on EPS and 30% weighting on rTSR. The CEO will not participate in the FY26 LTVR grant.

Concern	Response
Discounting the allocation price for the LTVR based on dividends foregone	We have committed to changing the allocation methodology to face value for the FY26 LTVR grant and onwards to align with standard market practice.

2. Key Management Personnel for FY25

This Report covers KMP of ACL, which are defined as those who have the authority and responsibility for planning, directing and controlling the activities of ACL.

Name	Position	Date Appointed/Resigned
Non-executive KMP		
Current		
Stephen Roche	Board Chair Independent Non-Executive Director	Chair appointment 26 August 2025 Member appointment 20 June 2025
Dr Leanne Rowe AM	Independent Non-Executive Director	
Mark Haberlin	Interim Board Chair Independent Non-Executive Director	Chair – 1 May to 25 August 2025
Christine Bartlett	Independent Non-Executive Director	
Sarah Butler	Independent Non-Executive Director	Appointed 1 February 2025
Grant Jeffery	Independent Non-Executive Director	Appointed 1 February 2025
Former		
Michael Alscher	Board Chair	Resigned 30 April 2025
Nathanial Thomson	Non-Executive Director	Resigned 25 October 2024
Andrew Dutton	Independent Non-Executive Director	Resigned 25 October 2024
Executive KMP		
Current		
Melinda McGrath	Chief Executive Officer and Executive Director	
Matthew Cordingley	Chief Financial Officer	Appointed 3 February 2025
Former		
James Davison	Chief Financial Officer	Resigned 26 April 2024

Directors' Report cont.

for the year ended 30 June 2025

Remuneration Report cont.

3. Remuneration Overview

CEO remuneration structure

The following diagram outlines the CEO's remuneration structure for FY25.

Component		FY25	FY26	FY27
Fixed	100% Cash	Base salary, superannuation and other benefits		
Short-Term	100% Cash	40% EBITDA ⁽ⁱ⁾ 40% EBITDA ⁽ⁱ⁾ Margin 20% Strategic Objectives	Payment in FY26	
Long-Term	100% Cash	100% based on retention		Payment at end of contract

(i) EBITDA refers to Underlying EBITDA pre AASB 16.

The table above represents the components of the FY25 remuneration, being:

- Fixed component payable during the year.
- Short-Term payable in FY26 based on achievement of EBITDA (40% weighted), EBITDA Margin (40% weighted) and strategic objectives (20% weighted).
- Long-Term based on retention payable at end of contract with pro-rata payment from 30 March 2025 until 30 August 2026.

During the year, the CEO's contract of employment was extended from 1 September 2024 to 30 August 2026. She did not participate in the three-year FY25 LTVR grant and will not participate in the FY26 LTVR grant. Taking into consideration her strong performance, the Board's desire to retain her services during this challenging time for the industry, and the low levels of vesting of our historical and on-foot LTVR, the CEO was granted a two-year service-based LTI which aligns with the period of her fixed term contract.

3. Remuneration Overview cont.

Executive KMP remuneration structure

Matthew Cordingley commenced at the Company as CFO in February 2025. Given he commenced very late in the financial year, he did not participate in the FY25 STVR program. The diagram below outlines his FY25 remuneration structure.

Component		FY25	FY26	FY27	FY28	FY29
Fixed	100% Cash	Base salary, superannuation and other benefits	One-off sign-on bonus payable after probation			
Long-Term	100% Rights	33% rTSR 33% EPG CAGR 34% Retention			Exercisable within two years of vesting date	

(i) EBITDA refers to Underlying EBITDA pre AASB 16.

The table above represents the components of the FY25 remuneration, being:

- Fixed component payable during the year, with sign-on bonus payable after probation.
- Short-Term payable component is not applicable for FY25.
- Long-Term exercisable in FY28 based on relative TSR (33% weighted), Earnings Per Share Compound Annual Growth Rate (33% weighted) and retention (34% weighted), all measured from FY25 to FY27.

Matthew was also provided a sign-on bonus of \$523,000 to compensate him for the possibility of foregone incentives with his previous employer and provide a compelling incentive to join our organisation. The sign-on bonus is to be paid following the successful completion of his probation period in August. In the event that the CFO resigns or is terminated for cause within 24 months of receiving the bonus, the bonus will be subject to full or partial repayment (clawback) on a pro-rata basis, calculated from the date of termination.

4. FY25 Remuneration Outcomes

The Board views the outcomes of remuneration for FY25 performance as appropriately aligned with stakeholders interests generally, given the performance against annual objectives and progress towards strategic objectives made by the executive team. The table below highlights some of our key financial results over the past five financial years, overlayed with some of our KMP remuneration outcomes.

	2021	2022	2023	2024	2025
Share Price as at 30 June (\$)	3.40	4.59	3.44	2.51	2.78
Total full-year dividends (cents)	Nil*	53.00	14.00	12.00	12.50
LTVR vesting outcome (% max)	n/a	n/a	0%	0%	0%

*Pre IPO dividend of 14.25 cents not included in table above given it was prior to listing on the ASX.

Directors' Report *cont.*

for the year ended 30 June 2025

Remuneration Report *cont.*

4. FY25 Remuneration Outcomes *cont.*

FY25 Short-Term Variable Remuneration (STVR) outcome

The STVR plan is designed to reward executives for the achievement against annual performance objectives set by the Board at the beginning of the performance period. The payment of the STVR is dependent on delivery of performance against a range of metrics. The metrics and outcomes of assessment against those metrics are summarised below:

Chief Executive Officer

Metric/Measure		Actual		Gate	Achieved/Failed	
Gate						
Underlying EBITDA Margin (pre AASB 16)		9.3%		8.0%	Achieved	
Metric/Measure	Weight	STVR opportunity \$ (target)	STVR opportunity as a % of Fixed Remuneration (target)	STVR achieved \$	% STVR target achieved	% STVR target forfeited
Underlying EBITDA (pre AASB 16)						
This metric is viewed as one of the primary financial drivers of shareholder value creation under the current strategy.	40%	600,000	40%	450,139	75%	25%
Underlying EBITDA Margin (pre AASB 16)						
This metric is viewed as one of the primary financial drivers of shareholder value creation under the current strategy.	40%	600,000	40%	551,610	92%	8%
Strategic objectives						
Strategic objectives are specific to the employee and are determined and approved by the Remuneration and Nomination Committee to align with Company goals and strategy.	20%	300,000	20%	270,000	90%	10%
Objectives for FY25 were set on leadership and development, enhancing stakeholder management and strategic growth goals.						
TOTAL		1,500,000	100%	1,271,749	85%	15%

The CFO did not participate in the FY25 STVR plan.

4. FY25 Remuneration Outcomes cont.

FY23 Long-Term Variable Remuneration (LTVR) outcome

The FY23 LTVR grant was tested over a three-year measurement period from FY23 to FY25. Over the measurement period our indexed total shareholder return (iTSR) was below the threshold level of performance, and as a result none of the FY23 LTVR Rights will vest.

FY25 Total remuneration outcome

The following outlines 'achieved' total remuneration, including the portions of maximum variable remuneration that were awarded or vested, and portions that were forfeited or lapsed as the result of performance assessments:

Name	Role	Year	Fixed Pay (incl. Super)	STVR Awarded	LTVR Vested	Achieved Total Remuneration Package (\$)	Total Remuneration Package vs max (%)
Melinda McGrath	CEO and Executive Director	FY25	\$1,512,874	1,271,749	\$0	2,784,623	63%
		FY24	\$912,781	\$314,967	\$0	\$1,227,748	56%
Matthew Cordingley	CFO	FY25	\$740,250	\$0	\$0	\$740,250	100%

Note: The CFO Fixed Pay above includes the sign-on bonus of \$523,000 to compensate him for the possibility of foregone incentives with his previous employer and provide a compelling incentive to join our organisation.

5. The Australian Clinical Labs Remuneration Strategy, Policy and Framework

Executive remuneration – Fixed Pay (FP), Total Remuneration Package (TRP) and the variable remuneration framework

FY25 Fixed Pay

When negotiating an extension to the CEO's term in October 2024, which was following the announcement that Crescent Capital had sold its major shareholding in ACL and in light of the impending departure of its two nominee Directors, coupled with the departure of the CFO James Davison late in FY24, the Board was very mindful of securing an extension of our CEO's commitment to lead ACL to ensure a degree of continuity through this time of significant change, both for ACL and the post-COVID pathology industry. Accordingly, the Board benchmarked her fixed pay to the amount paid to its CEO by our closest competitor, being \$1,500,000. The Board was of the opinion that this was in the best interests of shareholders.

Our new CFO, Matthew Cordingley, was also appointed during the year, effective 3 February 2025, with a fixed annual remuneration of \$523,000 inclusive of superannuation. In addition, Matthew also received a sign-on bonus payable on completion of his probationary period for 100% of his fixed pay. The payment is to be settled in cash post year end and subject to clawback clauses.

General Policy

Fixed Pay comprises base salary plus any other fixed elements such as superannuation, allowances, benefits and fringe benefits tax for example. In general, Fixed Pay is intended to be positioned at P50 of market benchmarks for comparably designed roles.

Total Remuneration Package is intended to be composed of an appropriate mix of remuneration elements including Fixed Pay, Short-Term Variable Remuneration and Long-Term Variable Remuneration. The Target TRP (TTRP), being the TRP value at target/expected performance is generally intended to fall between P50 and P75 of market benchmarks.

Directors' Report *cont.*

for the year ended 30 June 2025

Remuneration Report *cont.*

5. The Australian Clinical Labs Remuneration Strategy, Policy and Framework *cont.*

Short-Term Variable Remuneration plan

A description of the STVR structure for FY25 is set out below, noting that the CFO didn't participate in the plan for FY25.

Description	Overview
Purpose	To provide at-risk remuneration and incentives that reward executives for performance against annual objectives set by the Board at the beginning of the financial year. Objectives selected are designed to support long-term value creation for shareholders, and link to the long-term strategy on an annual basis.
Measurement Period	The financial year of the Company.
Opportunity	The target value is 100% of Fixed Pay for the CEO, with a maximum/Stretch of 150% of Fixed Pay.
Outcome Metrics and Weightings	The STVR is dependent on meeting Group performance objectives. The metrics for FY25 are Underlying EBITDA (pre AASB 16) (40% weighting), Underlying EBITDA margin (pre AASB 16) (40% weighting) and strategic goals (20% weighting). These metrics were selected because they are viewed by the Board as the primary drivers of value creation for the business, they measure the core operating and financial performance having reflected all operating costs.
Gate	STVR is subject to a gate of 8% Underlying EBITDA Margin (pre AASB 16) to ensure the plan is only payable where acceptable returns are delivered recognising market context.
Settlement	Awards are determined following auditing of accounts after the end of the financial year.
Service Condition	STVR is subject to the participant remaining employed on the last day of the financial year unless otherwise determined by the Board.
Malus and Clawback	The STVR is currently subject to malus and clawback clauses.
Board Discretions	The Board has discretion to modify the awards payable to participants regardless of any performance outcome or gate, to ensure that outcomes are appropriate to the circumstances that prevailed over the Measurement Period.
Corporate Actions	The Board has discretion to determine the treatment of unpaid STVR in the case of major corporate actions such as a change in control, delisting, major return of capital or demerger.

5. The Australian Clinical Labs Remuneration Strategy, Policy and Framework cont.

Long-Term Variable Remuneration (LTVR) plan

A description of the LTVR structure for FY25 is set out below, noting that the CEO didn't participate in the grant for FY25 and will not participate in FY26.

Description	Overview														
Purpose	To provide at-risk remuneration and incentives that reward executives for performance against long-term value creation objectives set by the Board at the beginning of the financial year and to align the interests of executives with the interests of shareholders.														
Measurement Period	Three financial years including the financial year of grant (i.e. FY25 to FY27).														
Opportunity	The target value is 40% of Fixed Pay for the CFO, with a maximum/stretch of 60% of Fixed Pay.														
Instrument	The Awards that may be offered under the LTVR Plan consist of Performance and Service Rights for the CFO.														
Price and Exercise Price	The Price is nil, because it forms part of the remuneration of the participant. The Exercise Price is nil.														
Allocation Method	The number of Rights issued was determined by dividing the maximum value of LTVR by the Volume Weighted 20-day Average Market Price for ACL shares preceding the date of grant.														
Performance Metrics and Weightings	The LTVR is broken into three difference tranches of rights being: • 33% Relative Total Shareholder Return (rTSR) • 33% Earnings Per Share Compounding Annual Growth Rate (EPS CAGR) • 34% Service Rights rTSR Performance Rights The vesting of such Performance Rights will be determined by comparing the Company’s TSR over the Measurement Period with the TSR of the ASX 300 Ex-Financials and Resources Index. TSR is calculated as a percentage growth in shareholder value based on share price growth and dividends, assuming that they are reinvested into Shares. During periods of nil dividends being declared, TSR is equal to change in share price. The vesting scale for this performance vesting metric is as follows: <table><tr><th>Performance Level</th><th>Company’s TSR compared to ASX 300 Ex- Financials and Resources</th><th>% of Tranche Vesting</th></tr><tr><td rowspan="2">Stretch</td><td>>= 75th Percentile</td><td>100%</td></tr><tr><td>>50th Percentile and <75th Percentile</td><td>Pro rata</td></tr><tr><td>Target</td><td>= 50th Percentile</td><td>50%</td></tr><tr><td>Below Target</td><td>< 50th Percentile</td><td>Nil</td></tr></table> This metric was selected as it provides a direct link between executive remuneration and shareholder return relative to relevant peer originations. Equity grants are tested against the performance measures set. If the performance hurdles are not met at the vesting date, Performance Rights lapse.	Performance Level	Company’s TSR compared to ASX 300 Ex- Financials and Resources	% of Tranche Vesting	Stretch	>= 75th Percentile	100%	>50th Percentile and <75th Percentile	Pro rata	Target	= 50th Percentile	50%	Below Target	< 50th Percentile	Nil
Performance Level	Company’s TSR compared to ASX 300 Ex- Financials and Resources	% of Tranche Vesting													
Stretch	>= 75th Percentile	100%													
	>50th Percentile and <75th Percentile	Pro rata													
Target	= 50th Percentile	50%													
Below Target	< 50th Percentile	Nil													

Directors' Report *cont.*

for the year ended 30 June 2025

Remuneration Report *cont.*

5. The Australian Clinical Labs Remuneration Strategy, Policy and Framework *cont.*

Description	Overview															
	EPS CAGR Performance Rights The vesting of such Performance Rights will be determined by comparing the Company’s EPS movement over the Measurement Period. EPS is calculated as the net income divided by the weighted average number of shares. It is calculated over a specific period which for the purpose of this Invitation is the Measurement Period and based on weighted average number of shares in line with financial statements, which will be annualised and expressed as a Compound Annual Growth Rate (CAGR). EPS growth will be measured by the difference between the EPS of FY25 and the EPS of FY27. The vesting scale for this performance vesting metric is as follows: <table><tr><th>Performance Level</th><th>EPS Growth (CAGR)</th><th>% of Tranche Vesting</th></tr><tr><td>Stretch</td><td>= 10%</td><td>100%</td></tr><tr><td></td><td>>4% Percentile and <10%</td><td>Pro rata</td></tr><tr><td>Target</td><td>= 4%</td><td>50%</td></tr><tr><td>Below Target</td><td>< 4%</td><td>Nil</td></tr></table> This metric was selected as it’s the broadest measure of earnings growth and a standard measure on company performance. Equity grants are tested against the performance measures set. If the performance hurdles are not met at the vesting date, Performance Rights lapse. Service Rights The vesting of Service Rights will be determined by the continued service over the Measurement Period. This metric was selected to encourage stability with the recent changes to the Board. Equity grants convert to shares following completion of the Measurement Period.	Performance Level	EPS Growth (CAGR)	% of Tranche Vesting	Stretch	= 10%	100%		>4% Percentile and <10%	Pro rata	Target	= 4%	50%	Below Target	< 4%	Nil
Performance Level	EPS Growth (CAGR)	% of Tranche Vesting														
Stretch	= 10%	100%														
	>4% Percentile and <10%	Pro rata														
Target	= 4%	50%														
Below Target	< 4%	Nil														
Gate	rTSR Performance Rights are subject to a gate of TSR for ACL being positive for the Measurement Period to ensure the grant does not vest when shareholders are losing value. There are no gates in place for EPS CAGR and Service Rights.															
Settlement	The Rights are ‘Indeterminate’ which may be settled in the form of a Company Share (including a Restricted Share), or cash equivalent, upon valid exercise.															
Term	Rights must be exercised within five years of the Grant Date, otherwise they lapse.															
Service Condition	In addition to the performance conditions, continued service during the full Measurement Period is a requirement in order for any Rights to become eligible to vest.															
Malus and Clawback	The LTVR plan includes malus and clawback clauses which will result in forfeiture of unvested Rights in a range of circumstances, including material misstatements resulting in overpayment, the participant joining a competitor or being involved in actions that are deemed to have harmed other stakeholders.															
Board Discretions	The Board has discretion to modify vesting to participants regardless of any performance outcome or gate, to ensure that outcomes are appropriate to the circumstances that prevailed over the Measurement Period.															

5. The Australian Clinical Labs Remuneration Strategy, Policy and Framework cont.

Description	Overview
Corporate Actions	In the case of a Change in Control, unvested Rights will vest in the proportion that the elapsed portion of the Measurement period bears to the full Measurement period. The Board, in its discretion, may determine that none, some or all of the remaining unvested Rights also vest. Any Rights that remain unvested following exercise of the Board's discretion will lapse. In the case of a major return of capital or demerger, the Board has discretion to bring forward vesting or to alter the number of Rights or the Exercise Price or to alter Vesting Conditions to ensure that the outcome is fair to participants. This is because following such an event the share price is likely to be materially different from the basis of the grant, and performance conditions set may be unable to be met.

Melinda McGrath – CEO – Special one-off contract extension arrangements

As previously discussed, the CEO's contract of employment was extended during the year for a two-year period from 1 September 2024 to 30 August 2026. As part of the discussions, it was agreed that Melinda would not participate in the three-year FY25 or FY26 LTVR grants (as they extend beyond her current contractual term).

However, in order to retain her services during this time of significant change for the Company and the broader industry, the CEO was granted a two-year all cash service-based award that aligns with the period of her extended contract. At the conclusion of her two-year contract, she will be entitled to a payment equal to \$2m in total. There is a graduated payment schedule between \$1m and \$2m if the CEO resigns with effect between 1 March 2026 and 30 August 2026.

Non-Executive Director (NED) fee policy

The following outlines the principles that Australian Clinical Labs applies to governing NED remuneration:

Principle	Comment
Fees are set by reference to key considerations	Fees for Non-Executive Directors are based on the nature of the Directors' work and their responsibilities, taking into account the nature and complexity of the Company and the skills and experience of the Director. Non-Executive Directors' fees are recommended by the Nomination and Remuneration Committee and determined by the Board. External consultants may be used to source the relevant data and commentary or to obtain independent recommendations given the potential for a conflict of interest in the Board setting its own fees.
Remuneration is structured to preserve independence whilst creating alignment	To preserve independence and impartiality, Non-Executive Directors are not entitled to any form of variable remuneration payments and the level of their fees is not set with reference to measures of the Company's performance. Non-Executive Directors are encouraged to hold shares in the Company, however they do not receive equity as part of their remuneration.
Aggregate Board Fees	The total amount of fees paid to Non-Executive Directors is within the aggregate amount disclosed in the Company Constitution of \$1,500,000 per annum.

The following outlines the Board Fees applicable as at the end of FY25:

Role/Function	Chair	Member
Base Board Fee	\$181,636	\$121,091
Audit Committee	\$15,136	\$10,091
Remuneration and Nomination Committee	\$15,136	\$10,091

Note: Fees are expressed as inclusive of superannuation. Non-Executive Directors are also reimbursed for their reasonable out-of-pocket expenses that are incurred in the discharge of their role.

Directors' Report *cont.*

for the year ended 30 June 2025

Remuneration Report *cont.*

5. The Australian Clinical Labs Remuneration Strategy, Policy and Framework *cont.*

Other elements of the KMP remuneration governance framework

The following outlines the other elements that together with the foregoing form the KMP remuneration governance framework:

- The Remuneration and Nomination Committee Charter, which outlines the roles and responsibilities of the committee. This is available for inspection on the Company website.
- The Securities Trading Policy, which outlines under what circumstances and when trading in ACL securities by KMP and other nominated employees may be permitted or prohibited.
- External Remuneration Consultant (ERC) Engagement Policy which is intended to ensure the independence of any recommendation received regarding KMP remuneration, and which supports the Board's published statements regarding such recommendations. In addition to the requirements outlined in the Corporations Act, it requires the ERC to notify the Board if management makes contact with the ERC on remuneration matters outside of interactions approved or supervised by the Board, such as the provision of factual information for benchmarking purposes.

6. FY26 Remuneration Highlights

There has been further refinement to the framework for FY26. The table below highlights this refinement and also key areas of the framework for FY26:

Change	Response												
No additional LTVR grant for the CEO	The CEO will not be eligible for any further LTVR grants for FY26. This is due to the special one-off contract extension that was put in place during FY25, and as such, no additional grants will be issued in FY26.												
CFO to participate in STVR	The CFO didn't participate in the STVR in FY25 due to timing of commencement in H2. In FY26, the CFO will take part in the STVR plan with the target value being 40% of Fixed Pay and a maximum/stretch of 60% of Fixed Pay.												
Measurement criteria for STVR	The measurement criteria will continue to focus on Underlying EBITDA (pre AASB 16) and Underlying EBITDA Margin (pre AASB 16) as these are the most appropriate financial metrics that include all material costs in measuring core operating and financial performance.												
LTVR Service Rights proportion reduced	ACL has acknowledged feedback surrounding Service Rights, however it is important to note that we have a stable and highly experienced executive team which is not easily replaceable. For FY26 the Board propose to amend the current LTI structure by reducing the service component from 34% to 20%. In conjunction with this, rTSR will also reduce from 33% to 30%, whilst EPS CAGR will increase from 33% to 50%. This adjustment will better balance the structure between service and performance metrics, aligning more closely with external expectations while continuing to support executive remuneration.												
Change Board remuneration	On 26 August 2025, Stephen Roche will be appointed Chair of the Board. From this date going forward, the Board Fees will be: <table><tr><th>Role/Function</th><th>Chair</th><th>Member</th></tr><tr><td>Base Board Fee</td><td>\$250,000</td><td>\$120,000</td></tr><tr><td>Audit Committee</td><td>\$15,000</td><td>\$10,000</td></tr><tr><td>Remuneration and Nomination Committee</td><td>\$15,000</td><td>\$10,000</td></tr></table>	Role/Function	Chair	Member	Base Board Fee	\$250,000	\$120,000	Audit Committee	\$15,000	\$10,000	Remuneration and Nomination Committee	\$15,000	\$10,000
Role/Function	Chair	Member											
Base Board Fee	\$250,000	\$120,000											
Audit Committee	\$15,000	\$10,000											
Remuneration and Nomination Committee	\$15,000	\$10,000											

7. Statutory Disclosures

The following table outlines the statutory remuneration of executive KMP. These disclosures have been calculated in accordance with the Australian Accounting Standards:

Name	Role(s)	FY	Fixed Pay			Variable Remuneration						Total for Year	Other Statutory Items			
			Total Fixed Pay		Other Benefits ^(iv)	Cash STVR ⁽ⁱ⁾		Rights LTVR ⁽ⁱⁱ⁾		Cash LTVR ⁽ⁱⁱⁱ⁾						
			Salary	Super		Amount	% of TRP	Amount	% of TRP	Amount	% of TRP			Amount	% of TRP	
Current																
Melinda McGrath	Chief Executive Officer and Executive Director	FY25	\$1,470,068	\$29,932	\$12,874	\$1,512,874	38%	\$1,271,749	32%	\$271,757	7%	\$880,003	22%	\$3,936,384	(\$20,439)	\$0
		FY24	\$872,508	\$27,399	\$12,874	\$912,781	58%	\$314,967	20%	\$353,934	22%	\$0	0%	\$1,581,682	(\$21,347)	\$0
Matthew Cordingley	Chief Financial Officer	FY25	\$202,283	\$14,966	\$523,000	\$740,250	98%	\$0	0%	\$17,346	2%	\$0	0%	\$757,595	\$14,465	\$0
		FY24	\$0	\$0	\$0	\$0	0%	\$0	0%	\$0	0%	\$0	0%	\$0	\$0	\$0
Former																
James Davison	Chief Financial Officer	FY25	\$0	\$0	\$0	\$0	0%	\$0	0%	\$0	0%	\$0	0%	\$0	\$0	\$0
		FY24	\$604,629 ^(v)	\$25,116	\$171,705	\$801,450	121%	\$0	0%	(\$141,369)	(21%)	\$0	0%	\$660,080	(\$346,178)	\$0

(i) Note that the STVR value reported in this table is the STVR that was accrued during the reporting period. This will be paid following the release of the full year results.

(ii) Note that the LTVR value reported in this table is the amortised accounting charge of all grants that have not lapsed or vested as at the start of the reporting period. Where a market-based measure of performance is used such as TSR, no adjustments can be made to reflect actual LTVR vesting.

(iii) Note that the LTVR value reported in this table is the cash LTVR that was accrued during the reporting period for Melinda McGrath. This is expected to be paid in FY27 following completion of her two-year service contract.

(iv) Other benefits include items such as car parking, car allowances, FBT, cash payment for trading restriction imposed, etc. Included in this number is a one-off cash sign-on bonus for Matthew Cordingley of \$523k subject to the completion of his probationary period.

(v) Note that the salary number for James Davison for FY24 includes annual leave and long service leave paid out on conclusion of employment as highlighted in the change in accrued leave balance.

Directors' Report *cont.*

for the year ended 30 June 2025

Remuneration Report *cont.*

7. Statutory Disclosures *cont.*

Non-executive Director KMP statutory remuneration of FY25

The following table outlines the statutory and audited (A-IFRS) remuneration of NEDs (\$, except where otherwise indicated):

Name	Role(s)	Year	Cash Board Fees	Committee Fees	Superannuation	Total
Current						
Mark Haberlin	Board Chair	FY25	\$117,652	\$13,575	\$15,091	\$146,318
		FY24	\$109,091	\$13,636	\$13,500	\$136,227
Christine Bartlett	Non-Executive Director	FY25	\$108,602	\$21,075	\$14,913	\$144,590
		FY24	\$93,846	\$6,818	\$11,073	\$111,738
Dr Leanne Rowe AM	Non-Executive Director	FY25	\$108,602	\$9,050	\$13,530	\$131,182
		FY24	\$109,091	\$9,091	\$13,000	\$131,182
Sarah Butler	Non-Executive Director	FY25	\$45,251	\$2,263	\$5,464	\$52,977
		FY24	\$0	\$0	\$0	\$0
Grant Jeffery	Non-Executive Director	FY25	\$45,251	\$2,263	\$5,464	\$52,977
		FY24	\$0	\$0	\$0	\$0
Stephen Roche	Non-Executive Director	FY25	\$2,911	\$0	\$349	\$3,260
		FY24	\$0	\$0	\$0	\$0
Former						
Michael Alscher	Board Chair (Non-Independent)	FY25	\$150,000	\$8,333	\$0	\$158,333
		FY24	\$144,692	\$8,038	\$0	\$152,731
Darren McKennay	Board Chair (Non-Independent)	FY25	\$0	\$0	\$0	\$0
		FY24	\$35,308	\$1,962	\$0	\$37,269
Nathanial Thomson	Non-executive Director (Non-Independent)	FY25	\$38,152	\$3,179	\$0	\$41,332
		FY24	\$120,000	\$10,000	\$0	\$130,000
Andrew Dutton	Non-Executive Director	FY25	\$35,087	\$7,310	\$4,876	\$47,272
		FY24	\$109,091	\$22,727	\$14,500	\$146,318

7. Statutory Disclosures cont.

KMP equity interests and changes during FY25

Movements in equity interests held by executive KMP during the reporting period, including their related parties, are set out below. All equity interests are granted by the listed entity unless otherwise specified:

		Number Held at 1 July 2024		Granted FY25	FY25 Forfeited	Number Held at 30 June 2025	Forfeited since 30 June 2025
Name	Instrument	Number	Date Granted	Number	Number	Number	Number
Melinda McGrath	Shares	2,923,331	–	–	–	2,923,331	–
	Rights	880,834	–	–	(247,252)	633,582	–
Matthew Cordingley	Shares	–	–	–	–	–	–
	Rights	–	2/04/2025	78,961	–	78,961	–
TOTALS		3,804,165	n/a	78,961	(247,252)	3,635,874	–

Movements in equity interests held by non-executive KMP during the reporting period, including their related parties, are set out below:

Name	Instrument	Number Held at 1 July 2024	FY25 Sold	Number Held at 30 June 2025
		Number	Number	Number
Current				
Dr Leanne Rowe AM	Shares	5,000	–	5,000
Mark Haberlin	Shares	47,500	–	47,500
Christine Bartlett	Shares	20,000	–	20,000
Former				
Michael Alscher	Shares	280,502	(280,502)	–
Andrew Dutton	Shares	81,897	–	81,897

Directors' Report *cont.*

for the year ended 30 June 2025

Remuneration Report *cont.*

7. Statutory disclosures *cont.*

The following outlines the accounting values and potential future costs of equity remuneration granted for executive KMP:

Equity Grants						Fair Value Each At Grant Date	Total Fair Value at Grant Date	Value Expensed in FY25	Max Value to be Expensed in Future Years
Name	Tranche	Grant Type	Number	Vesting Conditions	Grant Date				
Melinda McGrath	FY23 – Target	LTVR Rights	119,046	iTSR	13/03/2023	3.78	449,994	68,868	–
	FY23 – Stretch	LTVR Rights	119,046	iTSR	13/03/2023	3.78	449,994	61,155	–
	FY24 –Target	LTVR Rights	197,745	iTSR	19/12/2023	2.28	450,858	84,522	93,177
	FY24 – Stretch	LTVR Rights	197,745	iTSR	19/12/2023	2.28	450,858	57,213	63,071
Matthew Cordingley	FY25 – rTSR	LTVR Rights	29,388	rTSR	2/04/2025	3.52	103,555	5,323	53,689
	FY25 – EPS CAGR	LTVR Rights	29,388	EPS CAGR	2/04/2025	3.52	103,555	7,128	71,897
	FY25 – Service	LTVR Rights	20,185	Service	2/04/2025	3.52	71,126	4,896	49,382
TOTALS	n/a	n/a	712,543	n/a	n/a	n/a	2,079,940	289,105	331,216

Note: Rights granted under the LTVR in FY23 didn't meet the performance targets and as such will be forfeited post year-end.

All rights granted in FY24 will expire in FY28 and may only be exercised after vesting which is expected to occur after release of the year ended 30 June 2026 results. All rights granted in FY25 will expire in FY29 and may only be exercised after vesting which is expected to occur after release of the year ended 30 June 2027 results.

The total fair value at grant date differs from the total value expected to be expensed through the profit and loss due to the measure of the plan using the Monte Carlo/Black-Scholes valuations for accounting purposes, which is different to the valuation at grant date.

7. Statutory disclosures cont.

KMP Service Agreements

Executive KMP Service Agreements

The following outlines current executive KMP service agreements:

Name	Position Held at Close of FY25	Employing Company	Duration of Contract	Period of Notice	
				From Company	From KMP
Melinda McGrath	Chief Executive Officer and Executive Director	Clinical Laboratories Pty Ltd	2 years	6 months	6 months
Matthew Cordingley	Chief Financial Officer	Clinical Laboratories Pty Ltd	No fixed term	6 months	6 months

Non-Executive Directors service agreements

Non-Executive Directors are appointed under a service agreement. The service agreements stipulate that Non-Executive Directors' fees are inclusive of superannuation and that Non-Executive Directors are not eligible for any termination benefits or other contractual or statutory entitlements (other than superannuation) following termination of their office.

Other statutory disclosures

Loans to KMP and their related parties

During the financial year and to the date of this report, the Company has not made any loans to Directors.

There were no other loans to any other KMP.

There are no loan balances outstanding as at 30 June 2025 with any related parties.

Other transactions with KMP

Certain Directors and KMP, or their personally-related entities (Related Parties), hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. A number of these entities transacted with the Company in the FY25 reporting period. The terms and conditions of the transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions with unrelated entities on an arm's-length basis.

There were no transactions which occurred with entities controlled by Related Parties.

Corporate Governance
Statement

For the year ended 30 June 2025

Corporate Governance Statement

for the year ended 30 June 2025

Introduction

Australian Clinical Labs Limited (ACN 645 711 128) (**ACL**) has adopted the ASX Corporate Governance Principles and Recommendations, 4th edition (**ASX 4th Principles**) that apply to entities listed on the Australian Securities Exchange as a foundation stone of its corporate governance framework. This Corporate Governance Statement describes the corporate governance framework that was in place at ACL during the financial year ended 30 June 2025. The statement was approved by the Board on 25 August 2025.

ACL is a leading provider of pathology services, skin cancer clinics and other diagnostics modalities in Australia and one of the largest hospital pathology businesses nationally with 1,288 approved collection centres (**ACCs**) (as at 30 June 2024). ACL became a publicly listed company on the ASX on 14 May 2021 and has a national footprint on mainland Australia.

ACL generates revenue by providing pathology services across the community, hospital and other pathology segments with operations as follows:

- **Community pathology:** ACL operates 50 National Associating of Testing Authorities (NATA) accredited laboratories and 1,288 ACCs from which it collects community pathology samples (as at 30 June 2025). ACL's ACCs are mostly co-located at medical centres, where ACL leases an area within the medical centre and provides an ACL employee to conduct the sample collection. ACL also operates skin cancer clinics under the SunDoctors brand across Queensland, New South Wales, South Australia and Victoria. ACL also sources pathology samples from general practitioners, specialists and patients that self-collect their samples;
- **Hospital pathology:** ACL provides services to over 90 public and private hospitals, which include large-scale hospital facilities, day hospitals, acute care facilities, 24/7 emergency departments and smaller regional hospitals;
- **Other pathology:** ACL provides several other pathology services to other users which include veterinary clinics, phase one clinical trials providers, functional pathology providers, corporate organisations to assist compliance with workplace health and safety regulations and government organisations.

During the financial year ended 30 June 2025, the corporate governance framework that ACL adopted to enable and facilitate the performance of its operations comprised:

- a board of directors (**Board**), which is responsible for managing and directing the affairs of ACL and which is legally responsible for its operations. The Board is supported in this role by two standing committees of the Board;
- a senior executive management team (**Executive Team**), which is led by a Group Chief Executive Officer (**CEO**). The CEO and Executive Team are responsible for the day to day operations of ACL and for implementing ACL's strategy. The CEO is also an executive director of the Board;
- external assurance provided by its external auditor, its internal auditor and other professional advisers; and
- internal assurance provided through reporting by ACL's risk team and internal quality assurance team in respect of ACL's clinical governance framework.

The corporate governance framework in place during FY25 can be visually represented as follows:



Corporate Governance Statement *cont.*

for the year ended 30 June 2025

The legal and constitutional framework that governs ACL consists principally of its Constitution, the Corporations Act 2001 and the ASX Listing Rules. ACL is also accredited by the National Association of Testing Authorities and is subject to its governance and compliance requirements.

Principle 1: Lay Solid Foundations for Management and Oversight

Roles and Responsibilities

The Board is the legal decision-making body of ACL and has responsibility for the development and approval of strategy, monitoring the implementation of strategy by the CEO and Executive Team and oversight of ACL's financial position and financial reporting.

The Board's main functions are:

- to strive to build sustainable value for shareholders whilst protecting the assets and reputation of ACL;
- to demonstrate leadership, including at strategic and cultural levels;
- to define ACL's purpose and to set its strategies, budgets and business plans;
- to approve ACL's statement of values and code of conduct to underpin a culture of acting lawfully, ethically and responsibly;
- to satisfy itself that ACL has in place an appropriate risk management framework (for financial and non-financial risks, as well as clinical governance risk) and setting the risk appetite within which the Board expects management to operate. The Board has reserved oversight of clinical governance and diagnostic and clinical risk to the full Board;
- to satisfy itself that ACL's remuneration policies are aligned with its purpose, values, strategic objectives and risk appetite;
- to oversee management in its implementation of ACL's strategic objectives, its role in instilling ACL's values and performance generally;
- to monitor the performance of the CEO and the Executive Team;
- to set measurable objectives for achieving gender diversity in the composition of ACL's Board, the Executive Team and the workforce generally;
- to approve major borrowing and debt arrangements, the acquisition, establishment, disposal or cessation of any significant business of the Company, any significant transaction or capital expenditure and the issue of any shares, options, equity instruments or other securities in ACL;
- to approve ACL's annual report including the financial statements, directors' report, remuneration report and corporate governance statement, with advice from the Remuneration and Nominations Committee and the Audit and Risk Committee, as appropriate;
- to oversee ACL's process for making timely and balanced disclosure of all material information concerning ACL that a reasonable person would expect to have a material effect on the price or value of ACL's securities;
- to satisfy itself that an appropriate framework exists for relevant information to be reported to the Board by management;
- to recognise that ACL provides professional medical services and therefore, ACL should adhere to medical ethics and ACL's code of conduct, and value the importance of ACL's commitment to empower decision making that saves and improves patients' lives;
- whenever required, to challenge management and hold it to account;
- to review operating information to understand at all times the state of health of ACL;
- to oversee ACL's approach to sustainability and its environmental, social and governance activities, including the approval of applicable ACL governance policies;
- to ensure that ACL acts legally and responsibly on all matters and that the highest ethical standards are maintained;
- to ensure that ACL maintains effective workplace health and safety practices, an equitable and inclusive workplace culture and that there are robust anti-discrimination, harassment and bullying policies in place, including policies and programs to ensure the prevention of sexual harassment and sexual discrimination;
- to oversee ACL's cybersecurity arrangements, including data governance and privacy requirements, as a full Board matter;
- to develop an investor relations program to facilitate effective two-way communication with investors;

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Principle 1: Lay Solid Foundations for Management and Oversight (continued)

- to maintain a constructive and ongoing relationship with the ASX and regulators, and to approve policies regarding disclosure and communications with the market and ACL's shareholders;
- to ensure that ACL's relationship with its stakeholders (including employees, healthcare practitioners, government and the broader community) are managed to facilitate the achievement of ACL's objectives; and
- to monitor the effectiveness of, and approve changes to, internal governance including delegated authorities, and monitoring resources available to the CEO and Executive Team.

The Board has a charter which sets out its role and its responsibilities in more detail and provides guidance on the functions which it has reserved to itself. A copy of the Board Charter can be found [here](#).

The Board is assisted in its role by two standing committees, the Audit and Risk Committee and the Remuneration and Nominations Committee (each a **Committee**). Each Committee has its own charter which sets out its role and responsibilities in more detail. The Committees meet at least quarterly or more frequently if required. All directors have a standing invitation to attend any Committee where they are not a Committee member, as well as access to Committee papers and minutes. Regular reporting on the activities of each Committee is also provided to the Board.

Under the terms of the Board charter, the Board has delegated authority and power to manage the daily operations of ACL to the CEO and the Executive Team within levels of authority specified by the Board. The CEO may delegate aspects of her authority and power but remains accountable to the Board for ACL's performance and is required to report regularly to the Board on progress being made by ACL's business units.

ACL has 29 subsidiaries and the boards of ACL's subsidiaries are generally comprised of executive directors. ACL's corporate governance framework, including its risk management and compliance framework, applies to its wholly owned subsidiaries.

In the course of the reporting period, the Board's composition varied as follows:

- Mr Michael Alscher was appointed a member of the Remuneration and Nominations Committee on 25 September 2024;
- Mr Andrew Dutton and Mr Nathaniel Thomson retired as non-executive directors of the Board on 25 October 2024;
- Ms Sarah Butler and Mr Grant Jeffery were appointed as non-executive directors of the Board on 1 February 2025. On 28 March 2025, Ms Butler was appointed as a member of the Remuneration and Nominations Committee and Mr Grant Jeffery was appointed as a member of the Audit and Risk Committee;
- Mr Michael Alscher retired as a non-executive director and the Chair of the Board on 30 April and Mr Mark Haberlin was appointed as Interim Chair; and
- Mr Stephen Roche was appointed as a non-executive director and Chair elect on 20 June 2025 and will become Chair with effect from 26 August 2025.

During the 2025 financial year, the Board held 16 Board meetings, with attendance as follows:

Name of director	Eligible to attend	Attended
Michael Alscher (Chair)	12	12
Melinda McGrath (Managing Director and Group CEO)	16	15
Christine Bartlett	16	16
Sarah Butler	8	7
Andrew Dutton	5	3
Grant Jeffery	8	8
Mark Haberlin (Interim Chair from 1 May 2025)	16	16
Stephen Roche	1	1
Dr Leanne Rowe AM	16	15
Nathaniel Thomson	5	3

Corporate Governance Statement *cont.*

for the year ended 30 June 2025

Principle 1: Lay Solid Foundations for Management and Oversight (continued)

Appointment of Directors

ACL’s constitution provides that directors are appointed as a casual vacancy to the Board and then must stand for formal appointment by a vote of shareholders at the next AGM. Subject to the requirement that an election of directors must occur each year at ACL’s AGM, a director will generally serve a term of three years from appointment and is then eligible to stand for re-election for a further term of three years. There are no maximum tenure provisions in ACL’s Constitution. At the 2024 AGM, Michael Alscher was re-elected for a further term of three years.

In any notice of meeting proposing resolutions to appoint directors, Shareholders are provided with information in relation to a director’s biographical details, qualifications, skills and experience, as well as details of any other directorships or material interests that they hold. The Board also provides its recommendation in relation to any proposed re-election.

When a Board vacancy arises, the Remuneration and Nominations Committee conducts a search for a new director, having regard to ACL’s commitment that the Board should comprise directors with a broad range of skills, expertise and experience from a diverse range of backgrounds and able to contribute to the effective direction of the Company. Appropriate reference and background checks are conducted when a director is first appointed to the Board.

Service Agreements

Upon appointment, directors are provided with written agreements that set out the terms of their appointment, including the required time commitment, remuneration arrangements including superannuation, the requirement to disclose material interests and any matter which may affect their independence, the requirement to comply with key policies including ACL’s code of conduct, indemnity and insurance arrangement, access to corporate records and ongoing confidentiality arrangements.

All senior executives, including the CEO and Executive Team, have contracts of employment that set out the terms and conditions of their employment, including rights and obligations in respect of the termination of their employment and the circumstances in which summary termination may occur.

Secretary

The Company Secretary is appointed by the Board and all directors have direct access to the Company Secretary. The Company Secretary attends Board and Committee meetings and is responsible for providing the Board with advice on corporate governance issues. The Company Secretary is responsible for the operation of the Company secretariat function and is accountable to the Board through the Chair on all matters to do with the proper functioning of the Board. The Company Secretary is also responsible for communications with the ASX about listing rule matters, including making disclosures to the ASX in accordance with ACL’s Disclosure Policy.

During the reporting period the Board had access to the services and advice of Mrs Eleanor Padman, the Company Secretary. Details of the experience and qualifications of Eleanor Padman are set out in ACL’s 2025 Directors’ Report.

Diversity, Equity and Inclusion

The Board considers that having a diverse, equitable and inclusive workplace supports ACL’s strategy and values. It also facilitates ACL achieving better overall performance by allowing it to compete for the widest possible pool of talent and to attract and retain employees, whilst also encouraging a variety of viewpoints that enhance problem-solving, continual improvement and innovation.

ACL has a Diversity Policy which applies to the employees and officers of the Company and its subsidiaries. The Diversity Policy provides that the Board is responsible for setting measurable objectives to promote gender diversity and the Company’s progress in achieving them. The Board has set measurable objectives for achieving gender diversity of 40:40:20 (being 40% female, 40% male and 20% any gender). A full copy of ACL’s Diversity Policy can also be found [here](#). The respective proportions of men and women on the Board, the CEO and the Executive Team (defined as the CEO’s direct reports and excluding the CEO) as at 30 June 2025 were as follows:

	Board (including the CEO)		CEO		Executive Team	
	Number	Percentage	Number	Percentage	Number	Percentage
Men	3	42.9%			7	87.5%
Women	4	57.1%	1	100%	1	12.5%

Principle 1: Lay Solid Foundations for Management and Oversight (continued)

ACL is a relevant employer under the Australian *Workplace Gender Equality Act 2012* (Cth) and remains compliant with its reporting obligations under this legislation.

Further information in respect of ACL's approach to diversity, equity and inclusion can be found in its 2025 ESG report which is available on its [investor portal](#).

Performance of the Board

The Board charter provides that the Board will, with the guidance of the Remuneration and Nominations Committee, regularly review the performance of the Board, its Committees and each director. The Committee charters provide that the performance of the Committees will be assessed bi-ennially.

During the reporting period, the Board, with the assistance of the Remuneration and Nominations Committee, designed and conducted a Board performance evaluation, comprising of a self-assessment coupled with seeking feedback from the Executive Team. Having conducted performance reviews during FY24, the Audit and Risk Committee and Remuneration and Nominations Committee did not conduct a review during FY25.

Performance of CEO and senior executives

Performance reviews of the CEO and CFO are performed annually by the Board, with the assistance of the Remuneration and Nominations Committee where required. The CEO is responsible for conducting performance reviews of the other members of the Executive Team. The Executive Team's performance is reviewed against several metrics which include:

- economic performance
- positioning the Company for growth
- culture, innovation, staff engagement and leadership
- brand and relationship management
- risk and compliance.

During the reporting period, performance reviews were completed for the CEO and other members of the Executive Team.

Principle 2: Structure the Board to Add Value

Remuneration and Nominations Committee

The Remuneration and Nominations Committee is a standing committee of the Board. During the reporting period, its composition varied as follows:

- from 1 July 2024 to 25 September 2024, its members were Andrew Dutton (Chair), Leanne Rowe and Nathaniel Thomson. Michael Alscher joined as a member on 25 September 2024;
- on 25 October 2024, Andrew Dutton and Nathaniel Thomson retired as members and Christine Bartlett became Chair; and
- Sarah Butler joined as a member on 28 March 2025 and Michael Alscher retired as a member on 30 April 2025.

Andrew Dutton, Christine Bartlett, Sarah Butler and Leanne Rowe are all considered to be independent within the meaning of Box 2.3 of the ASX Principles.

During the reporting period, the Remuneration and Nominations Committee held three meetings and one joint meeting with the Audit and Risk Committee with attendance as follows:

Corporate Governance Statement cont.

for the year ended 30 June 2025

Principle 2: Structure the Board to Add Value (continued)

Name of director	Eligible to attend	Attended
Andrew Dutton (Chair until his retirement on 25 October 2024)	1	0
Christine Bartlett (Chair from 25 October 2024)	4	4
Leanne Rowe	4	4
Nathanial Thomson (retired 25 October 2024)	1	1
Michael Alscher (appointed 25 September 2024 and retired 30 April 2025)	2	1
Sarah Butler (appointed 28 March 2025)	1	1

As set out in its charter, the function of the Remuneration and Nominations Committee is to assist the Board in discharging the following responsibilities in relation to ACL:

- the recruitment of directors and the CEO, including ensuring that appropriate background checks are performed;
- remuneration policies, including evaluating and approving remuneration packages for the CEO, the Executive Team and non-executive directors and engaging external remuneration consultants;
- developing and approving short-and long-term incentive plans and equity plans;
- Board performance and composition, including the appropriate size and diversity of the Board, the development of skills matrices, selection criteria, succession plans, induction processes and any other requirements for the Board; and
- overseeing remuneration related disclosures required in ACL’s annual statutory reporting.

The Board has reserved oversight of WHS policies and practices, diversity, equity and inclusion policies and organisational culture to itself and these areas do not fall within the scope of the Remuneration and Nominations Committee.

A full copy of the Committee’s charter can be found [here](#).

Principle 2: Structure the Board to Add Value (continued)

Board skills matrix

During FY25, the Remuneration and Nominations Committee refreshed the Board skills matrix to ensure that the Board is constituted to best align with ACL's strategic objectives. The Board skills matrix provides an evaluation of the technical skills, knowledge and experience of directors and helps to ensure diversity of perspectives.

The 2025 Board skills matrix was completed through directors' self-assessment and then reviewed by the Board, with three new skills included for assessment being Procurement and Supply Chains, AI and New Technologies and Climate Change. It shows that the current composition of the Board has the following skills and sector experience as at 30 June 2025:

Skill	Expert	Proficient	Skilled	Developing
Leadership: holding senior positions of leadership in business, private practice, government, or the not-for-profit sector.	✓			
Financial Acumen: understanding of financial accounting and reporting, corporate finance principles, financial controls, treasury management.	✓			
Governance: experience of working in a listed environment with a commitment to the highest standards of governance.	✓			
Remuneration: experience of designing remuneration frameworks, including long-and short-term incentive structures.		✓		
Strategy: experience in building and executing strategy, ability to identify and critically assess strategic opportunities and threats and develop effective strategies in the context of the strategic objectives.	✓			
Capital Projects: experience working on projects involving large-scale capital outlays and long-term investment horizons.	✓			
Corporate Activity: experience in large-scale mergers and acquisitions involving the management of various stakeholder groups and/or regulators, experience in takeovers or in corporate restructures.	✓			
Capital Raising: experience of debt or equity based capital raising on Australian primary or secondary markets.		✓		
Risk and Compliance: experience in designing and utilising risk and compliance frameworks and systems, ability to identify key risks to the organisation in a wide range of areas.	✓			
Change Management and Disruption: overseeing transformational change of an organisation, for example rapid growth, diversification into new products and services, digital transformation, process re-engineering, ownership transition; experience of an organisation that has faced disruptive change.	✓			
Legal and Regulatory: qualified lawyer or experience in the legal and regulatory environment applicable to ACL including privacy law and corporate and commercial law.		✓		
Medical and Health Sector: qualified clinical or medical practitioner or operational experience in a clinical or medical setting; operating within a regulated environment; operating a best practice clinical governance framework.		✓		

Corporate Governance Statement cont.

for the year ended 30 June 2025

Principle 2: Structure the Board to Add Value (continued)

Skill	Expert	Proficient	Skilled	Developing
Work Health and Safety: understanding of WHS legislation and experience in programs implementing health and safety safeguards, including mental health and physical wellbeing.		✓		
Privacy and Cyber Security: experience of data management, data governance frameworks and cyber security frameworks.		✓		
Digital Engagement: experience in building a multi-channel engagement strategy for customer engagement, utilising data analytics to derive customer insights.		✓		
Digital Transformation and Delivery: experience in designing and implementing a digital strategy that is transformative; experience of a business that uses digital platforms to deliver products and services.		✓		
Brand and Influence: experience in building an organisation's brand and digital assets to raise its profile and differentiate it from peers and competitors.		✓		
Marketing and Customer: experience in marketing, understanding of corporate purpose to create long-term value and best in class customer experience.		✓		
Public Policy and Government: experience of engaging with government agencies to advocate for industry and to influence policy settings.		✓		
Sustainability: experience in creating a focused sustainable operating model and designing a framework to achieve ESG target; experience in integrated reporting models and sustainability reporting.		✓		
Talent and Culture: experience in talent management and creating a flexible workplace environment to attract and retain talent; experience in implementing inclusion and diversity strategies; experience in navigating Australia's industrial relations and fair work framework.	✓			
Crisis Management: experience of managing significant internal crises or reacting to external crises.	✓			
Procurement and Supply Chains: experience in managing procurement and complex supply chains, including disruption caused by macro-economic factors.		✓		
AI and New Technologies: experience in the application of AI to improve business productivity; experience in the early adoption of new technologies in operational settings.			✓	
Climate Change: experience in scenario planning and assessing the impact of climate change on operational productivity, logistics and supply chains; experience in managing workforces through severe and disruptive weather events.			✓	

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Principle 2: Structure the Board to Add Value (continued)

Independence of directors and the Chair

As at 30 June 2025, the Board is comprised of six non-executive directors and the CEO, who is appointed as an executive director. ACL's Board charter provides that the Chair of the Board must be a non-executive director and must not hold (or have held in the previous three years) the office of CEO. The table below provides further information on the independence status of each current director and their length of service as at 1 September 2025.

Name	Date appointed	Tenure on the Board	Independent as per Box 2.3 of the ASX 4th Principles
Mr Stephen Roche Non-executive Chair (with effect from 26 August 2025)	20 June 2025	3 months	Yes
Melinda McGrath* CEO and executive director	19 December 2020	4 years, 6 months	No – CEO
Christine Bartlett Non-executive director	23 August 2023	2 years, 1 month	Yes
Sarah Butler Non-executive director	1 February 2025	6 months	Yes
Mark Haberin Non-executive director	28 April 2021	4 years, 5 months	Yes
Grant Jeffery Non-executive director	1 February 2025	6 months	Yes
Dr Leanne Rowe AM Non-executive director	28 April 2021	4 years, 5 months	Yes

* Melinda McGrath was a director on the board of Clinical Labs Pty Ltd, the main operating subsidiary of ACL prior to its IPO on May 2021.

Board induction and education

As part of the appointment process, all new directors receive detailed information outlining their duties and responsibilities and an opportunity to meet with the CEO and members of the Executive Team. They are also invited to attend orientation sessions to ensure that they are familiar with ACL's key business and strategic issues, as well as having an understanding of the NATA regulatory framework.

Time is allocated at Board and Committee meetings for the continuing education of directors on significant issues facing ACL and changes to the regulatory environment.

Principle 3: Instil a Culture of Acting Lawfully, Ethically and Responsibly

Articulate and disclose values

ACL's mission is to combine talented people, medical and scientific leadership with innovative thinking and technologies to empower decision making that saves and improves patients' lives. ACL's values reflect what it stands for as a Company and are:

- **Patient focus and medical excellence:** ACL serves to protect the best interests of patients by aiming to achieve excellence in daily actions.
- **Entrepreneurship and agility:** ACL seeks to deliver its mission to as many people as possible by being vigilant of delivery cost.

Corporate Governance Statement *cont.*

for the year ended 30 June 2025

Principle 3: Instil a Culture of Acting Lawfully, Ethically and Responsibly (continued)

- **Efficiency and effectiveness:** ACL applies innovative thinking to science and business. ACL endeavours to be agile in responding to the needs of customers and stakeholders. ACL aims to be proactive and not reactive to problems; ACL meets challenges with a 'can do' attitude.
- **Passion and enthusiasm:** ACL is passionate about pathology and enthusiastic about living out its mission.
- **Respect and integrity:** ACL is committed to ensuring the Company and its representatives act with the highest integrity and respect.

Further information about how ACL instills its values across the organisation can be found in its ESG reports which are available on its [investor portal](#).

Code of Conduct

ACL has a [Code of Conduct](#) that applies to all employees, contractors, consultants, managers and directors of the Company.

Material breaches of the Code of Conduct are reported to the Board and/or the Audit and Risk Committee as appropriate.

A copy of the Code of Conduct can be found [here](#).

Whistleblower Policy

ACL is committed to a corporate culture that encourages the reporting and investigation of misconduct or serious wrongdoing. ACL has implemented a [Whistleblower Policy](#) to protect whistleblowers which includes a third-party anonymous whistleblowing reporting service, Yourcall, which can be accessed at <http://www.yourcall.com.au/report>.

Once a report is lodged, the Chair of the Audit and Risk Committee will consult in relation to the disclosure with the Chair of the Board except where the report is about the Chair of the Board.

A fully copy of the Whistleblower Policy can be accessed [here](#).

ABC Policy

ACL's [Anti-Bribery and Corruption Policy \(ABC Policy\)](#) commits ACL to compliance with anti-bribery and corruption obligations in the countries in which it operates. The ABC Policy applies to all employees, officers and directors and in certain circumstances consultants, secondees, contractors, agents and intermediaries.

Material breaches of the Code of Conduct are reported to the Board and/or the Audit and Risk Committee as appropriate.

A fully copy of the ABC Policy can be accessed [here](#).

Principle 4: Safeguard the Integrity of Corporate Reports

Audit and Risk Committee

The Audit and Risk Committee is a standing committee of the Board. During the reporting period, its composition varied as follows:

- Mark Haberlin (Chair);
- Michael Alscher (retired 30 April 2025);
- Christine Bartlett;
- Andrew Dutton (retired 25 October 2024); and
- Grant Jeffery (appointed 28 March 2025).

With respect to its current membership:

- Each of Mark Haberlin, Christine Bartlett and Grant Jeffery are considered to be independent directors within the meaning of Box 2.3 of the ASX Principles.
- The Chair, Mark Haberlin, is the former Chair of PwC Australia and has over 25 years of audit experience, as well as significant experience in financial reporting and risk. Mark also chairs the Audit and Risk Committee for Abacus Property Group.

Principle 4: Safeguard the Integrity of Corporate Reports (continued)

- Christine Bartlett is an experienced CEO and senior executive with extensive line management experience gained through roles with IBM, Jones Lang LaSalle and National Australia Bank. Christine brings a commercial perspective especially in the areas of financial discipline, identifying risk, complex project management, execution of strategy, fostering innovation and taking advantage of new emerging technologies. Christine currently also serves as a member of the Audit and Risk Committee for TAL Insurance and the Mirvac Group.
- Grant Jeffery is an experienced senior executive with wide-ranging experience in healthcare, aerospace and security services, across public and private companies, having held multiple CEO roles across international businesses based in New York, Singapore, California and Sydney. Grant is currently the Chair and non-executive director of Brighter Life Group and an executive director of BGI Advisory Services as well as a Board advisor to Dokotela.

Under the terms of its charter, the key objective of the Audit and Risk Committee is to support the Board in fulfilling its oversight responsibilities in respect of ACL's financial reporting, internal and external audit functions, internal control structure and risk management systems. Its duties include:

- overseeing and monitoring the implementation and effectiveness of ACL's risk management framework for financial and non-financial risks (excluding diagnostic and clinical risks and cybersecurity risks which are reserved to the full Board), financial risk controls, policies, procedures and systems;
- reviewing and approving ACL's financial statements and reports;
- overseeing ACL's financial reporting, including reviewing the suitability of ACL's accounting policies and principles, assessing significant estimates and judgements in the financial reports, the appropriate disclosure of related party transactions (if any), and assessing information from the external auditor to ensure the quality of the financial reports;
- overseeing and monitoring the implementation and effectiveness of ACL's sustainability reporting framework, including ensuring that data reported complies with applicable sustainability reporting requirements and regulations and applicable statutory frameworks, assessing significant estimates and judgements in sustainability reports, and assessing information from any associated assurance reports to ensure the quality of the sustainability reports;
- recommending the financial reports and sustainability reports to the Board for approval;
- managing audit arrangements and auditor independence, including any internal audit function;
- receiving and reviewing reports from management, the external auditor and internal auditor in respect of risks (excluding diagnostic and clinical risk and cybersecurity risk) and overseeing any remediation plans implemented by management;
- ensuring that any periodic corporate reporting, including sustainability reports, that are released by ACL to the market that have not been subject to audit disclose the process taken to verify the integrity of the content;
- reviewing at least annually the effectiveness of ACL's risk management systems to ensure it continues to be sound and that ACL is operating within the risk appetite set by the Board and to ensure implementation towards continuous improvement;
- evaluating the adequacy of ACL's insurance coverage and assisting the Board with the renewal of ACL's insurance program; and
- reviewing reports from management and regulators concerning compliance with key laws, regulations, licences and standards which apply to ACL's operations.

With effect from May 2024, the Audit and Risk Committee has also assumed oversight responsibility for ACL's sustainability reporting, including any corporate assurance provided in respect of such reporting.

A full copy of the Audit and Risk Committee's charter can be found [here](#).

Corporate Governance Statement *cont.*

for the year ended 30 June 2025

Principle 4: Safeguard the Integrity of Corporate Reports (continued)

During the reporting period, the Audit and Risk Committee has held five meetings, with attendance as follows:

Name of director	Eligible to attend	Attended
Mark Haberlin (Chair)	5	5
Michael Alscher (retired 30 April 2025)	4	4
Christine Bartlett	5	5
Andrew Dutton (retired 25 October 2024)	1	0
Grant Jeffery (appointed 28 March 2025)	2	1

CEO and CFO declaration

Before the Board approves financial statements for a financial period, it receives a declaration from the CEO and Chief Financial Officer stating that, in their opinion:

- the financial records of the entity have been properly maintained;
- the financial statements comply with appropriate accounting standards and interpretations and give a true and fair view of the financial position and performance of the entity; and
- this opinion was formed based on sound risk management systems and internal controls, which operate effectively.

Verification of unaudited reports

ACL's 2025 Remuneration Report was subject to external audit by the Company's auditors, Pitcher Partners. ACL does not currently release quarterly activity reports, quarterly cash flow reports or other periodic corporate reporting that investors might rely upon when making investment decisions.

Principle 5: Make Timely and Balanced Disclosure

Continuous disclosure and market announcements

ACL is committed to ensuring that all investors have equal and timely access to material information concerning the Company and maintains a Disclosure Policy to ensure compliance with its obligations. The Board has also established a Disclosure Committee comprised of the Chair of the Board, ACL's CEO, CFO and Company Secretary. The Disclosure Committee's responsibilities include:

- determining what information will be disclosed by ACL to the ASX;
- implementing procedures to ensure that disclosure can be made immediately to the ASX and trading halt requests lodged;
- reviewing and preparing external announcements for referral to the Board for approval; and
- providing the Board with copies of all material market announcements promptly after they have been made.

Investor and analyst presentations

ACL's [Disclosure Policy](#) provides that a copy of any new or substantive investor or analyst presentations must be released to the ASX ahead of any presentation being held, even if the information in the presentation would not otherwise require market disclosure.

The Disclosure Policy also states that the only ACL people authorised to speak on behalf of ACL to investors, potential investors, analysts or the media are the Chair, the CEO and the CFO and such other persons as may be approved from time to time.

A full copy of the Disclosure Policy can be found [here](#).

Principle 6: Respect the Rights of Members

Governance information

ACL's website contains a dedicated investor centre that provides shareholders with information about the governance of the organisation, members of the Board and of the Executive Team, copies of all key governance documents and policies and a feed to its ASX announcements.

Investor relations program

ACL's investor relations program is designed to ensure engagement with its key stakeholders including retail shareholders, institutional investors, buy-side and sell-side research analysts and individual investors. The program includes an investor webinar and other scheduled engagements following the release of ACL's half year and full year financial results, as well as attending other events to provide operational updates.

The Board understands the importance of these interactions as providing an opportunity for ACL to articulate its strategy and to receive feedback from investors and other market participants on its financial performance, strategy, financial reporting and governance.

Key information released and available via ACL's investor portal and which is available on its [investor portal](#) includes:

- ACL's annual report and periodic financial reporting;
- ACL's Corporate Governance Statements;
- ACL's ESG reports;
- ACL's dividend reinvestment plan;
- market briefings and presentations; and
- ASX announcements.

Shareholder engagement at the AGM

ACL will be holding its AGM on 23 October 2025. The Board will promote shareholder engagement and encourage participation enabling virtual participation at the AGM. Engagement is also facilitated by:

- distributing a copy of the annual report and the notice of meeting for the AGM to shareholders via their nominated means of communication, including electronic communication;
- enabling the use of online proxy voting for shareholders who are unable to attend the AGM;
- enabling shareholders to submit questions for the Board during the AGM and answering as many questions as time permits; and
- encouraging shareholders to submit written questions in advance of the AGM. The Chair will address as many of the more frequently raised topics as possible in his AGM address.

ACL's auditors, Pitcher Partners, will also be attending the 2025 AGM for the purpose of answering shareholder questions about the audit report and the audit process.

Voting on resolutions by a poll

The Board acknowledges that deciding votes of shareholders on a show of hands rather than by a poll is inconsistent with the principle of 'one security one vote'. The Board is committed to ensuring that all substantive resolutions at a meeting of shareholders are decided by a poll rather than a show of hands.

Electronic communications

ACL has a continuing commitment to electronic communications with shareholders and stakeholders generally including via its dedicated web-based investor centre. Shareholders may elect to receive information about the Company electronically.

Corporate Governance Statement *cont.*

for the year ended 30 June 2025

Principle 7: Recognise and Manage Risk

Audit and Risk Committee

As set out in further detail above in relation to Principle 4, the Board has established an Audit and Risk Committee which is tasked with assisting the Board to oversee ACL's internal control structure and risk management systems.

The types of risks overseen by the Audit and Risk Committee include regulatory and compliance risk, investment risk, legal risk, economic risk, environmental and social risk, workplace health and safety risk including mental health, digital and IT risk and operational risk. Oversight of clinical governance risk and cybersecurity risk are matters that are reserved to the full Board.

The Group's risk management framework establishes a foundation for the management of strategic and operational risk during periods of organisational uncertainty or increased stress, whilst also supporting the organisation's efforts in achieving its strategic objectives. ACL has adopted a 'Three Lines of Defence' risk framework and all staff, led by the Executive Team, are responsible for the identification, assessment, management, reporting and monitoring of all risks across the operating spectrum, including emerging risks and strategic risks. Risks are expected to be escalated to the Executive Team and are discussed at the Executive Team Risk Committee, together with the tracking of any improvement plans required for potential remediation and monitoring. Regular updates are provided to the Audit and Risk Committee or on an as-required basis.

Enterprise Risk Management Framework

As part of its role, the Audit and Risk Committee conducts a program of work that includes a review of ACL's risk management framework and systems and to ensure that they continue to be sound and fit for purpose. The Audit and Risk Committee also monitors that ACL is operating within the risk appetite set by the Board. During the reporting period, the Audit and Risk Committee conducted this review.

Internal audit

ACL maintains high quality standards and internal audit processes to ensure that it continually meets licensing and accreditation standards across its business. In addition, the Company's core focus on the efficient and accurate delivery of a diverse range of diagnostic and analytical information is supported by a robust quality assurance framework comprised of internal and external quality control measures, standardised national training and competency and credentialing programs for pathologists and scientific staff.

ACL's established procedures focus on best practice, clinical excellence and continuous service improvements, which serves to mitigate operational risk and address regulatory compliance.

The Board has also engaged EY to provide internal audit services to ACL in respect of the non-clinical areas of its operations. In addition, ACL continues to regularly engage external subject-matter expert advisers to conduct audits of other specialist areas, such as its IT environment, to ensure that risks are effectively identified and mitigated.

Clinical governance framework

The Board has reserved oversight of ACL's clinical governance framework to itself and receives regular updates at Board meetings from the National Medical Director and Chief Pathologist and the National Director of Haematology. ACL's clinical governance framework sets out key principles and expectations regarding clinical governance across the business and promotes patient safety, quality improvement and risk management to support ACL's objectives of delivering safe, high-quality care. The Board reviews ACL's clinical governance framework at least annually to ensure it remains robust and comprehensive and that it aligns with evolving healthcare standards and organisational needs. The Board conducted this review during the reporting period.

Environmental and social sustainability risks

ACL's approach to identifying and managing its exposure to environmental and social risks is set out in detail in its ESG Reports which can be viewed on ACL's [investor portal](#).

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Principle 8: Remunerate Fairly and Responsibly

Remuneration and Nominations Committee

Information in respect of the Remuneration and Nominations Committee has already been set out at page 57 above.

Remuneration policies and practices

Non-executive

Under the terms of ACL's Constitution, the Company may in general meeting determine the maximum aggregate remuneration to be paid to non-executive directors for their services. Following the listing of the Company, and until a different amount is determined, the maximum aggregate non-executive directors' remuneration for the purpose of the Constitution and the ASX Listing Rules has been set at \$1,500,000 per annum, of which \$831,218 was utilised as at 30 June 2025. Advice was sought from external remuneration consultants prior to the initial public offering to determine the appropriate level of this remuneration pool.

Currently, there is no requirement for non-executive directors to hold shares in ACL, although directors do have shareholdings in ACL from time to time in accordance with the disclosures made periodically to the ASX. Non-executive directors do not hold any performance rights or grants under the LTVR Plan operated by the Company.

Directors may be reimbursed for travel and other expenses in attending to Company affairs, including travel to and from meetings. A director who performs additional or special duties for the Company may be paid such additional or special remuneration as determined by the Board. During the reporting period, additional remuneration was paid to Mark Haberlin for assuming the role of Interim Chair. There are no retirement benefit schemes for Directors, other than statutory superannuation contributions.

More information on the benefits paid to non-executive directors during the reporting period can be found in ACL's 2025 Directors' Report at page 48.

Executives

The Company has established a short-term variable remuneration plan (**STVR Plan**) under which cash awards may be payable to participants subject to the satisfaction of specified performance criteria. Participation in the STVR Plan is determined by the Board in its absolute discretion and is conditional upon:

- the Company's financial performance against criteria set by the Board; and
- individual performance criteria tailored to each respective role (if any).

The Company has also established a long-term variable remuneration plan (**LTVR Plan**) to assist in the motivation, retention and reward of eligible employees. The Board has the discretion to determine which employees are eligible to participate in the LTVR Plan and the number of rights they will be offered. The rights that may be offered under the LTVR Plan consist of performance rights and service rights. The grants of rights are not subject to the payment of an acquisition price by the participant.

The LTVR Plan is designed to align the interests of employees and shareholders by providing an opportunity for employees to receive equity interests in the Company. Under the LTVR Plan, eligible participants may be offered performance rights which will be subject to vesting conditions set by the Board. The key terms of the LTVR Plan include:

- forfeiture and lapse of rights in certain circumstances, including if the Board determines that a participant has engaged in conduct that may cause harm to the Company's stakeholders, may have taken excessive risks or contributed to unacceptable culture;
- malus and clawback provisions;
- forfeiture in full in the event of cessation of employment; and
- prohibitions against participants entering arrangements to offer rights as security, or to hedge or otherwise limit the economic risk of participation.

More information on the benefits paid to KMP during the reporting period can be found in ACL's 2025 Directors' Report at page 37.

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Financial Statements

For the year ended 30 June 2025

Consolidated statement of profit or loss

for the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
Revenue	3	741,269	696,368
Other income	3	1,216	1,175
Total		742,485	697,543
Consumables		(128,249)	(119,320)
Labour costs		(318,992)	(303,529)
Property costs	4(b)	(13,378)	(12,105)
Repairs and maintenance		(9,791)	(7,414)
Healius transaction costs		–	(4,653)
Acquisition, restructuring and other insurance-related expenses		(3,084)	(6,169)
Other operating expenses		(66,813)	(63,021)
Depreciation	4(a)	(13,125)	(13,528)
Depreciation of right-of-use assets	4(a)	(122,688)	(114,671)
Amortisation of intangible assets		(229)	(228)
Total operating costs		(676,349)	(644,638)
Earnings before interest and tax		66,136	52,905
Net finance costs	5	(17,957)	(16,539)
Profit before income tax		48,179	36,366
Income tax expense	6	(15,359)	(12,122)
Profit for the year		32,820	24,244
Net (profit) attributable to non-controlling interests		(390)	(310)
Net profit to members of Australian Clinical Labs Limited		32,430	23,934
Earnings per share		Cents per share	Cents per share
Basic earnings per share from continuing operations	22	17.15	12.03
Diluted earnings per share from continuing operations	22	17.05	12.00

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

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Consolidated statement of other comprehensive income

for the year ended 30 June 2025

	2025 \$'000	2024 \$'000
Profit for the year	32,820	24,244
Other comprehensive income		
Items that may be reclassified subsequently to profit and loss		
Exchange differences on translation of foreign operations	142	(24)
Other comprehensive income for the year, net of tax	142	(24)
Total comprehensive income for the year	32,962	24,220
Total comprehensive income attributable to:		
Members of Australian Clinical Labs Limited	32,572	23,910
Non-controlling interests	390	310
	32,962	24,220

The above statement of other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

as at 30 June 2025

	Note	2025 \$'000	2024 \$'000
Current Assets			
Cash and cash equivalents	26(a)	21,442	26,136
Trade and other receivables	7	72,797	81,434
Inventories	8	15,624	16,826
Other assets	9	10,202	9,205
Total Current Assets		120,065	133,601
Non-Current Assets			
Plant and equipment	10	36,858	41,906
Right-of-use assets	11	233,255	239,798
Intangible assets	12	165,209	164,944
Other assets	9	2,483	2,068
Deferred tax assets	13	16,968	10,743
Total Non-Current Assets		454,773	459,459
Total Assets		574,838	593,060
Current Liabilities			
Trade and other payables	14	51,571	53,006
Lease liabilities	15	108,599	104,709
Provisions	16	47,241	46,210
Deferred consideration		49	95
Current tax liabilities	17	8,536	3,236
Other liabilities		411	447
Total Current Liabilities		216,407	207,703
Non-Current Liabilities			
Trade and other payables	14	880	–
Lease liabilities	15	139,810	149,126
Borrowings	18	41,968	55,064
Provisions	16	3,695	3,402
Deferred consideration		97	–
Total Non-Current Liabilities		186,450	207,592
Total Liabilities		402,857	415,295
Net Assets		171,981	177,765
Equity			
Issued capital	19	775,524	791,762
Reserves	20	(770,708)	(773,288)
Retained earnings		166,538	159,054
Total Parent Entity Interest		171,354	177,528
Non-Controlling Interest		627	237
Total Equity		171,981	177,765

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

for the year ended 30 June 2025

	Issued capital \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000	Non- controlling interest \$'000	Total \$'000
2025						
Opening balance at 1 July 2024	791,762	(773,288)	159,054	177,528	237	177,765
Profit for the year	–	–	32,430	32,430	390	32,820
Exchange differences on translation of foreign operations	–	142	–	142	–	142
Total other comprehensive income for the year net of tax	–	142	–	142	–	142
Total comprehensive income for the year	–	142	32,430	32,572	390	32,962
Transactions with owners in their capacity as owners						
Share-based payments (Note 21)	–	3,443	–	3,443	–	3,443
Dividend declared and paid	–	–	(24,946)	(24,946)	–	(24,946)
Allocation of treasury shares (Note 19)	1,005	(1,005)	–	–	–	–
Share buy-back net of transaction costs (Note 19)	(17,243)	–	–	(17,243)	–	(17,243)
Closing balance at 30 June 2025	775,524	(770,708)	166,538	171,354	627	171,981
2024						
Opening balance at 1 July 2023	792,140	(774,964)	155,241	172,417	254	172,671
Profit for the year	–	–	23,934	23,934	310	24,244
Exchange differences on translation of foreign operations	–	(24)	–	(24)	–	(24)
Total other comprehensive income for the year net of tax	–	(24)	–	(24)	–	(24)
Total comprehensive income for the year	–	(24)	23,934	23,910	310	24,220
Transactions with owners in their capacity as owners						
Share-based payments (Note 21)	–	3,064	–	3,064	–	3,064
Dividend declared and paid	–	–	(19,949)	(19,949)	–	(19,949)
Dividend paid to minority interest in controlled entities	–	–	–	–	(388)	(388)
Acquisition of minority interests	–	–	(172)	(172)	61	(111)
Acquisition of treasury shares (Note 19)	(1,742)	–	–	(1,742)	–	(1,742)
Allocation of treasury shares (Note 19)	1,364	(1,364)	–	–	–	–
Closing balance at 30 June 2024	791,762	(773,288)	159,054	177,528	237	177,765

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

for the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
Cash flows from operating activities			
Receipts from customers and government grants		734,166	694,676
Payment to suppliers and employees		(518,884)	(508,755)
Cash provided by operations		215,282	185,921
Interest received	5	410	501
Interest and costs of finance paid		(18,463)	(16,673)
Income tax paid		(14,428)	(10,157)
Net cash provided by operating activities	26(b)	182,801	159,592
Cash flows from investing activities			
Proceeds from sale of plant and equipment		99	325
Purchase of plant and equipment		(8,411)	(6,505)
Payments for business combinations (net of cash acquired)		(583)	(1,067)
Net cash used in investing activities		(8,895)	(7,247)
Cash flows from financing activities			
Principal portion of lease payments		(121,676)	(113,060)
Share buy-back	19(b)	(19,120)	–
Payments for treasury shares	19(d)	–	(1,742)
Repayment of borrowings		(44,000)	(25,000)
Proceeds from borrowings		31,000	14,000
Dividends paid		(24,946)	(19,949)
Dividend paid to minority interest in controlled entities		–	(388)
Net cash used in financing activities		(178,742)	(146,139)
Net (decrease)/increase in cash and cash equivalents		(4,836)	6,206
Foreign exchange differences on cash holdings		142	(25)
Cash and cash equivalents at the beginning of the year		26,136	19,955
Cash and cash equivalents at the end of the year	26(a)	21,442	26,136

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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Notes to the financial statements

for the year ended 30 June 2025

Note 1: Summary of Material Accounting Policies

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

(a) Basis of preparation

The general purpose financial report has been prepared in accordance with Australian Accounting Standards, interpretations issued by the Australian Accounting Standards Board (AASB), all other applicable authoritative pronouncements of the AASB and the *Corporations Act 2001*.

The financial report includes financial statements for the Consolidated Group ('the Group') consisting of Australian Clinical Labs Limited ('Parent Company' or 'Company') and its subsidiaries. Australian Clinical Labs Limited is a for-profit entity domiciled in Australia.

The financial report was authorised for issue by the Directors on 25 August 2025.

Compliance with IFRS

The financial report of the Group complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The Parent Company financial information included in Note 28 also complies with IFRS.

Basis of measurement

The financial report has been prepared on the basis of historical cost except for the revaluation of financial assets and liabilities at fair value through profit or loss. Cost is based on the fair values of the consideration given in exchange for assets.

Where applicable, comparatives may be restated in line with current year presentation.

Going concern

As at 30 June 2025, the Group recorded a deficiency in net current assets of \$96.3m (2024: \$74.1m). This has been caused by AASB 16 *Leases*, whereby \$108.6m (2024: \$104.7m) of lease liability has been recognised as current, however the corresponding right-of-use asset is non-current. Excluding the current portion of the lease liability, the Group has a current asset surplus of \$12.3m (2024: \$30.6m).

The Directors have concluded that the Group will be able to pay its debts as and when they fall due with consideration of the above factors, profitability and operating cash flows of the Group. Accordingly, the financial report has been prepared on a going concern basis.

(b) Basis of consolidation

The financial report incorporates the assets and liabilities of all subsidiaries controlled by Australian Clinical Labs Limited as at 30 June 2025 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

When control of an entity is obtained during a financial year, its results are included in the statement of profit and loss from the date on which control commences. Where control of an entity ceases during a financial year its results are included for that part of the year during which control existed.

Non-controlling interests in the results and equity of controlled entities are shown separately in the statement of profit and loss, statement of comprehensive income, statement of financial position and statement of changes in equity.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation.

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 directly in equity.

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Note 1: Summary of Material Accounting Policies cont.

(c) Business combination

A business combination is a transaction or other event in which an acquirer obtains control of one or more businesses and results in the consolidation of the assets and liabilities acquired. Business combinations are accounted for by applying the acquisition method unless it is a common control acquisition.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree. Deferred consideration payable is measured at its acquisition-date fair value. Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. At each reporting date subsequent to the acquisition, contingent consideration payable is measured at its fair value with any changes in the fair value recognised in profit or loss unless the contingent consideration is classified as equity, in which case the contingent consideration is carried at its acquisition-date fair value.

Goodwill is recognised initially at the excess of: (a) the aggregate of the consideration transferred, the amount of the non-controlling interest, and the acquisition date fair value of the acquirer's previously held equity interest (in case of step acquisition); over (b) the acquisition date amount of the identifiable assets acquired and liabilities assumed.

If the net fair value of the acquirer's interest in the identifiable assets acquired and liabilities assumed is greater than the aggregate of the consideration transferred, the fair value of the non-controlling interest, and the acquisition date fair value of the acquirer's previously held equity interest, the difference is immediately recognised as a gain in profit or loss. Acquisition-related costs are expensed as incurred.

Common control acquisition

A common control acquisition is a transaction whereby the direct ownership changes as a result of a restructure, however there is ultimately no change in control over the assets.

Common control acquisitions are recognised in accordance with Australian Accounting Standards and are presented as a continuation of the pre-existing entity.

(d) Foreign currency translation and balances

Functional and presentation currency

The financial statements for each entity within the Group are measured using the currency of the primary economic environment in which that entity operates (the functional currency). The consolidated financial statements are presented in Australian dollars which is the Group's functional currency.

Transactions and balances

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of the financial year. All resulting exchange differences arising on settlement or restatement are recognised as revenue or expenses for the financial year.

Foreign subsidiaries

Subsidiaries that have a functional currency different to the presentation currency of the consolidated Group are translated as follows:

- Assets and liabilities are translated at the closing rate on reporting date;
- Income and expenses are translated at actual exchange rates or average exchange rates for the period, where appropriate; and
- All resulting exchange differences are recognised in other comprehensive income.

Notes to the financial statements *cont.*

for the year ended 30 June 2025

Note 1: Summary of Material Accounting Policies *cont.*

(e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates or other similar allowances.

Rendering of services

Revenue from the provision of services is recognised when the related services are completed. Revenue is accrued at balance date for services which are completed but yet to be invoiced.

Clinic revenue

Clinic revenue represents support services provided to doctors (enabling them to treat patients), in consideration for a percentage share of billings as determined by each doctor's medical services agreement. Revenue is recognised in the period in which doctors' services are rendered to patients.

(f) Other income

Government grant income is only recognised when there is reasonable assurance that the Group will comply with the conditions attaching to them, and the grant will be received.

(g) Income tax

Income tax expense or benefit represents the sum of the tax currently payable and deferred tax.

Current tax

The current tax payable is based on taxable profit for the year. Taxable profit differs from 'profit before income tax' as reported in the consolidated statement of profit or loss because of items of income or expense that are taxable or deductible in other periods and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial report and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss. In the case of a business combination, the tax effect is included in the accounting for the business combination.

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Note 1: Summary of Material Accounting Policies cont.

Tax consolidation

Australian Clinical Labs Limited and its wholly-owned Australian controlled entities have implemented the Australian tax consolidation legislation on 6 November 2020.

Australian Clinical Labs Limited and subsidiaries in the tax-consolidated group have entered into a tax funding agreement such that each entity in the tax-consolidated group recognises the assets, liabilities, expenses and revenues in relation to its own transactions, events and balances only. This means that:

- the parent entity recognises all current and deferred tax amounts relating to its own transactions, events and balances only;
- the subsidiaries in the tax consolidated group recognise current or deferred tax amounts arising in respect of their own transactions, events and balances; and
- current tax liabilities and deferred tax assets arising in respect of tax losses, are transferred from the subsidiaries in the tax consolidated group to the head entity as inter-company payables or receivables.

The tax-consolidated group also has a tax sharing agreement in place to limit the liability of subsidiaries in the tax-consolidated group arising under the joint and several liability requirements of the tax consolidation system, in the event of default by the parent entity to meet its payment obligations.

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and on-demand deposits. Cash equivalents are short-term, highly liquid investments, that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(i) Inventories

Inventories represent medical and laboratory supplies. They are measured at the lower of cost and net realisable value.

(j) Plant and equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and accumulated impairment losses.

- Plant and equipment is measured on the cost basis.
- Leasehold improvements are measured on the cost basis.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, but excluding freehold land is depreciated over their useful lives to the Group, commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful lives of the improvements. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual accounting period, with the effect of any changes recognised on a prospective basis.

The ranges of depreciation rates used for each class of depreciable assets are:

Class of property, plant and equipment	Depreciation rate
Leasehold improvements	2% to 100%
Plant and equipment	5% to 50%

The gain or loss on disposal of all fixed assets is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds on disposal, and is included in operating profit before income tax of the Group in the year of disposal.

(k) Leases

At the commencement date of a lease (other than leases of 12 months or less and leases of low value assets), the Group recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Notes to the financial statements *cont.*

for the year ended 30 June 2025

Note 1: Summary of Material Accounting Policies *cont.*

Lease assets

Lease assets are initially recognised at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, less any lease incentives received, and any initial direct costs incurred by the Group, unless those costs are incurred to produce inventories.

Subsequent to initial recognition, lease assets are measured at cost (adjusted for any re-measurement of the associated lease liability), less accumulated depreciation and any accumulated impairment loss.

Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, consistent with the estimated consumption of the economic benefits embodied in the underlying asset.

Lease liabilities

Lease liabilities are initially recognised at the present value of the future lease payments. These lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the Group's incremental borrowing rate.

Subsequent to initial recognition, lease liabilities are measured at the present value of the remaining lease payments reduced by rental accruals for missed lease payments. Interest expense on lease liabilities is recognised in profit or loss (presented as a component of finance costs). Lease liabilities are remeasured to reflect changes to lease terms, changes to lease payments (once confirmed) and any lease modifications not accounted for as separate leases.

Variable lease payments not included in the measurement of lease liabilities are recognised as an expense when incurred.

Leases of 12 months or less and leases of low value assets

Lease payments made in relation to leases of 12 months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense as incurred.

(l) Intangible assets

Goodwill

Goodwill represents the future economic benefits arising from other assets acquired in a business combination that are not individually identifiable or separately recognised. Goodwill is initially recognised at an amount equal to the excess of: (a) the aggregate of the consideration transferred, the amount of any non-controlling interest, and the acquisition date fair value of the acquirer's previously held equity interest (in the case of a step acquisition); over (b) the net fair value of the identifiable assets acquired and liabilities assumed. For accounting purposes, such measurement is treated as the cost of goodwill at that date.

Goodwill is not amortised, but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. Subsequent to initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Intangible assets acquired separately

Intangible assets acquired separately are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

Intangibles assets acquired in a business combination

Intangibles acquired in a business combination are initially recognised at fair value (which, for accounting purposes, is treated as the cost of the intangible asset), and are subsequently amortised over their estimated useful lives commencing from the time the asset is available for use. The amortisation method applied to an intangible asset is consistent with the estimated consumption of economic benefits of the asset. Subsequent to initial recognition, intangible assets acquired in a business combination are measured at cost, less accumulated amortisation and any accumulated impairment losses.

(m) Impairment testing of tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

Note 1: Summary of Material Accounting Policies cont.

Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Intangible assets with indefinite useful lives such as goodwill and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing 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 for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than the carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the profit or loss immediately, unless the relevant asset is carried at a re-valued amount in which case the impairment is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit other than goodwill) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at a re-valued amount in which case the reversal of the impairment loss is treated as a revaluation increase.

(n) Financial instruments

Recognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

Classification of financial assets

Financial assets recognised by the Group are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the Group irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income (FVtOCI) in accordance with the relevant criteria in AASB 9.

Financial assets not irrevocably designated on initial recognition at FVtOCI are subsequently measured at amortised cost, FVtOCI or fair value through profit or loss (FVtPL) on the basis of both:

- (a) the Group's business model for managing the financial assets; and
- (b) the contractual cash flow characteristics of the financial asset.

Classification of financial liabilities

Financial liabilities classified as held-for-trading, contingent consideration payable by the Group for the acquisition of a business, and financial liabilities designated at FVtPL, are subsequently measured at fair value.

All other financial liabilities recognised by the Group are subsequently measured at amortised cost.

Trade and other receivables

Trade and other receivables arise from the Group's transactions with its customers.

Consistent with both the Group's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at amortised cost.

Impairment of financial assets

Receivables from customers are tested for impairment by applying the 'expected credit loss' impairment model.

The Group applies the simplified approach under AASB 9 to measuring the allowance for credit losses for both receivables from contracts with customers and contract assets. Under the AASB 9 simplified approach, the Group determines the allowance for credit losses for receivables from contracts with customers and contract assets on the basis of the lifetime expected credit losses of the financial asset. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the financial asset.

Notes to the financial statements *cont.*

for the year ended 30 June 2025

Note 1: Summary of Material Accounting Policies *cont.*

The Group consider a range of information when assessing whether the credit risk has increased since initial recognition. This includes such factors as the identification of significant changes in external market indicators of credit risk, significant adverse changes in the financial performance or financial position of the counterparty, significant changes in the value of collateral, and past due information.

The Group assumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 120 days past due.

The Group determines expected credit losses using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the financial asset as well as current and future expected economic conditions relevant to the financial asset. When material, the time value of money is incorporated into the measurement of expected credit losses. There has been no change in the estimation techniques or significant assumptions made during the reporting period.

The gross carrying amount of a financial asset is written off (i.e. reduced directly) when the counterparty is in severe financial difficulty and the Group has no realistic expectation of recovery of the financial asset. Financial assets written off remain subject to enforcement action by the Group. Recoveries, if any, are recognised in profit or loss.

(o) Employee benefits

Short-term employee benefit obligations

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits are measured at their nominal value, using the remuneration rate expected to apply at the time of settlement.

Long-term employee benefit obligations

Liabilities recognised in respect of long-term employee benefits are measured at the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

Retirement benefit obligations

Contributions to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Share-based payments

The Group operates share-based payment employee share and option schemes for accounting purposes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. In respect of share-based payments that are dependent on the satisfaction of performance conditions, the number of shares and options expected to vest is reviewed and adjusted at each reporting date. The amount recognised for services received as consideration for these equity instruments granted is adjusted to reflect the best estimate of the number of equity instruments that eventually vest.

Bonus plan

The Group recognises a provision when a bonus is payable in accordance with the employee's contract of employment, and the amount can be reliably measured.

(p) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

(q) Australian Clinical Labs Employee Share Trust ('ACLEST')

The Group has formed a trust to obtain and hold shares for the purpose of providing shares under Australian Clinical Labs Limited Rights Plan. This trust is consolidated, as the substance of the relationship is that the trust is controlled by the Group. Shares held by ACLEST are disclosed as treasury shares and deducted from contributed equity.

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Note 1: Summary of Material Accounting Policies cont.

(r) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- (i) Where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- (ii) For receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(s) Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, and in accordance with that instrument, amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Some numerical figures included in this report have been subject to rounding adjustments. Any differences between totals and sums of components in tables or figures contained in this report are due to rounding.

(t) Key accounting estimates and assumptions

In the financial report, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The following are the estimates and judgements that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial report:

Employee entitlements

Management judgement is applied in determining the following key assumptions used in the calculation of long service leave at balance date:

- Future increases in salaries and wages;
- Future on-cost rates;
- Experience of employee departures and period of service; and
- Appropriate discount rate to reflect long-term liabilities at present value.

Impairment of tangible and intangible assets

Determining whether assets are impaired requires an estimation of recoverable amount for the cash-generating units to which these assets have been allocated. The recoverable amount of each cash-generating unit is the greater of its value in use or fair value less costs to sell.

Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form. Value in use is determined by applying assumptions specific to the Group's continued use and cannot take into account future development. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties.

Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the day on which they are granted. The fair value is determined using a Black-Scholes model (Service Rights) or Monte Carlo model (Performance Rights) and is recognised as an expense over the vesting period, with a corresponding increase to an equity account.

Deferred tax balances

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

Notes to the financial statements *cont.*

for the year ended 30 June 2025

Note 1: Summary of Material Accounting Policies *cont.*

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 if there is a significant event or change in circumstances that is within its control and affects the ability to exercise (or not exercise) the option to renew.

Calculation of 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 is 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.

(u) Adoption of new and revised Accounting Standards

The Group has applied all new and revised Australian Accounting Standards that apply to annual reporting periods beginning on or after 1 July 2024. These standards do not have a material impact on the Group's financial results or position.

(v) Standards and interpretations issued but not yet effective

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Group has decided not to early adopt any of these new and amended pronouncements. These pronouncements are not expected to have a material impact on the entity in the current or future reporting periods or on foreseeable future transactions.

Note 2: Segment Information

The Group's Chief Executive Officer and the Board of Directors (the chief operating decision makers) review the Group's performance of the business to assess performance and determine the allocation of resources. Discrete financial information is reported to the chief operating decision makers on at least a monthly basis. The discrete financial information is provided by one operating segment and one geographical segment, being Australia.

The Group has the one reportable segment:

Pathology

Pathology/clinical laboratory services provided in Australia.

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Note 3: Revenue and Other Income

	2025 \$'000	2024 \$'000
An analysis of the Group's revenue for the year is as follows:		
Pathology revenue	717,751	673,000
Clinic revenue	18,397	16,728
Rental revenue from subleasing right-of-use assets	1,156	994
Other revenue	3,965	5,646
Total revenue	741,269	696,368
Other		
Insurance claim proceeds	1,216	1,175
Total other income	1,216	1,175

During the 2022 financial year, one of our laboratories based in Queensland was flooded with extensive damage caused to the laboratory equipment and consumables on hand. Insurance claim proceeds were recognised for specific equipment verified by the insurers at 30 June 2024 totalling \$1.2m and a further \$0.2m has been recognised in the 2025 financial year. This is not the expected total insurance claim proceeds for the claim and as such, a contingent asset exists. Refer to Note 30 for full details.

During the 2024 financial year a fire occurred at an external storage facility where the Group was temporarily storing some laboratory equipment. Net insurance claim proceeds have been recognised totalling \$1.0m for specific equipment verified by the insurers at 30 June 2025 and the claim has been finalised.

Note 4: Expenses

	2025 \$'000	2024 \$'000
Profit before income tax includes the following specific expenses:		
(a) Depreciation expense		
Leasehold improvements	3,742	4,208
Plant and equipment	9,383	9,320
Right-of-use assets	122,688	114,671
	135,813	128,199
(b) Property costs		
Short-term/low value lease payments	10,066	9,139
Other property expenses	3,312	2,966
	13,378	12,105

Notes to the financial statements *cont.*

for the year ended 30 June 2025

Note 5: Net Finance Costs

	2025 \$'000	2024 \$'000
Finance income		
Bank deposits	410	501
Finance expenses		
Interest expense – leasing arrangements	(14,587)	(12,183)
Other borrowing costs	(3,780)	(4,857)
	(18,367)	(17,040)
Net finance costs	(17,957)	(16,539)

Other borrowing costs consist of all costs in relation to the Group's borrowings including interest and amortisation of any other costs incurred in arranging borrowings.

Note 6: Income Tax

	2025 \$'000	2024 \$'000
(a) Components of income tax expense		
Current tax	19,728	14,545
Deferred tax	(4,369)	(2,423)
Income tax expense	15,359	12,122
(b) Income tax reconciliation		
The prima facie tax payable on profit before income tax is reconciled to the income tax expense as follows:		
Profit before tax	48,179	36,366
Domestic tax rate	30%	30%
	14,454	10,910
Adjustments for non-temporary differences:		
Net non-taxable and non-deductible items	905	1,212
Income tax expense	15,359	12,122

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Note 7: Trade and Other Receivables

	2025 \$'000	2024 \$'000
Current		
Trade receivables	59,278	63,257
Allowance for expected credit loss	(12,725)	(9,865)
	46,553	53,392
Accrued revenue	23,775	22,231
Other receivables	2,469	5,811
	72,797	81,434

(a) At 30 June, the ageing analysis of trade receivables is as follows:

	2025 \$'000	2024 \$'000
Current	30,795	33,071
30 to 60 days	6,904	6,354
60 to 90 days	2,511	4,081
90 to 120 days	1,499	3,599
120 days +	17,569	16,152
Closing balance at 30 June	59,278	63,257

(b) Allowance for expected credit loss

The Group applies the simplified approach to measure the expected credit losses, using a provision matrix 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. The provision matrix assesses all debtors based on past experience.

Movement in allowance for expected credit losses:

	2025 \$'000	2024 \$'000
Opening balance at 1 July	9,865	5,606
Allowance for expected credit loss expensed	5,647	5,557
Receivables written off	(2,787)	(1,298)
Closing balance at 30 June	12,725	9,865

Amounts charged to the allowance for expected credit loss are generally written off when there is no expectation of recovering additional cash in excess of the cost of recovery.

Notes to the financial statements *cont.*

for the year ended 30 June 2025

Note 7: Trade and Other Receivables *cont.*

(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 27.

(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

	2025 \$'000	2024 \$'000
Consumable supplies at cost	15,624	16,826

Note 9: Other Assets

	2025 \$'000	2024 \$'000
Current		
Prepayments	9,523	8,496
Bonds and securities	679	709
	10,202	9,205
Non-Current		
Prepayments	1,033	619
Other	1,450	1,449
	2,483	2,068

Other assets include convertible notes acquired in Geneseq.

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Note 10: Plant and Equipment

2025	Leasehold improvements \$'000	Plant and equipment \$'000	Capital work in progress \$'000	Total \$'000
Gross carrying amount	57,864	120,061	701	178,626
Accumulated depreciation	(47,661)	(94,107)	–	(141,768)
Total plant and equipment as at 30 June 2025	10,203	25,954	701	36,858

2024				
Gross carrying amount	56,123	115,360	213	171,696
Accumulated depreciation	(43,960)	(85,830)	–	(129,790)
Total plant and equipment as at 30 June 2024	12,163	29,530	213	41,906

2025	Leasehold improvements \$'000	Plant and equipment \$'000	Capital work in progress \$'000	Total \$'000
Gross carrying amount				
Balance at 1 July 2024	56,123	115,360	213	171,696
Additions	1,860	5,705	623	8,188
Additions through business combination	5	16	–	21
Disposals	(192)	(1,207)	–	(1,399)
Capitalisation of work in progress	28	107	(135)	–
Net exchange differences	40	80	–	120
Balance at 30 June 2025	57,864	120,061	701	178,626
Accumulated depreciation				
Balance at 1 July 2024	(43,960)	(85,830)	–	(129,790)
Disposals	82	1,165	–	1,247
Depreciation	(3,742)	(9,383)	–	(13,125)
Net exchange differences	(41)	(59)	–	(100)
Balance at 30 June 2025	(47,661)	(94,107)	–	(141,768)
Carrying amount at 30 June 2025	10,203	25,954	701	36,858

Notes to the financial statements *cont.*

for the year ended 30 June 2025

Note 10: Plant and Equipment *cont.*

2024	Leasehold improvements \$'000	Plant and equipment \$'000	Capital work in progress \$'000	Total \$'000
Gross carrying amount				
Balance at 1 July 2023	53,964	111,744	1,694	167,402
Additions	2,213	4,074	212	6,499
Disposals	(52)	(905)	(1,240)	(2,197)
Capitalisation of work in progress	–	453	(453)	–
Net exchange differences	(2)	(6)	–	(8)
Balance at 30 June 2024	56,123	115,360	213	171,696
Accumulated depreciation				
Balance at 1 July 2023	(39,790)	(77,313)	–	(117,103)
Disposals	35	799	–	834
Depreciation	(4,208)	(9,320)	–	(13,528)
Net exchange differences	3	4	–	7
Balance at 30 June 2024	(43,960)	(85,830)	–	(129,790)
Carrying amount at 30 June 2024	12,163	29,530	213	41,906

Note 11: Right-of-use Assets

	2025 \$'000	2024 \$'000
Carrying amount of lease assets, by class of underlying asset:		
Buildings under lease arrangements	233,255	239,798
	2025 \$'000	2024 \$'000
Opening balance at 1 July	239,798	238,139
Additions and remeasurement of leases during the year	116,145	116,330
Depreciation	(122,688)	(114,671)
Closing balance at 30 June	233,255	239,798

Note 12: Intangible Assets

2025	Goodwill \$'000	Brand names \$'000	Customer lists \$'000	Total \$'000
Gross carrying amount	159,106	5,600	1,442	166,148
Accumulated amortisation	–	–	(939)	(939)
Total intangibles as at 30 June 2025	159,106	5,600	503	165,209

2024				
Gross carrying amount	158,684	5,600	1,370	165,654
Accumulated amortisation	–	–	(710)	(710)
Total intangibles as at 30 June 2024	158,684	5,600	660	164,944

2025	Goodwill \$'000	Brand names \$'000	Customer lists \$'000	Total \$'000
Gross carrying amount				
Balance at 1 July 2024	158,684	5,600	1,370	165,654
Additions through business combination	422	–	72	494
Balance at 30 June 2025	159,106	5,600	1,442	166,148
Accumulated amortisation				
Balance at 1 July 2024	–	–	(710)	(710)
Amortisation	–	–	(229)	(229)
Balance at 30 June 2025	–	–	(939)	(939)
Carrying amount at 30 June 2025	159,106	5,600	503	165,209

2024	Goodwill \$'000	Brand names \$'000	Customer lists \$'000	Total \$'000
Gross carrying amount				
Balance at 1 July 2023	158,684	5,600	1,370	165,654
Balance at 30 June 2024	158,684	5,600	1,370	165,654
Accumulated amortisation				
Balance at 1 July 2023	–	–	(482)	(482)
Amortisation	–	–	(228)	(228)
Balance at 30 June 2024	–	–	(710)	(710)
Carrying amount at 30 June 2024	158,684	5,600	660	164,944

Notes to the financial statements *cont.*

for the year ended 30 June 2025

Note 12: Intangible Assets *cont.*

Impairment testing of goodwill and intangibles with indefinite useful lives

Goodwill is allocated to a cash-generating unit or units (CGU) according to management's expectations regarding which assets will be expected to benefit from the synergies arising from the business combination that gave rise to the goodwill. Management have assessed that only one CGU exists, being the Australian pathology business.

The recoverable amount of a CGU is based on value-in-use calculations. These calculations use cash projections based on financial budgets/forecasts approved by management for covering a minimum period of one year (maximum of five years). Management's determination of cash flow projections and gross margins are based on past performance and its expectation for the future. The present value of future cash flows has been calculated using an average growth rate of 4.5% (2024: 4.5%) for cash flows in years two to five which is based on historic growth rate and industry trends, a terminal value growth rate of 3.4% (2024: 3.4%) and a discount rate of 9.2% (2024: 9.1%) to determine value-in-use.

The carrying value of brand names at 30 June 2025 relates solely to SunDoctors. The recoverable amount of the SunDoctors brand is based on value-in-use calculations via the relief from royalty valuation method. Under this method, the fair value is based on the present value of future foregone royalty payments over the life of the asset by virtue of owning the asset. The present value of future cash flows has been calculated using a royalty rate of 3.0% (2024: 3.0%), an indefinite useful life and a discount rate of 9.2% (2024: 9.2%).

Management has determined that this brand will be used as part of the wider pathology business with synergies from the existing pathology operations and as such, the brand relates solely to the existing one CGU and the recoverable amounts are assessed as part of the recoverable amount of the CGU.

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.

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Note 13: Deferred Tax Assets

Deferred taxes arising from temporary differences and unused tax losses are summarised as follows:

	2025 \$'000	2024 \$'000
Expected credit loss	3,818	2,959
Employee benefits	16,978	15,635
Sundry accruals	110	17
Lease liability	73,966	75,981
Share issue and transaction costs	1,241	1,189
Less: deferred tax liabilities offset against deferred tax assets	(79,145)	(85,038)
	16,968	10,743
Deferred tax liabilities offset against deferred tax assets		
Prepayments and sundry debtors	(298)	(420)
Inventories	(4,687)	(5,048)
Accrued revenue	157	(803)
Right-of-use assets	(69,430)	(71,779)
Intangibles	(1,831)	(1,878)
Plant and equipment	(3,056)	(5,110)
	(79,145)	(85,038)
	2025 \$'000	2024 \$'000
Movement		
Opening balance at 1 July	10,743	8,233
Amounts recognised in profit or loss	4,370	2,510
Amounts recognised in business combination	(22)	–
Amounts recognised directly in equity	1,877	–
Closing balance at 30 June	16,968	10,743

Notes to the financial statements *cont.*

for the year ended 30 June 2025

Note 14: Trade and Other Payables

	2025 \$'000	2024 \$'000
Current		
Trade creditors	20,539	26,187
Sundry creditors and accruals	31,032	26,819
	51,571	53,006
Due to the short-term nature of these payables, the carrying value is assumed to approximate their fair value.		
Non-Current		
Sundry creditors and accruals	880	–

Note 15: Lease Liabilities

	2025 \$'000	2024 \$'000
Lease liabilities		
Current lease liabilities	108,599	104,709
Non-current lease liabilities	139,810	149,126
Total carrying amount of lease liabilities	248,409	253,835
Cash outflow	2025 \$'000	2024 \$'000
Total cash outflow in relation to lease liabilities and associated interest	(136,263)	(125,243)

Lease arrangements

The above information is presented in accordance with AASB 16 *Leases*. Leases relate to properties leased by the Group with lease terms between 1 and 15 years. Leases can contain market review/fixed increments/CPI increment within the lease period and can contain additional clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

Note 16: Provisions

	2025 \$'000	2024 \$'000
Current		
Employee benefits	45,753	44,617
Other	1,488	1,593
	47,241	46,210
Non-Current		
Employee benefits	3,695	3,402

Note 17: Current Tax Liabilities

	2025 \$'000	2024 \$'000
Current		
Tax payables	8,536	3,236

Note 18: Borrowings

	2025 \$'000	2024 \$'000
Non-Current		
Unsecured – at amortised cost		
Bank loans	41,968	55,064

Details of the fair values and interest rate risk exposure relating to each of the unsecured liabilities are set out in Note 27.

Terms and repayment schedule

The terms and conditions of outstanding loans are as follows:

Loan	Currency	Nominal interest rate	Year of maturity	2025 \$'000	2024 \$'000
Bank loans	AUD	BBSY + 1.55% - 2.45%	2027	41,968	55,064

In December 2024, the Group amended its existing facility, extending the term to 31 July 2027 and reducing the overall facility from \$140.0m to \$108.0m.

In addition, the financial covenants are shown below:

1. Leverage Ratio is not greater than 3.50 (30 June 2024: 3.50).
2. Interest Coverage Ratio is not less than 3.00 (30 June 2024: N/A).
3. Fixed Cover Charge Ratio has been removed from the amended facility (30 June 2024: 1.20).

The Group complied with the covenants throughout the reporting period and as such, the loan is classified as a non-current liability at 30 June 2025.

Note 19: Issued Capital

(a) Share capital

	30 Jun 2025 Shares	30 Jun 2024 Shares	30 Jun 2025 \$'000	30 Jun 2024 \$'000
Fully paid ordinary shares	195,791,386	201,834,015	780,732	797,975
Other equity securities				
Treasury shares	(1,324,497)	(1,594,237)	(5,208)	(6,213)
	194,466,889	200,239,778	775,524	791,762

Notes to the financial statements *cont.*

for the year ended 30 June 2025

Note 19: Issued Capital *cont.*

(b) Ordinary shares

All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at shareholders' meetings of Australian Clinical Labs Limited.

Date 2025	Details	Number of shares	Value of shares \$'000
1/07/2024	Opening balance of the Group	201,834,015	797,975
Oct 2024	Share buy-back	(305,158)	(1,109)
Nov 2024	Share buy-back	(775,706)	(2,687)
Dec 2024	Share buy-back	(177,332)	(610)
Feb 2025	Share buy-back	(1,217,287)	(3,807)
Mar 2025	Share buy-back	(702,520)	(2,150)
Apr 2025	Share buy-back	(800,497)	(2,431)
May 2025	Share buy-back	(2,064,129)	(6,326)
June 2025	Deferred tax on transaction costs associated with issue of shares	–	1,877
30/06/2025	Closing balance of the Group	195,791,386	780,732

Date 2024	Details	Number of shares	Value of shares \$'000
1/07/2023	Opening balance of the Group	201,834,015	797,975
30/06/2024	Closing balance of the Group	201,834,015	797,975

(c) 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 21.

(d) Treasury shares

Treasury shares in Clinical Labs are held by the Australian Clinical Labs Employee Share Trust ('ACLEST'). For further details, please refer to Note 1(q).

Date 2025	Details	Number of shares	Value of shares \$'000
1/07/2024	Opening balance of the Group	(1,594,237)	(6,213)
Various	Transfer of shares to employees to satisfy exercise of rights	269,740	1,005
30/06/2025	Closing balance of the Group	(1,324,497)	(5,208)

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Note 19: Issued Capital cont.

Date 2024	Details	Number of shares	Value of shares \$'000
1/07/2023	Opening balance of the Group	(1,330,743)	(5,835)
Jan 2024	Treasury shares acquired on-market	(600,000)	(1,742)
Various	Transfer of shares to employees to satisfy exercise of rights	336,506	1,364
30/06/2024	Closing balance of the Group	(1,594,237)	(6,213)

Note 20: Reserves and Retained Earnings

	Share-based payment reserve \$'000	Foreign currency translation reserve \$'000	Common control reserve \$'000	Loss reserve \$'000	Total reserves \$'000
2025					
Opening balance at 1 July 2024	5,084	48	(645,632)	(132,788)	(773,288)
Exchange differences on translation of foreign operations	–	142	–	–	142
Management share scheme – LTVR	3,443	–	–	–	3,443
Allocation of treasury shares	(1,005)	–	–	–	(1,005)
Closing balance at 30 June 2025	7,522	190	(645,632)	(132,788)	(770,708)
2024	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at 1 July 2023	3,384	72	(645,632)	(132,788)	(774,964)
Exchange differences on translation of foreign operations	–	(24)	–	–	(24)
Management share scheme – LTVR	3,064	–	–	–	3,064
Allocation of treasury shares	(1,364)	–	–	–	(1,364)
Closing balance at 30 June 2024	5,084	48	(645,632)	(132,788)	(773,288)

(a) Share-based payment reserve

The share-based payment reserve reflects the fair value of equity-settled share-based payments.

The Group established a Long-Term Variable Remuneration (LTVR) Plan commencing 25 May 2021. Refer to the Remuneration Report for full details.

Notes to the financial statements *cont.*

for the year ended 30 June 2025

Note 20: Reserves and Retained Earnings *cont.*

(b) Foreign currency translation reserve

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

(c) Common control reserve

On 17 December 2020, a restructure took place that resulted in a newly incorporated company, Australian Clinical Labs Limited (formerly ACL Holdco Pty Ltd) obtaining control over Clinical Laboratories Pty Ltd and its controlled entities.

The financial report is presented on the basis of historical cost however the debt and restructure occurred based on the fair value of the business which has not been reflected in the financial report resulting in the recognition of a common control reserve.

(d) Loss reserve

The reserve is comprised of losses up to 30 June 2019 (\$120.3m), and a \$12.5m payment to Advanced Medical Technology Pty Ltd as a result of the restructure, where the Group recognised and settled a promissory note in the 2021 financial year.

Note 21: Share-Based Payments

The Group has an equity-settled share-based compensation plan for executives and employees. The fair value of equity remuneration granted under the plan is recognised as an expense with a corresponding increase in equity. Please refer to Note 1(o) for further details.

(a) Australian Clinical Labs Limited Rights Plan

Performance rights are granted under the Australian Clinical Labs Limited Rights Plan for no consideration and carry no dividend or voting rights. When exercisable, each performance right is convertible into one ordinary share.

Type	Grant date	Expiry date	Exercise price	Balance at start of year	Granted during the year	Forfeited during the year	Exercised during the year	Balance at end of year	Exercisable at end of year	Balance at date of this report
2025										
Performance rights	25-May-21	24-May-26	Nil	641,622	–	(641,622)	–	–	–	–
Performance rights	13-Jul-21	12-Jul-26	Nil	39,780	–	(39,780)	–	–	–	–
Service rights	20-Nov-21	19-Nov-26	Nil	312,477	–	–	(131,847)	180,630	180,630	180,630
Performance rights	13-Mar-23	12-Mar-28	Nil	737,654	–	–	–	737,654	–	737,654
Service rights	13-Mar-23	12-Mar-28	Nil	379,912	–	–	(137,893)	242,019	242,019	242,019
Performance rights	19-Dec-23	18-Dec-28	Nil	503,113	–	–	–	503,113	–	503,113
Service rights	19-Dec-23	18-Dec-28	Nil	1,587,595	–	–	–	1,587,595	451,643	1,587,595
Service rights	23-Jan-24	22-Jan-29	Nil	635,034	–	–	–	635,034	–	635,034
Service rights	6-Nov-24	5-Nov-29	Nil	–	62,995	–	–	62,995	–	62,995
Service rights	20-Dec-24	19-Dec-29	Nil	–	160,086	–	–	160,086	–	160,086
Performance rights	2-Apr-25	1-Apr-30	Nil	–	58,776	–	–	58,776	–	58,776
Service rights	2-Apr-25	1-Apr-30	Nil	–	20,185	–	–	20,185	–	20,185
Total				4,837,187	302,042	(681,402)	(269,740)	4,188,087	874,292	4,188,087

Note 21: Share-Based Payments cont.

Type	Grant date	Expiry date	Exercise price	Balance at start of year	Granted during the year	Forfeited during the year	Exercised during the year	Balance at end of year	Exercisable at end of year	Balance at date of this report
2024										
Performance rights	25-May-21	24-May-26	Nil	804,532	–	(162,910)	–	641,622	–	–
Performance rights	13-Jul-21	12-Jul-26	Nil	39,780	–	–	–	39,780	–	–
Service rights	20-Nov-21	19-Nov-26	Nil	678,615	–	(29,632)	(336,506)	312,477	312,477	312,477
Performance rights	13-Mar-23	12-Mar-28	Nil	896,374	–	(158,720)	–	737,654	–	737,654
Service rights	13-Mar-23	12-Mar-28	Nil	379,912	–	–	–	379,912	101,729	379,912
Performance rights	19-Dec-23	18-Dec-28	Nil	–	680,644	(177,531)	–	503,113	–	503,113
Service rights	19-Dec-23	18-Dec-28	Nil	–	1,761,507	(173,912)	–	1,587,595	–	1,587,595
Service rights	23-Jan-24	22-Jan-29	Nil	–	635,034	–	–	635,034	–	635,034
Total				2,799,213	3,077,185	(702,705)	(336,506)	4,837,187	414,206	4,155,785

Fair value of rights granted

The average assessed fair value of performance rights granted during the year ended 30 June 2025 was \$2.349 per right (2024: \$0.929). The average assessed fair value of service rights granted during the year ended 30 June 2025 was \$3.086 per right (2024: \$2.539). The service rights generally have a higher value than the performance rights given that the only condition is a service period and not Group performance. The valuation model inputs for rights granted during the year ended 30 June 2025 and 30 June 2024 included:

Type	Grant date	Expiry date	Exercise price	Share price at time of grant	Expected life (years from date of issue)	Share price volatility	Risk free rate	Dividend yield
Service rights	20-Nov-21	19-Nov-26	Nil	\$4.34	2.0	31%	1.15%	3.40%
Performance rights	13-Mar-23	12-Mar-28	Nil	\$3.60	2.3	33%	3.26%	4.49%
Service rights	13-Mar-23	12-Mar-28	Nil	\$3.63	0.8 - 1.8	33%	4.70%	3.86%
Performance rights	19-Dec-23	18-Dec-28	Nil	\$2.82	2.5	35%	3.68%	5.00%
Service rights	19-Dec-23	18-Dec-28	Nil	\$2.82	1.5 - 3.5	35%	3.68% - 4.11%	5.00%
Service rights	23-Jan-24	22-Jan-29	Nil	\$3.05	2.4	35%	3.68%	5.00%
Service rights	6-Nov-24	5-Nov-29	Nil	\$3.67	2.2	35%	4.16%	3.27%
Service rights	20-Dec-24	19-Dec-29	Nil	\$3.44	2.5	35%	4.01%	3.49%
Performance rights	2-Apr-25	1-Apr-30	Nil	\$3.00	2.2	35%	3.58%	5.00%
Service rights	2-Apr-25	1-Apr-30	Nil	\$3.00	2.2	35%	3.58%	5.00%

Notes to the financial statements *cont.*

for the year ended 30 June 2025

Note 21: Share-Based Payments *cont.*

A Monte Carlo simulation was applied to fair value the TSR performance condition element of performance rights granted. The model simulated the Group's TSR and compared it against the peer group over the vesting periods. The service rights are valued using a Black-Scholes model.

(b) Expenses arising from share-based payment transactions

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

	2025 \$'000	2024 \$'000
Share-based payments expense	3,443	3,064

Note 22: Earnings Per Share

Basic and diluted earnings per share

The calculation of basic and diluted earnings per share ('EPS') has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares.

	2025 Cents	2024 Cents
Basic earnings per share	17.15	12.03
Diluted earnings per share	17.05	12.00

Earnings	2025 \$'000	2024 \$'000
The earnings used in the calculation of basic and diluted earnings per share are the same and can be reconciled to the consolidated statement of profit or loss and other comprehensive income as follows:		
Profit for the year	32,820	24,244
Net (profit) attributable to non-controlling interests	(390)	(310)
Earnings used in calculating basic and diluted earnings per share	32,430	23,934

Weighted average number of shares	2025	2024
The weighted average number of shares used in the calculation of basic earnings per share	189,126,542	198,904,689
The weighted average number of shares and potential ordinary shares used in the calculation of diluted earnings per share	190,226,362	199,472,019

Performance rights under the Australian Clinical Labs Performance Rights Plan are determined to be contingently issuable shares because their issue is contingent upon satisfying specified conditions in addition to the passage of time and therefore are not included in the determination of diluted 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 21.

Note 23: Dividends

	2025 \$'000	2024 \$'000
(a) Dividends paid		
Interim dividend for the half-year ended 31 December 2024 of 3.5 cents (2023: 3 cents) per share paid on 16 April 2025, fully franked.	6,956	6,055
Final dividend for the year ended 30 June 2024 of 9 cents (2023: 7 cents) per share paid on 27 September 2024, fully franked.	18,165	14,128
	25,121	20,183
(b) Dividends declared after the reporting period and not recognised		
Final dividend for the year ended 30 June 2025 of 9 cents per share (2024: 9 cents) has been declared with a record date of 2 September 2025 and payable on 23 September 2025, fully franked.	17,621	18,165
(c) Franked dividends		
Franking credits available at year end for subsequent financial years based on a tax rate of 30%.	51,476	48,061

The FY24 franking account balance has been restated.

Notes to the financial statements *cont.*

for the year ended 30 June 2025

Note 24: Controlled Entities

The financial report includes the financial statements of Australian Clinical Labs Limited and its controlled entities as listed below:

	Country of incorporation	Percentage owned (%) 2025	Percentage owned (%) 2024
<i>Parent Entity:</i>			
Australian Clinical Labs Limited	Australia		
<i>Subsidiaries of Australian Clinical Labs Limited:</i>			
ACL MidCo Pty Ltd	Australia	100	100
ACL Finco Pty Ltd	Australia	100	100
Clinical Laboratories Pty Ltd	Australia	100	100
Clinical Laboratories (WA) Pty Ltd	Australia	100	100
Perth Medical Laboratories Pty Ltd	Australia	100	100
ACL Employee Share Trusco Pty Ltd	Australia	100	100
Malvern Pathology Laboratories Sdn Bhd.	Malaysia	100	100
Southern Sun Clinics Pty Ltd	Australia	100	100
SunDoctors Kalowen Pty Ltd	Australia	100	100
Southern Sun Practices Pty Ltd	Australia	100	100
SunDoctors Taree Pty Ltd	Australia	100	100
SunDoctors Coffs Harbour (Southern Cross) Pty Ltd	Australia	100	100
SunDoctors Pottsville Pty Ltd	Australia	100	100
SunDoctors Byron Bay Pty Ltd	Australia	100	100
SunDoctors Burleigh Heads Pty Ltd	Australia	100	100
SunDoctors Novocastrian Pty Ltd	Australia	100	100
Dermaphath AI Pty Ltd	Australia	100	100
Southern Sun Pathology (Helix) Pty Ltd	Australia	100	100
Southern Sun Healthcare Pty Ltd	Australia	100	100
SunDoctors Nelson Bay Pty Ltd (formerly known as SunDoctors Joondalup Pty Ltd)	Australia	100	100
WSCC Healthcare Pty Ltd	Australia	50	50
Orange Skin Cancer Clinic Pty Ltd	Australia	100	100
Ryde Skin Cancer Clinic Pty Ltd	Australia	100	100
Bolton Street Cancer Clinic Pty Ltd	Australia	100	100
Gosford SCC Pty Ltd	Australia	100	100
Southern Sun Pathology Pty Ltd	Australia	100	100
Skin Cancer Clinic Parramatta Pty Ltd	Australia	100	100
Aussie Skin Cancer Clinics Pty Ltd	Australia	100	100
Wollongong SCC Pty Ltd	Australia	100	100

Malvern Pathology Laboratories Sdn Bhd. recharges its costs plus a mark-up to Clinical Laboratories Pty Ltd which is eliminated upon consolidation.

Note 25: Related Parties

(a) Parent entities and subsidiaries

Australian Clinical Labs Limited is the ultimate Parent Company in the Group comprising the Company and its subsidiaries as detailed in Note 24.

(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 \$'000	2024 \$'000
Short-term employee benefits	4,088	2,482
Long-term employee benefits	985	(79)
Post-employment benefits	105	105
Share-based payments	289	213
	5,467	2,721

There were no transactions which occurred with entities controlled by Related Parties.

Notes to the financial statements *cont.*

for the year ended 30 June 2025

Note 26: Notes to the Statement of Cash Flows

(a) Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial period as shown in the statement of cash flows are reconciled to the related items in the statement of financial position as follows:

	2025 \$'000	2024 \$'000
Cash and cash equivalents	21,442	26,136

(b) Reconciliation of net profit for the year to net cash flows from operating activities

	2025 \$'000	2024 \$'000
Profit for the year before taxation	48,179	36,366
Non-cash flows in operating profit		
Depreciation and amortisation	136,042	128,427
Loss on sale of assets	44	1,037
Reassessment of contingent consideration	152	–
Share-based payments expense	3,442	3,064
Accrued interest (income)/expense	(86)	184
Capitalised borrowing costs	(9)	184
	187,764	169,262
Changes in assets and liabilities		
Decrease/(increase) in trade and other receivables	8,323	(7,724)
(Increase) in other assets	(1,412)	(3,302)
Decrease/(increase) in inventories	1,208	(1,734)
(Decrease)/increase to trade and other payables	(28)	11,650
Increase to provisions	1,409	1,150
(Decrease)/increase to other liabilities	(36)	447
Income tax paid	(14,427)	(10,157)
Net cash provided by operating activities	182,801	159,592

(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 statement of cash flows:

- Acquisition of right-of-use assets (Note 11)
- Options and rights issued to employees for no cash consideration (Note 21)

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Note 26: Notes to the Statement of Cash Flows cont.

(d) Bank facilities and guarantees

At 30 June 2025, the Group had a bank overdraft available of \$10.0m which had not been utilised at year end (2024: \$6.5m, nil utilised).

Financial guarantees also existed in relation to rental properties. The Group has utilised \$5.6m (2024: \$5.7m) of its \$7.5m (2024: \$12.0m) facility with the Commonwealth Bank at 30 June 2025. In addition, the Group held guarantees of \$0.3 (2024: \$0.2m) of its \$0.5m (2024: \$0.5m) facility with the National Australia Bank and maintained cash-backed guarantees totalling \$0.1 m (2024: \$0.2m) with Macquarie Bank.

In order to enhance the Group's liquidity, the Group also has available the following unsecured debt facilities:

- \$28.0m funded jointly with Commonwealth Bank and HSBC, which includes the bank overdraft, short-term loan and facility in relation to the financial guarantees above, \$5.6m utilised (2024: \$5.7m utilised, \$30m limit).
- \$80.0m funded jointly by Commonwealth Bank and HSBC of which the Group has utilised \$42.0m as at 30 June 2025 (2024: \$110.0m which had \$55.0m utilised).

Note 27: Financial Risk Management

The Group's activities expose it to a variety of financial risks which includes market risk (including currency and interest rate risk), credit risk and liquidity risk. The Group's risk management is coordinated at its head office, in close cooperation with the Board of Directors, and focuses actively in ensuring the Group's short to medium-term cash flows by minimising potential adverse effects on the financial performance of the Group.

The Group's financial instruments consist mainly of deposits with banks, debt facilities, trade receivables and trade payables. The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The below is an outline of key financial risks and the Group management's strategies for managing them.

Risk	Description	Strategy for management
Capital management risk	The Group manages its capital with the aim to ensure the Group's ability to continue to operate as a going concern so that it can continue to provide returns to its shareholders.	The Group proactively manages its capital structure and may issue new shares, or enter into rights issues or vary the amount of dividends paid to shareholders.
	The Group aims to optimise its debt and equity balance to reduce the cost of capital.	The capital structure of the Group is mainly monitored on the basis of the following ratios, which are also covenants under the Group's debt facilities: • Leverage Ratio – the Group's leverage ratio as at 30 June 2025 is 0.28, which is under the upper threshold of 3.50. • Interest Coverage Ratio – the Group's interest coverage ratio as at 30 June 2025 is 20.02, which is over the bottom threshold of 3.00.
Market risk		
Interest rate risk	The Group's exposure to market risk from changing interest rates relates primarily to its short-term cash investments and bank borrowings at variable interest rates.	The Group may enter into interest rate swap contracts to hedge against exposure to fluctuations in interest rates. The Group did not enter into any interest rate swaps in the current year.

Notes to the financial statements *cont.*

for the year ended 30 June 2025

Note 27: Financial Risk Management *cont.*

Risk	Description	Strategy for management
Foreign exchange risk	The Group has minimum foreign currency risk from the following: - Translation of the net assets of the Group's foreign controlled entity, which operates using a different functional currency. - The Group has limited number of transactions that are required to be settled in foreign currencies.	The Group may enter into cash flow hedges for committed, large and known expenditure denominated in foreign currency to manage its foreign exchange risk.
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.	The Group does not currently invest in equity securities or other financial instruments with market prices risk.
Credit risk	The exposure to credit risk at the balance date is the carrying amount of those assets, net of any provisions for impairment as disclosed in Note 7 of the financial report. The Group does not have any material exposure to any individual customers or counterparty other than certain government or statutory funded bodies which the Group operates.	The Group manages credit risk by performing ageing analysis on receivable balances on an ongoing basis. The Group also has a rigorous process in place to minimise bad debts which involve sending out reminder notices, demand for repayments and referral to debt collection agencies. The Group has not renegotiated any material collection/repayment terms of any financial assets in the current or previous financial year.
Liquidity risk	The Group is required to maintain a high level of liquidity to ensure that it is capable of meeting its obligations associated with its financial liabilities and to fund its long-term strategic initiatives and expansion plans.	The Group manages its liquidity risk by: - The Group has adequate debt facilities in place should they be required to refinance any short-term liabilities. - Ongoing cash flow forecasting and reporting.

(a) Interest rate risk

The Group's exposure to interest rate risk and the effective weighted average interest rate by maturity period is set out in the below table. Exposure predominantly arises from the Group's borrowings at floating interest plus a fixed margin.

2025	Average interest rate %	Variable interest rate \$'000	Fixed interest rate			Total \$'000
			Less than 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000	
Financial assets						
Cash	4.11%	21,442	–	–	–	21,442
Financial liabilities						
Bank loans	BBSY + 1.55% - 2.45%	(41,968)	–	–	–	(41,968)
Lease liabilities	2.05% - 7.00%	–	(108,599)	(120,929)	(18,881)	(248,409)
Total		(20,526)	(108,599)	(120,929)	(18,881)	(268,935)

Note 27: Financial Risk Management cont.

2024	Average interest rate %	Variable interest rate \$'000	Fixed interest rate			Total \$'000
			Less than 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000	
Financial assets						
Cash	4.30%	26,136	–	–	–	26,136
Financial liabilities						
Bank loans	BBSY + 1.55% - 2.45%	(55,064)	–	–	–	(55,064)
Lease liabilities	2.05% - 7.00%	–	(104,709)	(137,523)	(11,603)	(253,835)
Total		(28,928)	(104,709)	(137,523)	(11,603)	(282,763)

(b) Sensitivity Analysis

The following table summarises the sensitivity of the Group's financial assets and liabilities to interest rate risk. The analysis has been determined based on the Group's exposure to variable interest rates during the financial year projecting a reasonably possible change taking place at the beginning of the financial year, held constant throughout the financial year and applied to variable interest payments made throughout the financial year.

		Result		Equity		
		Carrying amount \$'000	1.0%/100BP increase \$'000	1.0%/100BP decrease \$'000	1.0%/100BP increase \$'000	1.0%/100BP decrease \$'000
2025						
Financial assets						
Cash		21,442	214	(214)	214	(214)
Financial liabilities						
Bank loans		(41,968)	(420)	420	(420)	420
Total		(20,526)	(206)	206	(206)	206

	Carrying amount \$'000	Result		Equity	
		1.0%/100BP increase \$'000	1.0%/100BP decrease \$'000	1.0%/100BP increase \$'000	1.0%/100BP decrease \$'000
2024					
Financial assets					
Cash	26,136	261	(261)	261	(261)
Financial liabilities					
Bank loans	(55,064)	(551)	551	(551)	551
Total	(28,928)	(290)	290	(290)	290

Notes to the financial statements *cont.*

for the year ended 30 June 2025

Note 28: Parent Entity Information

	2025 \$'000	2024 \$'000
Assets		
Current assets	226,150	216,908
Non-current assets	584,000	585,469
Total Assets	810,150	802,377
Liabilities		
Current liabilities	319	313
Total Liabilities	319	313
Equity		
Issued capital	780,732	797,975
Reserves	7,522	5,085
Retained earnings	21,577	(996)
Total Equity	809,831	802,064
	2025 \$'000	2024 \$'000
Financial performance		
Profit for the year	47,694	9,911
Total comprehensive income	47,694	9,911

Note 29: Auditor's Remuneration

	2025 \$'000	2024 \$'000
Auditor of Australian Clinical Labs Limited - Audit Services		
Audit of the financial report for the financial year	254	242
Review of the financial report for the half year	89	85
Total audit and other assurance services	343	327

Note 30: Contingencies

(a) Contingent assets

During the 2022 financial year, one of our laboratories based in Queensland was flooded with extensive damage caused to the laboratory equipment and consumables on hand.

At 30 June 2025 the insurance claim had not been verified in its entirety and as such a receivable for the balance of the claim has not been recorded at 30 June 2025. The Group has received progress payments from the insurers with insurance income recorded in the statement of profit and loss in the prior year totalling \$1.2m and current year \$0.2m.

The Group has a contingent asset for the remaining balance of the claim that has yet to be quantified and verified by the insurers, which has not been recognised in the financial statements.

(b) Contingent liabilities

On 2 November 2023, the Australian Information Commissioner (AIC) commenced civil proceedings in the Federal Court of Australia against ACL in relation to alleged contraventions of the *Privacy Act 1988* (Cth) during the period 26 May 2021 to 29 September 2022. The AIC claim does not identify the level of any civil penalty sought in the event liability is established.

ACL is defending the civil proceedings and any costs in relation to this defence are being recognised as incurred. The matter is not currently scheduled for hearing. The parties engaged in a mediation in June 2025 which remains ongoing.

Note 31: Deed of Cross Guarantee

Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785, the wholly-owned subsidiaries listed below are relieved from the *Corporations Act 2001* requirements for preparation, audit and lodgement of financial reports, and Directors' reports.

It is a condition of the Instrument that the relevant holding entity and each of the relevant subsidiaries enter into a Deed of Cross Guarantee. The effect of the Deed is that each holding entity guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries in each Group under certain provisions of the *Corporations Act 2001*. If a winding up occurs under other provisions of the *Corporations Act 2001*, each holding entity will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that each holding entity is wound up.

The parent entity and subsidiaries subject to the Deed of Cross Guarantee as at 30 June 2025 are as follows:

- ACL MidCo Pty Ltd
- ACL Finco Pty Ltd
- Clinical Laboratories Pty Ltd
- Clinical Laboratories (WA) Pty Ltd
- Southern Sun Clinics Pty Ltd
- Southern Sun Pathology Pty Ltd
- Southern Sun Pathology (Helix) Pty Ltd
- Southern Sun Healthcare Pty Ltd
- Southern Sun Practices Pty Ltd
- SunDoctors Nelson Bay Pty Ltd
- SunDoctors Taree Pty Ltd
- SunDoctors Coffs Harbour (Southern Cross) Pty Ltd
- SunDoctors Pottsville Pty Ltd
- SunDoctors Byron Bay Pty Ltd
- SunDoctors Burleigh Heads Pty Ltd
- SunDoctors Novocastrian Pty Ltd
- Dermapath AI Pty Ltd
- Orange Skin Cancer Clinic Pty Ltd
- Ryde Skin Cancer Clinic Pty Ltd
- Bolton Street Cancer Clinic Pty Ltd
- Gosford SCC Pty Ltd
- Skin Cancer Clinic Parramatta Pty Ltd
- Aussie Skin Cancer Clinics Pty Ltd
- Wollongong SCC Pty Ltd
- Perth Medical Laboratories Pty Ltd
- ACL Employee Share Trusco Pty Ltd

These entities above represent a 'Closed Group' for the purposes of the Instrument.

Notes to the financial statements *cont.*

for the year ended 30 June 2025

Note 31: Deed of Cross Guarantee *cont.*

(a) Consolidated statement of profit or loss of the Closed Group

	2025 \$'000	2024 \$'000
Revenue	728,718	686,963
Other income	1,216	1,175
Total	729,934	688,138
Consumables	(128,091)	(119,176)
Labour costs	(309,996)	(296,933)
Property costs	(13,261)	(12,073)
Repairs and maintenance	(9,698)	(7,332)
Healius transaction costs	–	(4,653)
Acquisition, restructuring and other one-off expenses	(3,084)	(6,169)
Other operating expenses	(65,704)	(62,154)
Depreciation	(12,690)	(13,055)
Depreciation of right-of-use assets	(122,688)	(114,671)
Amortisation of acquired intangible assets	(2)	(1)
Total operating costs	(665,214)	(636,217)
Earnings before interest and tax	64,720	51,921
Net finance costs	(17,906)	(16,506)
Profit before income tax	46,814	35,415
Income tax expense	(15,210)	(12,000)
Profit for the year	31,604	23,415
Net (profit) attributable to non-controlling interests	–	–
Net profit attributable to members of the Closed Group	31,604	23,415

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Note 31: Deed of Cross Guarantee cont.

(b) Consolidated statement of other comprehensive income of the Closed Group

	2025 \$'000	2024 \$'000
Profit for the year	31,604	23,415
Other comprehensive income		
Items that may be reclassified subsequently to profit and loss		
Exchange differences on translation of foreign operations	–	–
Other comprehensive income for the year, net of tax	–	–
Total comprehensive income for the year	31,604	23,415
Total comprehensive income attributable to:		
Members of the Closed Group	31,604	23,415
Non-controlling interests	–	–
	31,604	23,415

(c) Reconciliation of retained earnings of the Closed Group

	2025 \$'000	2024 \$'000
Retained earnings at the beginning of the financial year	156,297	152,514
Profit from ordinary activities after income tax expense	31,604	23,415
Dividends paid during the year	(24,944)	(19,949)
Transfers	–	317
Retained earnings at the end of the financial year	162,957	156,297

Notes to the financial statements *cont.*

for the year ended 30 June 2025

Note 31: Deed of Cross Guarantee *cont.*

(d) Consolidated Statement of Financial Position of the Closed Group

	2025 \$'000	2024 \$'000
Current Assets		
Cash and cash equivalents	19,371	24,158
Trade and other receivables	71,822	80,654
Inventories	15,598	16,807
Other assets	9,995	8,223
Total Current Assets	116,786	129,842
Non-Current Assets		
Plant and equipment	36,401	41,348
Right-of-use assets	232,448	239,198
Intangible assets	164,647	164,155
Other assets	2,483	2,068
Deferred tax assets	17,156	10,964
Total Non-Current Assets	453,135	457,733
Total Assets	569,921	587,575
Current Liabilities		
Trade and other payables	53,493	52,752
Lease liabilities	108,302	104,473
Provisions	47,185	46,163
Current tax liabilities	8,508	3,236
Deferred consideration	49	95
Other liabilities	411	448
Total Current Liabilities	217,948	207,167
Non-Current Liabilities		
Trade and other payables	880	–
Lease liabilities	139,255	148,725
Borrowings	41,968	55,064
Provisions	3,695	3,402
Deferred consideration	98	–
Total Non-Current Liabilities	185,896	207,191
Total Liabilities	403,844	414,358
Net Assets	166,077	173,217

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Note 31: Deed of Cross Guarantee cont.

	2025 \$'000	2024 \$'000
Equity		
Issued capital	774,349	790,587
Reserves	(771,229)	(773,667)
Retained earnings	162,957	156,297
Total parent entity interest	166,077	173,217
Non-controlling Interest	–	–
Total Equity	166,077	173,217

Note 32: Subsequent Events

There were no other significant changes in the Group's state of affairs that occurred following the end of the financial year and up to the date of the financial report, other than those referred to elsewhere in this report.

Consolidated entity disclosure statement

for the year ended 30 June 2025

Entity Name	Entity Type	Trustee, partner or participant in joint venture	Body Corporate		Tax residency	
			Place formed or incorporated	% of share capital held (i)	Australian tax resident	Foreign jurisdictions
Australian Clinical Labs Limited	Body corporate	n/a	Australia	100%	Yes (ii)	n/a
ACL MidCo Pty Ltd	Body corporate	n/a	Australia	100%	Yes (ii)	n/a
ACL Finco Pty Ltd	Body corporate	n/a	Australia	100%	Yes (ii)	n/a
Clinical Laboratories Pty Ltd	Body corporate	n/a	Australia	100%	Yes (ii)	n/a
Clinical Laboratories (WA) Pty Ltd	Body corporate	n/a	Australia	100%	Yes (ii)	n/a
Perth Medical Laboratories Pty Ltd	Body corporate	n/a	Australia	100%	Yes (ii)	n/a
ACL Employee Share Trusco Pty Ltd	Body corporate	Trustee (iv)	Australia	100%	Yes (ii)	n/a
Australian Clinical Labs Limited Employee Share Trust	Trust	n/a	n/a	n/a	Yes	n/a
Malvern Pathology Laboratories Sdn Bhd	Body corporate	n/a	Malaysia	100%	No	Malaysia (iii)
Southern Sun Clinics Pty Ltd	Body corporate	n/a	Australia	100%	Yes (ii)	n/a
Southern Sun Healthcare Pty Ltd	Body corporate	Trustee (v)	Australia	100%	Yes (ii)	n/a
The Aussie Healthcare Unit Trust	Trust	n/a	n/a	n/a	Yes (ii)	n/a
Southern Sun Practices Pty Limited	Body corporate	n/a	Australia	100%	Yes (ii)	n/a
SunDoctors Taree Pty Ltd	Body corporate	n/a	Australia	100%	Yes (ii)	n/a
SunDoctors Coffs Harbour (Southern Cross) Pty Ltd	Body corporate	n/a	Australia	100%	Yes (ii)	n/a
SunDoctors Pottsville Pty Ltd	Body corporate	n/a	Australia	100%	Yes (ii)	n/a
SunDoctors Byron Bay Pty Ltd	Body corporate	n/a	Australia	100%	Yes (ii)	n/a

Entity Name	Entity Type	Trustee, partner or participant in joint venture	Body Corporate		Tax residency	
			Place formed or incorporated	% of share capital held (i)	Australian tax resident	Foreign jurisdictions
SunDoctors Burleigh Heads Pty Ltd	Body corporate	n/a	Australia	100%	Yes (ii)	n/a
SunDoctors Kalowen Pty Ltd	Body corporate	n/a	Australia	100%	Yes (ii)	n/a
SunDoctors Novocastrian Pty Ltd	Body corporate	n/a	Australia	100%	Yes (ii)	n/a
Dermapath AI Pty Ltd	Body corporate	n/a	Australia	100%	Yes (ii)	n/a
Southern Sun Pathology (Helix) Pty Ltd	Body corporate	n/a	Australia	100%	Yes (ii)	n/a
SunDoctors Nelson Bay Pty Ltd	Body corporate	n/a	Australia	100%	Yes (ii)	n/a
WSCC Healthcare Pty Ltd	Body corporate	Trustee (vi)	Australia	50%	Yes	n/a
Wyong SCC Trust	Trust	n/a	n/a	n/a	Yes	n/a
Orange Skin Cancer Clinic Pty Ltd	Body corporate	Trustee (vii)	Australia	100%	Yes (ii)	n/a
Orange Skin Cancer Clinic Unit Trust	Trust	n/a	n/a	n/a	Yes (ii)	n/a
Ryde Skin Cancer Clinic Pty Ltd	Body corporate	Trustee (viii)	Australia	100%	Yes (ii)	n/a
Ryde Skin Cancer Clinic Unit Trust	Trust	n/a	n/a	n/a	Yes (ii)	n/a
Bolton Street Cancer Clinic Pty Ltd	Body corporate	Trustee (ix)	Australia	100%	Yes (ii)	n/a
Bolton Street Skin Cancer Clinic Trust	Trust	n/a	n/a	n/a	Yes (ii)	n/a
Gosford SCC Pty Ltd	Body corporate	Trustee (x)	Australia	100%	Yes (ii)	n/a
SCC Gosford Unit Trust	Trust	n/a	n/a	n/a	Yes (ii)	n/a
Southern Sun Pathology Pty Ltd	Body corporate	Trustee (xi)	Australia	100%	Yes (ii)	n/a
Hornsby Pathology Unit Trust	Trust	n/a	n/a	n/a	Yes (ii)	n/a

Consolidated entity disclosure statement *cont.*

for the year ended 30 June 2025

Entity Name	Entity Type	Trustee, partner or participant in joint venture	Body Corporate		Tax residency	
			Place formed or incorporated	% of share capital held (i)	Australian tax resident	Foreign jurisdictions
Skin Cancer Clinic Parramatta Pty Ltd	Body corporate	Trustee (xii)	Australia	100%	Yes (ii)	n/a
Skin Cancer Clinic Parramatta Unit Trust	Trust	n/a	n/a	n/a	Yes (ii)	n/a
Aussie Skin Cancer Clinic Pty Ltd	Body corporate	Trustee (xiii)	Australia	100%	Yes (ii)	n/a
Skin Cancer Clinic Hornsby Unit Trust	Trust	n/a	n/a	n/a	Yes (ii)	n/a
Wollongong SCC Pty Ltd	Body corporate	Trustee (xiv)	Australia	100%	Yes (ii)	n/a
Wollongong SCC Trust	Trust	n/a	n/a	n/a	Yes (ii)	n/a
Rouse Hill Skin Cancer Unit Trust	Trust	n/a	n/a	n/a	Yes (ii)	n/a

- (i) Represents the economic interest in the entity as consolidated in the consolidated financial statements.
- (ii) This entity is part of a tax-consolidated group under Australian taxation law, for which Australian Clinical Labs Limited is the head entity.
- (iii) Malvern Pathology Laboratories Sdn Bhd is incorporated in Malaysia.
- (iv) ACL Employee Share Trusco Pty Ltd is trustee of the Australian Clinical Labs Limited Employee Share Trust.
- (v) Southern Sun Healthcare Pty Ltd - Former Name Aussie Healthcare Pty Limited is trustee of the Aussie Healthcare Unit Trust and Rouse Hill Skin Cancer Unit Trust.
- (vi) WSCC Healthcare Pty Ltd is trustee of the Wyong SCC Trust.
- (vii) Orange Skin Cancer Clinic Pty Ltd is trustee of the Orange Skin Cancer Clinic Unit Trust.
- (viii) Ryde Skin Cancer Clinic Pty Ltd is trustee of the Ryde Skin Cancer Clinic Unit Trust.
- (ix) Bolton Street Cancer Clinic Pty Ltd is trustee of the Bolton Street Skin Cancer Clinic.
- (x) Gosford SCC Pty Ltd is trustee of the Skin Cancer Clinic Gosford Unit Trust.
- (xi) Southern Sun Pathology Pty Ltd formerly Hornsby Pathology Pty Ltd is trustee of the Hornsby Pathology Unit Trust.
- (xii) Skin Cancer Clinic Parramatta Pty Ltd is trustee of the Skin Cancer Clinic Parramatta Unit Trust.
- (xiii) Aussie Skin Cancer Clinic Pty Ltd formerly Skin Cancer Clinic Hornsby Pty Limited is trustee of the Skin Cancer Clinic Hornsby Unit Trust.
- (xiv) Wollongong SCC Pty Ltd is trustee of the Wollongong SCC Trust.

Basis of preparation

The consolidated entity disclosure statement has been prepared in accordance with subsection 295(3A)(a) of the *Corporations Act 2001*. The entities listed in the statement are Australian Clinical Labs Limited and all the entities it controls in accordance with AASB 10 *Consolidated Financial Statements*.

An entity is reported in the consolidated entity disclosure statement as being a tax resident in Australia if it is:

- An Australian resident within the meaning of the *Income Tax Assessment Act 1997* at that time
- A partnership at least one member of which is an Australian resident (within the meaning of the *Income Tax Assessment Act 1997*) at that time
- A resident trust estate (within the meaning of Division 6 of Part III of the *Income Tax Assessment Act 1936*) in relation to the year of income (within the meaning of that Act) that corresponds to the financial year.

Directors' Declaration

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 68 to 111 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 Group will be able to pay its debts as and when they become due and payable; and
- (c) the Consolidated entity disclosure statement as at 30 June 2025 set out on pages 112 to 114 is true and correct; and
- (d) at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in Note 31 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 31.

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 Chief Executive Officer and Chief Financial Officer required under section 295A of the *Corporations Act 2001*.

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



Mark Haberlin
Chair
25 August 2025



Melinda McGrath
CEO and Executive Director
25 August 2025

Independent Auditor's Report

AUSTRALIAN CLINICAL LABS LIMITED
AND CONTROLLED ENTITIES
ABN: 94 645 711 128

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AUSTRALIAN CLINICAL LABS LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australian Clinical Labs Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of 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; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

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 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 and 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.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide 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 of the current period. These 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.

Key Audit Matter	How our audit addressed the key audit matter
<i>Carrying value of Goodwill</i> Refer to Note 1(l) and Note 12	
At 30 June 2025 the Group's balance sheet includes goodwill relating to one cash generating unit ("CGU"). We believe due to the significance of the goodwill balance, that the carrying value is a key audit matter.	Our procedures included, amongst others: Assessing management's determination of the Group's CGU based on our understanding of the nature of the Group's business and the economic environment in which it operates.

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**AUSTRALIAN CLINICAL LABS LIMITED
AND CONTROLLED ENTITIES
ABN: 94 645 711 128**

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AUSTRALIAN CLINICAL LABS LIMITED**

Specifically, the key audit matter for us was whether the Group's value in use model for impairment included appropriate consideration and support for significant estimates and judgements and the selection of key external and internal inputs.

Management's assessment of impairment of the Group's goodwill balances incorporated significant estimates and judgements in respect of factors such as forecast:

- revenues;
- expenses;
- capital expenditure; and
- economic assumptions in the cash flow model such as, discount rates, growth rates and terminal growth rate.

- Understanding and evaluating the design and implementation of management's processes and controls regarding valuation of the Group's goodwill assets to determine any asset impairment including the procedures around the preparation and review of forecasts.
- Evaluating the Group's significant estimates and judgements used to determine the recoverable value of its assets, including those relating to forecast revenue, expenses, capital expenditure, and other economic assumptions.
- Engaging an auditor's expert to evaluate the key economic assumptions to external market data.
- Recalculating the mathematical accuracy of the cash flow model.
- Assessing the historical accuracy of forecasting of the Group.
- Performing sensitivity analysis in relation to the significant estimates and judgements made by management.
- Assessing the adequacy of disclosure in the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's 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.

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, 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.

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Independent Auditor's Report *cont.*

**AUSTRALIAN CLINICAL LABS LIMITED
AND CONTROLLED ENTITIES
ABN: 94 645 711 128**

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AUSTRALIAN CLINICAL LABS LIMITED**

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

for such internal control as the directors determine is necessary to enable the preparation of:

- (i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- (ii) the consolidated entity disclosure statement that is true and correct and is free of 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Pitcher Partners. An independent Victorian Partnership ABN 27 975 255 196. Level 13, 664 Collins Street, Docklands, VIC 3008

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Adelaide Brisbane Melbourne Newcastle Sydney Perth

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**AUSTRALIAN CLINICAL LABS LIMITED
AND CONTROLLED ENTITIES
ABN: 94 645 711 128**

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AUSTRALIAN CLINICAL LABS LIMITED**

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 32 to 51 of the directors' report for the year ended 30 June 2025. In our opinion, the Remuneration Report of Australian Clinical Labs 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.



S D WHITCHURCH
Partner

25 August 2025



PITCHER PARTNERS
Melbourne

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Shareholder Information

for the year ended 30 June 2025

Number of shareholders

As at 11 September 2025, there were 195,791,386 fully paid ordinary shares held by 6,525 shareholders.

Distribution of ordinary shares as at 11 September 2025

Number of shares held	No. of individuals
1–1,000	3,094
1,001–5,000	2,096
5,001–10,000	708
10,001–100,000	581
100,001 and over	46
TOTAL	6,525
Unmarketable Parcels	903

Number of Rights holders

As at 11 September 2025, there were 4,132,546 Rights held by 44 persons.

Distribution of Rights as 11 September 2025

Number of Rights held	No. of individuals
1–1,000	-
1,001–5,000	-
5,001–10,000	-
10,001–100,000	34
100,001 and over	10
TOTAL	44

Number of Options holders

As at 11 September 2025, the Company did not have any options on issue.

Shares held in escrow

As at 11 September 2025, there were no shares held in escrow.

Securities Exchange Listing

On 14 May 2021, Australian Clinical Labs Limited became a listed public company, incorporated and operating in Australia. The shares of the Company are listed on the ASX under the code 'ACL'.

Voting rights

The voting rights of members are governed by ACL's constitution, which provides that each member is entitled to be present at any general meeting of ACL and to vote on any resolution on a show of hands or upon a poll. A member can attend personally or by appointing a proxy, attorney or corporate representative, as appropriate. Every member present in person, by proxy, attorney or corporate representative, has one vote for every share held.

ACL's fully paid ordinary shares carry voting rights of one vote per share.

ACL Rights do not carry voting rights. Restricted shares following exercise of a Right carry voting rights.

Top 20 Shareholders as at 11 September 2025

Rank	Name	No. of shares	% of shares on issue
1	Citicorp Nominees Pty Limited	56,401,782	28.81
2	HSBC Custody Nominees (Australia) Limited	49,496,460	25.28
3	J P Morgan Nominees Australia Pty Limited	31,611,161	16.15
4	BNP Paribas Nominees Pty Ltd	5,010,540	2.56
5	National Nominees Limited	2,969,871	1.52
6	UBS Nominees Pty Limited	2,670,859	1.36
7	Melinda McGrath	2,173,867	1.11
8	Neweconomy Com Au Nominees Pty Limited	2,144,321	1.1
9	BNP Paribas Nominees Pty Ltd	1,508,979	0.77
10	Warbont Nominees Pty Ltd	1,469,081	0.75
11	Merrill Lynch (Australia) Nominees Pty Limited	1,421,218	0.73
12	ECapital Nominees Pty Limited	1,352,591	0.69
13	ACL Employee Share Trusco Pty Ltd	1,268,956	0.65
14	HSBC Custody Nominees (Australia) Limited	836,267	0.43
15	Zachary Investments Pty Ltd	800,000	0.41
16	Anthony Friedli	754,390	0.39
17	A.C.N. 633 176 100 Pty Ltd	749,464	0.38
18	HSBC Custody Nominees (Australia) Limited – GSI EDA	612,905	0.31
19	HSBC Custody Nominees (Australia) Limited – GSCO ECA	572,267	0.29
20	Pacific Custodians Pty Limited	550,845	0.28
TOTAL		164,375,824	83.95

Shareholder Information *cont.*

for the year ended 30 June 2025

Substantial shareholders as per most recent notice as at 11 September 2025

Name	Number of fully paid ordinary shares	% of total issued capital as at the date of latest notice
Allan Gray Australia Ltd and its related bodies corporate as investment manager for various funds	29,764,987	15.16
State Street Australia Ltd ACF Australian Ethical Investment Limited	14,877,241	7.58
Commonwealth Bank of Australia and its related bodies corporate	14,312,777	7.29
Superannuation and Investments HoldCo Pty Ltd and its related bodies corporate	14,114,260	7.19
Comet Asia Holdings II Pte. Ltd., Comet Asia Holdings I Pte. Ltd., KKR Asia III Fund Investments Pte. Ltd. and KKR Asian Fund III L.P.	14,114,260	7.19
First Sentier Investors Holdings Pty Ltd and its related bodies corporate or associates	14,007,561	7.13
Mitsubishi UFJ Financial Group	14,007,561	7.13

Indicative corporate calendar*

2025 AGM	23 October 2025
FY25 half year results announcement	25 February 2026
FY25 year end	30 June 2026
FY25 full year results announcement	26 August 2026
2026 AGM	27 October 2026

* These dates are indicative only and are subject to change.

Shareholders are reminded that under the Company's constitution any shareholder wishing to nominate themselves or another person as candidate for election as a director must serve a signed notice of nomination and a consent to the nomination on the Company by no later than 35 business days before an AGM.

Corporate Directory

Company's registered office and principal administrative office

Australian Clinical Labs Limited

1868-1892 Dandenong Road
Clayton VIC 3168

Tel: 1300 453 688

Share registry

MUFG Pension and Market Services

Parramatta Square,
Level 22, Tower 6,
10 Darcy Street
Parramatta NSW 2150

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