

7 February 2025

UPDATE ON ACQUISITION OF THE LADR LABORATORY GROUP

Sonic Healthcare Limited ('Sonic') (ASX: SHL ; ADR: SKHHY) is pleased to announce that it has received unconditional German antitrust clearance to acquire LADR – Laboratory Group Dr. Kramer & Colleagues ('LADR') and now expects the transaction to settle on 1 July 2025. A statement from the German antitrust regulator is attached.

Details of the LADR business and the acquisition were provided in Sonic's announcement to the market on 9 December 2024.

This announcement has been authorised by Sonic's Managing Director. For further information regarding this announcement, please contact:

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PRESS RELEASES

06.02.2025

Sonic Healthcare can acquire the medical laboratory group LADR Dr. Kramer & Kollegen

06.02.2025

The Bundeskartellamt has cleared plans by the German subsidiary of the Australian laboratory medicine company Sonic Healthcare to acquire the medical laboratory group LADR Dr. Kramer & Kollegen, based in Geesthacht, in the first phase of merger control.

Andreas Mundt, President of the Bundeskartellamt: *"The merger reinforces the trend towards more concentrated laboratory medicine markets. However, this has so far not raised any concerns. There is still enough competition between different providers in the market, both when looking at the national level and when looking at the individual regional laboratory medicine markets."*

Sonic Healthcare describes itself as the largest private provider of diagnostic services in Germany. It operates laboratories under names including Diagnosticum, Bioscientia, Labor Dr. von Froreich, Medizinische Laboratorien Düsseldorf (MLD), Labor im Sommershof (Cologne), Laborgruppe Augsburg, Labor Staber, Labdiagnostik, and many others, as well as pathology laboratories and cytology laboratories. Synlab, Amedes and Dr. Limbach are other large medical laboratory chains with a Germany-wide network of laboratories.

Medical laboratories primarily analyse blood and other body fluids as well as tissue samples. They offer their services to all types of medical practices and to hospitals. An elaborate logistics system allows them to usually make the results of the samples taken in the practices and hospitals available as early as the next day – even if the samples are transported to the laboratories over greater distances.

Although long transport routes between practices and laboratories do not prevent rapid laboratory analysis, the Bundeskartellamt's investigations have shown that the individual laboratories have a clear regional focus. The Bundeskartellamt therefore also examined the market conditions for many regions individually. This examination has shown that the merger does not raise serious competition concerns in any of the regions. Despite some overlaps, Sonic and LADR have a different geographic focus.

In addition to the medical laboratory groups operating throughout Germany, there are currently also regional laboratory groups and single laboratories. The concentration of the laboratory medicine markets is driven by technical and medical progress, which involves higher costs for new analysis methods and for highly specialised laboratory equipment and systems.

Background information:

For the Bundeskartellamt to be able to examine a project under merger control rules, the companies involved must reach certain minimum turnover thresholds. For example, the target company's turnover must be more than 17.5 million euros. Due to these thresholds, acquisitions of smaller medical laboratory chains or single laboratories are often not subject to merger control.