

# Britannia Life Sciences Announces Strategic Divestiture of UK Operating Subsidiary

- **Britannia selling its UK lab and testing business to a private UK-based acquiror for total enterprise value of up to £24.2 million (CAD\$43.6 million)**
- **Initial consideration of £18.7 million (CAD\$33.7 million) payable in cash on closing**
- **Additional consideration of up to £5.5 million (CAD\$9.9 million) payable contingent on achieving certain EBITDA targets at March 2025 and December 2025.**
- **After the disposition Britannia will be debt free with assets that consist of significant cash reserves, and shares in Britannia Mining Solutions and Cosmetics Lab**

Toronto, Ontario and London, United Kingdom--(Newsfile Corp. - January 9, 2025) - Britannia Life Sciences Inc. (CSE: BLAB) (FSE: L020) ("**Britannia**" of the "**Company**") is pleased to announce the strategic sale of its operating subsidiary, Advanced Development and Safety Laboratories Inc. ("**ADSL**"), to a UK-based acquiror for a total enterprise value of up to £24.2 million (CAD\$43.6 million) (the "**Transaction**"). The Transaction marks the culmination of a strategic review initiated by Britannia's board of directors and senior management with the goal of enhancing shareholder value.

"While ADSL is a fantastic business, the board and management felt that its value was not being adequately recognized by the market", said Peter Shippen, CEO of Britannia. "This transaction allows us to monetize the business at an attractive valuation and leaves us with a clean balance sheet and a significant cash position."

## Transaction Highlights:

- **Total Enterprise Value:** The total consideration to be received under the Transaction is up to £24.2 million (CAD\$43.6 million), with £18.7 million (CAD\$33.7 million) to be received on closing and up to £5.5 million (CAD\$9.9 million) in contingent consideration (the "**Contingent Consideration**"). The Contingent Consideration consists of additional future payments of up to £2.85 million (CAD\$5.1 million) and £2.65 million (CAD\$4.8 million) to be received subject to ADSL achieving certain EBITDA targets in the twelve-month periods ending March 31, 2025, and December 31, 2025, respectively.
- **Consolidating Acquisition:** In order to affect the sale of 100% of ADSL, Britannia will, immediately prior to the Transaction, acquire the 28% minority interest in ADSL that it does not currently own for approximately £8.1 million (CAD\$14.5 million) (the "**Consolidating Acquisition**"). The amount paid by Britannia pursuant to the Consolidating Acquisition includes £6.1 million (CAD\$10.9 million) for the acquisition of the minority shares and £2 million (CAD\$3.6 million) in intercompany loan settlements, subject to final adjustments, and will be funded from the proceeds of the Transaction. The Consolidating Acquisition will result in Britannia holding 100% ownership of ADSL at the time of the Transaction.
- **Use of Proceeds:** Proceeds from the Transaction, net of the amounts required to complete the Consolidating Transaction, will be utilized to eliminate Britannia's existing debt of approximately £3.0 million, (CAD\$5.4 million) leaving the Company with a strong balance sheet and significant cash-on-hand.

"We wish our former colleagues at ADSL the very best in the future," said Peter Shippen. "As for Britannia, we are excited to be entering 2025 with no debt and robust financial flexibility. We are also sincerely grateful to our shareholders for their continued support."

Canaccord Genuity Limited is acting as Britannia's financial advisor, and Gowling WLG (UK) LLP and Bennett Jones LLP are serving as UK and Canadian legal advisors, respectively, to the Company in

connection with the Transaction.

## **About Britannia Life Sciences Inc.**

Britannia Life Sciences Inc. is focused on introducing cutting-edge technologies into the traditional laboratory and regulatory platforms to power data-driven insights to improve the outcomes of its customers. Britannia's services, including product formulations, safety assessments, analytical and microbiological testing, global compliance, and consumer evaluations are offered to companies ranging from multinationals to startups particularly in the cosmetics, food, and wellness industries. Britannia also provides geochemical testing and analysis to the natural resources industry through its subsidiary Britannia Mining Solutions. Britannia Mining Solutions operates a geochemical laboratory in the United States and is in the process of rolling out 12 PhotonAssay™ machines globally, the first two of which have been installed and commissioned to-date.

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