

21 September 2022

SourceBio International plc
 ('SourceBio', the 'Company' or the 'Group')

Update on VAT dispute with HMRC

SourceBio International plc (AIM: SBI), a leading international provider of integrated state-of-the-art laboratory services, provides an update on its previously reported dispute with HMRC.

In December 2021, HMRC issued a letter to the Group that challenged the Group's VAT treatment of COVID-19 PCR testing services provided. HMRC suggested that some of those services should have been treated as standard rated for VAT purposes. On professional advice, the Group treated the accounting for COVID-19 PCR services as VAT exempt. The Group took advice, which supported the accounting treatment adopted and the Board concluded that no provision should be made in its financial statements.

HMRC subsequently reverted to its policy team and its solicitors office. The Group previously updated that on 25 July HMRC had verbally informed the Group's tax advisors that HMRC did not intend to pursue its claim for VAT to be chargeable on COVID-19 PCR services and that it expected to put this in writing. The Group is pleased to advise that it has now received written confirmation that HMRC has accepted the Group's position and that their enquiry is now resolved. The Board now considers the matter closed.

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About SourceBio International plc www.sourcebiointernational.com

SourceBio is a leading international provider of integrated state-of-the-art laboratory services with clients in the pharmaceutical, healthcare, clinical, drug development and life sciences research industries, with a focus on improving patient diagnosis, management and care. Group revenues are derived from four business units:

●	Healthcare Diagnostics - Histopathology cancer screening, including Digital Pathology and clinical diagnostic services for the NHS and private healthcare providers across the UK
●	Genomics - DNA sequencing services and Precision Medicine offering for pharmaceutical and biotechnology industries, academia, contract research organisations (CROs) and other research groups in the UK, Europe and North America
●	Stability Storage Controlled environmental storage services and laboratory equipment validation services for pharmaceutical industry in the UK, Ireland and North America
●	Infectious Disease Testing - A range of COVID-19 testing services for commercial enterprises, private healthcare groups and the NHS, including PCR testing under ISO 15189 accreditation.

More details on Group operations can be found here: www.sourcebioscience.com

SourceBio International plc (SBI) is listed on the AIM market of the London Stock Exchange.

