

23 November 2022

SourceBio International plc

("SourceBio", the "Company" or the "Group")

Proposed Cancellation of Admission of Ordinary Shares to Trading on AIM, Tender Offer,

Re-Registration as a Private Limited Company,

Adoption of New Articles of Association

and

Notice of General Meeting

SourceBio (AIM: SBI) announces the proposed cancellation of admission of its Ordinary Shares to trading on AIM, pursuant to Rule 41 of the AIM Rules, a proposed tender offer pursuant to which up to 11,071,810 Ordinary Shares (representing approximately 14.9 per cent. of the existing share capital of the Company) would be purchased by the Company at a price of 115 pence per Ordinary Share, re-registration as a private limited company and the adoption of new articles of association.

A Circular is being posted to Shareholders setting out the background to and reasons for the Proposals, along with a form of proxy and a tender offer form. The Circular will include a notice of a general meeting of the Company which is being convened for midday on 20 December 2022 for the purposes of considering and, if thought fit, approving the requisite Shareholder resolutions to approve the Cancellation, Tender Offer, Re-registration and New Articles.

Summary

- 1) Cancellation of admission of the Ordinary Shares to trading on AIM
- 2) The Company has received irrevocable undertakings from certain Shareholders and Directors representing approximately 85.1 per cent. of the existing issued ordinary share capital of the Company to vote in favour of the Proposals
- 3) Return of up to approximately £12.7 million to Qualifying Shareholders via the Tender Offer at 115 pence per Ordinary Share, representing approximately 14.9 per cent. of the Company's issued share capital
- 4) The Company has received irrevocable undertakings from certain Shareholders and Directors, representing approximately 79.2 per cent. of the existing issued ordinary share capital of the Company, not to tender their Ordinary Shares under the Tender Offer.

The Board believes that the Proposals would be in the best interests of the Company and its Shareholders as a whole. Further information on the Proposals is set out below and in the Circular.

Terms defined in this Announcement bear the meaning set out in the Appendix to this Announcement.

The Board has consulted with the Takeover Panel which has agreed that it will waive any obligation on the Concert Party (as defined in the appendix to this Announcement) to make a general offer under Rule 9 and Rule 37 of the Takeover Code as a result of the Tender Offer, provided that the holders of a majority of the Ordinary Shares held by Independent Shareholders (as defined in the Circular), confirm in writing that they would approve a Rule 9 Waiver, if a resolution to approve a Rule 9 Waiver were put to the Independent Shareholders at the General Meeting. The Company is pleased to announce that it has now received such written confirmation.

Jay LeCoque, Executive Chairman, commented:

“We remain confident with progress and growth being delivered across our core business units. Our key operational focus in Healthcare remains the continued expansion and scale-up of record Cellular Pathology and Digital Pathology volumes through the rest of the year and beyond. Our Genomics business is having a strong year and will be moving into an expanded new facility in Cambridge at year end. Our Stability Storage business is delivering its highest revenue year ever and we are expanding our service capabilities to a broader customer base. The Board is encouraged with the prospect of accelerating revenue and earnings growth as a private company where management can focus more on the core needs of the business, and for those shareholders not accepting the tender offer, I look forward updating you as we progress.”

The information contained within this Announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 as amended by The Market Abuse (Amendment) (EU Exit) Regulations 2019. Upon the publication of this Announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.

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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 primarily from three core 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

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

Expected timetable of events

Announcement of the proposed Cancellation and Tender Offer and posting of this Circular, Form of Proxy and Tender Form to Shareholders	23 November 2022
Tender Offer opens	24 November 2022

Latest time and date for receipt of Forms of Proxy	Midday on 16 December 2022
General Meeting	Midday on 20 December 2022
Anticipated date to announce results of the General Meeting	20 December 2022
Latest time and date for receipt of Tender Forms and share certificates in relation to the Tender Offer (i.e. close of Tender Offer)	1.00 p.m. on 16 December 2022
Latest time and date for receipt of TTE Instructions from CREST Shareholders (i.e. close of Tender Offer)	1.00 p.m. on 16 December 2022
Tender Offer Record Date	6 p.m. on 16 December 2022
Announcement of results of the Tender Offer	20 December 2022
Cancellation of Ordinary Shares purchased by the Company pursuant to the Tender Offer	21 December 2022
CREST accounts credited for revised, uncertificated holdings of Ordinary Shares (or, in the case of unsuccessful tenders, for entire holdings of Ordinary Shares)	By 23 December 2022
CREST accounts credited in respect of Tender Offer proceeds for uncertificated Ordinary Shares	23 December 2022
Last day of dealings in the Ordinary Shares on AIM	29 December 2022
Cancellation of admission of the Ordinary Shares to trading on AIM	30 December 2022
Cheques despatched in respect of Tender Offer proceeds for certificated Ordinary Shares	4 January 2023
Return of share certificates in respect of unsuccessful tenders of certificated Ordinary Shares	4 January 2023
Despatch of balancing share certificates (in respect of certificated Ordinary Shares) for revised, certificated holdings in the case of partially successful tenders	4 January 2023
Expected re-registration of the Company as a private limited company	On or around 18 January 2023

The General Meeting will be broadcast live on the Investor Meet Company platform. Shareholders can sign up to Investor Meet Company for free and add the Company via: <https://www.investormeetcompany.com/sourcebio-international-plc/register-investor>

Overseas Shareholders should inform themselves about and observe any applicable or legal regulatory requirements. If you are in any doubt about your position, you should consult your professional adviser in the relevant jurisdiction.

A summary of the taxation consequences for UK resident Shareholders is also set out in the Circular. However, Shareholders are advised to consult their own professional adviser regarding their own tax position.

The Circular will also shortly be available on the Company's website at www.sourcebiointernational.com.

Liberum Capital Limited, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company and no one else in connection with the Proposals and the other matters referred to in this Announcement, and will not regard any other person as a client in relation to the Proposals, including the Cancellation and the Tender Offer, and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, nor for providing advice, in relation to the proposed Cancellation and Tender Offer, the contents of this Announcement, the Circular or any other matter referred to in this Announcement.

Further Information

1 Introduction

The Board announces that the Company intends to seek Shareholder approval for the cancellation of the admission of the Company's Ordinary Shares to trading on AIM.

The Board recognises that the effects of the Cancellation are significant for Shareholders, in particular in terms of the loss of the protections afforded to Shareholders by the AIM Rules and, in time, the Takeover Code, and the loss of liquidity provided by the existing listing arrangements. The Board therefore intends to provide Qualifying Shareholders with the ability to realise some or all of their shareholding in the Company through a Tender Offer under which up to 11,071,810 Ordinary Shares (representing approximately 14.9 per cent. of the existing issued ordinary share capital of the Company) held by Qualifying Shareholders would be purchased at a price of 115 pence per Ordinary Share. If the maximum number of Ordinary Shares under the Tender Offer is acquired, this will result in an amount of approximately £12.7 million being returned by the Company to Qualifying Shareholders.

The Circular sets out the background to and reasons for the Proposals and why the Directors believe the Proposals, including the Cancellation and the Tender Offer, to be in the best interests of the Company and its Shareholders as a whole. The Circular also contains details on the procedure that should be followed by those Qualifying Shareholders who wish to participate in the Tender Offer. Shareholders are referred to Part II of the Circular for further information on the Tender Offer. For the avoidance of doubt, Shareholders are not obliged to tender their Ordinary Shares in the Tender Offer.

The Board has consulted with the Panel which has agreed that it will waive any obligation on the Concert Party to make a general offer under Rule 9 and Rule 37 of the Takeover Code as a result of the Tender Offer, provided that a majority of the Independent Shareholders confirm in writing that they would approve a Rule 9 Waiver, if a resolution to approve a Rule 9 Waiver were put to the Independent Shareholders at the General Meeting. The Board has received such written confirmation from 70.5 per cent. of the Independent Shareholders (as detailed further in paragraph 9 below).

The Company is seeking Shareholders' approval of the Proposals at a General Meeting to be held by means of electronic facility on 20 December 2022 at midday. The notice of the General Meeting is set out in Part VI of the Circular. Shareholders should note that unless all of the Proposals are approved at the General Meeting, the Tender Offer will not take place and the Cancellation will not occur as currently proposed.

2 Background to the Cancellation

The Company's Ordinary Shares have been admitted to trading on AIM since 26 October 2020. The main purpose of listing was to accelerate the growth of the business, including a rapid scaling-up of

COVID-19 PCR testing capacity in response to exceptionally high market demand, which was the Group's focus at the time. The net proceeds of the share placing on Admission were utilised to eliminate the Company's debt, to simplify the capital structure and consequently to enable the Board to pursue appropriate acquisitions.

The Board has conducted a review of the benefits and drawbacks to the Company retaining its listing on AIM and maintaining its existing corporate structure. The Board believes that the Cancellation is in the best interests of the Company and its Shareholders as a whole. In reaching this conclusion, the Board has considered the following key factors:

- (a) the Directors believe that one of the main benefits of a company's shares being admitted to trading on AIM is the potential to issue new shares to raise additional funds for investment or to issue new shares as consideration for acquisitions. However, the Directors believe that the Company would be unable to raise money or issue Ordinary Shares as consideration for potential acquisition targets at what the Directors believe to be a fair valuation;
- (b) the Board believes that the Company's current share price does not accurately reflect the future potential of the business, especially given the significant growth opportunities in Cellular and Digital Pathology. The Board's experience and opinion is that many smaller publicly traded companies do not attract sufficient institutional or retail investor attention which often leads to share price erosion and consequently impacts the ability to use properly valued shares for acquisitive growth;
- (c) the Group has generated significant revenues and earnings from high levels of COVID-19 PCR testing, and the business is now focused on investing the cash generated into aggressively growing the three core business units: Healthcare Diagnostics (Cellular and Digital Pathology), Genomics and Stability Storage. There may be corporate development and restructuring that is needed to drive and develop such growth and expansion and the Directors believe that this will be capable of being executed faster and more nimbly as a private company;
- (d) the Board believes that, as a private company, the growth prospects and ability of the Company to command a much higher valuation for the business on eventual exit would serve in the best interest of Shareholders, to the extent that they retain their holdings of Ordinary Shares post the Cancellation;
- (e) there is limited trading in the Ordinary Shares. Over the past 12 months 23,535,113 Ordinary Shares were traded, representing approximately 31.7 per cent. of the issued share capital and giving an average daily volume of approximately 93,393 Ordinary Shares;
- (f) the Company estimates that it could save annualised costs of circa £500,000, being incremental costs resulting from the Company being a public limited company with a listing on AIM – this includes fees payable to its professional advisers, including the nominated adviser and broker, and AIM fees as well as incremental legal, insurance, accounting and auditing fees. There is also considerable time spent by the Board on dealing with investor relations and continuing obligations associated with the Company being listed on the AIM market. These specific annualised costs are significant, especially in the context of the Company's financial results, for example: the adjusted EBITDA of approximately £2.1 million in the six months ended 30 June 2022. The Board believes that these funds could be better utilised for the benefit of the Company and its Shareholders; and

- (g) accordingly, the disadvantages associated with maintaining the AIM quotation are considered by the Directors to be disproportionately high when compared to the benefits of being listed on AIM, even though the absolute costs have been, so far as reasonably possible, controlled and minimised by the Company.

3 Principal effects of the Cancellation

The principal effects of the Cancellation will be that:

- (a) Shareholders will no longer be able to buy and sell Ordinary Shares through a public stock market, and there will be no alternative trading facility post Cancellation;
- (b) the Company will no longer be required to announce material events or full year or interim results through a regulatory news service, although the Company may continue to release important news through its website;
- (c) the Company will adopt the New Articles (if approved by the Shareholders), but will otherwise no longer be required to comply with many of the corporate governance requirements applicable to companies whose shares are traded on AIM;
- (d) the Company will no longer be subject to the Disclosure Guidance and Transparency Rules and will therefore no longer be required to disclose significant shareholdings in the Company;
- (e) the Company will no longer be subject to the AIM Rules, with the consequence that the Shareholders will no longer be afforded the protections provided by the AIM Rules. Such protections include a requirement to obtain shareholder approval for reverse takeovers and fundamental changes in the Company's business and to announce, inter alia, certain substantial and/or related party transactions; and
- (f) the Cancellation and Tender Offer may have taxation consequences for Shareholders. Shareholders should review Part III of the Circular and if they are in any doubt about their tax position they should consult their own professional independent adviser immediately.

Further details on the effects of the Re-Registration and the New Articles are set out in Part V of the Circular.

Shareholders should note that the Takeover Code will continue to apply to the Company following the Cancellation for a period of ten years (or such longer period as the Company shall decide). The Company will also continue to be bound by the Companies Act 2006 (which requires shareholders' approval for certain matters) following the Cancellation.

4 Cancellation process

Under the AIM Rules, the Cancellation can only be effected by the Company after securing a special resolution of Shareholders in a general meeting and the expiry of a period of 20 clear Business Days from the date on which notice of the Cancellation is given to the London Stock Exchange. This notice was given today. In addition, a period of at least five clear Business Days following Shareholders' approval of the Cancellation is required before the Cancellation may become effective. The Resolutions seek (amongst other matters) the approval of Shareholders for the Cancellation.

Assuming that the Resolutions are approved, it is proposed that the Cancellation will take place by 7.00 a.m. on 30 December 2022.

Following the Cancellation, there will be no market facility for dealing in the Ordinary Shares, no price will be publicly quoted for the Ordinary Shares and the transfer of Ordinary Shares will be subject to the provisions of the New Articles.

Following the Cancellation, the Company proposes to adopt corporate governance practices and the New Articles which are suitable for an unlisted company. The proposed revised New Articles will be available to download from the Company's website www.sourcebiointernational.com and further details on the New Articles are set out in Part V of the Circular.

The Board intends to retain the same high levels of corporate governance for the Company following the Cancellation. As such, it is the Board's intention for the Company's Audit, Remuneration and Nomination Committees to remain in place, as well as retaining the role of the two independent non-executive directors.

5 Tender Offer

The Tender Offer will be open to all Qualifying Shareholders on the Register on the Tender Offer Record Date, save for those who are Shareholders subject to the securities laws of a Restricted Jurisdiction.

The Board is proposing that the Company purchases from Qualifying Shareholders up to 11,071,810 Ordinary Shares at 115 pence per Ordinary Share.

At the Latest Practicable Date, there are 74,183,038 Ordinary Shares in issue. Should the maximum number of Ordinary Shares be validly tendered, up to 11,071,810 Ordinary Shares may be purchased under the Tender Offer for a maximum aggregate consideration of £12,732,581.50.

The Tender Offer will close at 1.00 p.m. on 16 December 2022 and tenders received after that time will not be accepted (unless the Tender Offer is extended).

The Tender Offer is conditional on, among other things, the passing of the Tender Offer Resolution as set out in the Notice of General Meeting and on the satisfaction of the other conditions specified in Part II of the Circular. The Tender Offer is also conditional on there not arising any material adverse change or certain other force majeure events prior to the closing of the Tender Offer. Further details of these conditions are set out in Part II of the Circular.

Full details of the Tender Offer, including the terms and conditions on which it is made, are set out in Part II of the Circular.

6 General Meeting

In order to comply with applicable company law and the AIM Rules, the Proposals require the approval of Shareholders at a general meeting of the Company. The Company is convening a general meeting for midday on 20 December 2022, to be held by means of electronic facility and at 1 Orchard Place, Nottingham Business Park, Nottingham, NG8 6PX, to consider and, if thought fit, pass:

- (a) a special resolution to authorise and to approve the terms under which the Tender Offer will be effected;
- (b) a special resolution for the Cancellation;
- (c) a special resolution relating to the Re-Registration; and
- (d) a special resolution relating to the replacement of the Company's current articles of association with the New Articles.

Each of the Resolutions is a special resolution and, to be passed, requires a majority of not less than 75 per cent. of Shareholders who vote in person or by proxy at the General Meeting. The Resolutions are interconditional, meaning that each of the Resolutions is conditional on each other Resolution being passed. As at the date of this Announcement, the Company has received irrevocable undertakings from each of those persons set out in paragraph 9 below, representing approximately 85.1 per cent. of the Company's issued share capital, to vote in favour of the Resolutions.

The Board believes that it is in Shareholders' best interests to conduct the General Meeting, and, if approved, confirm the results of the Tender Offer and the Cancellation as soon as possible.

Shareholders will find enclosed with the Circular a Form of Proxy for use in connection with the General Meeting. Whether or not you intend to tender any of your Ordinary Shares under the Tender Offer you are requested to complete and return the Form of Proxy as soon as possible and, in any event, so as to be received by the Company's registrar, Equiniti, by post at Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA or online at www.sharevote.co.uk, in each case by no later than midday on 16 December 2022.

As with the Company's recent Annual General Meeting, Shareholders should use the facility to join the General Meeting either online or telephonically via the Investor Meet Company (IMC) platform and vote by returning their Form of Proxy to the Company's registrars, Equiniti, or online (as detailed further in the Notes to the Notice of General Meeting, which is set out in Part VI of the Circular). There will be an opportunity for Shareholders to ask questions on the IMC platform. Voting on the Resolutions at the General Meeting shall be decided by way of a poll.

7 **The Concert Party and the Takeover Code**

The Concert Party

The Harwood Funds, the Continental Funds, Jay LeCoque, Marco Fumagalli and Carlo Sgarbi (together, the **Concert Party**) are all considered to be acting in concert with each other in relation to the Company for the purposes of the Takeover Code. The Concert Party currently holds 36,188,106 Ordinary Shares, representing in aggregate 48.8 per cent. of the issued voting share capital of the Company. Further details on the Concert Party are set out in paragraph 3 of Part IV of the Circular.

The Takeover Code

The Takeover Code is issued and administered by the Panel. The Takeover Code and the Panel operate to ensure fair and equal treatment of shareholders in relation to takeovers, and also to provide an orderly framework within which takeovers are conducted. The Takeover Code applies to all takeovers and merger transactions, where the offeree company is, among others, a listed or

unlisted public company with its registered office in the United Kingdom, the Channel Islands or the Isle of Man or falls within certain categories of private limited companies. The Company is such a company and accordingly its Shareholders are entitled to the protections afforded by the Takeover Code.

Under Rule 9 of the Takeover Code, where any person acquires, whether by a series of transactions over a period of time or by one specific transaction, an interest in shares which (taken together with shares in which that person or any person acting in concert with that person is interested) carry 30 per cent. or more of the voting rights of a company that is subject to the Takeover Code, that person is normally required by the Panel to make a general offer to all remaining shareholders of that company to acquire their shares. Similarly, where any person, together with persons acting in concert with that person, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of a company, but does not hold shares carrying more than 50 per cent. of the voting rights of that company and such person, or any such person acting in concert with that person, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which that person is interested, such person (and persons acting in concert with that person) will normally be required to make a general offer to all remaining shareholders to acquire their shares. An offer under Rule 9 (a **Rule 9 Offer**) must be made in cash and at the highest price paid by the person required to make the offer, or any person acting in concert with that person, for any interest in shares of the company during 12 months prior to the announcement of the offer.

Rule 37 of the Takeover Code extends the principle of Rule 9 further so that when a company redeems or purchases its own voting shares, any resulting increase in the percentage of shares carrying voting rights in which a person or group of persons acting in concert is interested will be treated as an acquisition for the purposes of Rule 9 of the Takeover Code.

The Concert Party's interest in Ordinary Shares might, as a result of the Tender Offer, increase above 50 per cent. of the voting rights of the Company. The Tender Offer might therefore, absent a waiver of the obligation to make a general offer under Rule 9 and Rule 37 of the Takeover Code by the Panel, give rise to an obligation on the Concert Party to make a general offer for the entire issued share capital of the Company.

Lombard Odier's position

Lombard Odier currently holds 21,068,802 Ordinary Shares, representing in aggregate 28.4 per cent. of the issued voting share capital of the Company. Lombard Odier's interest in Ordinary Shares might, as a result of the Tender Offer, increase above 30 per cent. of the voting rights of the Company. The Board has consulted with the Panel which has agreed that, under Rule 37.1 of the Takeover Code and the notes to that Rule, Lombard Odier should be treated as an "innocent bystander" in relation to any increase in its holding of Ordinary Shares as a result of the Tender Offer and therefore Lombard Odier will not be required to make an offer under Rule 9 and Rule 37 of the Takeover Code as a result of any such increase.

Waiver of the obligation to make a general offer under Rule 9 and Rule 37 of the Takeover Code

Under Rule 37 and Note 1 on the Notes on the Dispensations from Rule 9 of the Takeover Code, the Panel will normally waive the requirement for a Rule 9 Offer if, inter alia, those shareholders of the company who are independent of the persons who would otherwise be required to make an offer and any person acting in concert with them do not have any interest which may compromise their independence (the **Independent Shareholders**) pass an ordinary resolution on a poll at a general

meeting approving such a waiver (a **Waiver Resolution**). Under Note 5 on the Notes on the Dispensations from Rule 9 of the Takeover Code, the Panel may waive the requirement for a Rule 9 Offer and a Waiver Resolution if Independent Shareholders holding more than 50 per cent. of the company's shares capable of being voted on such a Waiver Resolution confirm in writing that they approve the proposed waiver and would vote in favour of a Waiver Resolution were one to be put to the shareholders of the company at a general meeting.

Confirmations and acknowledgements

Independent Shareholders holding more than 50 per cent. of the Company's Ordinary Shares capable of being voted on a resolution to approve a Waiver Resolution, being Lombard Odier and Richard Griffiths and his controlled undertakings, have confirmed the following:

- (a) they are the beneficial owners of 21,068,802 Ordinary Shares in the issued share capital of the Company representing at the date hereof 36.1 per cent. of the Company's issued ordinary share capital carrying voting rights and have absolute discretion over the manner in which these Ordinary Shares are voted. These Ordinary Shares are held free of all liens, pledges, charges and encumbrances;
- (b) that (a) save for the fact that they are Shareholders, there is no connection between any Independent Shareholder and the Concert Party, (b) they do not have any interest or potential interest, whether commercial, financial or personal, in the outcome of the Tender Offer, and (c) they are an Independent Shareholder of the Company as defined above; and
- (c) that, in connection with the Tender Offer: (a) they consent to the Panel granting a waiver from the obligation for the Concert Party to make a Rule 9 offer to the Shareholders; (b) they consent to the Panel dispensing with the requirement that the waiver from such obligation be conditional on a Waiver Resolution being approved by Independent Shareholders of the Company at a general meeting; and (c) they would vote in favour of a Waiver Resolution to waive the obligation for the Concert Party to make a Rule 9 offer upon completion of the Tender Offer were one to be put to the Independent Shareholders of the Company at a general meeting.

In giving the confirmations referred to above, the Independent Shareholders have acknowledged:

- (a) that the Panel will approve the waiver from the obligation for the Concert Party to make a Rule 9 offer without the requirement for the waiver having to be approved by Independent Shareholders of the Company at a general meeting;
- (b) that if no general meeting is held to approve the Waiver Resolution to waive the obligation for the Concert Party to make a Rule 9 offer:
 - (i) there will not be an opportunity for any other person to make any alternative proposal to the Company conditional on such Waiver Resolution not being approved by Independent Shareholders of the Company;
 - (ii) there will not be an opportunity for other Shareholders to make known their views on the Tender Offer; and
 - (iii) there will be no requirement for the Company either (i) to obtain and make known to its Shareholders competent independent advice under Rule 3 of the Takeover Code on

the Tender Offer and the waiver of the obligation for the Concert Party to make a Rule 9 offer, or (ii) to publish a circular to Shareholders of the Company in compliance with Appendix 1 of the Takeover Code in connection with this matter.

The Board has consulted with the Panel which has agreed that it will waive any obligation on the Concert Party to make a general offer under Rule 9 and Rule 37 of the Takeover Code as a result of the Tender Offer and, provided that the holders of a majority of the Ordinary Shares, held by Independent Shareholders, confirm in writing that they would approve the Rule 9 Waiver, if a resolution to approve the Rule 9 Waiver were put to the Independent Shareholders at the General Meeting.

The holders of a majority of Ordinary Shares, held by Independent Shareholders, have given that written confirmation and the Board has also now received the Panel's confirmation that the Panel has granted a waiver of the obligation on the Concert Party to make a general offer under Rule 9 and Rule 37 of the Takeover Code to the extent that such obligation would otherwise arise as a result of the Tender Offer.

8 Re-Registration

Application will be made to the Registrar of Companies for the Company to be re-registered as a private limited company. Re-Registration will take effect when the Registrar of Companies issues a certificate of incorporation on Re-Registration which is expected to be on or around 18 January 2023. The Registrar of Companies will not issue the certificate of incorporation on Re-Registration until the Registrar of Companies is satisfied that no valid application can be made to cancel the resolution to re-register as a private limited company. Accordingly, the expected date of the Re-Registration may be subject to change.

9 Irrevocable undertakings and intentions of the Directors relating to the Tender Offer

The Company has received an irrevocable undertaking from Shareholders (excluding the Directors but including the Harwood Funds which are controlled by Christopher Mills) holding in aggregate 60,357,976 Ordinary Shares (representing approximately 81.4 per cent. of the existing issued ordinary share capital of the Company) to vote in favour of the Resolutions. These Shareholders wish to continue to support the Company's growth strategy as ongoing Shareholders and therefore do not wish to sell their current shareholdings. They have therefore irrevocably undertaken not to tender their Ordinary Shares under the Tender Offer in respect of 56,006,816 Ordinary Shares (representing approximately 75.5 per cent. of the existing issued ordinary share capital of the Company).

The Company has received an irrevocable undertaking from each of the Directors holding in aggregate 2,753,252 Ordinary Shares (being all shareholdings held by Directors (excluding the shareholdings of the Harwood Funds) and representing approximately 3.7 per cent. of the existing issued ordinary share capital of the Company) to vote in favour of the Resolutions. The Directors are fully supportive of the Company's growth strategy and intend to continue to support the Company as Shareholders. They have therefore irrevocably undertaken not to tender their Ordinary Shares under the Tender Offer.

Further details of these irrevocable undertakings are set out in paragraph 4 of Part IV of the Circular.

10 Financing of the Tender Offer

If the maximum number of Ordinary Shares are tendered, this will result in an amount of £12,732,581.50 being returned by the Company to Qualifying Shareholders.

The Company will fund the Tender Offer with the following:

- 10.1.1 its own cash resources which currently stand at approximately £13,300,000 (although this amount includes estimated deferred consideration and warranty retention amounts totalling £6,200,000 that have been set aside in relation to deferred consideration obligations following the acquisition of LDPath Limited in March 2022);
- 10.1.2 a debt facility with Barclays Bank PLC totalling £4,000,000; and
- 10.1.3 the Harwood Convertible Loan Note of £4,000,000.

Further details of the financing are set out in paragraph 5 of Part IV of the Circular.

11 Related party transaction

The Harwood Convertible Loan Note and the Subscription Agreement (further details of which are set out in paragraph 6 of Part IV of the Circular) is considered a related-party transaction for the purposes of Rule 13 of the AIM Rules. The Directors (with the exception of Christopher Mills because of his association with Harwood Capital, North Atlantic Value GP 5 LLP and Harwood Private Equity V L.P.) consider, having consulted with Liberum, the Company's Nominated Adviser, that the terms of this financing transaction are fair and reasonable in so far as Shareholders are concerned.

Following the Cancellation and the Re-registration, the Harwood Convertible Loan Note will automatically convert into preference shares in the Company to be held by NAV 5 (on behalf of (and as general partner for) HPE V), on the basis of 115 pence per preference share (**Preference Shares**).

12 Share schemes

The Company operates the Share Option Schemes and has subsisting options under both such plans. Neither the Tender Offer nor the Cancellation will have the effect under the Share Option Schemes of increasing or accelerating the right to exercise any option or accelerating their lapse. Share options which remain outstanding under the Share Option Schemes at the Tender Offer Record Date do not entitle Optionholders to participate in the Tender Offer. The Tender Offer will not affect the legal rights of Optionholders. As Ordinary Shares will no longer be capable of being bought and sold through a public stock market following the Cancellation, Optionholders will be contacted in due course in connection with the practical impact of the Cancellation upon their options.

13 Tax

Shareholders should be aware that there will be tax considerations that they should take into account when deciding whether or not to participate in the Tender Offer. Summary details of certain UK taxation considerations are set out in Part III of the Circular.

14 Overseas Shareholders

The attention of Shareholders who are not resident in the United Kingdom is drawn to paragraph 6 of Part II of the Circular.

The making of the Tender Offer in, or to persons who are citizens or nationals of, or resident in, jurisdictions outside the United Kingdom or to custodians, nominees or trustees for citizens, residents or nationals of other countries may be prohibited or affected by the laws of the relevant jurisdiction. Shareholders who are not citizens or nationals of, or resident in, the United Kingdom, or who are custodians, nominees or trustees for citizens, residents or nationals of countries outside the United Kingdom, should inform themselves about and observe any applicable legal requirements. It is the responsibility of any Overseas Shareholder wishing to take up the Tender Offer to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental or other consents which may be required, the compliance with other necessary formalities and the payment of any transfer or other taxes or other requisite payments due in such jurisdiction. No steps have been taken to qualify the Tender Offer or to authorise the extending of the Tender Offer or the distribution of the Tender Form or the Form of Proxy in any territory outside the United Kingdom.

15 Action to be taken

General Meeting

Shareholders will find enclosed with the Circular a Form of Proxy for use at the General Meeting. The Form of Proxy should be completed and returned in accordance with the instructions printed on it so as to arrive at the Company's Registrar, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA or online at www.sharevote.co.uk, as soon as possible and, in any event, so as to be received by no later than midday on 16 December 2022.

Tender Offer

If you are a Qualifying Shareholder and hold your Ordinary Shares in certificated form and you wish to tender some or all of your Ordinary Shares, you should complete the Tender Form in accordance with the instructions printed on it and in Part II of the Circular and return it by post in the accompanying reply-paid envelope (for use in the UK only) to Equiniti Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, together with your share certificate(s) in respect of the Ordinary Shares tendered.

If you are a Qualifying Shareholder and hold your Ordinary Shares in uncertificated form and you wish to tender some or all of your Ordinary Shares, you should send a TTE Instruction and follow the procedures set out in Part II of the Circular in respect of tendering uncertificated Ordinary Shares.

If you have any questions about the procedure for tendering Ordinary Shares or making a TTE Instruction, you require extra copies of the Circular or the Tender Form or you want help filling in the Tender Form, please telephone the Shareholder Helpline on +44 (0)371 384 2050. Lines are open from 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (except public holidays in England and Wales). Please note that calls to these numbers may be monitored or recorded for security and training purposes. Please note that for legal reasons the Shareholder Helpline will only be able to provide information contained in the Circular and the accompanying Tender Form and will be unable to give advice on the merits of the Tender Offer or to provide financial, investment or taxation advice.

You are advised to read all of the information contained in the Circular before deciding on the course of action you will take in respect of the General Meeting and the Tender Offer.

16 Recommendations

The Board believes that the Proposals, including the Cancellation and the Tender Offer, are in the best interests of the Company and its Shareholders as a whole, and unanimously recommends that Shareholders vote in favour of the Resolutions.

Definitions

The following definitions apply throughout this Announcement, unless stated otherwise:

Admission	admission of the entire issued share capital of the Company to trading on AIM
AIM	a market operated by the London Stock Exchange
AIM Rules	the rules applicable to companies governing their admission to AIM, and following admission their continuing obligations to AIM, as set out in the AIM Rules for Companies published by the London Stock Exchange from time to time
Announcement	this announcement
Board	the board of the Company comprising the Directors
Business Day	any day other than a Saturday, Sunday or public holiday on which banks are open in the City of London for the transaction of general commercial business
Cancellation	the cancellation of admission of the Ordinary Shares to trading on AIM
certificated form certificated	or Ordinary Shares not recorded on the Register as being in uncertificated form in CREST
Circular	the circular of the Company in relation to the Proposals, dated on or around the date of this Announcement
Companies Act 2006	the Companies Act 2006, as amended from time to time
Company	SourceBio International plc a company incorporated in England and Wales with registered number 10269474, whose registered office is at 1 Orchard Place, Nottingham Business Park, Nottingham, Nottinghamshire NG8 6PX
Concert Party	the Harwood Funds, the Continental Funds, Jay LeCoque, Marco Fumagalli and Carlo Sgarbi
Continental	Continental Investment Partners S.A.
Continental Funds	the funds controlled by Continental, being Protea Capital S.A. and Ottotto Srl
CREST	the system of paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the CREST Regulations
CREST manual	the manual, as amended from time to time, produced by Euroclear describing the CREST system and supplied by Euroclear to users and participants thereof
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended from time to time
Directors	the directors of the Company

Equiniti	Equiniti Limited
ESOP	the SourceBio International plc Executive Share Option Plan adopted on 22 September 2021
Euroclear	Euroclear UK & International Limited, the operator of CREST
FCA	the Financial Conduct Authority
Form of Proxy	the form of proxy accompanying the Circular to be used in connection with the General Meeting
General Meeting	the general meeting of the Company to be held by means of electronic facility and at 1 Orchard Place, Nottingham Business Park, Nottingham, NG8 6PX on 20 December 2022 at midday, or any adjournment thereof, notice of which is set out in Part VI of the Circular
Group	means the Company and subsidiary undertakings from time to time
Harwood Capital	Harwood Capital LLP
Harwood Convertible Loan Note	a convertible loan note of £4,000,000 issued by the Company and held by North Atlantic Value GP 5 LLP on behalf of (and as general partner for) Harwood Private Equity V L.P.
Harwood Funds	North Atlantic Smaller Companies Investment Trust plc, Oryx International Growth Fund Limited and clients of Harwood Capital
Independent Shareholders	Shareholders who do not form part of the Concert Party
Latest Practicable Date	22 November 2022, the latest practicable date prior to the publication of the Circular
Lombard Odier	Lombard Odier Asset Management (Europe) Limited
Liberum	Liberum Capital Limited
London Stock Exchange	London Stock Exchange plc
member account ID	the identification code or number attached to any member account in CREST
New Articles	the new articles of association of the Company to be adopted following the passing of Resolution number 4 at the General Meeting
Notice of General Meeting	the notice of the General Meeting which appears in Part VI of the Circular
Optionholders	persons who hold options to acquire Ordinary Shares under either of the Share Option Schemes
Ordinary Shares	the ordinary shares of £0.0015 each in the capital of the Company
Overseas Shareholders	a Shareholder who is a resident in, or a citizen of, a jurisdiction outside the United Kingdom
Panel	the Takeover Panel

Proposals	the Tender Offer, the Cancellation, the Re-Registration and the adoption of the New Articles
Qualifying Shareholder	Shareholders who are entitled to participate in the Tender Offer, being those who are on the Register on the Tender Offer Record Date and excluding those with registered addresses in a Restricted Jurisdiction
Receiving Agent	Equiniti
Register	the Company's register of members
Re-Registration	the re-registration of the Company as a private limited company and the consequential adoption of the New Articles
Resolutions	the resolutions numbered 1 to 4 to be proposed at the General Meeting, as set out in the Notice of General Meeting
Restricted Jurisdiction	each of the United States, Australia, Canada, Japan, New Zealand and South Africa and any other jurisdiction where the mailing of the Circular or the accompanying documents into or inside such jurisdiction would constitute a violation of the laws of such jurisdiction
Rule 9 Offer	has the meaning given in paragraph 7 of this Announcement
Rule 9 Waiver	the waiver granted by the Panel of the obligation which might otherwise arise under Rule 9 and Rule 37 requiring the Concert Party to make an offer for all of the issued share capital of the Company in connection with the Tender Offer
SAYE Plan	the SourceBio International plc SAYE Plan adopted on 12 October 2021
Share Option Schemes	the ESOP and the SAYE Plan
Shareholder Helpline	the helpline available to Shareholders in connection with the Tender Offer in respect of Ordinary Shares
Shareholders	the holders of the Ordinary Shares
Subscription Agreement	a subscription agreement to be entered into by the Company and North Atlantic Value GP 5 LLP on behalf of (and as general partner for) Harwood Private Equity V L.P.
subsidiary	a subsidiary as that term is defined in section 1159 of the Companies Act 2006
Takeover Code	the City Code on Takeovers and Mergers
Tender Conditions	has the meaning given in paragraph 2 of Part II of the Circular
Tender Form	the form enclosed with the Circular for use by Qualifying Shareholders who hold Ordinary Shares in certificated form in connection with the Tender Offer
Tender Offer	the invitation to Qualifying Shareholders to tender Ordinary Shares to the Company on the terms and conditions set out in the Circular and also, in the case of certificated Ordinary Shares only, the Tender Form

Tender Offer Record Date	6.00p.m. on 16 December 2022
Tender Offer Resolution	resolution 1 to be proposed at the General Meeting
Tender Price	115 pence, being the price per Ordinary Share at which Ordinary Shares will be purchased pursuant to the Tender Offer
TFE Instruction	a transfer from escrow instruction (as defined by the CREST manual)
TTE Instruction	a transfer to escrow instruction (as defined by the CREST manual)
uncertificated form	recorded on the register as being held in uncertificated form in CREST and title to which, by virtue of the Uncertified Securities Regulations, may be transferred by means of CREST
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland
United States or US	the United States of America, its territories and possessions, any state of the United States and the District of Columbia