

Sonic Healthcare Acquires Strategic Stake, Establishes Significant Commercial Partnership

- Sonic Healthcare (ASX: SHL) to invest \$17.8m to acquire a 19.99% equity holding in Microba at \$0.26 per share and is seeking to acquire options for a further 5% stake – providing Sonic with a strategic shareholding in Microba.
- Microba and Sonic have agreed initial terms for a strategic partnership to deliver Microba's microbiome testing technology into Australia, Germany, United Kingdom, Switzerland, US, NZ and Belgium.
- Sonic Healthcare is one of the world's largest medical diagnostics companies which globally employs more than 41,000 people and generated revenue of \$9.3 billion in FY22.
- Post transaction, Microba's 30 September 2022 pro-forma cash balance will be \$43.8m allowing the company to continue to significantly advance its microbiome therapeutics and testing into the hands of clinicians and patients globally.
- The partnership is expected to increase Microba's addressable market through distribution of Microba's testing throughout Sonic's global network of primary and specialist healthcare professionals.
- Sonic's Chief Medical Officer, Dr Stephen Fairy, will join Microba's Medical Advisory Board.
- Microba to host investor webinar to discuss this strategic partnership today, Tuesday 29 November 2022, at 9.30am AEST / 10.30am AEDT. Click here to register:
https://us02web.zoom.us/webinar/register/WN_TwP0lleXS5Wg-6F2m7LnTQ

Microba Life Sciences Limited (ASX: MAP) ("Microba" or the "Company") is pleased to announce that leading medical diagnostics provider Sonic Healthcare Limited (ASX: SHL) ("Sonic") has agreed to invest \$17.8m to acquire a 19.99% shareholding in Microba. In addition, Sonic is seeking to acquire options for an additional 5% equity position, subject to shareholder approval. Exercise of the options by Sonic would result in a further investment of \$7.5m in Microba.

Microba and Sonic have also agreed initial binding terms for a strategic alliance to deliver Microba's microbiome testing technology into Australia, New Zealand, Germany, United Kingdom, Belgium, Switzerland and the United States.

Microba's Chief Executive Officer, Dr Luke Reid said, "We are excited to have Sonic Healthcare, a global leader in healthcare, become a major strategic shareholder and partner. Sonic is globally respected for its leadership in delivering trusted medical diagnostic services, and our partnership deeply aligns the interests of both companies to bring microbiome testing and therapeutics into the hands of clinicians and patients globally to improve standard of care.

"This strategic partnership with Sonic is set to accelerate international distribution of Microba's microbiome testing into primary and specialist healthcare, and move our testing deeper into routine patient management."

Sonic Healthcare's Chief Executive Officer, Dr Colin Goldschmidt said, "Sonic Healthcare prides itself on delivering accurate, reliable medical diagnostics services using leading laboratory and informatics technologies. Our partnership with Microba exemplifies our commitment to invest in cutting edge developments in laboratory medicine. We see microbiome testing becoming a key part of pathology over coming years and are excited about the potential of this partnership and the opportunities that Microba's technology will provide for Sonic's global operations, our referring clinicians, and our patients."

Sonic acquires strategic stake in Microba

Sonic has entered into an equity subscription agreement to acquire a 19.99% stake in Microba, through the issue of new fully paid ordinary shares (**Shares**), at an issue price of \$0.26 per share and representing a 25% premium to the 5-day VWAP of Microba shares ending on the date prior to this announcement, raising \$17.8m in new capital for the Company.

The Shares will be issued within Microba's existing placement capacity under ASX Listing Rule 7.1 and 7.1A. Following the issue of these Shares, Sonic will be a substantial shareholder, holding a relevant interest in 19.99% of the issued share capital of Microba.

Furthermore, Sonic seeks to acquire unlisted options exercisable at 33c per share with an expiry of 18 months after the date the Shares are issued. The option exercise price represents a 58% premium to the 5-day VWAP of Microba shares ending on the date prior to this announcement. If exercised, the options would represent a further 5% of the issued share capital in Microba following completion of the share issue and will only be issued subject to receiving shareholder approval for the purpose of ASX Listing Rule 7.1 at a General Meeting, which is expected to be held in February 2023, the approval of which will be recommended by the Board of Microba. The exercise of the options will be subject to compliance by Sonic with the *Corporations Act 2001* (Cth).

Strategic relationship

Microba and Sonic have entered into initial terms of an agreement which enables Sonic Healthcare Limited and its subsidiaries to exclusively distribute Microba's microbiome testing products to its customers, including general practitioners and specialists, across Germany, Belgium and the United Kingdom for a period of 1 year commencing on 31 January 2023 with the intention to extend subject to finalisation of full license and distribution agreements. The initial agreed terms also provide Sonic Healthcare Limited and its subsidiaries with non-exclusive distribution rights for Switzerland, the United States, Australia and New Zealand.

All license and distribution agreements will accommodate existing Microba service delivery and distribution arrangements. The full license and distribution arrangements are expected to be finalised over the coming months.

This major global partnership with one of the world's leading providers of medical diagnostics delivers another significant expansion in global distribution of Microba's leading microbiome testing technology. The partnership is expected to significantly increase Microba's addressable market by bringing Microba's testing products to Sonic Healthcare's primary and specialist healthcare professional customer base.

Sonic Chief Medical Officer to join Microba's Medical Advisory Board

With the two companies' united strategic objectives to bring cutting-edge microbiome testing into routine healthcare, Sonic Healthcare's Group Chief Medical Officer, Dr Stephen Fairy, will join Microba's Medical Advisory Board, responsible for governing the medical and scientific direction of Microba's commercial activities. Dr Fairy will join a high-profile group of medical professionals on Microba's Medical Advisory Board comprising Prof. Ian Frazer (AC), Prof. Paul Griffin, Prof. Jake Begun and Dr Chris Hogan (OAM). Sonic will not currently seek a position on Microba's Board of Directors.

Use of funds

Funds from this strategic investment will be used to advance the company's key therapeutic programs, and to support the international expansion and scaling of the company's testing services.

Investor Webinar

Microba will host investor webinar, led by CEO Dr Luke Reid, to discuss the significant strategic partnership today, Tuesday 29 November 2022, at 9.30am AEST / 10.30am AEDT. Click here to register:

https://us02web.zoom.us/webinar/register/WN_TwP0IleXS5Wg-6F2m7LnTQ

This announcement has been authorised for release by the Board.

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About Sonic Healthcare

Sonic Healthcare is one of the world's leading healthcare providers, with a reputation for excellence in laboratory medicine /pathology, radiology and primary care medical services, across operations in Australasia, Europe and North America.

The group provides highly specialised pathology/clinical laboratory and radiology services to clinicians (GPs and specialists), hospitals, community health services, and their patients. Sonic is the world's third-largest provider of pathology/clinical laboratory services (referred to in some markets as 'laboratory medicine').

Employing over 41,000 people globally, Sonic is the largest private pathology operator in Australia, Germany, Switzerland and the UK, the second-largest in Belgium and New Zealand and the third-largest in the USA.

About Microba Life Sciences Limited

Microba Life Sciences is a precision microbiome company driven to improve human health. With world-leading technology for measuring the human gut microbiome, Microba is driving the discovery and development of novel therapeutics for major chronic diseases and delivering gut microbiome testing services globally to researchers, clinicians, and consumers. Through partnerships with leading organisations, Microba is powering the discovery of new relationships between the microbiome, health and disease for the development of new health solutions.

For more information visit: www.microba.com

Microba encourages all current investors to go paperless by registering their details with the designated registry service provider, Automic Group.