

Strategic transfer of Microba Research Services Unit to CMC

Microba Life Sciences Limited (ASX: MAP) ("Microba" or the "Company") is pleased to announce that it has entered into an agreement (**Transfer Agreement**) for the strategic transfer of its non-core Research Services business unit to Clinical Microbiomics A/S (CMC), a Denmark headquartered, global contract research organisation (CRO) specialising in microbiome genetic and metabolic analysis to industry and academic institutions.

The transfer of Microba's Research Services business unit will allow Microba to allocate 100% of its testing operations and business development resources to the growth of its core diagnostic microbiome testing business.

This initiative supports the acceleration of sales and revenue growth:

- in Australia, with continuing growth in adoption of Microba's MetaXplore™ test, and progress in clinical uptake of Microba's MetaPanel™ test with major partner Sonic Healthcare (ASX: SHL)
- in the United Kingdom, including launch of the MetaXplore test into this market through Microba's recently acquired Invivo Healthcare business with FY25 marking the first full year of revenue contribution from Invivo.

The strategic focus of Microba is to develop its microbiome therapeutics and diagnostics business units, whereas CMC's core business is contract research services. This transfer relates solely to Microba's non-core Research Services business and aligns with the respective strategies of the two companies.

"The transfer of Microba's Research Services business unit reinforces Microba's commitment to growth and driving long-term shareholder value through intensive focus and operational excellence. CMC are a perfect partner to take on our Research Services business, grow it, and continue to provide annual returns to Microba shareholders from the value we have created in that business unit"— Luke Reid, CEO Microba

Under the terms of the Transfer Agreement for the transfer of Microba's Research Services business unit to CMC, Microba will receive the following:

- retained revenue payable to Microba from existing contracts assigned to CMC;
- commission payments for existing contracts assigned to CMC to the extent performed by CMC for up to a four-year period after completion;
- commission payments for new contracts with existing customers transitioned to CMC to the extent performed by CMC for up to a four-year period after completion, and new customers referred by Microba to CMC; and
- potential milestone payments across the next four financial years.

As a result of the above, the potential revenue to be received by Microba under the Transfer Agreement is up to \$3,000,000 across the next four financial years.

Under the Transfer Agreement, Microba will transition its active Research Services contracts, customer lists, customer relationships and Research Services focused employees to CMC. Microba will retain ownership of all its Intellectual Property and provide CMC with certain transitional services on a fee-for-service basis.

The Research Services business unit generated revenue of \$2.2m in FY22, \$2.3m in FY23 and \$2.6m in FY24 and operated on a cashflow break even basis.

The transfer of Microba's Research Services business unit establishes a market presence for CMC in the Asia Pacific region. CMC is now the globally leading contract research organisation (CRO) provider specialising in microbiome genetic and metabolic analysis. CMC expects to grow the transferred Microba Research Services business and Microba expects to benefit from this growth under the terms of the Transfer Agreement.



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Microba Life Sciences Ltd ABN 82 617 096 652 Level 10, 324 Queen Street, Brisbane QLD 4000 Australia, 1300 974 621

For the avoidance of doubt, the transfer does not include any components of, or relate to Microba's:

- Intellectual Property;
- world-leading microbiome analysis technology;
- diagnostic microbiome testing business including MetaXplore[™] and MetaPanel[™] testing products; or
- therapeutics business including the drug development platform, therapeutic assets (i.e., MAP 315), and therapeutic programs (Inflammatory Bowel Disease, Immuno-Oncology, Auto Immune Disease)

There are no conditions precedents to the Sale Agreement becoming legally binding or to completion. No shareholder approvals are required in order to complete the transfer of its non-core Microba's Research Services business unit.

- Ends -

View this announcement and ask questions to management on our Investor Hub: <https://ir.microba.com/link/Ky03nP>

This announcement has been authorised for release by the Board of Directors

For further information, please contact:

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<https://ir.microba.com/welcome>

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



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