



Letter to Shareholders from Britannia Life Sciences' Peter Shippen

September 26, 2023

Dear Britannia Stakeholder,

I wanted to write to address the growing disconnect between the fundamentals of our business and our current share price and discuss some of the work we are doing to reverse this trend. Our company was established to take advantage of positive trends in the Testing, Inspection, and Certification (TIC) industry, with an initial focus on consumer products (cosmetics, food, nutraceuticals) which, at the time, included lucrative contracts in testing CBD.

There is no doubt that our business has evolved since we launched it. What started out as a cannabis focused lab opportunity has evolved into a technology-enabled, multi-faceted lab company that offers global product development and compliance services to some of the world's largest consumer packaged goods brands. This experience led us to uncover a great opportunity in the natural resources sector, one that we integrated into Britannia Life Sciences as a partially owned subsidiary leveraging outside capital.

Our initial acquisition of ADSL (now a 70% holding) and recent acquisition of Cosmetics Lab Ltd. (51%) position us with a profitable business that provides end-to-end services including product development, regulatory and compliance to a large range of global, regional, and national brands.

Britannia Life Sciences currently owns 38% of Britannia Mining Solutions, an exciting business that is at the forefront of innovation in the laboratory space servicing natural resource companies. With our acquisition of Paragon, a leading geochemical laboratory in Nevada, our initial focus is on helping address the global backlog in mining assays while seeking to leverage new technology to deliver rapid turnaround times for mining assays and offer clients additional services both in the lab and at the mine site.

Without significant legacy infrastructure, within these and additional future industry verticals, we are able to materially improve turnaround times and customer experience by utilizing a combination of proprietary and licensed technology.

We are evaluating ways to integrate insights provided by big data, AI and machine learning further into our business to improve outcomes for our customers and improved returns for our shareholders.

Due to our implementation of technology, our business units are achieving – and are expected to achieve – margins that are better than our competitors by a factor of 2-3x (15-25% vs. 40-55%.)

We believe that there is a role for us to play in moving nimbly to implementing and adopting new technology and showcasing it to the industry.

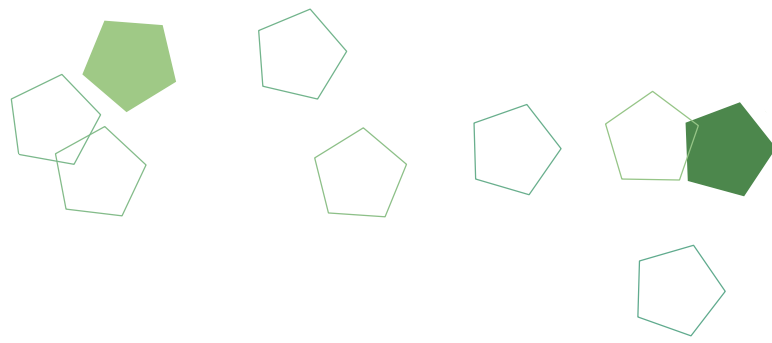
By using our labs as a proving ground for new technologies in the laboratory space, we believe that we can potentially increase the speed of adoption and with the right track record and partners, own a piece of the technology that we assist to validate/commercialize.

Highlights of the last quarter:

- Key trends in the core business turned positive after a period of macro and client specific headwinds.
- The June quarter generated \$1.47mm of gross profit (+33% yoy and +46% sequentially,) EBITDA of 778k (+24% yoy, ~+200%).
- Acquisition in June by BMS of Paragon Geochemical (Expected 2024 EBITDA +3.5mm,) a profitable geochemical lab in Sparks, Nevada that will serve as the geochemical backbone to support the roll out of PhotonAssay™ units, particularly in the Americas.
- Acquisition in June by BLS of 51% of Cosmetics Lab adds piloting/manufacturing for high end cosmetics brand and additional source of compliance referrals for ADSL.

Key Initiatives Ahead:

- We are well positioned to benefit from an opportunity in the US cosmetics market with the introduction of the Modernization of Cosmetics Regulation Act (MoCRA) 2023, adding elements of EU regs to US brands starting in 2024.
- We continue to evaluate impactful partnerships and acquisitions.
- Better communicating our tech focus as a key differentiator both currently and moving forward.
- More sustained marketing presence both with customers and investors including updating investor facing materials.
- Commissioning of the first BMS PhotonAssay™ unit in Canada in calendar Q4 will drive overall group revenues and profits, including incremental work to Paragon, and additional 11 units in 2024/2025.
- Strengthening operational leadership and execution across business segments.



Market Outreach:

- There is no doubt that it has been a difficult market for smaller Canadian companies and attempts to gain audience with various investor groups has proven difficult.
- That said, we have failed to strike the balance for investor engagement.
- We need to be better at communicating progress and opportunity including through social media engagement.
- We are reviewing the potential for additional listings in regions that are relevant to our current and future operations.

Asks:

- We continue to seek customers in the cosmetics industry in the North America, UK and Europe, where we see significant opportunities.
- We are looking for introductions to natural resource companies that are undertaking exploration/drilling programs or those building mines and seeking rapid turnaround times for grade control, mine planning etc..
- We are completing a financing in Britannia Mining Solutions and have reserved some allocation for any BLAB shareholders who wish to participate. This is at the same level as our round earlier this year prior to the Paragon acquisition. Please let me know if you have interest.

We are going to be undertaking investor outreach over the coming week(s,) if there is anyone that you think would be interesting in hearing our story, please feel free to connect us or send me their name, and I will reach out as soon as possible.

If you have any questions that arise from this letter, please email me to set up a call or meeting in person at Peter@Britannia.life.

I thank you for the continued support,

Sincerely,
Peter Shippen