



2 August 2017

Bioquell PLC – Disposal of UK Airflow Service Business

Bioquell PLC (“Bioquell”) (LSE symbol: BQE) - provider of bio-decontamination products and services for the Life Sciences, Pharmaceutical and Healthcare markets today announces the disposal of its UK AirFlow service business (“Airflow Service”).

The disposal represents a further step in transitioning Bioquell’s focus to its core bio-decontamination products and services business. Since ceasing production of Airflow safety cabinets in 2013, the company has continued to support these legacy products in the UK with dedicated service engineers, spare parts and filter manufacture.

Bioquell has been concerned to maintain its reputation for providing excellent customer service and has agreed to transfer this business to Crowthorne Hi Tec Services Ltd (“CHTS”). CHTS has a track record of over 20 years in supplying safety cabinet service, validation and troubleshooting services and has a network of over 20 service engineers nationwide run from its headquarters in Fleet, Hampshire.

With immediate effect, the service element of the Airflow business will be transferred to CHTS, including the transfer of three engineers, their testing equipment and leased vehicles. The consideration for this part of the business is £169,000 payable in cash on completion and a further £70,000 payable on 2 January 2018. In addition Bioquell will retain advance cash payments from certain customers for service contracts amounting to approximately £120,000. In the year ended 31 December 2016, Airflow Service had revenue of £0.7m and generated gross profit of approximately £0.35m. The value of net assets of Airflow Service being disposed of is £0.1 million.

CHTS also has an option to acquire the related spare parts and filter manufacturing equipment business on or about 1 January 2018 for a cash consideration of the aggregate of £100,000 and the agreed value for the stock of this business, which will be determined on completion but is unlikely to exceed a further £100,000. The spare parts and filter manufacturing equipment business had revenue of £0.25m and generated profits before interest and taxation of approximately £0.1m in the year ended 31 December 2016.

Commenting on the strategic disposal, Ian Johnson, Executive Chairman of Bioquell PLC, said:

“I am pleased to have been able to reach agreement to exit this legacy business and to focus our resources on serving our core bio-decontamination customers. CHTS are better placed to service the high volume of Airflow service contracts which diluted our core product operating margins. We continue to seek ways to simplify and focus the business around the core bio-decontamination products and services, driving higher margin sales and yielding higher quality earnings.”

Enquiries:

Ian Johnson	Executive Chairman	Bioquell PLC	01264 835900
Michael Roller	Finance Director		

Notes to Editors:

Bioquell is a UK-headquartered, international technology company (www.bioquell.com) which sells specialist biological contamination control products and services into the Life Sciences, pharmaceutical and healthcare sectors, with most of its revenues generated from overseas customers.

- Bioquell's bio-decontamination technology uses hydrogen peroxide vapour which is highly effective at eradicating micro-organisms such as bacteria and viruses at room temperature – and is subsequently broken down at the end of the bio-decontamination process into water vapour and oxygen (hence an extremely 'green' technology). Bioquell has a number of patents associated with this technology.
- Bioquell has also developed a number of products which complement its core hydrogen peroxide vapour technology. The recently introduced Bioquell Sequire, an ergonomic fixed, wall-mounted bio-decontamination system for small rooms and pass through chambers; the Bioquell Qube, a novel, modular aseptic work-station; and the Bioquell POD, a fast-to-deploy single patient room primarily for infection control in hospitals, are all the result of the customer focused, solutions based approach to development that has been employed.
- Bioquell's products and services are sold by wholly-owned Bioquell organisations in the UK, USA, France, Germany, Ireland, Singapore, China and through a network of international distributors.

Bioquell also develops, manufactures and sells environmental control equipment into the defence industry, including chemical, biological, radiological and nuclear filtration systems.

Further information for investors can be found at www.bioquellplc.com.