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Bioquell PLC - Disposal of Defence Business

Bioquell PLC ("Bioquell") (LSE symbol: BOE) – a leading provider of products and services for the Life Sciences, Pharmaceutical and Healthcare markets today announces the disposal of its MDH Defence business ("MDH").

Under the terms of the disposal, MDH is being sold for an initial consideration of £0.4m, with a further contingent payment of up to £0.6m due if MDH is successful in winning a specific contract for which it is presently bidding within the next 12 months. Bioquell will complete a partly fulfilled defence contract which will generate revenue and margin of approximately £0.7m and £0.2m respectively during the second half of 2018.

In the year ended 31 December 2017, MDH had revenue of £0.7m and made an operating loss of £35,000. The value of MDH's net assets being disposed of at completion is £0.4 million and any gain or loss on disposal will not be material, save to the extent that contingent consideration is received. MDH has no shared products or shared customers with Bioquell's core business.

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 non-core business. The disposal represents a further step in simplifying and reducing the complexity of the business and transitioning Bioquell's focus to its core products and services, namely; bio-decontamination, aseptic workstations and infection control enclosures."

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