



FOR IMMEDIATE RELEASE

16 November, 2012

## **Bioquell PLC**

### **Interim Management Statement**

Bioquell PLC ("Bioquell") (LSE symbol: BQE) - provider of specialist bio-decontamination technologies to the international Healthcare, Life Sciences & Defence markets, and specialist testing services in the UK via its TRaC division - announces its Interim Management Statement for the period from 1 July, 2012 to 15 November, 2012.

#### **Financial position and performance of the Group**

Group orders in the period ended October 2012 were approximately 16% ahead of the same period last year reflecting, among other things, demand for new products which the Group launched earlier this year. Revenues in the same period were broadly unchanged although revenues grew significantly in AsiaPac and declined in parts of Europe. It is encouraging that our range of new products is beginning to build into our order book, although a substantial proportion of the associated revenues will not be invoiced until next year.

##### *Life Sciences*

The recently launched Bioquell QUBE – which is used in the Life Sciences sector to provide aseptic conditions for sterility test and research & development activities – has been well received by potential customers. We have received our first order, quotation levels are climbing and enquiries around the world are increasing.

Demand for our hydrogen peroxide vapour bio-decontamination technology in Life Sciences facilities is holding up well – although we do see differing activity levels across geographic territories. Some orders for capital equipment are being received late in the year as a result of customers using investment funds which are lost unless spent before the year-end – and this is requiring us to invest in working capital to fulfil such orders.

We are also beginning to see demand for our recently launched consumable products, including hydrogen peroxide consumable cartridges, which have been designed to increase the proportion of the Group's usage-based revenues in the future.

##### *Healthcare*

Bioquell's new ICE-pod was launched on 1 October at the annual conference of the UK's Infection Prevention Society. The ICE (Infection Control Enclosure)-pod, which is tailor-made for each hospital bed-space, enables open multi-bed wards (commonly referred to as 'nightingale' wards in the UK) to be converted into single rooms. These quasi-isolation rooms help reinforce standard infection control measures as well as enable the rapid 'bioquelling' of the ICE-pod (and hence the near-patient bed space).

We are seeing encouraging levels of interest for the ICE-pod in the UK for a range of specialist applications including in Intensive Care Units (“ICUs”) as well as to combat hospital acquired infection-related pathogens such as *Clostridium difficile* and norovirus. Since the product launch in October we have already received our first order for seven units from a leading London teaching hospital. We are also beginning to see interest in the ICE-pod from overseas clients, particularly where extensively-drug resistant Gram-negative bacteria – such as *Acinetobacter baumannii* - are causing major problems in open ICUs.

In addition to its applications in the Life Sciences sector, we also developed the Bioquell QUBE for the rapid and safe preparation of sensitive, high value, intravenous drugs which need to be prepared under sterile conditions in a hospital (or out-sourced compounding) pharmacy. The regulatory requirements for the preparation of such drugs under aseptic conditions have become more onerous in Europe over recent years and this issue is now beginning to come under close scrutiny in the USA.

#### *Defence*

We are working on a number of opportunities relating to the use of our chemical, biological, radiological and nuclear (“CBRN”) filtration systems and environmental control systems in military vehicles or fixed facilities around the world.

#### *TRaC*

TRaC – the Group’s specialist testing, regulatory and compliance division – continues to perform well, is growing and is expanding its service-offering to clients. At the current time a significant proportion of this growth is linked to the buoyant aerospace market.

#### *Outlook and prospects*

The new products we have launched this year, in particular the QUBE and ICE-pod, are being well received by the marketplace. In the future we anticipate that as orders and revenues for these new products grow, so should the recurring revenues which are associated with them. We are beginning to take orders for both products and are building our order book for 2013.

Within our Bio-decon division our Life Sciences business remains robust and our Healthcare division is delivering growth albeit from a low base. We also see a number of opportunities to build the order book for our Defence business.

TRAC is growing well from its well-invested modern facilities.

The Group continues to have a strong balance sheet with a significant net cash position and an unused overdraft facility.

- Ends -

#### **Enquiries**

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**Notes to editors:**

- Bioquell is a UK-headquartered, international technology company with two divisions:
  - Bio-decon ([www.bioquell.com](http://www.bioquell.com)) which sells specialist bio-decontamination products and services into the Healthcare, Life Sciences and Defence sectors, with most of its revenues generated from overseas customers; and
  - TRaC ([www.tracglobal.com](http://www.tracglobal.com)) which provides specialist Testing, Regulatory and Compliance services principally to UK corporates.
- Bioquell's bio-decontamination technology is principally based around hydrogen peroxide vapour ("HPV") – which is highly efficacious at eradicating micro-organisms such as bacteria and viruses at room temperature – and is subsequently broken down using specialist catalysts to water vapour and oxygen (hence an extremely 'green' technology) at the end of the bio-decontamination process.
- For the last two years Bioquell has invested substantial sums in developing a new product range which has been designed to increase the proportion of recurring revenues from its HPV technology – and hence increase its quality of earnings; this range of new products is being rolled out in 2012.
- Bioquell's bio-decontamination technology:
  - is used by bio-pharmaceutical, biotechnology and research institutions to provide sterile equipment and/or sterile working environments;
  - is used to eradicate "superbugs" from hospitals; independent scientific research has demonstrated that 'bioquelling' hospital equipment and facilities reduces significantly the rates of hospital acquired infection;
  - has been incorporated in a wound-care product – BioxyQuell – which has received regulatory approval for use on chronic wounds in the European Union; and
- Bioquell currently has overseas operations in the USA, France, Ireland, Singapore, China and Brazil.
- TRaC sells its specialist services to the product development departments of a broad range of companies, principally based in the UK, with a particular focus on aerospace, military and telecoms clients.