For release at 7.00 am **19 July 2023**

Gooch & Housego PLC
("G&H" or the "Company" or the "Group")

G&H Enhances Coatings Expertise with the Acquisition of Artemis Optical

Gooch & Housego PLC (AIM: GHH), the specialist manufacturer of optical components & systems, announces that it has entered into a conditional agreement to acquire the entire issued share capital of Artemis Optical Holdings Ltd ("Artemis") for a total consideration of up to £8.9 million. This acquisition further enhances G&H's product portfolio and creates new opportunities for vertical integration and the cross selling of our combined capabilities.

Artemis is a thin-film coating company renowned for its expertise in a variety of cutting-edge applications. It is recognised as a global leader in designing advanced optical filters for tailored electro-optical systems and laser protection, as well as bespoke head-up display combiners. Artemis also works with its customers to develop customised, system-enabling optical filters, mirrors and pioneering helmet mounted display patches. Artemis' products cater to the diverse needs of customers primarily in Aerospace & Defence as well as in the Industrial and Life Sciences markets.

Artemis operates from a modern facility near Plymouth in the UK and employs around 40 people. The newly acquired site will serve as a centre of excellence to coordinate the development of new coatings across G&H and a hugely complementary fit to the Group's existing extensive coating capabilities.

This acquisition, which is aligned to G&H's new strategy, provides the Group the opportunity to offer both substrates and coating materials of the highest quality that perfectly align with their application or product requirements. By applying G&H's resources, expertise, and worldwide reach Artemis will be able to access new customers and territories for its capabilities.

Charlie Peppiatt, Chief Executive Officer of Gooch & Housego, commented:

"The addition of Artemis' coatings expertise to G&H's capabilities was identified in our new strategy as one of the opportunities to deliver sustainable margin growth for the Company. Artemis' renowned excellence in thin-film coatings complements our existing capabilities to enable us to deliver advanced photonics technology and unparalleled value for our customers. Together, we are well-positioned to accelerate our customer focused innovation plans and create a better world with photonics."

Terms of acquisition

The total consideration payable for Artemis by G&H is up to £8.9 million. This comprises an initial cash consideration of £4.5 million, funded from existing resources, together with £2.4 million of new G&H ordinary shares to be satisfied by the issue of 412,088 new G&H ordinary shares. There is a deferred contingent cash consideration of up to £2.0 million, payable based upon Artemis' performance in the two years ending 31 July 2025. The acquisition is expected to complete on 21 July 2023.

In its financial year ended 31 March 2023 Artemis' revenue was c.£4.3 million and adjusted EBITDA was c.£0.7 million. As at the end of June 2023 Artemis had gross assets of c£3 million.

This acquisition is expected to be marginally earnings enhancing in the first full financial year of G&H's ownership.

For further information please contact:

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Notes to editors

1. Gooch & Housego is a photonics technology business headquartered in Ilminster, Somerset, UK with operations in the USA and Europe. A world leader in its field, the company researches, designs, engineers and manufactures advanced photonic systems, components and instrumentation for applications in the Aerospace & Defence, Industrial, Life Sciences and Scientific Research sectors. World leading design, development and manufacturing expertise is offered across a broad range of complementary technologies.

2. All financial information included in this announcement is sourced from unaudited management accounts and excludes any specific items. This announcement contains certain forward-looking statements that are based on management's current expectations or beliefs as well as assumptions about future events. These are subject to risk factors associated with, amongst other things, the economic and business circumstances occurring from time to time in the countries and sectors in which G&H operates. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a wide range of variables which could cause actual results, and G&H's plans and objectives, to differ materially from those currently anticipated or implied in the forward-looking statements. Investors should not place undue reliance on any such statements. Nothing in this announcement should be construed as a profit forecast.