

**28 March 2018**  
**Cronin Group Plc**  
**("Cronin" or the "Company")**

**Final results for the year ended 31 December 2017**

Cronin Group Plc announces its audited financial results for the year ended 31 December 2017.

**Highlights:**

- Loss of £1.46 million after tax (2016: loss £0.71 million)
- Cash and short term deposits at 31 December 2017 of £3.26 million (2016: £4.79 million)
- Net assets at 31 December 2017 of £8.11 million (2016: £8.92 million)
- The Group has grown to 20 full time employees (excluding directors) and further intensified development of its DigitalGlassware™ technology platform
- Acquisition of OpenIOLabs Limited will accelerate deployment of DigitalGlassware™
- Laurence Ede and David Cleevely joined the Board as a non-executive directors
- Post year end industry engagements with two international businesses to join the Company's Pioneer Programme, evaluating DigitalGlassware™
- Proposed change of name to DeepMatter Group Plc

Mark Warne, Chairman of Cronin, said:

*"The last year has seen the Group make exciting progress towards deploying its DigitalGlassware™ technology platform, comprising an easy-to-use software interface and a unique, low footprint sensor array, which will allow an individual to access reproducible chemistry via internet protocols.*

*The Group has identified a number of leading companies and institutions involved in the field of chemistry, to participate in its Pioneer Programme. Moving forward, we keenly anticipate beta stage deployment with these key innovators and early adopters, in preparation for addressing broader adoption among the target user groups, building credibility, awareness and understanding of the DigitalGlassware™ platform."*

**Contacts:**

**Cronin Group Plc**  
Mark Warne, Chairman

[www.croningroupplc.com](http://www.croningroupplc.com)  
T: 0141 465 6871

**Stockdale Securities Limited**  
Tom Griffiths / Edward Thomas

T: 020 7601 6100

**CHAIRMAN'S STATEMENT**

**Introduction**

I am pleased to present the Chairman's statement for Cronin Group Plc (the "Company") and its subsidiaries (the "Group") for the financial year to 31 December 2017. Big Data will enhance productivity in all areas of chemistry, a multi-billion-dollar market and discipline that impacts nearly all elements of human life. The last year has seen the Group make exciting progress towards deploying its DigitalGlassware™ technology platform. The platform will increase access to, and the quality of, data associated with making a chemical. The resulting data insights subjected to Artificial Intelligence and Machine Learning methodologies will allow chemicals to be discovered, made and remade more productively. Ultimately, the Group envisages a capability for autonomous digital synthesis.

**Advancing Technical Capability**

During the year, the Group completed a first laboratory-based deployment of its DigitalGlassware™ platform, comprising an easy-to-use software interface and a unique, low footprint sensor array, which will allow an individual to access reproducible chemistry via internet protocols. The deployment of the DigitalGlassware™ platform was accelerated during the period following the Group's decision to secure access to an established and synergistic Internet of Lab Things (IoLT) hardware capability. The Group acquired OpenIOLabs Limited ("OIOL"), a company based in Cambridge, with assets for integrating equipment in a laboratory, a capability the Group had always intended to include in its DigitalGlassware platform. Currently, the integration of OIOL into the Group is well under way, with measures to deploy the prioritised assets and realise cost synergies initiated.

As of the date of this report, the Group now employs 20 personnel, including chemistry specialists, software and hardware engineers with operations in Cambridge and Glasgow. The Group continues its research relationship with the team at Glasgow University, which is led by Cronin Group's scientific founder, Professor Lee Cronin.

**First Industry Engagements**

The Group believes only high fidelity data will truly enable making better chemical molecules, faster and more effectively. It has been stated that a large gap currently exists in chemical data reporting standards, rendering much of the currently available data unusable by algorithmic analyses. It has been widely reported that researchers think that science faces a reproducibility crisis, with around half not having faith in the published literature in their field - chemists often reporting the most difficulty. DigitalGlassware™ overcomes challenges in chemical data reporting standards, enabling access to this chemistry data in real-time to a broad community of users, including industrial and academic chemists, students, scientists from non-chemistry disciplines, scientific publishers and funding and professional advocacy bodies.

Since the year end, the Group has entered into memoranda of understanding with two leading international life science reagent and chemicals manufacturers to join the Company's Pioneer Programme, evaluating DigitalGlassware™. One is a US headquartered business, with laboratory operations worldwide and the other, a UK based subsidiary of a NASDAQ listed company. The purpose of the Programme is to beta trial the Group's technology with the full range of target users, allowing the Group to observe its performance in different operating environments and locations worldwide. These observations will contribute towards technical and commercial optimisation, prior to wider dissemination to target users. The Pioneer companies will also assess the performance of the DigitalGlassware™ platform, specifically to understand how it can help improve the outcomes of chemical processes, including precision and reproducibility, with a view to how the platform can help in discovering/enabling new and improved chemistry.

#### Financial Review

The Group incurred an operating loss for the year ended 31 December 2017 of £1.58 million (2016: loss of £0.82 million) which resulted in an overall after tax loss for the year of £1.46 million compared to an overall loss of £0.71 million in the previous year.

The Group continues to benefit from a sound balance sheet with cash balances at 31 December 2017 of £3.27 million compared to £4.79 million at 31 December 2016. The £1.52 million decrease in cash during the year is mainly attributable to the research and development and overhead expenditure costs associated with the continuing operations of the Group for the financial year.

#### Board Changes

The Group strengthened its Executive management in April 2017 when I took on the role of Executive Chairman and Michael Bretherton was appointed as Finance Director. At that time, the Company was also pleased to announce the appointment of Laurence Ede as independent non-executive director. Laurence, who had been serving the Company in an advisory capacity since April 2016, brings specific experience of the chemicals industry. He was the Managing Director and co-owner of Tocris Bioscience, a company producing chemical compounds for pharmaceutical research, when it was sold to Techne Corporation for £75 million in 2011. In addition, as part of the acquisition of OIOL in November 2017, the Group was delighted that David Cleevely CBE, a serial entrepreneur and notably co-founder of Abcam PLC and chairman of the Raspberry Pi Foundation, agreed to join the Board as a new non-executive director.

#### Proposed change of name

It is proposed that, to better represent the mission and values of the Company, its name be changed to "DeepMatter Group Plc", as set out in resolution 7 of the attached Notice of Annual General Meeting to be held on 16 May 2018.

#### Outlook

Our DigitalGlassware™ platform provides a new language for digital chemistry, championing speed, simplicity and unhindered discovery. This brings code, structure and order into the chemistry lab environment and enables recordable, shareable, reproduceable chemistry.

The Group has identified a number of leading companies and institutions involved in the field of chemistry, to participate in its Pioneer Programme. Moving forward, we keenly anticipate beta stage deployment with these key innovators and early adopters, in preparation for addressing broader adoption among the target user groups, building credibility, awareness and understanding of the DigitalGlassware™ platform.

#### Mark Warne

Executive Chairman

28 March 2018

Company Number: 05845469

#### Consolidated Statement of Comprehensive Income

For the year ended 31 December 2017

|                                | Year to 31<br>December<br>2017<br>£'000 | Year to 31<br>December<br>2016<br>£'000 |
|--------------------------------|---|---|
| <b>Continuing operations</b>   |   |   |
| <b>Revenue</b>                 | -                                       | -                                       |
| Research and development costs | (1,224)                                 | (640)                                   |
| Share based payments           | (1)                                     | -                                       |
| Administrative costs           | (356)                                   | (176)                                   |
| <b>Operating loss</b>          | <b>(1,581)</b>                          | <b>(816)</b>                            |
| Finance income                 | 22                                      | 27                                      |
| <b>Loss before tax</b>         | <b>(1,559)</b>                          | <b>(789)</b>                            |
| Income tax credit              | 137                                     | 75                                      |

|  |                |              |
|--|----------------|--------------|
| Loss from continuing operations  | (1,422)        | (714)        |
| <b>Discontinued operations</b>   |                |              |
| Loss from discontinued operations  | (42)           | -            |
| <b>Loss and total comprehensive loss for the year</b>                    | <b>(1,464)</b> | <b>(714)</b> |
| <b>Loss and total comprehensive loss for the year attributable to:</b>   |                |              |
| The Company's equity shareholders  | (1,464)        | (714)        |
| <b>Loss per share attributable to the equity holders of the Company:</b> |                |              |
| Basic and diluted loss per share (pence) on continuing operations        | (0.27)         | (0.14)       |
| Basic and diluted loss per share (pence) on total operations             | (0.28)         | (0.14)       |

### Consolidated Statement of Financial Position

As at 31 December 2017

|   | At 31<br>December<br>2017<br>£'000 | At 31<br>December<br>2016<br>£'000 |
|---|------------------------------------|------------------------------------|
| <b>Assets</b>   |                                    |                                    |
| <b>Non-current assets</b>                                       |                                    |                                    |
| Intangible assets and goodwill                                  | 4,958                              | 4,216                              |
| Investments   | 3                                  | 3                                  |
| Plant and equipment   | 31                                 | 15                                 |
|   | <b>4,992</b>                       | <b>4,234</b>                       |
| <b>Current assets</b>   |                                    |                                    |
| Inventories   | 10                                 | -                                  |
| Trade and other receivables                                     | 127                                | 30                                 |
| Cash and cash equivalents                                       | 3,265                              | 4,789                              |
|   | <b>3,402</b>                       | <b>4,819</b>                       |
| <b>Liabilities</b>  |                                    |                                    |
| <b>Current liabilities</b>                                      |                                    |                                    |
| Trade and other payables  | (281)                              | (137)                              |
| <b>Net current assets</b>                                       | <b>3,121</b>                       | <b>4,682</b>                       |
| <b>Net assets</b>   | <b>8,113</b>                       | <b>8,916</b>                       |
| <b>Equity and liabilities</b>                                   |                                    |                                    |
| <b>Shareholder's equity</b>                                     |                                    |                                    |
| Called up share capital   | 55                                 | 53                                 |
| Share premium   | 3,287                              | 3,287                              |
| Merger reserve  | 5,334                              | 4,880                              |
| Shares to be issued reserve                                     | 204                                | -                                  |
| Share based payments reserve                                    | 1                                  | -                                  |
| Retained (deficit) / earnings                                   | (768)                              | 696                                |
| <b>Total equity attributable to shareholders of the Company</b> | <b>8,113</b>                       | <b>8,916</b>                       |

### Consolidated Statement of Changes in Equity

For the year ended 31 December 2017

|   | Share<br>equity<br>£'000 | Share<br>premium<br>£'000 | Merger<br>reserve<br>£'000 | Retained<br>earnings<br>£'000 | Share<br>based<br>payment<br>reserve<br>£'000 | Shares<br>to be<br>issued<br>reserve<br>£'000 | Total<br>equity<br>£'000 |
|---|--------------------------|---------------------------|----------------------------|-------------------------------|---|---|--------------------------|
| <b>Balance at 31 December 2015</b>                        | 53                       | 3,287                     | 4,880                      | 1,410                         | -   | -   | 9,630                    |
| Total comprehensive loss for the year to 31 December 2016 | -                        | -                         | -                          | (714)                         | -   | -   | (714)                    |
| <b>Balance at 31 December 2016</b>                        | 53                       | 3,287                     | 4,880                      | 696                           | -   | -   | 8,916                    |
| Total comprehensive loss for the year to 31 December 2017 | -                        | -                         | -                          | (1,464)                       | -   | -   | (1,464)                  |
| <i>Transactions with owners:</i>                          |                          |                           |                            |                               |   |   |                          |
| Shares issued and issuable on acquisition of subsidiary   | 2                        | -                         | 454                        | -                             | -   | 204   | 660                      |
| Share based payment charge                                | -                        | -                         | -                          | -                             | 1   | -   | 1                        |
| <b>Balance at 31 December 2017</b>                        | <b>55</b>                | <b>3,287</b>              | <b>5,334</b>               | <b>(768)</b>                  | <b>1</b>                                      | <b>204</b>                                    | <b>8,113</b>             |

### Consolidated Statement of Cash Flows

For the year ended 31 December 2017

|   | Year to 31<br>December<br>2017<br>£'000 | Year to 31<br>December<br>2016<br>£'000 |
|---|---|---|
| <b>Cash flows from operating activities</b>                       |   |   |
| Operating loss from continuing operations                         | (1,581)                                 | (816)                                   |
| Loss from discontinued operations                                 | (42)                                    | -                                       |
| Depreciation and amortisation charges                             | 14                                      | 6                                       |
| Share based payments charge                                       | 1                                       | -                                       |
| <b>Operating cash outflows before movement in working capital</b> | <b>(1,608)</b>                          | <b>(810)</b>                            |
| Increase in inventories   | (1)                                     | -                                       |
| (Increase) / decrease in trade and other receivables              | (80)                                    | 5                                       |
| Increase in trade and other payables                              | 27                                      | 84                                      |
| <b>Cash used in operations</b>                                    | <b>(1,660)</b>                          | <b>(721)</b>                            |
| Interest received   | 22                                      | 27                                      |
| Taxation received   | 137                                     | 75                                      |
| <b>Net cash used in operating activities</b>                      | <b>(1,503)</b>                          | <b>(619)</b>                            |
| <b>Cash flows from investing activities</b>                       |   |   |
| Purchases of property, plant and equipment                        | (24)                                    | (16)                                    |
| Cash and bank in subsidiary at acquisition                        | 3                                       | -                                       |
| <b>Net cash used in investing activities</b>                      | <b>(21)</b>                             | <b>(16)</b>                             |
| <b>Net decrease in cash and cash equivalents</b>                  |   |   |
| Cash and cash equivalents at beginning of year                    | 4,789                                   | 5,424                                   |
| <b>Cash and cash equivalents at end of year</b>                   | <b>3,265</b>                            | <b>4,789</b>                            |

#### Notes

A full copy of the Company's 2017 Annual Report is now available on the Company's website at [www.croningroupplc.com](http://www.croningroupplc.com) under the Investor Relations/Annual & Interim Reports section and will shortly be posted to shareholders. This contains on page 39, a Notice of the Annual General Meeting, to be held in The Auditorium, The Walbrook Building, 25 Walbrook, London EC4N 8AH on 16 May 2018 at 11.00 am.

The Board of Directors approved this announcement on 27 March 2017. Whilst the financial information included in this preliminary announcement has been prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed by the European Union, this announcement does not itself contain sufficient information to comply with all the disclosure requirements of IFRS and does not constitute statutory accounts of the Company for the years ended 31 December 2017 or 31 December 2016.

The financial information has been extracted from the statutory accounts of the Company for the years ended 31 December 2017 and 31 December 2016. The auditor, Nexia Smith & Williamson, has reported on the statutory accounts for the years ended 31 December 2017 and 2016; the reports were unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006. In their report on the statutory accounts for the year ended 31 December 2017, the auditor drew attention to the disclosures concerning the valuation of goodwill, intangible asset platform and investment in the subsidiaries. In their report on the statutory accounts for the year ended 31 December 2016 the auditor drew attention to the valuation of goodwill and investment in subsidiary.

The statutory accounts for the year ended 31 December 2016 have been delivered to the Registrar of Companies, and those for the year ended 31 December 2017 will be delivered to the Registrar of Companies following the Company's Annual General Meeting.

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