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**13 July 2020**

**DeepMatter Group Plc**

("DeepMatter" or the "Company")

**Placing and Subscription to raise £2.1 million**

DeepMatter Group Plc (AIM: DMTR), the AIM-quoted company focusing on digitising chemistry, today announces a placing and subscription to raise gross proceeds of £2.1 million, at a price of 1.5 pence per new ordinary share of 0.01 pence each (the "Issue Price").

The Company proposes to raise approximately £1.9 million, before expenses, by way of the conditional placing of 130,830,001 new Ordinary Shares at the Issue Price with certain new and existing investors (the "Placing"). In addition, the Company is also proposing to raise £0.2 million by way of a direct subscription with the Company of 11,733,334 new Ordinary Shares at the Issue Price (the "Subscription"). Certain directors of the Company intend to subscribe for new Ordinary Shares as part of the Subscription.

The Placing and Subscription proceeds will be used to further strengthen the Group's balance sheet and invest in sales, marketing, distribution and support, enabling it to grow market share of its DigitalGlassware™ technology platform and cheminformatics product lines, including ICSynth. In combination with revenue estimates, the net proceeds of the Placing and Subscription are expected to fund the expansion plans of the Company over the next 24 months.

In the Directors' opinion, the change to working practices within laboratories caused by social distancing is highlighting the need to share scientific data both remotely and within the lab, accelerating the digitisation of the laboratory and underlining the value proposition of the DigitalGlassware™ platform. The Group has a growing pipeline of sales opportunities and has seen increased interest in its DigitalGlassware™ platform and other products.

The Company also announces it has provided DigitalGlassware™ to a top 10 global pharmaceutical company, Novartis, and is finalising a collaboration agreement with them, building on previously announced collaborations with AstraZeneca, the University of Nottingham, the University of Leeds and Cancer Research UK.

The Placing is being conducted in accordance with the terms and conditions set out in the Appendix. Completion of the Placing and Subscription are conditional on, *inter alia*, Admission of 142,563,335 New Ordinary Shares.

The Issue Price represents a discount of 18.9 per cent. to the previous day closing share price of 1.85 pence per share on 10 July 2020.

The Placing is being conducted by Canaccord Genuity Limited ("Canaccord Genuity") as Nomad, Sole Bookrunner and Broker (the "Broker").

**Mark Warne, CEO of DeepMatter**, commented, "*Since the successful conclusion of our Pioneer*

Programme in 2019, we have seen a steady increase of interest in our DigitalGlassware™ platform, which has subsequently been accelerated by the new socially-distanced working practices in labs around the world. As we transition from the R&D phase into full commercialisation, with a clear focus on sales execution, this additional funding will enable us to invest in our operations so that we can capitalise on this opportunity and deliver long-term growth in shareholder value."

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**About DeepMatter Group plc**

*DeepMatter's long term strategy is to integrate chemistry with technology, thereby enabling a greater use of artificial intelligence and reaching a point where chemicals can be autonomously synthesised through robotics. In the near term this involves the provision of an integrated software, hardware and artificial intelligence enabled platform, DigitalGlassware™, to scientists across research and process development sectors.*

*The DigitalGlassware™ platform allows chemistry experiments to be accurately and systematically recorded, coded and entered into a shared data cloud. The platform is designed to enable chemists to work together effectively; sharing the details of their experiments from anywhere and in real-time, so that work is not needlessly duplicated, time and money wasted, and ultimately so new discoveries may be made faster.*

Visit: [www.deepmatter.io](http://www.deepmatter.io) and follow @deepmattergroup

**This Announcement should be read in its entirety. In particular, you should read and understand the information provided in the "Important Notice" section below.**

**The Appendix to this Announcement (which forms part of this Announcement) sets out the terms and conditions of the Placing. Persons who have chosen to participate in the Placing, by making an oral or written offer to acquire Placing Shares, will be deemed to have read and understood this Announcement in its entirety (including the Appendix) and to be making such offer on the terms and subject to the conditions herein, and to be providing the representations, warranties, agreements, acknowledgements and undertakings contained in the Appendix.**

The person responsible for arranging the release of this information is Mark Wame, Chief Executive Officer of the Company.

**ADDITIONAL INFORMATION**

**Background to and Reasons for the Placing and Subscription**

**The reproducibility crisis**

Problems with reproducibility and reliability of data in chemistry have been well documented<sup>1</sup>, with the way laboratory work is recorded changing little in 200 years, meaning chemists often have difficulty replicating other researchers' or even their own work. Studies have shown that as much as 50 per cent. of scientific literature is not reproducible, which translates into wasteful spending of nearly \$28 billion annually in the US alone<sup>2</sup>, demonstrating the scale of the issue DigitalGlassware™ assists with, as well as the size of the addressable market. There is an estimated 35% productivity gain achievable for companies by digitising their chemistry testing<sup>3</sup>.

**Disruptive value proposition addressing the need to digitise chemistry**

DigitalGlassware™, is a cloud-based software, proprietary hardware and machine learning-enabled platform which eradicates reproducibility issues. Experiments are accurately and systematically recorded, coded and entered into a shared data cloud, allowing scientists to collaborate effectively, sharing details of their experiments from anywhere and in real-time.

The platform was initially launched in 2017, deployed via the Company's Pioneer Programme for initial testing and industry approval. The Pioneer Programme has now been brought to a successful conclusion and the Group has seen growing market validation for the product, receiving its first purchase order for DigitalGlassware™ in August 2019. The Group has continued to develop the DigitalGlassware™ platform throughout the year, incorporating feedback from its users, and as expected has begun to identify unique chemistry insights, which it will use to create intellectual property and share with the wider scientific community in due course, as further proof of the validity of the platform.

### **DigitalGlassware™ gaining traction**

To date, the DigitalGlassware™ platform has been used to collect data from over 2,400 days of chemistry research across over 1,000 individual experimental runs. Data has been collected and structured, comprising nearly 17 billion sensor readings over 400 million samples. Of the most frequently used synthetic reaction types in medicinal chemistry<sup>4</sup>, the majority are represented in the DigitalGlassware™ platform. The first patents relating to unique chemistry insights from the platform have been filed and the Group has a rapidly growing minable data repository.

In December 2019, the Company announced a collaboration with leading multinational pharmaceutical and biopharmaceutical firm AstraZeneca, with the aim of improving the productivity and reproducibility of compound synthesis. In 2020, the Company has announced two collaborations with leading UK Universities; The Institute of Process Research and Development (iPRD) at the University of Leeds and the University of Nottingham's School of Chemistry, as well as a trial of DigitalGlassware™ within the Drug Discovery Unit of the Cancer Research UK Beatson Institute and an integration of its DigitalGlassware™ platform with the Waters™ UNIFI™ Scientific Information System.

### **Significant market opportunity**

The Directors believe that the DigitalGlassware™ platform offers a scalable, cash generative SaaS business model with the potential for high levels of recurring revenue. The intention is to continue to sell the platform as a SaaS user licence to industry laboratories, combined with a freemium model for selected other consumers. The Directors believe the opportunity for full site software and hardware deployments with large pharma companies should be greater than \$100,000 per annum. The Group is actively progressing qualified and advancing sales opportunities.

InfoChem's lead software product, ICSynth™, is another key asset for the Group. This desktop machine learning based synthesis design tool reduces costs and identifies unique choices for chemical reactions. The Directors believe ICSynth™, along with other software solutions for chemistry, offer ongoing opportunities in a stable and growing market. The profitable model, and existing customer base including GSK, AstraZeneca, BASF, Thieme and SpringerNature, offers high margin products (with maintenance), royalties and expert consultancy services. Large pharma licence fees for ICSynth™ are currently between \$50,000-\$100,000 per annum and the Group has seen a rise in newly validated leads and paid trials since the acquisition of InfoChem.

### **Opportunity to accelerate growth**

The Company has provided DigitalGlassware™ to a top 10 global pharmaceutical company, Novartis, and is finalising a collaboration agreement with them, which follows the Company's first DigitalGlassware™ collaboration with a large pharmaceutical company, AstraZeneca in December 2019.

Further, COVID-19 is accelerating the digitisation of the laboratory as chemists seek to find new ways to work in a socially distanced environment. This increased awareness of remote sharing of scientific data is driving interest in the Company's products.

The Company is therefore seeking a fundraise to take advantage of the recent significant momentum with the top ten pharmaceutical companies and recent increased market interest.

<sup>1</sup> <https://www.chemistryworld.com/news/taking-on-chemistrys-reproducibility-problem/3006991.article>  
<https://pubs.acs.org/doi/pdf/10.1021/acs.jchemed.7b00907>

<https://www.nature.com/news/1-500-scientists-lift-the-lid-on-reproducibility-1.19970> <https://www.labnews.co.uk/features/great-reproducibility-problem-22-08-2017/>

<sup>2</sup> Freedman, L. P., Cockburn, I. M. & Simcoe, T. S. The Economics of Reproducibility in Preclinical Research. PLOS Biol. 13, e1002165 (2015).  
Freedman, L. P. & Gibson, M. C. The impact of preclinical irreproducibility on drug development. Clin. Pharmacol. Ther. 97, 16-18 (2015).

<sup>3</sup> Maier, J. Made Smarter Review (2017)

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/655570/20171027\\_MadeSmarter\\_FINAL\\_DIGITAL.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/655570/20171027_MadeSmarter_FINAL_DIGITAL.pdf)

<sup>4</sup> published by Freedman et al at the Global Biological Standards Institute, Washington, D.C., USA in the peer reviewed journal PLOS Biology 13 (2015)

## **Current Trading, COVID-19 Update and Prospects**

As detailed in the Company's Final Results announcement of 29 May 2020, the Group took early measures to minimise discretionary spend, reduce overheads and protect the business. The Directors believe the Company is in a stable financial position, with approximately 75% of revenues recurring in nature, Group overheads reduced on an annual basis following integration of InfoChem and a cash balance at 31 Dec 2019 of £2.6 million.

In the Directors' opinion the change to working practices within laboratories caused by social distancing is highlighting the need to share scientific data both remotely and within the lab, accelerating the digitisation of the laboratory and underlining the value proposition of the DigitalGlassware™ platform.

While the uncertainty caused by COVID-19 will likely have an impact on the length of contract discussions in the short-term, the Group has a growing pipeline of sales opportunities and has seen increased interest in its DigitalGlassware™ platform and other products.

The Company is targeting revenue of circa £5 million for the year ending 2022 to be achieved through growth in revenues from both DigitalGlassware™ and ICSynth™. The Company proposes to invest in sales, marketing, product distribution, product support and data science research to assist in future growth. In line with this, while the Directors expect the Company to report a loss over the next 18 months, they are targeting cash flow break even in 2023. The Directors believe a strategy of customer acquisition and investing in revenue growth is key to maximising the future value of the Company either as a public company or as a trade sale. In combination with revenue estimates the net proceeds of the Placing are expected to fund the expansion plans of the Company over the next 24 months.

### The Placing and Subscription

The Company proposes to raise approximately £1.9 million, before expenses, by way of the conditional placing of 130,830,001 new Ordinary Shares (the "Placing Shares") with certain new and existing investors. In addition, the Company is also proposing to raise £0.2 million by way of a direct subscription with the Company of 11,733,334 new Ordinary Shares (the "Subscription Shares").

Together the Placing and the Subscription will raise approximately £2.1 million, before expenses, for the Company. The Placing and the Subscription are conditional, *inter alia*, upon Admission becoming effective and the Placing Agreement not having been terminated in accordance with its terms. Canaccord Genuity, as agent for the Company, has agreed to use its reasonable endeavours to procure subscribers for the Placing Shares. Neither the Placing nor Subscription is underwritten.

Assuming the issue of all of the Placing Shares and the Subscription Shares, the New Ordinary Shares will represent approximately 19.4 per cent. of the Existing Ordinary Shares and will, when issued, represent approximately 16.2 per cent. of the Enlarged Issued Share Capital. The Issue Price represents a discount of 18.9 per cent. to the closing price of 1.85 pence per share on 10 July 2020, being the last dealing day prior to the announcement of the Placing and Subscription.

The Placing Shares are not being made available to the public and none of the Placing Shares are being offered or sold in any jurisdiction where it would be unlawful to do so.

The Placing and Subscription Shares will, when issued, be credited as fully paid and will rank *pari passu* in all respects with the existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after Admission.

Application will be made for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Placing Shares and Subscription Shares will commence at 8.00 a.m. on 17 July 2020. It is expected that the New Ordinary Shares will be delivered into CREST on or around 17 July 2020.

### Director Participation

As part of the Subscription, certain Directors intend to subscribe for new Ordinary Shares at the Issue Price. Details of the new Ordinary Shares for which the Directors will be subscribing and their resultant shareholdings are displayed below.

Director	Number of Ordinary Shares held	Number of new Ordinary Shares being Subscribed for	Resultant shareholding	Percentage of Enlarged Share Capital
Mark Wame	1,541,475	2,333,333	3,874,808	0.44%
Laurence Ede	1,201,586	400,000	1,601,586	0.18%

### Use of Proceeds

The proceeds of the Placing and the Subscription are intended to be used by the Company to further strengthen its balance sheet and to accelerate sales, marketing, product distribution, support and intellectual property creation, enabling it to grow market share of its DigitalGlassware™ technology platform and cheminformatics product lines, including ICSynth. With all progress to date achieved with one dedicated salesperson, increased funding will give the Company, through investment in an expanded team, the opportunity to progress the Group's path to profitability in line with the Group's stated growth strategy.

### EIS and VCT Status

The Company has obtained professional advice indicating that the New Ordinary Shares being issued as part of the Placing and Subscription should be "eligible shares" for the purposes of investment by VCTs and for EIS purposes and that the Company has also applied for and received EIS compliance certificates in relation to Ordinary Shares it has issued in the past. However, none of the Company, the Directors or any of the Company's advisers give any warranty or undertaking that any tax reliefs will be available or, if initially available, will not be withdrawn at a later date.

### Share issuance authorities

The Directors currently have existing authorities under sections 551, 570 and 573 of the Act which were

obtained at the Company's Annual General Meeting held on 25 June 2020. The Directors intend to use these authorities in allotting and issuing the new Ordinary Shares to be issued as part of the Placing and Subscription.

## **IMPORTANT NOTICE**

The information contained in this Announcement is for information purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this Announcement or its accuracy, fairness or completeness.

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Canaccord Genuity is authorised and regulated by the Financial Conduct Authority ("**FCA**") in the United Kingdom and is acting exclusively for the Company and no one else in connection with the Placing, and Canaccord Genuity will not be responsible to anyone (including any Placees) other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Placing or any other matters referred to in this Announcement.

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No statement in this Announcement is intended to be a profit forecast or estimate, and no statement in this Announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

This Announcement contains (or may contain) certain forward-looking statements with respect to certain of the Company's current expectations and projections about future events and the Company's future financial condition and performance. These statements, which sometimes use words such as "aim", "anticipate", "believe", "may", "will", "should", "intend", "plan", "assume", "estimate", "expect" (or the negative thereof) and words of similar meaning, reflect the Directors' current beliefs and expectations and involve known and unknown risks, uncertainties and assumptions, many of which are outside the Company's control and difficult to predict, that could cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statement. Any forward-looking statements made in this announcement by or on behalf of the Company speak only as of the date they are made. These forward-looking statements reflect the Company's judgment at the date of this announcement and are not intended to give any assurance as to future results. Except as required by the FCA, the London Stock Exchange, the AIM Rules or applicable law, the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this announcement to reflect any changes in the Company's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

## **APPENDIX**

### **TERMS AND CONDITIONS OF THE PLACING**

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EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISERS AS TO LEGAL, TAX, BUSINESS AND RELATED ASPECTS OF AN INVESTMENT IN PLACING SHARES. THE PRICE OF THE PLACING SHARES AND THE INCOME FROM THEM (IF ANY) MAY GO DOWN AS WELL AS UP AND INVESTORS MAY NOT GET BACK THE FULL AMOUNT INVESTED ON DISPOSAL OF THE PLACING SHARES.

The relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada; no prospectus has been lodged with or registered by the Australian Securities and Investments Commission or the Japanese Ministry of Finance or the South African Reserve Bank; and the Placing Shares have not been, nor will they be, registered under or offered in compliance with the securities laws and regulations of any state, province or territory of Australia, Canada, Japan or the Republic of South Africa. Accordingly, the Placing Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into Australia, Canada, Japan, the Republic of South Africa or any other jurisdiction in which such offer, sale, resale or delivery would be unlawful.

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that the Placing Shares are: (i) compatible with an end target market of: (a) retail investors, (b) investors who meet the criteria of professional clients and (c) eligible counterparties (each as defined in MiFID II); and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the offer. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Broker will only

procure investors who meet the criteria of professional clients and eligible counterparts.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Placing Shares and determining appropriate distribution channels.

Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this Appendix or this Announcement of which it forms part should seek appropriate advice before taking any action.

These terms and conditions apply to persons making an offer to acquire Placing Shares. By participating in the Placing, each Placee hereby agrees with the Broker and the Company to be bound by these terms and conditions as being the terms and conditions upon which Placing Shares will be issued or acquired. A Placee shall, without limitation, become so bound if the Broker confirms to such Placee its allocation of Placing Shares.

Upon being notified of its allocation of Placing Shares, a Placee shall be contractually committed to acquire the number of Placing Shares allocated to it at the Issue Price and, to the fullest extent permitted by law, will be deemed to have agreed not to exercise any rights to rescind or terminate or otherwise withdraw from such commitment.

In this Appendix, unless the context otherwise requires, "Placee" means a Relevant Person (including individuals, funds or others) who has been invited to participate in the Placing and on whose behalf a commitment to subscribe for or acquire Placing Shares has been given.

### **Details of the Placing Agreement and the Placing Shares**

The Broker and the Company have entered into a Placing Agreement, under which the Broker has, on the terms and subject to the conditions set out therein, undertaken to use its reasonable endeavours to procure subscribers for New Ordinary Shares at the Issue Price. It is expected that the Placing will raise up to £1.9 million in gross proceeds. The Placing is not being underwritten by the Broker or any other person.

The Placing Shares will be issued on or around 17 July 2020. The Placing Shares will, when issued, be subject to the articles of association of the Company, be credited as fully paid and rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions (if any) declared, made or paid on or in respect of Ordinary Shares after the date of issue of the Placing Shares.

The Placing Shares will trade on AIM under DMTR with ISIN GB00B29YYY86.

### **Application for admission to trading of the Placing Shares**

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. Admission for the Placing Shares is expected to become effective and dealings in such shares are expected to commence at 8.00 a.m. on or around 17 July 2020 (the "Admission"). In any event, the latest date for Admission is 31 July 2020 (the "Long Stop Date").

Admission is subject to the Placing Agreement becoming unconditional in all respects (save only for Admission) and not being terminated in accordance with its terms.

### **Placing**

This Appendix gives details of the terms and conditions of, and the mechanics of participation in, the Placing. No commissions will be paid to Placees or by Placees in respect of any Placing Shares.

Participation in, and principal terms of, the Placing are as follows:

1. The Broker is arranging the Placing as agent for, and broker to, the Company.
2. The final number of Placing Shares to be issued will be agreed between the Broker and the Company following completion of a bookbuilding exercise by the Broker (the "Bookbuild"). The results of the Bookbuild will be released through a Regulatory Information Service following the completion of the Bookbuild. The Broker shall be entitled to effect the Placing by such alternative method to the Bookbuild as it may, in its absolute discretion following consultation with the Company, determine.
3. The Bookbuild is expected to close no later than 8:00 a.m. on 14 July 2020 but may be closed earlier or later at the discretion of the Broker. The Broker may, in agreement with the Company, accept bids received after the Bookbuild has closed.
4. Participation in the Placing is only available to persons who are lawfully able to be, and have been, invited to participate by the Broker. The Broker is entitled to participate in the Placing as principal.
5. Each Placee's allocation has been or will be confirmed to Placees orally, or in writing (which can include email), by the Broker and a trade confirmation or contract note has been or will be dispatched as soon as possible thereafter. The Broker's oral or written confirmation will give rise to an irrevocable, legally binding commitment by that person (who at that point becomes a Placee), in favour of the Broker and the Company, under which it agrees to acquire by subscription the

number of Placing Shares allocated to it at the Issue Price and otherwise on the terms and subject to the conditions set out in this Appendix and in accordance with the Company's articles of association. Except with the Broker's consent, such commitment will not be capable of variation or revocation.

6. Each Placee's allocation will, unless otherwise agreed between the Placee and the Broker, be evidenced by a trade confirmation or contract note issued to each such Placee by the Broker. The terms and conditions of this Announcement (including this Appendix) will be deemed to be incorporated in that trade confirmation, contract note or such other confirmation and will be legally binding on the Placee on behalf of which it is made and, except with the Broker's consent, will not be capable of variation or revocation from the time at which it is issued.

7. Each Placee will have an immediate, separate, irrevocable and binding obligation, owed to the Broker (as agent for the Company), to pay to the Broker (or as the Broker may direct) in cleared funds an amount equal to the product of the Issue Price and the number of Placing Shares such Placee has agreed to acquire and the Company has agreed to allot and issue to that Placee.

8. Except as required by law or regulation, no press release or other announcement will be made by the Broker or the Company using the name of any Placee (or its agent), in its capacity as Placee (or agent), other than with such Placee's prior written consent.

9. Irrespective of the time at which a Placee's allocation pursuant to the Placing is confirmed, settlement for all Placing Shares to be acquired pursuant to the Placing will be required to be made at the same time, on the basis explained below under "Registration and Settlement".

10. All obligations of the Broker under the Placing will be subject to fulfilment of the conditions referred to below "Conditions of the Placing" and to the Placing not being terminated on the basis referred to below under "Right to terminate under the Placing Agreement".

11. By participating in the Placing, each Placee agrees that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee.

12. To the fullest extent permissible by law and the applicable rules of the FCA, neither the Broker nor any of its Affiliates shall have any liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise whether or not a recipient of these terms and conditions) in respect of the Placing. Each Placee acknowledges and agrees that the Company is responsible for the allotment of the Placing Shares to the Placees and the Broker and its Affiliates shall have no liability to the Placees for the failure of the Company to fulfil those obligations. In particular, neither the Broker nor any of its Affiliates shall have any liability (including to the extent permissible by law, any fiduciary duties) in respect of the Broker's conduct of the Placing or of such alternative method of effecting the Placing as the Broker and the Company may determine.

### **Conditions of the Placing**

The Placing is conditional upon the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms. The Broker's obligations under the Placing Agreement are conditional on certain conditions including, *inter alia*:

1. the release by the Company, through a Regulatory Information Service of this Announcement by no later than 8.00 a.m. on 13 July 2020;
2. the delivery by the Company to the Broker of certain documents required under the Placing Agreement;
3. the Company having complied with its obligations under the Placing Agreement to the extent that such obligations fall to be performed prior to Admission;
4. subject to such matters fairly disclosed in the Placing Documents or in any Further Announcement (terms as defined in the Placing Agreement), none of the warranties given in the Placing Agreement being untrue, inaccurate or misleading at any time between the date of the Placing Agreement and Admission, as though they had been given and made on such date by reference to the facts and circumstances then subsisting, and no matter having arisen prior to Admission which would reasonably be expected to give rise to a claim under clause 9 (*Indemnities*) of the Placing Agreement;
5. the allotment of the Placing Shares, conditional only upon admission of such Placing Shares to trading on AIM becoming effective in accordance with Rule 6 of Part 1 of the AIM Rules;
6. admission of the Placing Shares to trading on AIM becoming effective in accordance with Rule 6 of Part 1 the AIM Rules not later than 8.00 a.m. on 17 July 2020 or such later date as may be agreed in writing between the Company and the Broker, but in any event not later than 8.00 a.m. on the Long Stop Date; and
7. the Placing Agreement not having been terminated by the Broker.

If: (i) any of the conditions contained in the Placing Agreement, including those described above, are not fulfilled or (where applicable) waived by the Broker by the respective time or date where specified (or such later time or date as the Broker may notify to the Company); (ii) any of such conditions becomes incapable of being fulfilled; or (iii) the Placing Agreement is terminated in the circumstances specified below, the Placing will not proceed and the Placees' rights and obligations hereunder in relation to the Placing Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by the Placee in respect thereof.

The Broker may, at its discretion and upon such terms as it thinks fit, waive, or extend the period for, compliance by the Company with the whole or any part of any of the Company's obligations in relation to the conditions in the Placing Agreement save that the condition relating to Admission taking place by the Long Stop Date may not be waived. Any such extension or waiver will not affect Placees' commitments as set out in this Announcement.

Neither the Broker, the Company nor any of their respective Affiliates shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision they may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition to the Placing nor for any decision they may make as to the satisfaction of any condition or in respect of the Placing generally and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of the Broker.

By participating in the Bookbuild, each Placee agrees that its rights and obligations hereunder terminate only in the circumstances described above and under "Right to terminate the Placing Agreement" below, and will not be capable of rescission or termination by the Placee.

### ***Right to terminate the Placing Agreement***

The Broker is entitled to terminate the Placing Agreement by giving notice to the Company in certain circumstances, including, inter alia, if before Admission (in respect of the Placing):

1. the Broker becomes aware that any statement contained in any of the Placing Documents (as defined in the Placing Agreement) has become or been discovered to be untrue or inaccurate in any material respect or misleading in any respect or that there has been a material omission therefrom;
2. the Broker becomes aware that any of the warranties given in the Placing Agreement were not, when given, or have ceased to be true or accurate in any material respect or not misleading in any respect (or would not be true, accurate or not misleading if then repeated) by reference to the facts subsisting at the time;
3. there has occurred a suspension or cancellation by the London Stock Exchange of trading in the Company's securities;
4. the Company has failed to comply with any of its obligations under the Placing Agreement;
5. there has occurred, in the opinion of the Broker, acting in good faith, a material adverse change in the business of the Group or in the financial or trading position or prospects of the Group or the Company; or
6. there having occurred: (i) any change, or development involving a prospective change, in national or international, military, diplomatic, monetary, economic, political, financial, industrial or market conditions (including a material deterioration in, or a material escalation in response to the COVID-19 pandemic) or exchange rates or exchange controls, or any incident of terrorism or outbreak or escalation of hostilities or any declaration by the UK or the US of a national emergency or war or any other calamity or crisis; or (ii) a suspension of trading in securities generally on the London Stock Exchange or trading is limited or minimum prices established on any such exchange; or (iii) a declaration of a banking moratorium in London or any material disruption to commercial banking or securities settlement or clearance services in the UK, which, in the reasonable opinion of the Broker, acting in good faith, would or would be likely to prejudice materially the Company or the Placing, or make the success of the Placing doubtful or makes it impracticable or inadvisable to proceed with the Placing, or render the creation of a market in the ordinary share capital of the Company temporarily or permanently impracticable.

If the Placing Agreement is terminated prior to Admission then the Placing will not occur.

The rights and obligations of the Placees will not be subject to termination by the Placees or any prospective Placees at any time or in any circumstances. By participating in the Placing, Placees agree that the exercise by the Broker of any right of termination or other discretion under the Placing Agreement shall be within the absolute discretion of the Broker and that the Broker need not make any reference to Placees in this regard and that neither the Broker nor any of its Affiliates shall have any liability to Placees whatsoever in connection with any such exercise or failure so to exercise.

### ***No Admission Document or Prospectus***

The Placing Shares are being offered to a limited number of specifically invited persons only and have not been nor will be offered in such a way as to require the publication of an admission document or prospectus in the United Kingdom or any equivalent document in any other jurisdiction. No offering document, admission document or prospectus has been or will be submitted to be approved by the FCA or the London Stock Exchange in relation to the Placing, and Placees' commitments will be made solely on the basis of the information contained in this Announcement (including this Appendix) and the business and financial information that the Company is required to publish in accordance with the AIM Rules (the "Exchange Information") or has published via a Regulatory Information Service ("Publicly Available Information"). Each Placee, by accepting a participation in the Placing, agrees that the content of this Announcement is exclusively the responsibility of the Company and confirms that it has neither received nor relied on any other information (other than the Exchange Information and/or Publicly Available Information), representation, warranty or statement made by or on behalf of the Company or the Broker or any other person and neither the Broker, the Company nor any other person will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placees may have obtained or received and, if given or made, such information, representation, warranty or statement must not be relied upon as having been authorised by the Broker, the Company or their respective officers, directors, employees or agents. By participating in the Placing, each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the

Placing. Neither the Company nor the Broker are making any undertaking or warranty to any Placee regarding the legality of an investment in the Placing Shares by such Placee under any legal, investment or similar laws or regulations. Each Placee should not consider any information in this Announcement to be legal, tax or business advice. Each Placee should consult its own solicitor, tax adviser and financial adviser for independent legal, tax and financial advice regarding an investment in the Placing Shares. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

### **Lock-up Arrangements**

The Company has undertaken to the Broker that, between the date of the Placing Agreement and 180 days after the date of Admission, it will not, without the prior written consent of the Broker, allot or issue, or enter into any agreement or arrangement which would give rise to an obligation or an increased obligation (in each case whether contingent or otherwise) to allot or issue, any share or any instrument or security convertible into a share in the capital of the Company (save for the allotment and issue of New Ordinary Shares pursuant to the Placing and the Subscription or the allotment and issue to any strategic corporate investor). This shall not prevent the Company from issuing shares pursuant to the terms of any agreement or arrangement entered into by the Company on or before the date of the Placing Agreement or pursuant to the terms of any existing or proposed share option scheme of the Company.

By participating in the Placing, Placees agree that the exercise by the Broker or any power to grant consent to the undertaking by the Company of a transaction which would otherwise be subject to the lock-up provisions under the Placing Agreement shall be within the discretion of the Broker and that it need not make any reference to, or consult with, Placees and that it shall have no liability to Placees whatsoever in connection with any such exercise of the power to grant consent.

### **Registration and Settlement**

Settlement of transactions in the Placing Shares will, unless otherwise agreed, take place on a delivery versus payment basis within CREST. Each Placee will be deemed to agree that it will do all things necessary to ensure that delivery and payment is completed as directed by the Broker in accordance with the standing CREST settlement instructions which they have in place with the Broker.

Settlement of transactions in the Placing Shares following Admission will take place within the system administered by Euroclear UK & Ireland Limited ("**CREST**") provided that, subject to certain exceptions, the Broker reserves the right to require settlement for, and delivery of, the Placing Shares (or a portion thereof) to Placees by such other means that it deems necessary if delivery or settlement is not possible or practicable within CREST within the timetable set out in this Announcement or would not be consistent with the regulatory requirements in any Placee's jurisdiction.

It is expected that settlement of the Placing Shares will be on 17 July 2020 unless otherwise notified by the Broker and Admission is expected to occur by 31 July 2020 or such later time as may be agreed between the Company and the Broker, not being later than the Long Stop Date.

Subject to the conditions set out above, payment in respect of the Placees' allocation is due as set out below. Each Placee should provide its settlement details in order to enable instructions to be successfully matched in CREST. The relevant settlement details for the Placing Shares are as follows:

CREST Participant ID of Canaccord Genuity:	805
Expected Trade Date:	13 July 2020
Expected Settlement Date:	17 July 2020
ISIN code for the Placing Shares:	GB00B29YYY86
Deadline for Placee to input instruction into CREST	16 July 2020

Each Placee is deemed to agree that, if it does not comply with these obligations, the Broker may sell any or all of the Placing Shares allocated to that Placee on such Placee's behalf and retain from the proceeds, for the Broker account and benefit (as agent for the Company), an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable and shall indemnify the Broker on demand for any shortfall below the aggregate amount owed by it and may be required to bear any stamp duty or stamp duty reserve tax or securities transfer tax (together with any interest or penalties) which may arise upon the sale of such Placing Shares on such Placee's behalf. By communicating a bid for Placing Shares, each Placee confers on the Broker such authorities and powers necessary to carry out any such sale and agrees to ratify and confirm all actions which the Broker lawfully takes in pursuance of such sale. Legal and/or beneficial title in and to any Placing Shares shall not pass to the relevant Placee until it has fully complied with its obligations hereunder.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that any form of confirmation is copied and delivered immediately to the relevant person within that organisation.

Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below, be so registered free from any liability to UK stamp duty or stamp duty reserve tax or securities transfer tax. Neither the Broker nor the Company will be liable in any circumstances for the payment of stamp duty, stamp duty reserve tax or securities transfer tax in connection with any of the Placing Shares. Placees will not be entitled to receive

any fee or commission in connection with the Placing.

### **Representations, Warranties and Further Terms**

By participating in the Placing, each Placee (and any person acting on such Placee's behalf) makes the following representations, warranties, acknowledgements, agreements and undertakings (as the case may be) to the Broker (for itself and on behalf of the Company), in each case as a fundamental term of its application for Placing Shares:

1. that it has read and understood this Announcement, including this Appendix, in its entirety and that its subscription for or purchase of Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements, undertakings and other information contained herein and undertakes not to redistribute or duplicate this Announcement;
2. that the shares in the capital of the Company are admitted to trading on AIM, and the Company is therefore required to publish the Exchange Information, which includes a description of the nature of the Company's business and the Company's most recent balance sheet and profit and loss account and that it has reviewed such Exchange Information and that it is able to obtain or access such Exchange Information without undue difficulty and is able to obtain access to such information or comparable information concerning any other publicly traded company without undue difficulty;
3. that its obligations are irrevocable and legally binding and shall not be capable of rescission or termination by it in any circumstances;
4. that the exercise by the Broker of any right or discretion under the Placing Agreement shall be within the absolute discretion of the Broker and the Broker need not have any reference to it and shall have no liability to it whatsoever in connection with any decision to exercise or not to exercise any such right and each Placee agrees that it has no rights against the Broker or the Company, or any of their respective officers, directors or employees, under the Placing Agreement pursuant to the Contracts (Rights of Third Parties Act) 1999;
5. that these terms and conditions represent the whole and only agreement between it, the Broker and the Company in relation to its participation in the Placing and supersedes any previous agreement between any of such parties in relation to such participation. Accordingly, each Placee, in accepting its participation in the Placing, is not relying on any information or representation or warranty in relation to the Company or any of its subsidiaries or any of the Placing Shares other than as contained in this Announcement, the Exchange Information and the Publicly Available Information, such information being all that it deems necessary to make an investment decision in respect of the Placing Shares. Each Placee agrees that neither the Company, the Broker nor any of their respective officers, directors or employees will have any liability for any such other information, representation or warranty, express or implied;
6. that in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 5(2) of the Prospectus Regulation, (i) the Placing Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Member State of the European Economic Area which has implemented the Prospectus Regulation other than Qualified Investors or in circumstances in which the prior consent of the Broker has been given to the offer or resale; or (ii) where Placing Shares have been acquired by it on behalf of persons in any member state of the EEA other than Qualified Investors, the offer of those Placing Shares to it is not treated under the Prospectus Regulation as having been made to such persons;
7. that any offer of Placing Shares may only be directed at persons in member states of the EEA who are Qualified Investors and represents, warrants and undertakes that it has not offered or sold and will not offer or sell any Placing Shares to persons in the EEA prior to Admission except to Qualified Investors or otherwise in circumstances which have not resulted in and which will not result in an offer to the public in any member state of the EEA within the meaning of the Prospectus Regulation;
8. that it has complied and will comply with all applicable laws (including all relevant provisions of the FSMA) with respect to anything done by it in relation to the Placing Shares in respect of anything done in, from or otherwise involving, the United Kingdom;
9. that neither it nor, as the case may be, its clients expect the Broker to have any duties or responsibilities to such persons similar or comparable to the duties of "best execution" and "suitability" imposed by the FCA's Conduct of Business Source Book, and that the Broker is not acting for it or its clients, and that the Broker will not be responsible for providing the protections afforded to customers of the Broker or for providing advice in respect of the transactions described herein;
10. that neither the Broker nor the Company nor any of their respective Affiliates nor any person acting on behalf of any of them has provided, and none of them will provide, it with any material or information regarding the Placing Shares, the Bookbuild, the Placing or the Company or any other person other than this Announcement, nor has it requested the Broker, the Company, or any of their respective Affiliates nor any person acting on behalf of any of them to provide it with any such material or information;
11. that it has made its own assessment of the Placing Shares and has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing and neither the Broker or the Company nor any of their respective Affiliates, agents, directors, officers or employees or any person acting on behalf of any of them has provided, and will not provide, it with any material regarding the Placing Shares or the Company or any other person other than the information in this Announcement or the Publicly Available Information; nor has it requested

the Broker, the Company or any of their respective Affiliates, agents, directors, officers or employees or any person acting on behalf of any of them to provide it with any such information;

12. that the only information on which it is entitled to rely on and on which it has relied in committing to subscribe for the Placing Shares is contained in this Announcement and the Publicly Available Information, such information being all that it deems necessary to make an investment decision in respect of the Placing Shares and it has made its own assessment of the Company, the Placing Shares and the terms of the Placing based on this Announcement and the Publicly Available Information;

13. that neither the Broker or the Company nor any of their respective Affiliates, agents, directors, officers or employees has made any representation or warranty to it, express or implied, with respect to the Company, the Bookbuild, the Placing or the Placing Shares or the accuracy, completeness or adequacy of this Announcement or the Publicly Available Information and each of them expressly disclaims any liability in respect thereof;

14. that it and the person(s), if any, for whose account or benefit it is subscribing for the Placing Shares is not subscribing for and/or purchasing Placing Shares as a result of any "directed selling efforts" as defined in Regulation S;

15. that, unless specifically agreed with the Broker, it is not and was not acting on a non-discretionary basis for the account or benefit of a person located within the United States at the time the undertaking to subscribe for and/or purchase Placing Shares was given and it is not acquiring Placing Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any Placing Shares into the United States and it will not reoffer, resell, pledge or otherwise transfer the Placing Shares except pursuant to an exemption from the registration requirements of the Securities Act and otherwise in accordance with any applicable securities laws of any state or jurisdiction of the United States;

16. that it is not a national or resident of Canada, Australia, New Zealand, the Republic of Ireland, the Republic of South Africa or Japan or a corporation, partnership or other entity organised under the laws of Canada, Australia, New Zealand, the Republic of Ireland, the Republic of South Africa or Japan and that it will not offer, sell, renounce, transfer or deliver, directly or indirectly, any of the Placing Shares in Canada, Australia, New Zealand, the Republic of Ireland, the Republic of South Africa or Japan or to or for the benefit of any person resident in Canada, Australia, New Zealand, the Republic of Ireland, the Republic of South Africa or Japan and each Placee acknowledges that the relevant exemptions are not being obtained from the Securities Commission of any province of Canada, that no document has been or will be lodged with, filed with or registered by the Australian Securities and Investments Commission or Japanese Ministry of Finance and that the Placing Shares are not being offered for sale and may not be, directly or indirectly, offered, sold, transferred or delivered in or into Canada, Australia, New Zealand, the Republic of Ireland, the Republic South Africa or Japan;

17. that it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the Placing Shares and it is not acting on a non-discretionary basis for any such person;

18. that it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted, and will not, directly or indirectly, distribute, forward, transfer or otherwise transmit, this Announcement (or any part of it), or any presentation or offering materials concerning the Placing or the Placing Shares to any persons within the United States (including electronic copies thereof);

19. that it (and any person acting on its behalf) will make payment for the Placing Shares allocated to it in accordance with this Announcement on the due time and date set out herein, failing which the relevant Placing Shares may be placed with other subscribers or sold as the Broker may in its discretion determine and without liability to such Placee;

20. that it is entitled to subscribe for and/or purchase Placing Shares under the laws of all relevant jurisdictions which apply to it and that it has fully observed such laws and obtained all governmental and other consents which may be required thereunder or otherwise and complied with all necessary formalities and that it has not taken any action which will or may result in the Company or the Broker or any of their respective directors, officers, employees or agents acting in breach of any regulatory or legal requirements of any territory in connection with the Placing or its acceptance;

21. that it has obtained all necessary consents and authorities to enable it to give its commitment to subscribe for and/or purchase the Placing Shares and to perform its subscription and/or purchase obligations;

22. that where it is acquiring Placing Shares for one or more managed accounts, it is authorised in writing by each managed account: (a) to acquire the Placing Shares for each managed account; (b) to make on its behalf the representations, warranties, acknowledgements, undertakings and agreements in this Appendix and this Announcement of which it forms part; and (c) to receive on its behalf any investment letter relating to the Placing in the form provided to it by the Broker;

23. that it is either: (a) a person of a kind described in paragraph 5 of Article 19 (persons having professional experience in matters relating to investments and who are investment professionals) of the Order; or (b) a person of a kind described in paragraph 2 of Article 49 (high net worth companies, unincorporated associations, partnerships or trusts or their respective directors, officers or employees) of the Order; or (c) a person to whom it is otherwise lawful for this Announcement to be communicated and in the case of (a) and (b) undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;

24. that, unless otherwise agreed by the Broker, it is a qualified investor (as defined in section 86(7) of the Financial

Services and Markets Act 2000, as amended ("**FSMA**");

25. that, unless otherwise agreed by the Broker, it is a "professional client" or an "eligible counterparty" within the meaning of Chapter 3 of the FCA's Conduct of Business Sourcebook and it is purchasing Placing Shares for investment only and not with a view to resale or distribution;

26. it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Placing Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person;

27. that any money held in an account with the Broker (or its nominees) on its behalf and/or any person acting on its behalf will not be treated as client money within the meaning of the rules and regulations of the FCA. Each Placee further acknowledges that the money will not be subject to the protections conferred by the FCA's client money rules. As a consequence, this money will not be segregated from the Broker (or its nominee) money in accordance with such client money rules and will be used by the Broker in the course of its own business and each Placee will rank only as a general creditor of the Broker;

28. that it will (or will procure that its nominee will) if applicable, make notification to the Company of the interest in its ordinary shares in accordance with the Disclosure Guidance and Transparency Rules published by the FCA;

29. that it is not, and it is not acting on behalf of, a person falling within subsections (6), (7) or (8) of sections 67 or 70 respectively or subsections (2) and (3) of section 93 or subsection (1) of section 96 of the Finance Act 1986;

30. that it will not deal or cause or permit any other person to deal in all or any of the Placing Shares which it is subscribing for and/or purchasing under the Placing unless and until Admission becomes effective;

31. that it appoints irrevocably any director of the Broker as its agent for the purpose of executing and delivering to the Company and/or its registrars any document on its behalf necessary to enable it to be registered as the holder of the Placing Shares;

32. that, as far as it is aware it is not acting in concert (within the meaning given in The City Code on Takeovers and Mergers) with any other person in relation to the Company, save as previously disclosed to the Broker;

33. that this Announcement does not constitute a securities recommendation or financial product advice and that neither the Broker nor the Company has considered its particular objectives, financial situation and needs;

34. that it has sufficient knowledge, sophistication and experience in financial, business and investment matters as is required to evaluate the merits and risks of subscribing for or purchasing the Placing Shares and is aware that it may be required to bear, and it, and any accounts for which it may be acting, are able to bear, the economic risk of, and is able to sustain, a complete loss in connection with the Placing;

35. that it will indemnify and hold the Company and the Broker and its Affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings in this Appendix and further agrees that the Company and the Broker will rely on the truth and accuracy of the confirmations, warranties, acknowledgements and undertakings herein and, if any of the foregoing is or becomes no longer true or accurate, the Placee shall promptly notify the Broker and the Company. All confirmations, warranties, acknowledgements and undertakings given by the Placee, pursuant to this Announcement (including this Appendix) are given to the Broker for itself and on behalf of the Company and will survive completion of the Placing and Admission;

36. that time shall be of the essence as regards its obligations pursuant to this Appendix;

37. that it is responsible for obtaining any legal, financial, tax and other advice that it deems necessary for the execution, delivery and performance of its obligations in accepting the terms and conditions of the Placing, and that it is not relying on the Company or the Broker to provide any legal, financial, tax or other advice to it;

38. that all dates and times in this Announcement (including this Appendix) may be subject to amendment and that the Broker shall notify it of such amendments;

39. that (i) it has complied with its obligations under the Criminal Justice Act 1993, Part VIII of FSMA and MAR, (ii) in connection with money laundering and terrorist financing, it has complied with its obligations under the Proceeds of Crime Act 2002 (as amended), the Terrorism Act 2000 (as amended), the Terrorism Act 2006 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and (iii) it is not a person: (a) with whom transactions are prohibited under the Foreign Corrupt Practices Act of 1977 or any economic sanction programmes administered by, or regulations promulgated by, the Office of Foreign Assets Control of the U.S. Department of the Treasury; (b) named on the Consolidated List of Financial Sanctions Targets maintained by HM Treasury of the United Kingdom; or (c) subject to financial sanctions imposed pursuant to a regulation of the European Union or a regulation adopted by the United Nations (together, the "**Regulations**"); and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations and has obtained all governmental and other consents (if any) which may be required for the purpose of, or as a consequence of, such purchase, and it will provide promptly to the Broker such evidence, if any, as to the identity or location or legal status of any person which the Broker

may request from it in connection with the Placing (for the purpose of complying with such Regulations or ascertaining the nationality of any person or the jurisdiction(s) to which any person is subject or otherwise) in the form and manner requested by the Broker on the basis that any failure by it to do so may result in the number of Placing Shares that are to be subscribed for and/or purchased by it or at its direction pursuant to the Placing being reduced to such number, or to nil, as the Broker may decide in its absolute discretion;

40. that it will not make any offer to the public of those Placing Shares to be subscribed for and/or purchased by it for the purposes of the Prospectus Regulation Rules made by the FCA pursuant to Prospectus Regulation Rules Instrument 2019 (FCA 2019/80);

41. that it will not distribute any document relating to the Placing Shares and it will be acquiring the Placing Shares for its own account as principal or for a discretionary account or accounts (as to which it has the authority to make the statements set out herein) for investment purposes only and it does not have any contract, understanding or arrangement with any person to sell, pledge, transfer or grant a participation therein to such person or any third person with respect of any Placing Shares; save that if it is a private client stockbroker or fund manager it confirms that in purchasing the Placing Shares it is acting under the terms of one or more discretionary mandates granted to it by private clients and it is not acting on an execution only basis or under specific instructions to purchase the Placing Shares for the account of any third party;

42. that it acknowledges that these terms and conditions and any agreements entered into by it pursuant to these terms and conditions shall be governed by and construed in accordance with the laws of England and Wales and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by the Company or the Broker in any jurisdiction in which the relevant Placee is incorporated or in which its assets are located or any of its securities have a quotation on a recognised stock exchange;

43. that any documents sent to Placees will be sent at the Placees' risk. They may be sent by post to such Placees at an address notified to the Broker;

44. that the Broker owes no fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings or indemnities in the Placing Agreement;

45. that the Broker or any of its Affiliates may, at their absolute discretion, agree to become a Placee in respect of some or all of the Placing Shares;

46. that no prospectus, admission document or other offering document has been or will be prepared in connection with the Placing and it has not received and will not receive a prospectus, admission document or other offering document in connection with the Placing or the Placing Shares; and

47. that if it has received any confidential price sensitive information concerning the Company in advance of the publication of this Announcement, it has not: (i) dealt in the securities of the Company; (ii) encouraged, required, recommended or induced another person to deal in the securities of the Company; or (iii) disclosed such information to any person, prior to such information being made publicly available.

The Company, the Broker and their respective Affiliates will rely upon the truth and accuracy of each of the foregoing representations, warranties, acknowledgements and undertakings which are given to the Broker for themselves and on behalf of the Company and are irrevocable.

The provisions of this Appendix may be waived, varied or modified as regards specific Placees or on a general basis by the Broker.

The agreement to settle a Placee's subscription and/or purchase (and/or the subscription of a person for whom such Placee is contracting as agent) free of stamp duty and stamp duty reserve tax depends on the settlement relating only to a subscription by it and/or such person direct from the Company for the Placing Shares in question. Such agreement assumes that the Placing Shares are not being subscribed for in connection with arrangements to issue depositary receipts or to transfer the Placing Shares into a clearance service. If there are any such arrangements, or the settlement relates to any other subsequent dealing in the Placing Shares, stamp duty or stamp duty reserve tax may be payable, for which neither the Company or the Broker will be responsible, and the Placee to whom (or on behalf of whom, or in respect of the person for whom it is participating in the Placing as an agent or nominee) the allocation, allotment, issue or delivery of Placing Shares has given rise to such UK stamp duty or stamp duty reserve tax undertakes to pay such UK stamp duty or stamp duty reserve tax forthwith and to indemnify on an after-tax basis and to hold harmless the Company and the Broker in the event that any of the Company and/or the Broker have incurred any such liability to UK stamp duty or stamp duty reserve tax. If this is the case, each Placee should seek its own advice and notify the Broker accordingly.

In addition, Placees should note that they will be liable for any stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the UK by them or any other person on the subscription or purchase by them of any Placing Shares or the agreement by them to subscribe for or purchase any Placing Shares.

This Announcement has been issued by, and is the sole responsibility, of the Company. No representation or warranty express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by the Broker or by any of their respective Affiliates or agents as to or in relation to, the accuracy or completeness of this

Announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefore is expressly disclaimed.

No statement in the Placing Documents is intended to be a profit forecast or estimate, and no statement in the Placing Documents should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

The Placing Shares to be issued pursuant to the Placing will not be admitted to trading on any stock exchange other than AIM, a market operated by the London Stock Exchange.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, the Placing Documents.

## DEFINITIONS

The following words and expressions apply throughout this Announcement, unless the context requires otherwise:

<b>"Act"</b>	the Companies Act 2006 (as amended)
<b>"Admission"</b>	the admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with Rule 6 of part 1 of the AIM Rules
<b>"Affiliate"</b>	any other person that, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such person and specifically includes subsidiaries, branches, associated companies and holding companies and the subsidiaries of such holding companies, branches, associated companies and subsidiaries; and for these purposes "controlling person" means any person who controls any other person; "control" (including the terms "controlling", "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management, policies or activities of a person whether through the ownership of securities, by contract or agency or otherwise; and the term "person" is deemed to include a partnership, and this definition also includes the respective directors, officers, employees, agents or advisers of all such persons
<b>"AIM"</b>	AIM, a market operated by the London Stock Exchange
<b>"AIM Rules"</b>	the Rules and Guidance notes for AIM companies and their nominated advisers issued by the London Stock Exchange from time to time relating to AIM traded securities and the operation of AIM
<b>"Canaccord Genuity" or "Broker"</b>	Canaccord Genuity Limited, the Company's nominated adviser and broker in relation to the Placing, registered in England and Wales with registered number 01774003 and whose registered office is at 88 Wood Street, London, EC2V 7QR
<b>"Company" or "DeepMatter"</b>	DeepMatter Group plc, a company incorporated in England and Wales with registered number 05845469 whose registered office is at St Brandon's House, Great George Street, Bristol, BS1 5QT
<b>"CREST"</b>	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear which facilitates the transfer of title to shares in uncertificated form
<b>"CREST Regulations"</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755) including any variation thereof
<b>"Directors" or "Board"</b>	the directors of the Company
<b>"EIS"</b>	Enterprise Investment Scheme
<b>"Enlarged Issued Share Capital"</b>	the 879,097,281 Ordinary Shares in issue immediately following Admission
<b>"Euroclear"</b>	Euroclear UK & Ireland Limited, the operator of CREST
<b>"Exchange Information"</b>	the business and financial information that the Company is required to publish in accordance with MAR and the rules and practices of the London Stock Exchange and/or the FCA
<b>"Existing Ordinary Shares"</b>	the 736,533,946 Ordinary Shares in issue at the date of this Announcement
<b>"FSMA"</b>	the Financial Services and Markets Act 2000 (as amended)

<b>"Group"</b>	the Company and its subsidiaries
<b>"Issue Price"</b>	1.5 pence per Ordinary Share
<b>"London Stock Exchange"</b>	London Stock Exchange plc
<b>"MiFID II"</b>	EU Directive 2014/65/EU on markets in financial instruments, as amended
<b>"MiFID II Product Governance Requirements"</b>	the product governance requirements contained within: (a) MiFID II; (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures
<b>"New Ordinary Shares"</b>	the Placing Shares and the Subscription Shares
<b>"Order"</b>	the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005
<b>"Ordinary Shares"</b>	ordinary shares of 0.01 pence each in the capital of the Company
<b>"Placees"</b>	a Relevant Person (including individuals, funds or others) who has been invited to participate in the Placing and on whose behalf a commitment to subscribe for or acquire Placing Shares has been given
<b>"Placing"</b>	the conditional placing of the Placing Shares on the terms and subject to the conditions of the Placing Agreement
<b>"Placing Shares"</b>	the 130,830,001 Ordinary Shares to be issued pursuant to the Placing
<b>"Prospectus Regulation Rules"</b>	the Prospectus Regulation Rules made by the FCA under Part VI of FSMA
<b>"R&amp;D"</b>	research and development
<b>"Regulatory Information Service"</b>	a service approved by the FCA for the distribution to the public of regulatory announcements and included on the list maintained on the FCA's website
<b>"Restricted Jurisdictions"</b>	the United States, Canada, Australia, New Zealand, the Republic of Ireland, the Republic of South Africa or Japan
<b>"Securities Act"</b>	the US Securities Act of 1933, as amended
<b>"Subscription"</b>	the conditional subscription for the Subscription Shares at the Issue Price
<b>"Subscription Shares"</b>	the 11,733,334 Ordinary Shares to be issued pursuant to the Subscription
<b>"United States" or "US"</b>	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
<b>"VCT"</b>	a Venture Capital Trust under Part 6 of the Income Tax Act 2007
<b>"VCT/EIS Shares"</b>	the Ordinary Shares to be issued pursuant to the Placing and the Subscription to either a VCT (as defined in section 259 of the Income Tax Act 2007) or to an individual or fund and in respect of which EIS relief (pursuant to Part 5 of the Income Tax Act 2007) is intended to be claimed

All references to "pounds", "pounds sterling", "sterling", "£", "pence" and "p" are to the lawful currency of the UK.

END

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