

22 September 2021

## DeepMatter Group Plc

### Half Year Results

DeepMatter Group Plc (AIM: DMTR, "DeepMatter", the "Group"), the international digital chemistry data company, has published its unaudited results for the six months to 30 June 2021.

#### Highlights

- Increasing commercial traction including multi-year licensing deal with Merck's life sciences business
- Data growth and technology integrations with university partners in: discovery and development digital workflow; automated precision manufacturing; and machine learning for sustainable chemistry
- Cemented industry relationships with a number of key managerial appointments
- Secured new customers with strong industry pedigree - active users up 48%
- H1 revenue up to £0.65m (H1 2020: £0.53m)
- R&D higher - reflecting continued investment in products
- Administrative costs down 9% to £1.03m
- H1 loss £1.4m (H1 2020: loss £1.2m).

**Mark Warne, DeepMatter CEO**, commented:

***"We have seen positive momentum in H1 and have enhanced our position in a growing market. We continued to resource our sales and R&D capabilities to strengthen our offering."***

***"Our focus is on unlocking the value in digital chemistry by building a fully integrated digital chemistry cloud platform of chemical reaction data for scientists."***

***"On the back of a strong renewals base and our new focus on growing revenues with those customers as well as growth in users and trials, we look forward with increasing confidence to delivering on our potential and the growth we envisage for 2021 and beyond."***

**For more information:**

#### **DeepMatter Group Plc**

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#### **About DeepMatter Group Plc**

DeepMatter is building a unique, fully integrated digital chemistry cloud platform of chemical reaction data for scientists, who are working on early-stage chemical discovery & development.

DeepMatter is integrating technology with chemistry to enable scientists, principally in the commercial sector, to easily perform and optimise chemistry. It is building, structuring and analysing chemical reaction databases and using this substantial data for real-time innovation and productivity gains in the chemical industry - particularly pharmaceutical companies engaged in pre-clinical drug discovery & development. This data is also now enabling Artificial Intelligence (AI) driven chemical automation.

## **Strategic overview**

DeepMatter is now established as the leader in the digitalisation of chemistry and driving this market shift, building and commercialising a fully-integrated scalable platform that will be the future of chemical reaction data.

The Group's strategy is to create value for its customers from data it has collected. It will continue to grow by acquiring or gaining access to additional data as it develops its integrated cloud-based collection, analysis & control platform, DigitalGlassware®.

DeepMatter aims to exploit the growing market opportunity and demand in the digitalisation of chemistry by developing data and cloud delivery platform with real-time Machine Learning and Artificial Intelligence (ML/AI) driven analytics.

DeepMatter has continued to see positive momentum in H1 with increased commercial traction, data growth and technology innovation, and enhancing industry relationships. The Group secured a number of new customers with strong industry pedigree.

The Group saw active users increase by 48%, has 40 customers globally and works with five of the 10 largest pharmaceutical companies.

The Group saw solid H1 sales. It continued to strengthen its sales pipeline and saw a continued growth in users and trials. The previously highlighted focus on the CRO market is yielding new customers.

The Group has also continued to invest in enhancing its products and kept costs, down 9%, under tight control.

## **Current trading and outlook**

DeepMatter operates in markets growing with CAGR of 4.7% from 2021 to 2028, driven by technology (digitalisation), compliance and economic necessity.

The Group has an international footprint, blue-chip customer base and key commercial relationships, both in academic centres and corporate. It has the capabilities to exploit this industry change and the potential for a growing SaaS revenue stream.

The Group saw revenue growth in H1 and with a strengthening renewals base expects to strengthen further and progress the sales pipeline in H2. DeepMatter will continue resourcing its R&D delivery to strengthen the offering, as well as maintaining tight control on costs.

On the back of a strong renewals base and the new focus on growing revenues with those customers as well as growth in users and trials, the Board looks forward with increasing confidence to delivering on DeepMatter's potential and the growth envisaged.

## **Operational review**

### **Markets**

DeepMatter's customers are increasingly ready for, and embracing, digitisation in chemistry. Some 35% of industry leaders have migrated to AI/ML cloud systems which is resulting in material and time savings, an enhanced human-machine interface and 99% reduction in errors from reducing human contact with data processes

The Group's wholistic and unique approach to collecting, structuring, sharing and analysing time course-data (measuring the effects of chemical reactions over the course of time), provides faster actionable insights that result in scientific breakthroughs. This is a key enabler to AI driven chemical automation.

DeepMatter's customers' digitalisation programme dovetail with the Group's ESG capabilities. Digital chemistry provides access to safe and sustainable chemistry. It increases the focus on placing distance between the chemist and dangerous materials, with better productivity reduces energy usage and also increases the focus on building a

sustainable chemistry database.

## **Key developments**

### Integration

The Group strengthened its sales and marketing team and operating structure. A dedicated Customer Services Team Lead was appointed and the consolidation of Software Development across Munich and Glasgow was completed. The research function was brought under leadership of chemical technologies expert Dr David Parry.

### User interface

A new user interface based on usage of global pharma clients was introduced along with data quality enhancements, updated content and new transform libraries for DeepMatter's retrosynthesis software, ICSYNTH.

### Commercial traction

DeepMatter signed a data licensing agreement with the Life Science business of Merck to provide proprietary chemical structure and reaction data content to Merck's selected application.

The Group also signed a co-distribution agreement with Elemental Machines, the US based organisation helping biotechnology and pharmaceutical companies identify research problems through its sensor-based products. This agreement will see Elemental Machines promote DeepMatter's integrated software, hardware and artificial intelligence enabled platform, DigitalGlassware®, to its wide network of small and mid-size biotech North American customers through its sales team

This agreement provides the Group with the opportunity to broaden its customer base and help establish sales opportunities across North America with organisations in the pharmaceutical and biotechnology sectors.

### Data growth and technology integrations

Further collaboration with the University of Nottingham's School of Chemistry, provided access to the DigitalGlassware® platform to support the University's sustainable chemistry initiatives.

This collaboration with Nottingham will focus on the development of ML models of sustainable chemistry for researchers in the pharmaceutical sector and related chemical-based industries.

The Group was selected as a partner for the University of Leeds following a £1.4m EPSRC investment it received to develop automated precision manufacturing approaches in collaboration with the University of Sheffield, AstraZeneca, Somaserve and Samsung.

DeepMatter commenced a project with the University of Cambridge's Innovation Centre in Digital Molecular Technologies (iDMT), an open innovation research centre co-funded by the University of Cambridge, AstraZeneca, Shionogi and the European Regional Development Fund.

### Industry relationships

Bryn Roberts was appointed as Non-Executive Director. Bryn brings a wealth of experience in the pharmaceutical sector having spent 15 years at Roche, the Swiss multinational healthcare company. He is Senior Vice President and Head of Data Services at Roche Information Solutions and until recently was Global Head of Operations, Pharmaceutical Research & Early Development.

As a key opinion leader, Bryn will contribute a network of contacts, as well deep industry expertise providing a real-time sector perspective on the needs of the Group's pharmaceutical customers.

Mark Wame, CEO has been invited to chair the Industrial Advisory Board (IAB) at Imperial College's EPSRC Centre for Doctoral Training in Next Generation Synthesis & Reaction Technology (CDT), for the next two years.

Mark's principal role will be to liaise closely with the CDT's network of industrial partners, including AstraZeneca, Bayer, BASF, GlaxoSmithKline, IBM, The Janssen Pharmaceutical

Companies of Johnson & Johnson, Mettler-Toledo, Syngenta, and Pfizer.

## Financial review

Revenue for the first half of 2021 was £0.65m (H1 2020: £0.54m). This includes revenue from licensing, SaaS recurring revenues and related service business.

R&D spend increased to £0.86m (H1 2020: £0.32m, cash spend was £0.71m). The Group continued to invest in enhancing products and made progress along development roadmaps, focusing on the commercial appeal of products. The capitalisation of development was lower year-on-year reflecting the stage and nature of development work undertaken in H1 2021 and the milestones expected to be achieved before capitalising DigitalGlassware®.

Overhead costs were reduced to £1.03m (H1 2020: £1.14m) due to a continued focus on cost control, reduced travel and savings from staff turnover.

The Group incurred an operating loss £1.38m (H1 2020: loss £1.17m), driven by the investment in R&D spend.

The Group held cash balances at 30 June 2021 of £1.84 million (30 June 2020: £2.01m).

### DEEPMATTER GROUP PLC CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS TO 30 JUNE 2021

	<b>6 months ended 30 June 2021 (Unaudited) £'000</b>	6 months ended 30 June 2020 (Unaudited) £'000	Year ended 31 December 2020 (Audited) £'000
<b>Continuing operations</b>			
Revenue	<b>649</b>	536	1,319
Cost of Sales	<b>(176)</b>	(230)	(433)
<b>Gross Profit</b>	<b>473</b>	306	886
Research and development costs	<b>(856)</b>	(319)	(1,596)
Share based payments	<b>(45)</b>	(58)	(167)
Administrative costs	<b>(1,032)</b>	(1,139)	(1,980)
Other income	-	-	187
<b>Operating loss</b>	<b>(1,460)</b>	(1,210)	(2,670)
Finance income - net	<b>2</b>	3	13
<b>Loss before tax</b>	<b>(1,458)</b>	(1,207)	(2,657)
Income tax credit	<b>79</b>	36	244
<b>Loss for the period</b>	<b>(1,379)</b>	(1,171)	(2,413)
<b>Other comprehensive income</b>			
<i>Amounts which may be reclassified to profit or loss</i>			
Currency translation differences			<b>(5)</b>
88	53		
Other comprehensive income for the year			(5)
88	53		
<b>Total comprehensive loss for the year attributable to equity holders of the company</b>			
	<b>(1,384)</b>	(1,083)	(2,360)
<b>Loss per share attributable to the equity holders of the Company:</b>			
Basic and diluted loss per share (pence) on total operations	<b>(0.15)</b>	(0.16)	(0.30)

**DEEPMATTER GROUP PLC**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2021**

	Share equity £'000	Share premium £'000	Merger reserve £'000	Shares to be issued reserve £'000	Foreign currency translation reserve £'000	Retained earnings £'000	Total £'000
<b>Balance at 30 June 2019</b>	<b>74</b>	<b>7,136</b>	<b>5,971</b>	<b>1,274</b>	<b>34</b>	<b>(4,132)</b>	<b>10,357</b>
Loss for the six months to 31 December 2019	-	-	-	-	-	(1,359)	(1,359)
Currency Translation differences	-	-	-	-	(27)	-	(27)
<b>Total comprehensive loss for the six months to 31 December 2019</b>	-	-	-	-	(27)	(1,359)	<b>(1,386)</b>
<i>Transactions with owners;</i>							
Share based payment charge	-	-	-	-	-	110	110
<b>Balance at 31 December 2019</b>	<b>74</b>	<b>7,136</b>	<b>5,971</b>	<b>1,274</b>	<b>7</b>	<b>(5,381)</b>	<b>9,081</b>
Loss for the six months to 30 June 2020	-	-	-	-	-	(1,171)	(1,171)
Currency Translation differences	-	-	-	-	88	-	88
<b>Total comprehensive loss for the six months to 30 June 2020</b>	-	-	-	-	88	(1,171)	<b>(1,083)</b>
<i>Transactions with owners;</i>							
Share based payment charge	-	-	-	-	-	58	58
<b>Balance at 30 June 2020</b>	<b>74</b>	<b>7,136</b>	<b>5,971</b>	<b>1,274</b>	<b>95</b>	<b>(6,494)</b>	<b>8,056</b>
Loss for the six months to 31 December 2020	-	-	-	-	-	(1,242)	(1,242)
Currency Translation differences	-	-	-	-	(35)	-	(35)
<b>Total comprehensive loss for the six months to 31 December 2020</b>	-	-	-	-	(35)	(1,242)	<b>(1,277)</b>
Issue of shares for cash	14	1,998	-	-	-	-	<b>2,012</b>
Deferred consideration shares issued	4	1,066	-	(1,070)	-	-	-
Share based payment charge	-	-	-	-	-	109	<b>109</b>
<b>Balance at 31 December 2020</b>	<b>92</b>	<b>10,200</b>	<b>5,971</b>	<b>204</b>	<b>60</b>	<b>(7,627)</b>	<b>8,900</b>
Loss for the six months to 30 June 2021	-	-	-	-	-	(1,379)	<b>(1,379)</b>
Currency Translation differences	-	-	-	-	(5)	-	(5)
<b>Total</b>					(5)		

<b>comprehensive loss for the six months to 30 June 2020</b>	-	-	-		(1,379)	<b>(1,384)</b>
<i>Transactions with owners;</i>						
Share based payment charge	-	-	-	-	-	45
<b>Balance at 30 June 2021</b>	<b>92</b>	<b>10,200</b>	<b>5,971</b>	<b>204</b>	<b>55</b>	<b>(8,961) 7,561</b>

**DEEPMATTER GROUP PLC  
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2021**

	As at 30 June 2021 (Unaudited) £'000	As at 30 June 2020 (Unaudited) £'000	As at 31 December 2020 (Audited) £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets and goodwill	6,310	6,983	6,517
Investments	3	3	3
Property, plant and equipment	23	36	25
Right-of-use assets	18	106	61
<b>Total Non-current Assets</b>	<b>6,354</b>	<b>7,128</b>	<b>6,606</b>
<b>Current assets</b>			
Trade and other receivables	144	187	454
Income tax asset	45	107	214
Cash and cash equivalents	1,835	2,009	2,606
<b>Total Current Assets</b>	<b>2,024</b>	<b>2,303</b>	<b>3,274</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	(496)	(827)	(598)
Lease liabilities	(21)	(84)	(64)
<b>Total Current Liabilities</b>	<b>(517)</b>	<b>(911)</b>	<b>(662)</b>
<b>Net current assets</b>	<b>1,507</b>	<b>1,392</b>	<b>2,612</b>
<b>Non-current liabilities</b>			
Lease liabilities	-	(24)	-
Deferred tax	(300)	(440)	(318)
<b>Total non-current liabilities</b>	<b>(300)</b>	<b>(464)</b>	<b>(318)</b>
<b>Total net assets</b>	<b>7,561</b>	<b>8,056</b>	<b>8,900</b>
<b>Shareholders' equity</b>			
Called up share capital	92	74	92
Share premium	10,200	7,136	10,200
Merger reserve	5,971	5,971	5,971
Shares to be issued reserve	204	1,274	204
Foreign Currency Translation reserve	55	95	60
Retained (deficit) / earnings	(8,961)	(6,494)	(7,627)
<b>Total equity attributable to shareholders of the Company</b>	<b>7,561</b>	<b>8,056</b>	<b>8,900</b>

**DEEPMATTER GROUP PLC  
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

6 months ended 30 June 2021 (Unaudited)	6 months ended 30 June 2020 (Unaudited)	Year ended 31 December 2020 (Audited)
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	£'000	£'000	£'000
<b>Cash flows from operating activities</b>			
Operating loss from continuing operations	(1,460)	(1,210)	(2,670)
Profit/loss from discontinued operations	-	-	-
Adjustments for:			
Depreciation and amortisation charges	324	306	580
Share based payments charge	45	58	167
Net exchange differences	-	13	-
<b>Operating cash outflows before movement in working capital</b>	<b>(1,091)</b>	<b>(833)</b>	<b>(1,923)</b>
Decrease in inventories	-	-	-
Decrease/(increase) in trade and other receivables	310	239	(22)
Increase /(decrease) in trade and other payables	(102)	289	134
<b>Cash used in operations</b>	<b>(883)</b>	<b>(305)</b>	<b>(1,811)</b>
Interest received	2	5	17
Taxation received	-	-	-
<b>Net cash used in operating activities</b>	<b>(881)</b>	<b>(300)</b>	<b>(1,794)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	(17)	(19)	(6)
Capitalisation of development costs	-	(386)	(277)
Cash and bank in subsidiary at acquisition net of cash payment	-	-	-
<b>Net cash used in investing activities</b>	<b>(17)</b>	<b>(405)</b>	<b>(283)</b>
Cashflows from financing activities			
Proceeds from issue of share capital	-	-	2,151
Transaction costs arising from the issue of share capital	-	-	(138)
Payment of lease liabilities	(74)	(83)	(129)
Taxation received	214	172	172
<b>Cash generated from financing activities</b>	<b>140</b>	<b>89</b>	<b>2,056</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(758)</b>	<b>(616)</b>	<b>(21)</b>
Cash and cash equivalents at beginning of period	2,606	2,607	2,607
Effects of exchange rate changes on cash and cash equivalents	(13)	18	20
<b>Cash and cash equivalents at end of period</b>	<b>1,835</b>	<b>2,009</b>	<b>2,606</b>

**DEEPMATTER GROUP PLC  
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

**1) BASIS OF PREPARATION**

The condensed interim financial statements of DeepMatter Group Plc are unaudited condensed consolidated financial statements for the six months ended 30 June 2021. These include unaudited

comparatives for the six months ended 30 June 2020 together with audited comparatives for the year ended 31 December 2020.

The interim financial statements do not include all of the information required for full annual financial statements and do not comply with all the disclosures in IAS 34 'Interim Financial Reporting' and should be read in conjunction with the Group's annual financial statements as at 31 December 2020. Accordingly, whilst the interim statements have been prepared in accordance with IFRS, they cannot be construed as being in full compliance with IFRS.

The financial information for the year ended 31 December 2020 does not constitute statutory financial statements within the meaning of section 435 of the Companies Act 2006. A copy of the audited financial statements for that year has been delivered to the Registrar of Companies. The Auditors' opinion on those financial statements was unqualified, did not draw attention to any matters by way of an emphasis of matter paragraph, and it contained no statement under section 498(2) or section 498(3) of the Companies Act 2006.

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

### **Going concern**

Information on the business environment, financial position and the factors underpinning the Group's future prospects and portfolio are included in the Strategic Overview, Current Trading and Outlook and Operational Review.

The cash balance at the 30 June 2020 was £1.8m. Based on scenarios modelled, the Directors have a reasonable expectation that the Group has adequate resources to be a going concern in addition to which, the Directors may choose to fundraise or engage in other strategic arrangements.

The Directors consider that it is appropriate to adopt the going concern basis in preparing the consolidated financial statements. Accordingly, the financial statements do not include any adjustments which would be required if the going concern basis of preparation was deemed to be inappropriate. However, if the Group is unable to deliver upon its proposed revenue projections, or alternatively proposed cost reductions, there is limited headroom in the current forecasts and as such there is considered a material uncertainty which may cast doubt about the Group's ability to continue as a going concern.

## **2) SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted are consistent with those followed in the preparation of the consolidated annual financial statements of DeepMatter Group Plc for the year ended 31 December 2020.

## **3) SEGMENTAL REPORTING**

### **Operating Segments**

The Chief Operating Decision Maker has been identified as the Chief Executive Officer ("CEO") of the company. The Group has two operating segments and the CEO reviews the Group's internal reporting which recognises these two segments in order to assess performance and allocate resources. The Group has determined its reportable segments which are also its operating segments based on these reports.

The Group currently has two operating and reportable segments being DeepMatter and InfoChem;

- DeepMatter - this segment owns, develops and is in the early stage of commercially exploiting intellectual property, software, hardware and data analysis capabilities (including machine learning) combined as a visionary, disruptive platform called DigitalGlassware™, enabling step changes in productivity and discovery for scientists in the pharma and life science sectors.
- InfoChem - this segment develops and commercialises cheminformatics software to handle, store and retrieve chemical structures and reactions for application in pharma, life sciences and scientific publications. The segment has industry established market leading tools for the production of synthesis planning and reaction prediction solutions and the automatic extraction of scientific information from text and images.

Information regarding the operation of the reportable segments is included below. The CEO assesses the performance of the operating segments based on revenue and a measure of earnings before interest, tax, depreciation and amortisation (EBITDA) before any allocation of Group overheads, charges for share-based payment and costs associated with acquisitions. This segment EBITDA is used to measure performance as the CEO believes such information is most relevant in evaluating the results of the segment.

The Group's EBITDA for the year has been calculated after deducting the Group overheads from the EBITDA of the two segments as reported internally. Group overheads include the cost of the Board, listing costs, all the costs of running the premises in Glasgow and Munich, Group marketing, finance, and legal and professional fees.

The segment information is prepared using accounting policies consistent with those of the Group as a whole.

The non-current assets are reviewed by the CEO in reviewing the carrying value of goodwill and intangibles for indicators of impairment. Segment non-current assets are measured in the same way as in the financial statements and the assets are allocated based on the operations of the segment and the physical location of the asset.

The current assets and non-current and current liabilities of the Group are not reviewed by the CEO on a segment basis and therefore none of the Group's current assets and current and non-current liabilities are segmental assets and liabilities and are all unlocated for segmental disclosure purposes. For that reason, the Group has not disclosed details of these segmental assets and liabilities.

In the six-month period ended 30 June 2021, the Group had 2 customers that exceeded 10% of total revenue, being 19% and 13% (2020: 3 customers being 21%, 14% and 11%).

All segments are continuing operations.

#### Revenue from contracts with customers by geographic location

	6 months ended 30 June 2021 (Unaudited)			6 months ended 30 June 2020 (Unaudited)			Year ended 31 December 2020 (Audited)		
	External	Internal	Total	External	Internal	Total	External	Internal	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Germany	417	-	417	297	-	297	692	-	692
Switzerland	36	-	36	75	-	75	171	-	171
United Kingdom	97	-	97	125	-	125	162	-	162
North America	55	-	55	26	-	26	174	-	174
Rest of the world	43	-	43	13	-	13	120	-	120
<b>Revenue for the period</b>	<b>649</b>	<b>-</b>	<b>649</b>	<b>536</b>	<b>-</b>	<b>536</b>	<b>1,319</b>	<b>-</b>	<b>1,319</b>

The revenues reported above are both by destination and origin.

#### Revenue from contracts with customers by Operating Segment

	6 months ended 30 June 2021 (Unaudited)			6 months ended 30 June 2020 (Unaudited)			Year ended 31 December 2020 (Audited)		
	External	Internal	Total	External	Internal	Total	External	Internal	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
DeepMatter	-	-	-	60	-	60	83	-	83
InfoChem	649	-	649	476	-	476	1,236	-	1,236
<b>Revenue for the period</b>	<b>649</b>	<b>-</b>	<b>649</b>	<b>536</b>	<b>-</b>	<b>536</b>	<b>1,319</b>	<b>-</b>	<b>1,319</b>

#### Loss by Operating Segment

	6 months ended 30 June 2021 (Unaudited)			6 months ended 30 June 2020 (Unaudited)			Year ended 31 December 2020 (Audited)		
	EBITDA before share based payments and acquisition costs	Depreciation, amortisation, acquisition costs & share based payments	Operating Profit/(loss)	EBITDA before share based payments and acquisition costs	Depreciation, amortisation, acquisition costs & share based payments	Operating Profit/(loss)	EBITDA before share based payments and acquisition costs	Depreciation, amortisation, acquisition costs & share based payments	Operating Profit/(loss)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
DeepMatter	(446)	(49)	(495)	(288)	(37)	(325)	(993)	(101)	(1,094)
InfoChem	(112)	(194)	(306)	151	(236)	(85)	213	(511)	(298)
Group overheads	(614)	-	(614)	(742)	-	(742)	(1,299)	-	(1,299)

Other income	-	-	-	-	-	-	-	-	187
Share based payments	-	(45)	(45)	-	(58)	(58)	-	(167)	(167)
<b>Loss before tax and interest</b>	<b>(1,172)</b>	<b>(288)</b>	<b>(1,460)</b>	<b>(879)</b>	<b>(331)</b>	<b>(1,210)</b>	<b>(2,079)</b>	<b>(779)</b>	<b>(2,670)</b>
Group interest and tax			<b>81</b>			<b>39</b>			<b>257</b>
<b>Loss for the period</b>			<b>(1,379)</b>			<b>(1,171)</b>			<b>(2,413)</b>

Group overheads, share based payments, acquisition costs, interest and tax are not allocated to segments.

#### Non-current assets by segment

	<b>6 month period ended</b>	6 month period ended	Year ended
	<b>30 June 2021</b>	30 June 2020	December 2020
	<b>£'000</b>	£'000	£'000
<b>DeepMatter</b>			
UK	<b>5,509</b>	5,092	5,585
Germany	-	-	-
<b>InfoChem</b>			
UK	-	-	-
Germany	<b>842</b>	2,033	1,018
<b>Total non-current segment assets</b>	<b>6,351</b>	7,125	6,603
<b>Unallocated:</b>			
Financial assets at fair value through other comprehensive income	<b>3</b>	3	3
<b>Total non-current assets as per the statement of financial position</b>	<b>6,354</b>	7,128	6,606

#### 4) LOSS PER SHARE (BASIC AND DILUTED)

Basic earnings or loss per share is calculated by dividing the gain or loss attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period.

For diluted earnings or loss per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

	<b>6 months ended 30 June 2021</b>	6 months ended 30 June 2020	Year ended 31 December 2020
	<b>(Unaudited)</b>	(Unaudited)	(Audited)
<b>Total operations</b>			
Loss attributable to equity holders of the Group (£'000)	<b>(1,379)</b>	(1,171)	(2,413)
Weighted average number of dilutive shares in issue	<b>922,937</b>	736,534	814,397
<b>Basic and diluted loss per share (pence)</b>	<b>(0.15)</b>	(0.16)	(0.30)

Basic loss per share is based on the total loss after tax for the period and the weighted average number of ordinary shares of £0.0001 each in issue during the period. Diluted loss per share is calculated by adjusting the average number of ordinary shares in issue during the period to assume conversion of all dilutive potential ordinary shares. The Company had a total of 30,703,707 potentially issuable dilutive ordinary shares in existence at the 30 June 2021 period end; (31 December 2020: 31,814,821; 30 June 2020: 74,026,944), comprised of 8,703,707 share options, 22,000,000 deferred consideration shares issued in relation to the acquisition of OpenIO Labs Limited. The 30,703,707 potentially issuable dilutive shares have not been included in the calculations due to their potential issuance having an effect to reduce loss per share attributable to equity holders.

#### 5) RELATED PARTY TRANSACTIONS

The Group has taken advantage of the exemptions contained within IAS 24 - 'Related Party Disclosures' from the requirement to disclose transactions between Group companies as these have been eliminated on consolidation.

Bettina Goerner served on the Board of the Company as a Non-Executive Director until 9 March 2021. She was at that time a Managing Director of Springer Nature and no amounts were paid to Springer Nature for her services.

Mirko Walter served on the Board of the Company as a Non-Executive Director from 9 March 2021. He is Vice President, Sales at Springer Nature and no amounts were paid to Springer Nature for his services.

In addition, during the period the Company paid remuneration to the Directors' in accordance with their service contracts and letters of appointment.

## **6) EVENTS SUBSEQUENT TO PERIOD ENDED 30 JUNE 2021**

The directors were not aware of any events after the reporting period.

## **7) HALF YEAR FINANCIAL REPORT**

A copy of this half year report, as well as the prior year annual statutory accounts, is available on the Company's website at [www.deepmatter.io](http://www.deepmatter.io)

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