

DeepMatter Group Ltd

(Incorporated and registered in England and Wales with registered no. 05845469)

Registered office:

29 St Brandon's House
Great George Street
Bristol, England
BS1 5QT

19th April 2023

Dear Shareholder

Written Resolutions, Amendment to Articles, Direct Subscription and Open Offer of up to 6,533,230,615,000,000 Ordinary Shares at 0.000000015306363 pence per share

Introduction

The Group plans to raise £1million through the issue and allotment of 6,533,230,615,000,000 shares at the Issue Price of 0.000000015306363 pence per A Ordinary Share, through Direct Subscription and an Open Offer (the "Fundraising"). To enable this, the Company will make a slight modification to its Articles of Association to create a new class of ordinary share with a lower nominal value.

The Fundraising is conditional, *inter alia*, upon Shareholders approving the Written Resolutions. The Written Resolutions are contained at the end of this document.

In order to provide all Shareholders with an opportunity to participate in the proposed issue of New A Ordinary Shares, the Company is providing all Qualifying Shareholders with the opportunity to subscribe for an aggregate of 6,533,230,615,000,000 Open Offer Shares, to raise up to approximately £1 million, on the basis of 1,000,000 Open Offer Shares for every 1 Existing Ordinary Shares held, at the Issue Price, payable in full on acceptance. Qualifying Shareholders subscribing for their full Basic Entitlement may also request additional Open Offer Shares through the Excess Application Facility.

In setting the Issue Price, the Directors have considered the process by which the New A Ordinary Shares need to be offered to investors to ensure the success of the Fundraising and raise a significant level of equity compared to the previous market capitalisation of the Group. The Directors believe that the Issue Price is appropriate in these circumstances.

The Written Resolutions, if passed, will grant the Directors the authority to allot the Subscription Shares and the Open Offer Shares pursuant to the Open Offer, and the power to disapply statutory pre-emption rights which would otherwise apply in respect of certain of the Open Offer Shares. The Written Resolutions are contained at the end of this document.

Shareholders should note that, unless the Written Resolutions are passed, the Open Offer and Subscription cannot be implemented. In such circumstances, the Company will not receive the proceeds of the proposed Open Offer or Subscription. If this were to happen, the Directors would have to cease trading and enter the Group into a liquidation process.

Background to Fundraising

As announced by the Company in December 2022, the Directors concluded that it is in the best interests of the Company and its Shareholders to seek Shareholder approval for Cancellation of the admission of the Ordinary Shares to trading on AIM and for the Company to be re-registered as a private limited company, concurrent with a subscription to raise £1 million through the issue and allotment of ordinary shares. This was because the Directors believed that the Company's public market valuation did not

reflect the underlying potential of the business with the result that growth prospects and access to capital would be more readily accessible and managed in a private market environment.

The delisting process and registering as a private limited company completed in January 2023.

Until early April 2023 the Company was in advanced discussions with new funders to complete a substantial financing, however the funding did not complete as anticipated. As a result, and following careful consideration, the Directors believe that it is in the best interests of the Company to seek further bridge financing by way of the proposed Fundraising.

Current Outlook

Revenues

The Group reported revenues for the year ended 31 December 2022 of £1.5m, a growth of 50% from revenues of £1.0M for the year ended 31 December 2021.

This rate of growth has continued in the year-to-date with revenues in the three months to 31 March 2023 of £364k compared to revenues in the three months to 31 March 2022 of £237k.

Ongoing growth in revenues for 2023 is underpinned by new client wins with Vertex and Bayer along with renewals and extensions with AstraZeneca, Lonza. Springer Nature and LVMH.

The Group is in negotiation with several other parties which would see growth continuing through 2023.

Cost base

As at 31 March 2023, the gross cost base of the Company was approximately £5.0m per annum. Cost reductions initiated in January 2023 following the de-listing (audit, IR and Nomad fees) will be realised by the end of the second quarter of 2023.

Following funding not completing as anticipated in early April 2023 described above, and, given how the prevailing economic conditions is influencing the funding environment, the Directors have immediately initiated a program of cost cutting which will reduce the annual gross costs of the company by approximately £2.0m per annum. This is being achieved by a reduction in the workforce, a reduction in the base salaries of the executive directors and fees of non-executive directors, and proportional scaling down of overheads, including the office leases.

This reduction will impact the speed and level of investment we will be able to make in our technology platform, however it will also mean that the Group will require a lower level of external investment in the near term.

Forecast

On the new cost base, and with the run-rate of revenues growing in line with current expectations, the Directors project a total cash requirement of £2.5M to the end of 2024.

The £1m will fund the restructuring plan and the ongoing business until July 2023. Over the next three months, the Directors will pursue all options to fund the business towards cash-flow positive, including but not limited to options to sell the business.

The Directors remain confident that the market opportunity – the digitisation of chemistry – remains an attractive and growing market opportunity.

Details of the Direct Subscription

The Subscription Shares will be applied for by large existing investors on a pro-rata basis following consultation. The Subscription Shares will, when issued, rank *pari passu* (except for nominal value) in all respects with the existing Ordinary Shares in issue.

Directors' and related parties' participation in the Direct Subscription

As part of the Direct Subscription, certain Directors and their persons/companies closely associated have indicated they will subscribe for Subscription Shares at the Issue Price. Details of the Subscription Shares for which the Directors have indicated they will subscribe and their resultant shareholdings, prior to any excess application, are displayed below.

Director	Number of Ordinary Shares held before the Subscription	Number of Subscription Shares being Subscribed for as part of the Subscription	Resultant holding of Ordinary Shares after the Subscription	Percentage of Enlarged Share Capital
Alan Aubrey	457,311,393	457,311,393,000,000	457,311,850,311,393	7.0%
Mark Warne	27,329,505	27,329,505,000,000	27,329,532,329,505	0.4%

Alan Aubrey and Mark Warne have confirmed they will apply for their pro-rata and for additional shares by way of the Excess Application Facility.

In addition to the above, certain leading shareholders have said they will support the motion and have indicated their intention to subscribe or over subscribe for shares.

Alan Aubrey and Mark Warne and their persons closely associated are considered a "related party" of the Company by virtue of being directors of the Company.

The Directors (excluding Alan Aubrey, Mark Warne) consider, that the terms of the related party subscriptions set out above are fair and reasonable insofar as the Shareholders of the Company are concerned.

Options over approximately 375,600,000 Ordinary Shares have been granted to employees of the Group (including certain of the Directors) and are currently outstanding under the Share Option Plan 2017. All such employees who have entered into option agreements with the Company are 'Qualifying Employees' for the purposes of the Share Option Plan 2017. Following the Fundraising, the Company's remuneration committee will determine the terms of grant of new options under the Share Option Plan 2017, including the relevant exercise price, subject always to the terms of the Share Option Plan 2017. Resolution 2, if passed, will provide the Company with authority to set the option pool to 20% of the Enlarged Share Capital.

The Subscription is conditional on the passing of the Written Resolutions.

Details of The Open Offer

A total of 6,533,230,615,000,000 Open Offer Shares will be made available to Qualifying Shareholders pursuant to the Open Offer at the Issue Price, payable in full on acceptance. Any Open Offer Shares not subscribed for by Qualifying Shareholders will be available to Qualifying and New Shareholders under the Excess Application Facility.

There is no certainty that any funds will be raised under the Open Offer.

Qualifying Shareholders may apply for Open Offer Shares under the Open Offer at the Issue Price on the following basis:

1,000,000 Open Offer Shares for every 1 Existing Ordinary Share

and so in proportion for any number of Existing Ordinary Shares held.

Entitlements of Qualifying Shareholders will be rounded down to the nearest whole number of Ordinary Shares. Fractional entitlements which would otherwise arise will not be issued to the Qualifying Shareholders but will be made available under the Excess Application Facility. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement. Not all Shareholders will be Qualifying Shareholders. Shareholders who are located in, or are citizens of, or have a registered office in certain overseas jurisdictions will not qualify to participate in the Open Offer.

Valid applications by Qualifying Shareholders will be satisfied in full up to their Open Offer Entitlements as

shown on the Application Form. Applicants can apply for less or more than their entitlements under the Open Offer but the Company cannot guarantee that any application for Excess Shares under the Excess Application Facility will be satisfied as this will depend in part on the extent to which other Qualifying Shareholders apply for less than or more than their own Open Offer Entitlements. The Group may satisfy valid applications for Excess Shares in whole or in part at its absolute discretion and expressly reserves the right not to satisfy, or to scale back, applications made in excess of Open Offer Entitlements.

All Open Offer shares will be settled by certificate, not via CREST.

The Open Offer Shares must be paid in full on application. The latest time and date for receipt of subscription form in respect of the Open Offer is the close of business on 26th April 2023.

Qualifying Shareholders should note that the Open Offer is not a rights issue and therefore the Open Offer Shares which are not applied for by Qualifying Shareholders will not be sold in the market for the benefit of the Qualifying Shareholders who do not apply under the Open Offer. The Application Form is not a document of title and cannot be traded or otherwise transferred.

The principal conditions to the Open Offer are:

- the passing of, without amendment, the Written Resolutions;
- Open Offer Agreement becoming unconditional in all respects; and

Accordingly, if these conditions are not satisfied or waived (where capable of waiver), the Open Offer will not proceed, the Open Offer Shares will not be issued and all monies received will be returned to the applicants (at the applicants' risk and without interest) as soon as possible thereafter.

The Open Offer Shares will be issued free of all liens, charges and encumbrances and will, when issued and fully paid, rank *pari passu* in all respects (except nominal value) with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of their issue.

Shareholders should note that, unless the Written Resolutions are passed, the Subscription cannot be implemented. In such circumstances, the Company will not receive the proceeds of the proposed Subscription. If this were to happen, the Directors would have to cease trading and enter the Group into a liquidation process.

Accordingly, it is very important that Shareholders vote in favour of the Written Resolutions.

Details of the Amendment to Articles / New Class of Share

The Directors have considered that in order to comply with the Companies Act 2006 the Issue Price must not be lower than the nominal value of the new shares being issued. Therefore the Directors propose to create a new class of A Ordinary share having a nominal value of 0.0000000015 pence each in the capital of the Company (the New A Ordinary Shares), such shares having the same rights and being subject to the same restrictions (save as to nominal value) as the Existing Ordinary Shares with such rights and restrictions set out in the new articles of association of the Company proposed to be adopted.

EIS and VCT Status

The Company has obtained professional advice indicating that the New A Ordinary Shares being issued as part of the Open Offer should be "eligible shares" for the purposes of investment by VCTs and for EIS purposes. 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.

Action to be taken

In respect of the Written Resolutions:

Please check that you have received the Written Resolutions with this document. If you agree to the Written Resolutions, please indicate your agreement by signing and dating the Written Resolutions where indicated and returning so as to be received, by email to

companysecretary@deepmatter.io or by post to Deepmatter Group Ltd, St Brandon's House, 29 Great George Street, Bristol. BS1 5QT as soon as possible.

If you do not agree to the Written Resolutions, you do not need to do anything, you will not be deemed to agree if you fail to reply. Unless by 28 days after the circulation date of the Written Resolution, sufficient agreement has been received for the Written Resolutions to pass, it will lapse. If you agree to the Written Resolutions, please ensure that your agreement reaches us before or on this date. Once you have indicated your agreement to the Written Resolutions, you may not revoke your agreement.

In respect of the Open Offer

Please check that you have received the following with this document:

- Direct Subscription Form for use in applying for Open Offer Shares or the Excess Shares.

Qualifying Shareholders wishing to apply for Open Offer Shares or the Excess Shares must complete the accompanying Application Form in accordance with the instructions set out in paragraph 4 of Part III of this document and on the accompanying Application Form and return it in accordance with the instructions printed thereon.

If you do not wish to apply for any Open Offer Shares under the Open Offer, you should not complete or return the Application Form. Shareholders are nevertheless requested to complete and return the Written Resolutions.

Recommendation

The Directors consider the Fundraising to be in the best interests of the Group and the Shareholders as a whole and, accordingly, unanimously recommend that Shareholders vote in favour of the Written Resolutions as they intend to do in respect of their own beneficial holdings amounting, in aggregate, to 493,492,484 Existing Ordinary Shares, representing approximately 7.6 per cent. of the Existing Ordinary Shares.

Yours faithfully

Alan Aubrey

Chairman

PART I

TERMS AND CONDITIONS OF THE OPEN OFFER

1. Introduction

As explained in Part I of this document, the Company proposes to issue up to 6,533,230,615,000,000 Open Offer Shares at the Issue Price in order to raise approximately £1 million (before expenses) by way of the Open Offer (assuming that the Open Offer is subscribed in full).

The Open Offer is an opportunity for Qualifying Shareholders to apply to subscribe for Open Offer Shares at the Issue Price in accordance with the terms of the Open Offer. Qualifying Shareholders are also being offered the opportunity to apply for additional Open Offer Shares in excess of their Basic Entitlements to the extent that other Qualifying Shareholders do not take up their Basic Entitlement in full.

The Open Offer has not been underwritten. There may be no more than 6,533,230,615,000,000 Open Offer Shares issued under the Open Offer.

The Open Offer Shares to be issued pursuant to the Open Offer will, following Admission, rank *pari passu* in all respects with the Existing Ordinary Shares and will carry the right to receive all dividends and distributions declared, made or paid on or in respect of the Ordinary Shares after Admission.

2. The Open Offer

Subject to the terms and conditions set out below, Qualifying Shareholders are being given the opportunity to apply for any number of Open Offer Shares (subject to the limit on the number of Excess Shares that can be applied for using the Excess Application Facility) at the Issue Price (payable in full on application and free of all expenses) and will have a Basic Entitlement of:

1,000,000 Open Offer Shares for every 1 Existing Ordinary Share

registered in the name of each Qualifying Shareholder. Valid applications by Qualifying Shareholders will be satisfied in full up to their Basic Entitlements.

Basic Entitlements will be rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will be disregarded in calculating Basic Entitlements and will be aggregated and made available to Qualifying Shareholders under the Excess Application Facility. Qualifying Shareholders may apply to acquire less than their Basic Entitlement should they so wish.

Subject to availability, the Excess Application Facility will enable Qualifying Shareholders, provided they have taken up their Basic Entitlement in full, to apply for further Open Offer Shares in excess of their Basic Entitlement up to an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to a Qualifying Shareholder's Basic Entitlement, subject always to the 29.9 per cent. Aggregate Limit.

Please refer to paragraphs 4.1(c) and 4.2(c) of this Part III for further details of the Excess Application Facility.

Please note that holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating Basic Entitlements, as will holdings under different designations and in different accounts.

Qualifying Shareholders may apply for any whole number of Open Offer Shares subject to the limit on applications under the Excess Application Facility referred to above.

The Excess Application Facility enables Qualifying Shareholders who have taken up their Basic Entitlement in full to apply for any whole number of Excess Shares in addition to their Basic Entitlement up to an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to a Qualifying Shareholder's Basic Entitlement, subject always to the

29.9 per cent. Aggregate Limit. Excess Applications may be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full or in part or at all.

The aggregate number of Open Offer Shares available for subscription pursuant to the Open Offer (including under the Excess Application Facility) is 6,533,230,615,000,000 Open Offer Shares.

Qualifying Shareholders should note that the Open Offer is not a rights issue. All applicants should be aware that any shares issued through this fundraise will be issued on certificate, not via CREST.

The Open Offer Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Existing Ordinary Shares (except for nominal value).

3. Conditions and further terms of the Open Offer

The Open Offer is conditional, inter alia, upon the following:

- (a) the passing, without amendment, of the Written Resolutions ;
- (b) the Open Offer Agreement becoming unconditional in all respects (save for the condition relating to Admission) and not having been terminated in accordance with its terms prior to Admission.

All monies received by the company in respect of Open Offer Shares will be held in a separate non-interest bearing bank account.

If for any reason it becomes necessary to adjust the expected timetable as set out in this document, the Company will make an appropriate announcement.

4. Procedure for application and payment

The action to be taken by all Qualifying Shareholders in respect of the Open Offer is to complete the direct subscription Application Form in respect of his Basic Entitlement and Excess.

Qualifying Shareholders who do not want to take up or apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form. Qualifying Shareholders are, however, encouraged to vote and return the Written Resolutions.

(a) General

Subject to paragraph 6 of this Part III in relation to Overseas Shareholders, Qualifying Shareholders will receive a Subscription Form. The Subscription Form shows contains the ability to subscribe for Basic entitlement shares and Excess application shares,

Any fractional entitlements to Open Offer Shares will be disregarded in calculating Shareholders' Basic Entitlements and will be aggregated and made available to Qualifying Shareholders under the Excess Application Facility. Qualifying Shareholders may apply for less than their Basic Entitlement should they wish to do so. Subject to availability, and assuming that Qualifying Shareholders have accepted their Basic Entitlement in full, Qualifying Shareholders may also apply for any whole number of Excess Shares in excess of their Basic Entitlement up to an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to a Qualifying Shareholder's Basic Entitlement, subject always to the 29.9 per cent. Aggregate Limit.

(c) Excess Application Facility

Subject to availability, and assuming that Qualifying Shareholders have accepted their Basic Entitlement in full, Qualifying Shareholders may apply to acquire Excess Shares using the Excess Application Facility, should they wish. Qualifying Shareholders wishing to apply for Excess Shares, up to an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to a Qualifying Shareholder's Basic Entitlement, subject always to the 29.9 per cent. Aggregate Limit. The total number of Open Offer Shares is fixed and will not be increased in response

to any Excess Applications. Excess Applications will therefore only be satisfied to the extent that other Qualifying Shareholders do not apply for their Basic Entitlements in full or where fractional entitlements have been aggregated and made available under the Excess Application Facility and where such Excess Application is not in excess of the relevant Qualifying Shareholder's 29.9 per cent. Aggregate Limit. Applications under the Excess Application Facility shall be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that the applications by Qualifying Shareholders will be met in full or in part or at all.

Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant's risk) without interest as soon as practicable thereafter, but within 14 days, by way of cheque or bank transfer, as appropriate.

Fractions of Excess Shares will not be issued under the Excess Application Facility and fractions of Excess Shares will be rounded down to the nearest whole number.

(d) Application procedures

Qualifying Shareholders wishing to apply to acquire all or any of the Open Offer Shares (whether in respect of all or part of their Basic Entitlement or in addition to their Basic Entitlement under the Excess Application Facility) to which they are entitled should complete the Direct subscription Form. Completed Application Forms should be returned by email to companysecretary@deepmatter.io, by post to Deepmatter Group Ltd, St Brandon's House, 29 Great George Street, Bristol. BS1 5QT so as to be received by no later than the close of business on 26th April 2023, after which time Subscription Forms will not be valid (subject to certain exceptions described below). Qualifying Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged.

Cheques will be presented for payment on receipt and it is a term of the Open Offer that cheques will be honoured on first presentation. The Company may elect to treat as valid or invalid any applications made by Qualifying Shareholders in respect of which cheques are not so honoured. If cheques are presented for payment before the conditions of the Open Offer are fulfilled, the application monies will be kept in a separate non-interest bearing bank account until all conditions are met. If the Open Offer does not become unconditional, no Open Offer Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable but within 14 days following the lapse of the Open Offer.

The Company may in its sole discretion, but shall not be obliged to, treat an Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. The Company further reserves the right (but shall not be obliged) to accept either:

- (i) Subscription Forms received after the close of business on 26th April 2023; or

Multiple applications will not be accepted. All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk.

If Open Offer Shares have already been allotted and issued to a Qualifying Shareholder and such Qualifying Shareholder's cheque is not honoured upon first presentation or such Qualifying Shareholder's application is subsequently otherwise deemed to be invalid.

(e) Effect of application

By completing and delivering an Application Form, the applicant:

- (i) represents and warrants to the Company that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;

- (ii) agrees with the Company that all applications under the Open Offer and any contracts or non-contractual obligations resulting therefrom shall be governed by and construed in accordance with the laws of England;
- (iii) confirms to the Company that in making the application he is not relying on any information or representation in relation to the Group other than those contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained herein and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all information in relation to the Group contained in this document;
- (iv) confirms to the Company that no person has been authorised to give any information or to make any representation concerning the Group or the Open Offer Shares (other than as contained in this document) and, if given or made, any such other information or representation should not be, and has not been, relied upon as having been authorised by the Company;
- (v) represents and warrants to the Company that he is the Qualifying Shareholder originally entitled to the Basic Entitlements or that he received such Basic Entitlements by virtue of a bona fide market claim;
- (vi) represents and warrants to the Company that if he has received some or all of his Basic Entitlements from a person other than the Company, he is entitled to apply under the Open Offer in relation to such Basic Entitlements by virtue of a bona fide market claim;
- (vii) requests that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this document and the Direct Subscription Form, subject to the articles of association of the Company;
- (viii) represents and warrants to the Company that he is not, nor is he applying on behalf of any person who is, a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application to, or for the benefit of, a person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor any person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (ix) confirms that the Open Offer Shares have not been offered to the applicant by the Company, or any of their affiliates, or anyone acting on any of their behalfs, by means of any: (a) "directed selling efforts" as defined in Regulation S under the US Securities Act; or (b) "general solicitation" or "general advertising" as defined in Regulation D under the US Securities Act; and
- (x) represents and warrants to the Company that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 93 (depository receipts) or section 96 (clearance services) of the Finance Act 1986.

Qualifying Shareholders who do not want to take up or apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Direct Subscription Form. Qualifying Shareholders are, however, encouraged to vote by completing

and returning the Written Resolutions.

5. Overseas Shareholders

The making of the Open Offer to persons resident in, or who are citizens of, or who have a registered address in, countries other than the UK may be affected by the law or regulatory requirements of the relevant jurisdiction. The comments set out in this paragraph 6 are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.

6.1 General

The distribution of this document and the Application Form and the making or acceptance of the Open Offer to or by persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the UK or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the UK may be affected by the laws or regulatory requirements of the relevant jurisdictions. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to apply for Open Offer Shares under the Open Offer.

In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this document and/or the Subscription Form must be treated as sent for information only and should not be copied or redistributed.

It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees for any such person) outside the UK wishing to apply for Open Offer Shares under the Open Offer to satisfy himself as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory.

None of the Company (nor any of their respective representatives) is making any representation to any offeree or purchaser of Open Offer Shares regarding the legality of an investment in the Open Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Subject to paragraphs 6.2 to 6.8 below, any person (including, without limitation, custodians, agents, nominees and trustees for any such person) outside the UK wishing to apply for Open Offer Shares must satisfy himself as to the full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and pay any issue, transfer or other taxes due in such territories.

The Company reserve the right to treat as invalid any application or purported application for Open Offer Shares that appears to the Company, or their respective agents to have been executed, effected or dispatched by an Excluded Overseas Shareholder or on behalf of such a person by their agent or intermediary or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company, or their respective agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates of Open Offer Shares whose registered address would be, in a Restricted Jurisdiction or any other jurisdiction outside the UK in which it would be unlawful to deliver such share certificates or make such a credit.

The attention of Overseas Shareholders is drawn to paragraphs 6.2 to 6.8 below.

Notwithstanding any other provision of this document or the Subscription Form, the Company reserves the right to permit any Qualifying Shareholder who is an Excluded Overseas Shareholder to apply for Open Offer Shares if the Company, in their sole and absolute discretion, are satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

The Open Offer Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.

6.2 United States

Subject to certain exceptions, this document is intended for use only in connection with offers of Open Offer Shares outside the United States and neither this document nor any Application Form is to be sent or given to any person within the United States. The Open Offer Shares offered hereby are not being registered under the US Securities Act, for the purposes of sales outside of the United States.

This document may not be transmitted in or into the United States and may not be used to make offers or sales to US holders of Existing Ordinary Shares.

Subject to certain exceptions, the Open Offer Shares will be distributed, offered or sold, as the case may be, outside the United States in offshore transactions within the meaning of, and in accordance with, Regulation S under the US Securities Act.

Each person to which the Open Offer Shares are distributed, offered or sold outside the United States will be deemed by its subscription for the Open Offer Shares to have represented and agreed, on its behalf and on behalf of any investor accounts for which it is subscribing the Open Offer Shares, as the case may be, that:

- (i) it is acquiring the Open Offer Shares from the Company in an “offshore transaction” as defined in Regulation S under the US Securities Act; and
- (ii) the Open Offer Shares have not been offered to it by the Company or any of their affiliates by means of any “directed selling efforts” as defined in Regulation S under the US Securities Act.

Each subscriber acknowledges that the Company will rely upon the truth and accuracy of the foregoing representations and agreements, and agrees that if any of the representations and agreements deemed to have been made by such subscriber by its subscription for the Open Offer Shares are no longer accurate, it shall promptly notify the Company. If such subscriber is subscribing for the Open Offer Shares as a fiduciary or agent for one or more investor accounts, each subscriber represents that it has sole investment discretion with respect to each such account and full power to make the foregoing representations and agreements on behalf of each such account.

Each subscriber acknowledges that it will not resell the Open Offer Shares without registration or an available exemption or safe harbour from registration under the US Securities Act.

6.3 Canada

This document is not, and is not to be construed as, a prospectus, an advertisement or a public offering of these securities in Canada. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon this document or the merits of the Open Offer Shares, and any representation to the contrary is an offence.

In addition, the relevant exemptions are not being obtained from the appropriate provincial authorities in Canada. Accordingly, the Open Offer Shares are not being offered for subscription by persons resident in Canada or any territory or possessions thereof. Applications from any Canadian Person who appears to be or whom the Company has reason to believe to be so resident or the agent of any person so resident will be deemed to be invalid. Neither this document nor an Application Form will be sent to and no Basic

For the purposes of this paragraph 6.3, “Canadian Person” means a citizen or resident of Canada, including the estate of any such person or any corporation, partnership or other entity created or organised under the laws of Canada or any political sub-division thereof.

6.4 Australia

Neither this document nor the Application Form has been lodged with, or registered by, the Australian

Securities and Investments Commission. A person may not: (i) directly or indirectly offer for subscription or purchase or issue an invitation to subscribe for or buy or sell, the Open Offer Shares; or (ii) distribute any draft or definitive document in relation to any such offer, invitation or sale, in Australia or to any resident of Australia (including corporations and other entities organised under the laws of Australia but not including a permanent establishment of such a corporation or entity located outside Australia).

6.5 *Other Restricted Jurisdictions*

The Open Offer Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.

No offer of or invitation to apply for Open Offer Shares is being made by virtue of this document or the Application Form into any Restricted Jurisdiction.

6.6 *Other overseas territories*

Application Forms will be sent to Qualifying Shareholders and Basic Entitlements or Excess Open Offer Entitlements. Qualifying Shareholders in jurisdictions other than the Restricted Jurisdictions may, subject to the laws of their relevant jurisdiction, take up Open Offer Shares under the Open Offer in accordance with the instructions set out in this document and the Application Form. Such Qualifying Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, countries other than the UK should, however, consult appropriate professional advisers as to whether they require any governmental or other consents or need to observe any further formalities to enable them to apply for any Open Offer Shares.

6.7 *Representations and warranties relating to Overseas Shareholders*

(a) *Qualifying Shareholders*

Any person completing and returning an Application Form or requesting registration of the Open Offer Shares comprised therein represents and warrants to the Company that, except where proof has been provided to the Company's satisfaction that such person's use of the Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction: (i) such person is not requesting registration of the relevant Open Offer Shares from within any Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares or to use the Application Form in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not acquiring Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into any of the above territories. The Company may treat as invalid any acceptance or purported acceptance of the allotment of Open Offer Shares comprised in an Subscription Form if it:

(i) appears to the Company or its agents to have been executed, effected or dispatched from a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or

(ii) provides an address in a Restricted Jurisdiction for delivery of the share certificates of Open Offer Shares (or any other jurisdiction outside the UK in which it would be unlawful to deliver such share certificates); or

(iii) purports to exclude the representation and warranty required by this sub-paragraph 6.7(a).

(b) *Qualifying CREST Shareholders*

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this Part III represents and warrants to the Company that, except where

proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) neither it nor its client is within any Restricted Jurisdiction; (ii) neither it nor its client is in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares; (iii) it is not accepting on a non-discretionary basis for a person located within any Restricted Jurisdiction or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) neither it nor its client is acquiring any Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into any of the above territories.

6.8 Waiver

The provisions of this paragraph 6 and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company, in its absolute discretion. Subject to this, the provisions of this paragraph 6 supersede any terms of the Open Offer inconsistent herewith. References in this paragraph 6 to Shareholders shall include references to the person or persons executing an Application Form and, in the event of more than one person executing an Subscription Form, the provisions of this paragraph 6 shall apply to them jointly and to each of them.

7. No withdrawal rights

An application under the Open Offer once made is irrevocable and cannot be withdrawn or changed.

8. Settlement

The result of the Open Offer is expected to be announced on 28th April 2023.

For Qualifying Shareholders who have applied by using a Direct Subscription Form, share certificates in respect of the Open Offer Shares validly applied for are expected to be despatched the week commencing 8th May 2023. No temporary documents of title will be issued and, pending the issue of definitive certificates transfers will be certified against the register of members of the Company.

9. Times and dates

The Company shall be entitled to amend the dates on which Application Forms are despatched or amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this document.

10. Taxation

Certain statements regarding United Kingdom taxation in respect of the Open Offer Shares and the Open Offer are set out in Part III of this document. Shareholders who are in any doubt as to their tax position in relation to taking up their entitlements under the Open Offer, or who are subject to tax in any jurisdiction other than the United Kingdom, should immediately consult a suitable professional adviser.

11. Share option schemes

The Open Offer is not being extended in respect of options held over Ordinary Shares, save to the extent that any such options are or have been validly exercised and Ordinary Shares have been allotted in consequence of such exercise.

12. Governing law and jurisdiction

The terms and conditions of the Open Offer as set out in this document, the Subscription Form and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, the laws of England. The courts of England are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this document or the Subscription Form including, without limitation, disputes relating to any non-contractual obligations arising out of or in connection with the Open Offer, this document or the Subscription Form. By taking up Open Offer Shares under the Open Offer in accordance with the instructions set out in this document and, where applicable, the Subscription Form Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

13. Further Information

Your attention is drawn to the further information set out in this document and also to the terms, conditions and other information printed on any Subscription Form.

DEFINITIONS

The following words and expressions shall have the following meanings in this document unless the context otherwise requires:

"Act"	the Companies Act 2006 (as amended)
"Affiliate"	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
"Subscription Form"	the form which will accompany this Circular (where appropriate) pursuant to which Qualifying Shareholders (other than certain Overseas Shareholders) may apply to subscribe for Open Offer Shares in connection with the Open Offer
"Basic Entitlement"	the Open Offer Shares which a Qualifying Shareholder is entitled to subscribe for under the Open Offer calculated on the basis of 1,000,000 Open Offer Shares for every 1 Existing Ordinary Shares held by that Qualifying Shareholder
"certificated" or "in certificated form"	the description of a share or security which is not in uncertificated form (that is, not in CREST)
"Company" or "DeepMatter"	DeepMatter Group Ltd, 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
"CREST"	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear which facilitates the transfer of title to shares in uncertificated form
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001/3755) including any variation thereof
"Directors" or "Board"	the directors of the Company
"EIS"	Enterprise Investment Scheme
"Enlarged Issued Share Capital"	the Ordinary Shares in issue immediately following the issue and allotment of the Subscription Shares and the Open Offer

	Shares
"Excess Applications"	applications pursuant to the Excess Application Facility
"Excess Application Facility"	the arrangement pursuant to which Qualifying Shareholders may apply for additional Open Offer Shares in excess of their Open Offer Entitlement in accordance with the terms and conditions of the Open Offer
"Excess Open Offer Entitlement(s)"	an entitlement for each Qualifying Shareholder to apply to subscribe for Open Offer Shares in addition to his Open Offer Entitlement pursuant to the Excess Application Facility which is conditional on him taking up his Open Offer Entitlement in full and which may be subject to scaling back in accordance with relevant provisions
"Excess Shares"	Open Offer Shares which are not taken up by Qualifying Shareholders pursuant to their Basic Entitlement and which are offered to Qualifying Shareholders under the Excess Application Facility
"Excluded Overseas Shareholders"	other than as agreed by the Company or as permitted by applicable law, Shareholders who are located or have registered addresses in a Restricted Jurisdiction
"Existing Ordinary Shares"	the 6,533,230,615 Ordinary Shares in issue at the date of this Letter to Shareholders
"FSMA"	the Financial Services and Markets Act 2000 (as amended)
"Fundraising"	the Subscription and the Open Offer
"Fundraising Resolutions"	Resolutions 1, 3 and 4 in the Written Resolutions
"Group"	the Company and its subsidiaries
"Issue Price"	0.000000015306363 pence per Ordinary Share
"Money Laundering Regulations"	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
"New Ordinary Shares"	The Subscription Shares, the Open Offer Shares
"Open Offer"	the conditional invitation made by the Company to Qualifying Shareholders to apply to subscribe for the Open Offer Shares at the Issue Price
"Open Offer Entitlement"	the individual entitlements of Qualifying Shareholders to subscribe for Open Offer Shares allocated to Qualifying Shareholders on the Record Date pursuant to the Open Offer
"Open Offer Shares"	the 6,533,230,615,000,000 new Ordinary Shares being made available to Qualifying Shareholders and New shareholders pursuant to the Open Offer
"Order"	the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005
"Ordinary Shares"	ordinary shares of 0.01 pence each in the capital of the Company

"A Ordinary Shares"	ordinary shares of 0.00000000015 pence each in the capital of the Company
"Overseas Shareholders"	Shareholders with registered addresses outside the United Kingdom or who are citizens of, incorporated in, registered in or otherwise resident in, countries outside the United Kingdom
"Placees"	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
"Placing"	the conditional placing of the Placing Shares on the terms and subject to the conditions of the Placing Agreement
"Prospectus Regulation Rules"	the Prospectus Regulation Rules made by the FCA under Part VI of FSMA
"Qualifying CREST Shareholders"	Qualifying Shareholders whose Existing Ordinary Shares on the register of members of the Company are in uncertificated form
"Qualifying Non-CREST Shareholders"	Qualifying Shareholders whose Existing Ordinary Shares on the register of members of the Company on are held in certificated form
"Qualifying Shareholders"	holders of Existing Ordinary Shares on the register of members of the Company (but excluding any Overseas Shareholder who has a registered address in the United States or any other Restricted Jurisdiction)
"Registrars"	Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, B62 8HD
"R&D"	research and development
"Restricted Jurisdictions"	the United States, Canada, Australia, New Zealand, the Republic of Ireland, the Republic of South Africa or Japan
"Securities Act"	the US Securities Act of 1933, as amended
"Shareholder(s)"	holder(s) of Ordinary Shares
"Share Option Plan 2017"	the share option plan of the Company established on 1 December 2017, as most recently amended on 25 June 2020, and as may be further updated from time to time in accordance with its terms
"UK" or "United Kingdom" "uncertificated" or "in uncertificated form"	the United Kingdom of Great Britain and Northern Ireland a share or security recorded in the Company's register of members as being held in uncertificated form, title to which may be transferred by means of CREST
"United States" or "US"	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
"VCT"	a Venture Capital Trust under Part 6 of the Income Tax Act 2007
"29.9 per cent. Aggregate Limit"	the restriction on the number of Open Offer Shares that each Qualifying Shareholder may receive under the Open Offer on the basis that no Qualifying Shareholder shall be entitled to receive in excess of such number of Open Offer Shares as would bring its aggregate interest in the Company to more than 29.9 per cent. of the Company's issued share capital

if such number of Open Offer Shares are issued to such Qualifying Shareholder.