

10 September 2020

**DeepMatter Group Plc
("DeepMatter" or the "Company")**

Interim results for the year ended 30 June 2020

DeepMatter Group Plc (AIM: DMTR), the AIM-quoted company focusing on digitising chemistry, is pleased to announce its unaudited interim results for the six months ended 30 June 2020.

Financial Highlights

- Revenue of £0.54m (30 June 2019: £0.22m)
- Loss from continuing operations after tax of £1.17m (30 June 2019: loss of £1.62m)
- Cash at 30 June 2020 of £2.01m (31 December 2019: £2.61m)

Operational Highlights

- Entered into and continuing to progress a series of engagements with top ten pharma, life science providers, research and academic institutions and blue-chip technology partners
- Appointment of dedicated Sales Lead
- Actively pursuing initiatives to increase sales and marketing footprint in the US, Europe and other geographies, such as India and China

Outlook

- Fundraise in July 2020 provided net funds of £2.05 million, supplementing cash balance of £2.01 million reported at the period end, providing resources to invest in sales and marketing
- Continued careful management of discretionary spend to protect the business
- Growing pipeline of revenue and the impact of the virus on customer working practices has increased interest in our DigitalGlassware™ platform and other products

Mark Warne, CEO of DeepMatter, said: *"Over the last year we have achieved encouraging growth in our revenue which has continued into the first half of 2020, despite the challenges imposed by COVID-19. The outlook for our DigitalGlassware™ platform remains positive as pharmaceutical and academic organisations seek solutions for working remotely and in a socially distanced environment.*

"We remain cautiously optimistic for the sector in which we operate, observing that M&A activity has bounced back in recent months with pharmaceutical companies collaborating with AI and technology, and we are confident that our enhanced focus on sales will be well received and will contribute to the growth of the business."

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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 and follow @deepmattergroup

Chief Executive Statement

Overview

I am pleased to report that the Group continues to make encouraging progress, building on the successes from the second half of last year. We have maintained our careful stewardship of the business through the challenges of COVID-19 whilst continuing to increase engagement with blue-chip pharmaceutical companies and grow our market share.

For the first half of 2020, we report revenues that are over double those that were recognised in 2019 along with a reduced operating loss. The placing in July 2020 has strengthened the financial foundation of the Group, while our collaborations with blue-chip corporations reinforce the potential of the DigitalGlassware™ platform. In a world where laboratories are required to be digital, to allow chemists to work in a socially distanced environment resulting from the COVID-19 pandemic, the requirement for DigitalGlassware™ has accelerated. Laboratories across the world are seeking to modernise lab processes, increase productivity and importantly address the reproducibility crisis in chemistry.

Evolution of the DigitalGlassware™ platform

Following the success of the pioneer programme in 2019, we have entered this period with a clear focus on sales execution. With a fundraise in July 2020 which provided us with net funds of £2.05 million to supplement our cash balance of £2.01 million reported at the period end, the Group has the resources to invest in sales and marketing which support our long-term objectives.

To this end we have recently appointed a dedicated Sales Lead for the Group, alongside our Group Marketing function and are actively pursuing initiatives to increase our sales and marketing footprints in the US, Europe and other geographies, such as India and China.

With a strengthened sales and marketing function, we now have the resources to reach the top 100 global pharmaceutical companies and beyond.

Despite substantially reduced availability of laboratory personnel working in industry resulting from the COVID-19 pandemic, and a complete shutdown in many academic institutes between March and August 2020, we are pleased that none of our previously announced engagements have been discontinued and we continue to see validation of the DigitalGlassware™ platform. Specifically:

- Engagements and assessments of the DigitalGlassware™ platform with our top 10 pharma partners including AstraZeneca and Novartis have progressed steadily during 2020. Expansion of scope of DigitalGlassware™ deployments with these partners is under exploration.
- Deployment of DigitalGlassware™ at the Cancer Research UK Beatson Institute Drug Discovery Unit progresses and is moving into assessment of how the technology is deployed with its chemistry partners located in China.
- There remains steady use of DigitalGlassware™ with previous pioneer programme partners o2h and Tocris.
- Following the successful deployment at University of Nottingham's School of Chemistry during the first quarter of 2020 - the school is keen to implement as a teaching tool once teaching laboratories are up and running again.
- Engagement with the University of Leeds will be reinitiated when the anticipated return of research personnel to the laboratories occurs later in 2020.
- We continue to expand the range of 3rd party integrations available in DigitalGlassware™, including hardware sensors, LC-MS and ELNs. Our collaboration with Waters has already shown the power of integrating analytical data into the rich contextualised data directly measured through DigitalGlassware™.

Market and Strategy

Despite some COVID-related disruption, the direction of travel for lab automation and the digitisation of chemistry remains clear. As labs across the world move away from outdated and inefficient processes, there is an increasing recognition of the speed, efficiency, and lower costs offered by the increased integration of innovative technology with the life sciences.

This remains the case in the drug discovery industry, where the major players in the pharmaceutical industry are increasingly digitising their lab processes, allowing them to use their time better and make

improved decisions. Cloud labs, providing the ability for chemists to obtain and share data remotely and between sites, forms a key part of this trend.

As our core market continues to recognise the benefits of digitisation tools, both from pre-pandemic lab-of-the-future initiatives and more recently to specifically address the impact of COVID-19, we expect to see a steady growth in the data-driven lab and automation market.

We believe that we are well placed to capitalise on the current market environment and will continue to pursue our strategy to integrate chemistry with technology. Through continued customer acquisition and investment in revenue growth, we will be able to drive growth and ultimately deliver greater value to shareholders.

Financial Review

The Group recognised revenues of £0.54 million in the first half of the year (30 June 2019: £0.22 million). This reflects both sales of DigitalGlassware™ and Infochem products and services from new customers and the recognition of software licence renewals.

In light of COVID-19, the Board took early measures in April 2020 to minimise discretionary spend, reduce overheads and protect the business during this period of uncertainty. The measures in place have partially been lifted, with certain staff returning from furlough whose roles are to support the growth of the business.

The Group incurred an operational loss for the six months ended 30 June 2020 of £1.17 million (H1 2019: £1.62 million). This is in line with the Board's expectations and includes capitalisation of certain R&D investment as the Group prepares for implementing the DigitalGlassware™ platform at scale and the launch of new functionality of ICSynth™ in the second half of 2020.

Just after the financial period, we completed a placing and subscription to raise gross proceeds of £2.14 million (£2.05 million net), at a price of 1.5 pence per new ordinary share of 0.01 pence each. Since then, the proceeds have further strengthened the Group's balance sheet and has allowed the Group to increase its investment in sales, marketing, distribution and support, enabling it to grow market share of its DigitalGlassware™ technology platform and cheminformatics product lines, including ICSynth.

The Group held cash balances at 30 June 2020 of £2.01 million (30 June 2019: £4.08 million).

Outlook

Over the last year we have achieved encouraging growth in our revenue which has continued into the first half of 2020, despite the challenges imposed by COVID-19. The outlook for our DigitalGlassware™ platform remains positive as pharmaceutical and academic organisations seek solutions for working remotely and in a socially distanced environment.

We remain cautiously optimistic for the sector in which we operate, observing that M&A activity has bounced back in recent months with pharmaceutical companies collaborating with AI and technology, and we are confident that our enhanced focus on sales will be well received and will contribute to the growth of the business.

Mark Warne
Chief Executive Officer
10 September 2020

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS TO 30 JUNE 2020

	6 months ended 30 June 2020 (Unaudited) £'000	6 months ended 30 June 2019 (Unaudited) £'000	Year ended 31 December 2019 (Audited) £'000
Continuing operations			
Revenue	536	215	1,196
Cost of Sales	(230)	(182)	(667)
Gross Profit	306	33	529
Research and development costs	(319)	(845)	(1,787)
Share based payments	(58)	(168)	(278)
Administrative costs	(1,139)	(781)	(1,850)
Operating loss	(1,210)	(1,761)	(3,386)
Finance income - net	3	10	23
Loss before tax	(1,207)	(1,751)	(3,363)

Income tax credit	36	86	346
Loss from continuing operations	(1,171)	(1,665)	(3,017)
Discontinued Operations			
Profit from discontinued operations	-	29	22
Profit on disposal of discontinued operations	-	14	14
Net result from discontinued operations	-	43	36
Loss and total comprehensive loss for the period	(1,171)	(1,622)	(2,981)

Other comprehensive income

Amounts which may be reclassified to profit or loss

Currency translation differences	88	34	7
Other comprehensive income for the year	88	34	7

Total comprehensive loss for the year attributable to equity holders of the company	(1,083)	(1,588)	(2,974)
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Loss per share attributable to the equity holders of the Company:

Basic and diluted loss per share (pence) on continuing operations	(0.16)	(0.25)	(0.43)
Basic and diluted loss per share (pence) on total operations	(0.16)	(0.24)	(0.42)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2020

	Share equity £'000	Share premium £'000	Merger reserve £'000	Foreign Shares issued reserve £'000	currency to be transla- tion reserve £'000	Retained earnings £'000	Total £'000
Balance at 30 June 2018	55	3,287	5,334	204	-	(1,744)	7,136
Total comprehensive loss for the six months to 31 December 2018	-	-	-	-	-	(937)	(937)
<i>Transactions with owners;</i>							
Share based payment charge						3	3
Balance at 31 December 2018	55	3,287	5,334	204	-	(2,678)	6,202
Loss for the six months to 30 June 2019	-	-	-	-	-	(1,622)	(1,622)
Currency Translation differences	-	-	-	-	34	-	34
Total comprehensive loss for the six months to 30 June 2019	-	-	-	-	34	(1,622)	(1,588)
<i>Transactions with owners;</i>							
Issue of shares for cash	16	3,849	-	-	-	-	3,865
Shares to be issued and issuable on acquisition of subsidiary	3	-	637	1,070	-	-	1,710
Share based payment charge	-	-	-	-	-	168	168
Balance at 30 June 2019	74	7,136	5,971	1,274	34	(4,132)	10,357
Loss for the six months to 31 December 2019	-	-	-	-	-	(1,359)	(1,359)
Currency Translation differences	-	-	-	-	(27)	-	(27)
Total comprehensive loss for the six months to 31 December 2019	-	-	-	-	(27)	(1,359)	(1,386)
<i>Transactions with owners;</i>							
Share based payment charge	-	-	-	-	-	110	110
Balance at 31 December 2019	74	7,136	5,971	1,274	7	(5,381)	9,081
Loss for the six months to 30							

June 2020	-	-	-	-	-	(1,171)	(1,171)
Currency Translation differences	-	-	-	-	88	-	88
Total comprehensive loss for the six months to 30 June 2020	-	-	-	-	88	(1,171)	(1,083)
<i>Transactions with owners:</i>							
Share based payment charge	-	-	-	-	-	58	58
Balance at 30 June 2020	74	7,136	5,971	1,274	95	(6,494)	8,056

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020**

	As at 30 June 2020 (Unaudited) £'000	As at 30 June 2019 (Unaudited) £'000	As at 31 December 2019 (Audited) £'000
Assets			
Non-current assets			
Intangible assets and goodwill	6,983	6,389	6,633
Investments	3	3	3
Property, plant and equipment	36	205	41
Right-of-use assets	106		182
	7,128	6,597	6,859
Current assets			
Inventories	-	-	-
Trade and other receivables	187	355	432
Income tax asset	107	86	172
Cash and cash equivalents	2,009	4,082	2,607
	2,303	4,523	3,211
Liabilities			
Current liabilities			
Trade and other payables	(827)	(612)	(464)
Lease liabilities	(84)	(124)	(123)
	(911)	(736)	(587)
Net current assets	1,392	3,787	2,624
Non-current liabilities			
Lease liabilities	(24)	(27)	(61)
Deferred tax	(440)	-	(341)
Total non-current liabilities	(464)	(27)	(402)
Total net assets	8,056	10,357	9,081
Shareholders' equity			
Called up share capital	74	74	74
Share premium	7,136	7,136	7,136
Merger reserve	5,971	5,971	5,971
Shares to be issued reserve	1,274	1,274	1,274
Foreign Currency Translation reserve	95	34	7
Retained (deficit) / earnings	(6,494)	(4,132)	(5,381)
Total equity attributable to shareholders of the Company	8,056	10,357	9,081

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2020**

	6 months ended 30 June 2020 (Unaudited) £'000	6 months ended 30 June 2019 (Unaudited) £'000	Year ended 31 December 2019 (Audited) £'000
Cash flows from operating activities			
Operating loss from continuing operations	(1,210)	(1,761)	(3,386)
Profit/loss from discontinued operations	-	29	29
Adjustments for:			
Depreciation and amortisation charges	306	119	558
Share based payments charge	58	168	278
Net exchange differences	13		

Operating cash outflows before movement in working capital	(833)	(1,445)	(2,521)
Decrease in inventories	-	74	74
Decrease/(increase) in trade and other receivables	239	(24)	(51)
Increase /(decrease) in trade and other payables	289	32	(247)
Cash used in operations	(305)	(1,363)	(2,745)
Interest received	5	11	28
Taxation received	-	289	-
Net cash used in operating activities	(300)	(1,063)	(2,717)
Cash flows from investing activities			
Purchase of property, plant and equipment	(19)	(5)	(12)
Capitalisation of development costs	(386)	(38)	-
Cash and bank in subsidiary at acquisition net of cash payment	-	267	265
Net cash used in investing activities	(405)	224	253
Cashflows from financing activities			
Proceeds from issue of share capital	-	4,005	4,005
Transaction costs arising from the issue of share capital		(140)	(140)
Payment of lease liabilities	(83)	(30)	(107)
Taxation received	172	-	289
Cash generated from financing activities	89	3,835	4,047
Net increase/(decrease) in cash and cash equivalents	(616)	2,996	1,583
Cash and cash equivalents at beginning of period	2,607	1,086	1,086
Effects of exchange rate changes on cash and cash equivalents	18	-	(62)
Cash and cash equivalents at end of period	2,009	4,082	2,607

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2020

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 2020. These include unaudited comparatives for the six months ended 30 June 2019 together with audited comparatives for the year ended 31 December 2019.

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 2019. 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 2019 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 2019. 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 Chief Executive's Statement.

The group bank balance of £2.01 million at 30 June 2020 was strengthened subsequent to the period end when the Group completed a placing and direct subscription for new ordinary shares raising gross funds of £2.14 million on the 17 July 2020. As a result of the placing and the continued evolution of the Group's cost base in response to COVID-19, the Directors confirm that they are satisfied that the Group has adequate resources to continue in business based on the current liquid resources available. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

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 2019.

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 chief operating decision-maker 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 chief operating decisionmaker 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 2020, the Group had 3 customers that exceeded 10% of total revenue, being 21%, 14%, and 11% (2019: 4 customers being 21%, 18%, 13%, and 12%).

All segments are continuing operations.

Revenue from contracts with customers by geographic location

	6 months ended 30 June 2020			6 months ended 30 June 2019			Year ended 31 December 2019		
	(Unaudited)			(Unaudited)			(Audited)		
	External	Internal	Total	External	Internal	Total	External	Internal	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Germany	297	-	297	78	-	78	576	-	576
Switzerland	75	-	75	42	-	42	347	-	347
United Kingdom	125	-	125	61	-	61	157	-	157
North America	26	-	26	29	-	29	103	-	103
Rest of the world	13	-	13	5	-	5	13	-	13
Revenue for the period	536	-	536	215	-	215	1,196	-	1,196

The revenues reported above are both by destination and origin.

Revenue from contracts with customers by Operating Segment

	6 months ended 30 June 2020 (Unaudited)			6 months ended 30 June 2019 (Unaudited)			Year ended 31 December 2019 (Audited)		
	External	Internal	Total	External	Internal	Total	External	Internal	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
DeepMatter	60	-	60	-	-	-	40	-	40
InfoChem	476	-	476	215	-	215	1,156	-	1,156
Revenue for the period	536	-	536	215	-	215	1,196	-	1,196

Loss by Operating Segment

	6 months ended 30 June 2020 (Unaudited)			6 months ended 30 June 2019 (Unaudited)			Year ended 31 December 2019 (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	(288)	(37)	(325)	(736)	(30)	(766)	(1,295)	(78)	(1,373)
InfoChem	151	(236)	(85)	(224)	(89)	(313)	(108)	(481)	(589)
Group overheads	(742)	-	(742)	(472)	-	(472)	(1,104)	-	(1,104)
Acquisition costs	-	-	-	-	(42)	(42)	-	(42)	(42)
Share based payments	-	(58)	(58)	-	(168)	(168)	-	(278)	(278)
Loss before tax and interest	(879)	(331)	(1,210)	(1,432)	(329)	(1,761)	(2,507)	(879)	(3,386)
Group interest and tax			39			96			369
Discontinued operations			-			29			22
Profit on disposal of discontinued operation			-			14			14
Loss for the period			(1,171)			(1,622)			(2,981)

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

Non-current assets by segment

	6 month period ended 30 June 2020 £'000	6 month period ended 30 June 2019 £'000	Year ended 31 December 2019 £'000
DeepMatter			
UK	5,092	4,918	4965
Germany	-	-	-
InfoChem			
UK	-	-	-
Germany	2,033	1,676	1891
Total non-current segment assets	7,125	6,594	6856

Unallocated:

Financial assets at fair value through other

comprehensive income	3	3	3
Total non-current assets as per the statement of financial position	7,128	6,597	6859

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.

	6 months ended 30 June 2020	6 months ended 30 June 2019	Year ended 31 December 2019
	(Unaudited)	(Unaudited)	(Audited)
Continuing operations			
Loss attributable to equity holders of the Group (£'000)	(1,171)	(1,665)	(3,017)
Weighted average number of shares in issue ('000)	736,534	662,535	699,839
Basic and diluted loss per share (pence)	(0.16)	(0.25)	(0.43)
Total operations			
Loss attributable to equity holders of the Group (£'000)	(1,171)	(1,622)	(2,981)
Weighted average number of dilutive shares in issue	736,534	662,535	699,839
Basic and diluted loss per share (pence)	(0.16)	(0.24)	(0.42)

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 74,026,944 potentially issuable dilutive ordinary shares in existence at the 30 June 2020 period end; (31 December 2019: 74,015,278; 30 June 2019: 74,116,667), comprised of 9,226,944 share options, 22,000,000 deferred consideration shares issued in relation to the acquisition of OpenIO Labs Limited and 42,800,000 deferred consideration shares issued in relation to the acquisition of InfoChem GmbH. The 74,026,944 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.

The Group recognised sales of £73,000 (30 June 2019: £nil) in respect of the 'Services Agreement' between InfoChem and Springer Group companies. There was £nil outstanding at the end of the period (30 June 2019: £nil).

The Group paid £108,000 (2018: £nil) in respect of office lease costs between InfoChem and 'Springer Fachmedien Munchen GmbH'. There was £19,000 outstanding at the end of the period (30 June 2019: £nil).

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 2020

On the 17 July 2020, the Group successfully raised gross proceeds of £2.14 million through the issue of 130,830,001 Placing Shares and 11,733,334 Subscription Shares at an issue price of 1.5 pence per New Ordinary Share. The proceeds have further strengthened the Group's balance sheet and have allowed the Group to increase its investing in sales, marketing, distribution and support, enabling it to grow market share of its DigitalGlassware™ technology platform and cheminformatics product lines, including ICSynth.

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.deepmattergroup.com

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