

Stock Data

Share Price:	31.25p
Market Cap:	£55.8m
Shares in issue:	178.6m
52 week high/low:	70.0p/7.0p

Company Profile

Sector:	Healthcare
Ticker:	DVRG
Exchange	AIM

Activities

Deepverge plc ('Deepverge', 'DVRG', 'the Group'), (formerly Integumen plc) is an environmental and life science group of companies that develops and applies AI and IoT technology to analytical instruments for the analysis and identification of bacteria, viruses and toxins.

Group website: www.deepverge.com

1-year share price performance



Source: [ProQuote](https://www.proquote.com)

Past performance is not an indication of future performance.

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DeepVerge plc

Deepverge has announced its addition of two Containment Level 3 ('CL3') laboratories at its York, UK HQ facilities. This expansion will not only create a Centre of Excellence for the EcowaterOS consortium, but also enlarge facilities available to Labskin for its coronavirus therapeutic research, detection and monitoring developments, which now include the new variants along with a range of other infectious viruses and bacteria. In response also to a 95% conversion rate in pre-registration for personalised skincare Home Test Kit during the first 10 days of offering, further laboratory space is being made available for the Skin Trust Club ahead of its formal launch later in Q1 2021. Taken together, this news demonstrates not only an exceptional level of customer interest in just one of the Deepverge's exciting innovations, but also the Group's continuing ability to build upon the range of Pandemic-related market initiatives and developments that have been identified over the past year in tandem with its successful acquisition of Modern Water plc. Anticipating such news flow, on 11 January 2021 TPI updated its financial valuation for Deepverge which resulted a new price target of 84.8p/share.

(Please note that TPI's valuation is based on financial modelling and there is no guarantee that such a valuation will ever be realised, therefore please do not base investment decisions on this valuation alone. Also please note that past performance is not a reliable indicator of future results.)

The two new CL3 laboratories will be focused on three areas:

1. Deepverge's wholly-owned Labskin is a key partner with the Liverpool Tropical School of Medicine and Unilever in a multi-year project. Its participation in this 'Strength in Places' initiative is to support the creation of specialist, commercially sustainable research platforms for infectious disease therapeutics in north-west England. The project will see an expansion of Labskin COVID-19 related services to provide clients with the ability to test their soaps, washes and sanitisers and their effectiveness against COVID-19 and other infectious diseases.
2. Progress development alongside partners, such as the Aptamer Group, Tyndall Foundries and a number of undisclosed parties, to investigate new variants of SARS-CoV-2 by adding a multiplex nano-chip to test for a range of infectious viruses and bacteria on a single chip for the MicrotoxPD range of equipment for detection and identification of SARS-CoV-2, E.coli, Legionella and Cryptosporidium.
3. Continued in-house development of the PulMoBioMed breathalyser condensate on the identification of a variety of respiratory diseases from influenza to SARS-CoV-2, as well as delivering a diagnostic fingerprint for biomarkers relating to diseases where there are no specific and sensitive diagnostic methods available and prognosis is difficult. Deepverge plans to provide further details on this at a later date.

Centre of Excellence

The Centre of Excellence expands on successful product testing using Labskin with the SARS-CoV-2 virus alongside the University of Aberdeen, Public Health England, the University of Liverpool, the Cork Institute of Technology and the work completed with industry partners including Dell Technologies, Unilever and the Water Rising Institute.

Real-time surveillance services in Water Monitoring

Expanding the range services to be offered to Modern Water clients, as outlined at the time of its acquisition, standard tests will shortly include those associated with dangerous pathogens, including contagious infections as well as community detection of opioids. Future services will include real-time monitoring and identification of small and large molecules within the pharmaceutical sector during bio-processing. As a result, retrofitting has begun with Modern Water equipment to add to the range of real-time surveillance services in Water Monitoring.

Deepverge anticipates strong continuing growth in 2021

On 11 January 2021, Deepverge confirmed that Q4 2020 was its first ever profitable (at the EBITDA level) quarter, during which time order books built strongly with the signing of 12 new contracts for Labskin Services. At the same time, the Board also provided revenue guidance of £10m for 2021 (representing 127% annualised growth on the full year 2020 figures), while noting that several large projects, including two 'multi-million pound opportunities' due for decision in coming months offer potential to drive this figure substantially higher still. Recognising that the coming year will likely see the world transition from one that has struggled to contain the catastrophic effects of a global viral pandemic, to one that needs to urgently understand how to provide rapid, ongoing detection, containment, monitoring and response in a post-Pandemic environment whose principal challenge must be to ensure such outbreaks cannot undermine humankind's future well-being, Deepverge's seemingly ideal range of core competences, technologies, innovative skillsets and global reach potentially positions it to enjoy years of exceptional, high margin growth. On 11 January 2021, TPI accordingly updated its valuation for Deepverge, which now indicates a revised figure of £140.6m, suggesting a new share price target of 84.8p.

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