

Stock Data

Share Price:	29.50p
Target Price	94.70p
Market Cap:	£63.5m
Shares in issue:	215.16m
52 week intraday high/low:	70.0p/20.0p

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.

www.deepverge.com

Share price chart since 15 April 2017



Source: [LSE](https://www.lse.com)

Past performance is not an indication of future performance.

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TPI acts as sole broker to DeepVerge plc.

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DeepVerge plc

DeepVerge has announced its proposed Q1 2022 launch of compact Microtox® PD surveillance units. This upgraded system significantly expands surveillance capabilities into smaller communities and/or facilities/locations where larger groups of people routinely gather, thereby extending the reach of real-time national pandemic response to local community level. By accelerating its product evolution beyond just the monitoring large populations through fixed semi-permanent installations, the Group now seeks to capture the technology's true global potential through development of smaller, mobile and mass producible designs that enable Microtox® PD to become a standard part of home or office utility. Significantly in this respect, the business model being adopted permits these units to be manufactured and franchised to companies in the developing world in order to speed international access at locally affordable prices. Recognising that regulatory enforcement and community pressure is likely to demand a sophisticated response from both national and provincial authorities, replacing current manual sampling processes with one capable of delivering instantaneous results combined with predictive analysis from the billions of litres being generated daily, prospective international demand (plus ongoing maintenance) for networked installations of Microtox® PD equipment could become very large indeed.

Modern Water Mobile Services ('MWMS')

MWMS is positioning itself as a critical new component in the armoury of national and provincial government response protocol. The expanded Microtox® PD product offering will allow utilities to extend their reach into smaller sites for more granular 'last mile' surveillance, enabling local authorities and private companies to protect citizens and customers by monitoring for COVID-19 and a range of additional pathogens, including forever chemicals.

Factors such as size, cost, reach and route to market have remained central to the Group's design philosophy throughout, significantly influencing the upgraded product offering. Microtox® PD has been designed to be retrofitted into existing Modern Water equipment to detect and identify a range of infectious viruses and bacteria including SARS-CoV-2, E.coli, Legionella and Cryptosporidium on a single chip, using AI, in real-time. The new units are smaller, making them more suited to local populations; fully mobile, allowing them to be transported to different sites at short notice; mass producible, ensuring regional customer affordability; and available, through a business model that offers new manufacturing partnerships and corporate franchise opportunities in the developing world where it can be sold at locally affordable prices.

Benefits from utilisation of the new compact offering include:

- Real-time detection of the virus in the community at source,
- Zero transport costs of non-virus confirmed samples, and
- Variant testing only on confirmed virus at the laboratory.

Microtox® BT upgrade now also offers mobile testing unit

The Microtox® BT equipment has also been re-designed to deliver a portable, mobile testing unit to process breath tests at point of care. Further information on this development will be provided in H1 2022.

As with all human diagnostic equipment, EU regulatory approval is required for formal roll out of this breath test product. The newly upgraded version of Microtox® BT will be

subject to the rigorous test protocols established at the Group's Labskin facilities, once again utilising test subjects provided by the Royal College of Surgeons in Ireland through which the original prototype secured positive results.

MWMS – Service Vehicle



MWMS – Mobile Surveillance Equipment



Source: DeepVerge plc website

Recognising the scale of the opportunities now being presented

Today's news follows hot on the heels of last month's potential landmark announcements, in which the Irish Government became the first to fully publicly endorse DeepVerge's COVID-19 Microtox[®] PD technology plus receipt of a €480,000 order from an unnamed government for its enhanced monitoring equipment as part of an extended performance trial. Shortly before that, there was £2.2m of Microtox[®] PD shipments to the UK, India and China in order to meet customer and partner obligations for delivery in the current financial year. With works now being completed to ensure the product's final design remains wholly unmatched, with potential for ongoing upgrades and heightened performance capabilities, while also preparing for its mass production in order to satisfy delivery schedules from governments/local communities that are expected to demand rapid installation by both domestic water/wastewater utilities and regional institutions, 2022 is expected to witness the start of a step-change in both international interest and demand for Modern Water equipment. In tandem with this, Group receipts continue to grow rapidly as processing capacity for Skin Trust Club's home test kits continues to expand in response to surging demand, while Microtox BT's regulatory tests and joint venture negotiations with China Resources remain ongoing. Recognising the scale of the opportunities being presented and in expectation of continuing significant news releases early in the New Year, on 3 August 2021 TPI updated its forecasts and financial model for DeepVerge, resulting in an increased price target of 94.7p for the shares (up from 84.8p that was previously).

(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.)

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