

28 April 2021

DeepVerge PLC

("DeepVerge" or "the Company")

DeepVerge enters into Memorandum of Understanding ("MoU") for a Joint Venture with China Resources Environmental Protection Development Limited

China Resources will own 51% and DeepVerge will own 49% of the share capital

MoU covers the manufacture, assembly and sale of environmental monitoring equipment

DeepVerge (LSE:DVRG.L), the environmental and life science AI company, announces that it has signed a non-binding Memorandum of Understanding ("MoU") with China Resources Environmental Protection Development Limited ("China Resources"), a wholly-owned subsidiary of China Resources Group, to enter into a Joint Venture ("JV") for the manufacture, assembly and sale of environmental monitoring equipment, with a view to future development of smart environmental platforms, equipment/devices and network management software capability.

On or before closing, the parties will negotiate, agree, and execute a number of definitive agreements for the Joint Venture which are expected to be signed by 30 June 2021 with the JV becoming operational by 1 September 2021. DeepVerge would own 49% of the JV and China Resources 51%. The JV parties are currently undertaking a scoping exercise to assess the level of start-up costs and non-cash consideration to be introduced by each partner. The definitive agreements will address the following subject matters:

1. The parties will agree and execute a commercial framework agreement which will incorporate commercial terms negotiated and agreed between the parties.
2. DeepVerge will negotiate, agree and execute a licence by DeepVerge (or a subsidiary of DeepVerge) of technology to the JV and a support agreement in respect of the technology.
3. JV will negotiate, agree and execute a reseller agreement with DeepVerge (or a subsidiary of DeepVerge) in respect of the manufactured products.

Gerard Brandon CEO DeepVerge plc commented:

"Today, the world needs big solutions to solve giant societal environmental problems. This joint venture is the most efficient route to deliver our world leading water technologies throughout the 23 provinces of China. A joint venture with a division of one of the world's largest natural resource groups can meet the growing demand for manufacturing and assembly of existing Microtox and Microtrace equipment for environmental monitoring across the rest of the world, that is struggling to manage a global health pandemic. By partnering with China Resources we can futureproof DeepVerge as a leading innovator of smart environmental platforms with AI, equipment/devices and network management software capability."

Market Abuse Regulation (MAR) Disclosure

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION AS STIPULATED UNDER THE UK VERSION OF THE MARKET ABUSE REGULATION NO 596/2014 WHICH IS PART OF ENGLISH LAW BY VIRTUE OF THE EUROPEAN (WITHDRAWAL) ACT 2018,

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About DeepVerge plc (www.deepverge.com)

DeepVerge 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, virus and toxins. Utilising artificial intelligent data analytics to scientifically prove the impact of skincare product claims on skin microbiome for most of the top 20 global cosmetic company clients and remotely detect and identify in real-time, dangerous pathogens in wastewater treatment plants, drinking water, rivers, lakes and reservoirs.

About China Resources Environmental Protection Development Limited (www.crcept.com)

China Resources Environmental Protection Development Limited is a wholly-owned subsidiary of China Resources Group, a first-level profit centre, and a professional flagship company engaged in environmental protection technology business and environmental protection investment under China Resources Group.

China Resources Environmental Protection was formed by the reorganization of China Resources Textile (Group) Co., Ltd. and China Resources Capital's National Environment Fund and New Economic Fund. In October 2019, China Resources Group approved the establishment of China Resources Environmental Protection, fully entering the field of environmental protection technology. The company's current business includes the water sector, solid waste and hazardous waste, environmental protection technology, and textiles. The company has 23 wholly-owned or holding companies in Guangdong, Shandong, Jiangsu, Yunnan, Anhui, Hebei, Shanghai and other places.