

16 December 2022

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR"). With the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

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**Dev Clever Holdings plc**

("Dev Clever" or the "Company")

**Intended cancellation of Listing**

**Rebranding as Veative Group plc**

The Board of Dev Clever announces today that the Company intends to submit a request to the Financial Conduct Authority ("FCA") for the cancellation of the listing of the Company's ordinary shares ("DevClever Shares") on the Official List and trading on the London Stock Exchange ("Cancellation").

A copy of this announcement which explains the background to the Cancellation and the reasons why the Board of Directors unanimously consider the Cancellation to be in the best interests of the Company and its shareholders as a whole will be posted to the Company's shareholders in the coming days.

The announcement will also be available on the investors' section of the Company's website accessible at [devcleverholdingsplc.com](http://devcleverholdingsplc.com).

**Background to intended Cancellation**

The Company's shares have been suspended since December 2021 and while the Board and the Company's advisers have continued to work toward readmission and satisfaction of the requirements of the FCA, this process is still to be concluded.

Against this backdrop, the Board has considered the benefits and drawbacks of currently being a listed company

The Board believes that the Company is unlikely to attract the necessary material investment from investors to execute its growth strategy in these current market conditions if it remains suspended pending re-admission to the London Stock Exchange. The Board is of the view that, right now, the considerable cost, management time and the legal and regulatory obligations associated with maintaining a listing are materially disproportionate to the benefits to the Company.

It also believes there is currently reduced investment 'appetite' for smaller UK listed companies and pre-profit technology companies generally and particularly those where significant capital for growth is required and that it would be easier to access private market finance. With the planned cancellation in mind, management has begun discussions with third parties regarding provision of finance to fund the unlisted Group.

Following careful consideration, for the above reasons and having consulted with certain shareholders, the Board has concluded that it is in the best interests of the Company and shareholders to request Cancellation to be effected in January 2023.

**Future plans**

The Board is focused on a period of strategic investment, restructuring, cost reduction in certain areas of operations and revenue growth for the Group that should benefit all shareholders in the longer term.

Following this planned period of restructuring and growth, the Board will then be able to seek a re-listing of the Company in the future, in London or on an alternative international exchange which fairly values the Group's business and its exciting global prospects.

## **Rebranding**

Steps have begun to complete a rebranding exercise of the Company and its subsidiaries (the "Group") under the "Veative" banner and the Company's name will change to Veative Group plc. A new corporate website will be imminently launched following Cancellation.

## **Future strategy**

The Group will be a dedicated international education technology (Ed-Tech) group with the delivery of impactful immersive content at its core. Its operations will be focused on the provision of:

- (i) immersive learning delivered in VR, WebXR and AR formats to enhance and improve learning outcomes for students leveraging the Group's position as the owner of an extensive library of interactive immersive learning content with users in over 25 countries and delivered through strategic partners such as Lenovo and an international reseller network;
- (ii) career discovery offerings to support students and teachers that are primarily delivered through Launch My Career, an innovative career discovery focused platform for young people, launched in India and being rolled out to schools in the NISA association of c.100,000 budget private schools of with a version tailored to the UK and US market in development for 2023; and
- (iii) immersive experiences delivered through the Group's "Future of Work" that allow enterprises to (a) showcase their organisations and offerings in a revolutionary career metaverse to school-going students and (b) offer immersive learning and development content for professional or workplace training, enabling tomorrow's workforce, and augmenting their ability to visualise and conceptualise, thereby greatly enhancing productivity and workplace harmony. The Future of Work leverages the Group's history and in-house capabilities in delivering immersive content.

The Group will therefore provide an immersive ecosystem that can support a learner in making key career impacting decisions through a tailored journey of learning from the classroom to the workplace.

In the UK, the Group will continue to deliver the National Careers Challenge ("NCC") a physically delivered competition that allow the Group to engage with students and schools and build links to employers for students from Year 6 to Year 13. The NCC therefore provides a relationship framework for the Group to increase UK sales of its immersive learning subscriptions and career discovery products to schools and its immersive experiences for employers.

## **Overview of Group operations**

Further information on each of the Enlarged Group's business segments and strategy is provided below:

### **(a) Immersive learning**

The Directors believe that the Group is positioned to be a leading provider of online and immersive learning to the global education sector through ownership of an extensive library of interactive, curriculum-aligned VR and WebXR modules for education.

Following the acquisition of the immersive education materials (including STEM content) and the Indian IP from Veative Singapore, the Group has a proprietary leading interactive immersive VR-based education library. Its content includes a substantial library of science, technology, engineering and mathematics (STEM) modules and content for learning the English language (ELL), created since 2016.

In addition to STEM and ELL materials, other content includes virtual tours that enable users thousands of miles away from Paris or Rome to take an immersive trip to the Colosseum or the Eiffel Tower illustrating the potential for technology to overcome socio-economic hurdles encountered by the world's children, especially those in less developed economies.

In 2018, Veative received funding from the UNICEF Innovation Fund to support making its content also available in WebVR format which can be experienced with a laptop or Chromebook rather than a VR headset thereby allowing the Group's content to be used remotely outside of the school environment.

At its development centre in the Noida, Uttar Pradesh region of India Veative India now employs more than 100 staff members engaged in developing immersive learning content. Veative's immersive VR content has also been developed to allow it to be used with a number of different types of VR hardware.

However, in order to optimise learning outcomes but also to maintain student data privacy and facilitate broader geographic reach Veative developed its own customised VR headset – the EduPro.

The EduPro has been developed specifically for education purposes rather than gaming and entertainment. The EduPro has also been designed to incorporate significant internal storage capacity which enables it to store large quantities of learning content and to be used offline making it more attractive in places where problems with stable internet connectivity pose a barrier to online learning.

The Group's VR technology equally attends to the needs of teachers through its accompanying learning management system which allows them to easily track students' learning progress, outcomes and gaps through the provision of detailed activity data.

The Group's curriculum aligned content is being utilised in many countries around the world including not only G20 countries such as India, USA, South Africa and Canada but also major and developing economies such as Poland, Nigeria, Colombia and Mexico.

The Group's content is currently available with commentary in English, Simplified Chinese, Arabic, Spanish and Vietnamese with certain modules available in French, Japanese, Traditional Chinese (Taiwan/HK), Hindi, and Polish.

The coding architecture of Veative's content library was intentionally designed to reduce the future cost of translation of audio and text content into additional languages.

Market access risks and overhead costs are reduced by operating through master distribution and reseller arrangements in many markets where the Group carefully selects third-party organisations with strong commercial relationships in the local education procurement market to proactively market its products.

The in-house commercial team works closely with the global master distributor and reseller network to support them as necessary in cultivating key commercial relationships. Douglas Stewart act as a master distributor in US with a reseller network of 4,500 resellers. Direct sales activity is focused on securing bulk order contracts from governmental and other educational bodies.

As of 31 October 2022, Veative STEM content is currently being used in over 600 schools around the world with over 300,000 users.

In recent months, the Group has been engaged in some key regional tender discussions in India and continues to see significant new opportunities in other international markets. In Nagaland, a small remote mountainous region in India, the Group has recently created 42 VR labs where offline learning by students using VR content has been made possible.

## **(b) Career Discovery**

There are over 600 million children in schools across the world with projections suggesting that 65% of current school children will be applying for jobs that don't yet exist.

Contemporary properly structured career guidance for students is now recognised as a major challenge by students and parents:

- 47% of school children say any career advice they have received was not personalised to them and 70% of school children fear their future because of career uncertainty; and
- 7 out of 10 parents say they want better career guidance for their children but 75% of parents feel it's impossible to provide their children with relevant careers advice in such a rapidly changing job market.

The Directors believe that current guidance does not typically align learning with careers to prepare students for the future world of work or help guide students towards fields and roles that will interest them, energise them and ultimately substantially increase their likelihood to have stable long, fulfilling and successful careers.

In many countries, students are obliged at an early stage of their development to make crucial choices regarding curriculum subjects, further education and training and career choices that impact upon their career direction - decisions that may if made unsoundly jeopardise their opportunity to have rewarding and fulfilling futures.

Launch My Career (LMC), has been developed as an innovative immersive youth-centric career discovery platform that the Directors believe is a world's first in providing users with a transformative approach to career discovery, exploration combined with immersive experiences.

It has been designed to support a user's careers journey in a personalised and entertaining manner. The embedded tools and services intelligently identify interests, skills, personality types and personal attributes in order to dynamically match and connect young people with future learning objectives, the right career path and in turn with potential employers.

This journey will be recorded in a comprehensive skills and career passport that reflects each student's development, growth and motivation.

The commercial strategy for LMC is focused on maximising lifetime revenue from customers building a user base funded through school-based and strategic engagements. The Group is carefully managing sales and marketing budgets including headcount to reduce customer acquisition costs.

The Group's key relationships include NISA budget schools and CSC Academies.

Through its collaboration with NISA, the Group is targeting the 100,000 budget private schools in India affiliated with NISA through school led bulk user subscription arrangements for the circa 20,000,000 pupils attending these schools.

The Group intends in the future to explore extending its reach to the wider private school sector in India representing a further 300,000 establishments. Since the official launch of the LMC platform in 2022, circa 2,000 NISA affiliated schools have now joined up.

User build-up through schools creates the opportunity to generate additional direct-from-consumer subscription revenue from premium follow-on offerings including personal counselling packages delivered online and study abroad advice and support. Available research suggests that there are approximately 1.1 million Indian students studying overseas in over 85 different countries.

Management will evaluate how to incorporate some of the key aspects of LMC into its UK career discovery offerings for a launch in 2023 and how it may be adapted for other markets. It will also evaluate how the 'Careers Curriculum' product developed in the UK as a teaching resource for schools to support improved careers guidance delivery can be adapted for other markets.

### **(c) Future of Work**

Just as developing an immersive career discovery offering was a natural progression from the Group's immersive learning activities, the development of immersive workplace focused engagement and

education builds on the Group's competency in the development of engaging immersive content and experiences for learning and development.

By 2030, more than 23 million global jobs are expected to be enhanced by VR. AR/VR have the potential to add \$1.4 trillion to the global economy by 2030, The Group's immersive technology solutions have an incredible ability to bring together employers and employees (both current and potential) and educate and train individuals to help solve real-world problems.

They enable tomorrow's workforce, augmenting their ability to visualise and conceptualise, thereby greatly enhancing productivity and workplace harmony.

The Group's development capabilities will empower enterprises to build customized AR/VR and metaverse applications including:

- immersive work experiences for engaging, training, skilling, and upskilling their workforce;
- employer interactions with school-going learners, university graduates and potential employees;
- solutions to create, showcase, and customize product and Company walkthroughs
- virtual work experiences will be available where young people can demonstrate their developed skills and employability for future employers to grant apprenticeship placements and provide guaranteed jobs.

Companies can, in turn, receive analytics that will help them reach candidates that are the best fit for their future opportunities.

Employers will have the ability to emphasise and highlight their future workforce requirements and are able to incentivise young people to develop their skills via education. This helps to match the future demands of the employer and delivers significant future benefits for the youth of today, enabling a smooth transition to employment after education.

The Group is developing a disruptive integrated career metaverse that will connect school-going learners with enterprises, enabling meaningful employer engagements with the workforce and helping to bridge the skills gap.

To date, the Group has delivered VR deployments across public and private sectors to enterprise clients including Accenture, Lenovo, Honeywell, Britvic and NTPC (India's largest power utility) and the Indian Oil Corporation and generated more than USD 2 million in revenue from metaverse and immersive content development projects during the quarter ending 31 October 2022.

### **Group revenue growth**

The Group's strategy for delivering revenues from immersive learning and career success is primarily to grow the number of active users through its international master distributor and reseller network, strategic relationships such as Lenovo and NISA and key school and enterprise engagement initiatives such as the Career Metaverse and National Careers Challenge in the UK.

The Group is focused on accelerating the roll out of its offerings to enhance the Group's rate of market penetration and utilisation of its position in the relevant markets.

This is being achieved by:

- expansion of its international distributor and reseller network;
- taking advantage of the opportunity to customise its products for roll out into further geographies in line with Lenovo's global ambitions;
- collaborating with NISA to extend the adoption of Launchmycareer.com and exploring other opportunities to expand the user base more widely across the Indian sub-continent,

- expanding enterprise business globally through metaverse and AR/VR learning and development solutions;
- in due course adapting the Group's platforms for additional verticals including primary education and young people who have fallen out of education and training.

Overall, the Directors believe that the Enlarged Group has the potential to transform the way the world educates, trains, and prepares young people for the world of work and has created a significant first mover advantage having developed and established its content and platforms for immersive learning and career discovery.

It has significantly de-risked and paved the way for rapid entry into new markets with the ability to on-board significant numbers of users quickly through the creation of an international master distributor and reseller network and its exclusive, strategic partnerships with NISA and Lenovo.

Veative's strategic partnership with Lenovo automatically renews in January 2023 for a further 12 months. Under this agreement Veative receives an attractive global royalty fee for each Lenovo headset deployed with a limited Veative content library. Lenovo has recently committed to pre-purchase 4,000 licenses. Veative's content will form a core part of the Lenovo VR Classroom 3 school offering.

The Group's focus is on leveraging these relationships rather than pursuing direct-to-consumer revenues potentially requiring significant investment in sales personnel and marketing expenditure. The Directors believe that this is a key component of managing its rate of cash burn and accelerating its pathway to profitability.

Reducing the administrative costs of the Group through cancellation of its listing will enable additional cost savings.

### **Board and management team changes**

Following cancellation and as planned as part of the rebranding and repositioning of the Company to the Veative Group, Chris Jeffries will step down as executive chairman and joint CEO and Ankur Aggarwal will solely take on the role of Group CEO.

The Group is in advanced negotiations to appoint Feilim McCole as Chief Financial Officer. The Group's current CFO, Nick Ydlibi has agreed to support the Group with an orderly transition of responsibilities. Feilim has extensive experience as CFO and Finance Director in a number of businesses across different sectors. He previously worked in the corporate finance departments of Arthur Andersen and Deloitte in London and spent a number of years working in a London private equity advisory boutique. He is an Irish qualified chartered accountant (through Ernst & Young) and a graduate of University College Dublin (B.Comm).

In addition, Ankita Dabas has been promoted to Chief Growth Officer. Ankita has significant experience in marketing and strategic planning. She was a Co-Founder and CEO of FabFurnish.com, a leading Indian online home store and has been involved with a number of other start-ups and growth capital ventures. She also has a diverse range of experience in venture capital, private equity and investment banking with leading private equity fund, AIF Capital and investment banks including J P Morgan and Merrill Lynch. She holds a Master's Degree in Business Administration from University of Rochester, New York and a B.A Economics degree from Shri Ram College of Commerce, Delhi.

### **Current trading**

As per the unaudited management accounts for the year ended 31 October 2022 the Group recorded consolidated revenue of £6.8m. This compares with revenue for the comparable twelve month period of £7.4m which included £3.6m of revenues from the terminated Aldebaron partnership.

For the six months to October 2022 revenues were £3.4m including immersive learn sales of £0.7m, £0.9m from Launch My Career in India and £1.3m from Veative India (which was only consolidated from 19 July 2022).

The Group had cash balances of £0.2m at 31 October 2022. It had consolidated debtors of £4.0m of and a corporation tax refund due in relation to research and development expenditure of £0.6m. The Group has experienced a delay in collecting receivables from China due to the prevailing Covid related lock-downs. However a payment plan has been agreed so that this cash should be received during in the first half of 2023.

The Group had consolidated trade creditors of £2.4m and accruals of £2.8m at 31 October 2022. In addition, as readmission to trading on LSE has not happened, the Group has not yet issued the consideration shares due for the IP acquisition from Veative Singapore but in light of the planned Cancellation is in advanced discussions to agree a revised settlement arrangement for this consideration.

The Group had only £0.05m of external borrowings at 31 October 2022.

During the six months to October 2022, management has taken steps to significantly reduce the cost base of the Group reflecting the revised commercial strategy in place to move away from building a direct to consumer offering in India following termination of the Aldebaron commercial partnership.

Changes have been necessary to reduce marketing expenditure and the headcount infrastructure created for a consumer focused operation. Management continues to evaluate areas for further reduction.

### **Impact of Cancellation**

Shareholders should note that following Cancellation becoming effective:

1. The regulatory regime which applies solely to companies with shares admitted to the Official List and to trading on the London Stock Exchange's main market for listed securities will no longer apply, including disclosure of shareholdings, obtaining shareholder approval under the Listing Rules for transactions out of the ordinary course of business or with related parties.
2. The Cancellation may significantly reduce the liquidity and marketability of any DevClever Shares and their value may be affected in consequence.
3. The Cancellation may have taxation consequences for shareholders.
4. There will no longer be a public market mechanism for shareholders to trade in DevClever Shares, no price will be publicly quoted for DevClever Shares and it may be more difficult for shareholders to determine the market value of their investment in the Company at any given time.

The above considerations are not exhaustive and shareholders should seek their own independent advice when assessing the likely impact of the Cancellation on them.

### **Taxation**

Shareholders and prospective investors should consult their own professional advisers on whether continuing to hold shares following the Cancellation is suitable for them or whether the Cancellation has any tax consequences for them.

Tax rules can change and the precise tax implications for shareholders will depend on their particular circumstances. If you are in any doubt as to your tax position, you should consult your own independent professional adviser.

### **Transactions in DevClever Shares following the Cancellation**

The Board is aware that the proposed Cancellation would make it more difficult for shareholders to buy and sell shares should they wish to do so and that Shareholders may still wish to acquire further or dispose of DevClever Shares.

Accordingly, the Board intends to use reasonable endeavours to create and maintain a matched bargain secondary market trading facility to assist shareholders to trade in DevClever Shares following Cancellation. A further announcement providing further details of this facility will be released before cancellation.

Contact details for the matched bargain trading facility provider once arranged will be made available to shareholders on the Group's website.

### **Shareholder communications**

As an unlisted public limited Company, the Company will still be required to produce its accounts within six months following the end of its financial year and then to circulate copies of the accounts to Shareholders.

The Company will still be required to circulate annual reports and accounts to shareholders and to hold an Annual General Meeting but the Company will no longer be required to prepare or publish interim accounts.

The Board intends to continue to maintain a corporate website (currently devcleverholdingsplc.com) but there will be no obligation on the Company to provide all the information required under the Listing Rules or the Disclosure Rules.

### **Takeover Code**

Shareholders should note that following the Cancellation, the Company will remain subject to the provisions of the Code.

The Company will remain registered with the Registrar of Companies in England and Wales in accordance with and subject to the Companies Act 2006, notwithstanding the Cancellation.

Shareholders should also note that the Takeover Code (the 'Code') will continue to apply to the Company for the period of 10 years from the date of Cancellation.

Shareholders should note that after the expiry of 10 years from the date of the Cancellation they will not receive the protections afforded by the Code in the event that there is a subsequent offer to acquire their shares.

### **Option Holders**

The Cancellation will not affect the terms of existing options over DevClever Shares. However, following the Cancellation, since there will be no ready market in DevClever Shares, option holders will need to take this into account when deciding to exercise or not to exercise their options in the future to the extent that such options have not previously lapsed.

### **Warrants**

The Cancellation will not affect the terms of any warrant in issue over DevClever Shares. However, following the Cancellation, since there will be no ready market in DevClever Shares, warrant holders will need to take this into account when deciding to exercise or not to exercise warrants before they lapse.

### **Holding DevClever Shares in CREST**

Whilst the Company's CREST facility will remain in place following the Cancellation, the Company's CREST facility may be cancelled at some point in the future and, at that point although the Shares would remain transferable, they may cease to be transferable through CREST. In this instance, Shareholders who hold Shares in CREST would receive share certificates.

### **Expected timetable of principal events**



Under the Listing Rules, as a Standard List Company, the Cancellation can be effected without securing approval of shareholders at a general meeting

Under the London Stock Exchange's admission and disclosure standards, Dev Clever must advise the London Stock Exchange of the Cancellation not less than 20 Business Days before the date it intends trading in the DevClever Shares to be discontinued.

It is therefore anticipated that the Cancellation will take effect 20 Business Days following the making of the application on or around 18 January 2023.

**Key dates:**

Expected date of cancellation of listing and trading on the main market 18 January 2023

**Notes:**

1. References to times in this announcement are to London time unless otherwise stated.
2. If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by an announcement through a regulatory information service recognised by the London Stock Exchange.

**Ankur Aggarwal, CEO of Dev Clever, commented:**

"We understand the concerns of shareholders in relation to the protracted process to seek re admission to the London Stock Exchange.

However in light of current market conditions, and having canvassed key shareholders, the board is unanimous that Cancellation and advancing the Group's potential in an unlisted environment is right now in the best commercial interests of all shareholders".

We will continue to serve the best interests of shareholder to ultimately deliver value for them".

**For more information:**

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