

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION (EU) No. 596/2014.

INVESTORS SHOULD NOT MAKE ANY INVESTMENT DECISION IN RELATION TO MODERN WATER SHARES OR INTEGUMEN SHARES EXCEPT ON THE BASIS OF THE INFORMATION IN THE OFFER DOCUMENT, WHICH IS PROPOSED TO BE PUBLISHED IN DUE COURSE.

FOR IMMEDIATE RELEASE

28 August 2020

RECOMMENDED ALL-EQUITY OFFER ("Offer")

for

MODERN WATER PLC ("MODERN WATER")

by

INTEGUMEN PLC ("INTEGUMEN")

Summary

The Boards of Integumen and Modern Water are pleased to announce that they have reached agreement on the terms of a recommended offer to be made by Integumen for the entire issued and to be issued share capital of Modern Water.

Under the terms of the Offer, Modern Water Shareholders will be entitled to receive:

for each Modern Water Share 1 Existing Integumen Share

Integumen is seeking shareholders' approval for the Share Consolidation whereby every 10 Existing Integumen Shares are proposed to be consolidated into 1 New Integumen Share, at a general meeting scheduled for 15 September 2020. If the Share Consolidation is approved, the Modern Water Shareholders will instead be entitled to receive:

for every 10 Modern Water Shares 1 New Integumen Share

Based on the Existing Integumen Share Closing Price of 4.05 pence per Existing Integumen Share on the Last Practicable Date, the Offer values the entire issued and to be issued share capital of Modern Water at approximately £21.25 million.

The Offer represents a value of approximately 4.05 pence per Modern Water Share and a premium of approximately:

- 44.6 per cent. to the Modern Water Share Closing Price of 2.80 pence on the Last Practicable Date; and
- 110 per cent. to the 90 trading day average price of 1.92 pence per Modern Water Share as at the Last Practicable Date.

The number of Existing Integumen Shares expected to be issued pursuant to the terms of the Offer is 524,693,214 (or 52,469,321 New Integumen Shares in the event that the proposed 10:1 Share Consolidation is approved by Integumen Shareholders).

The Offer is expected to result in Modern Water Shareholders owning 32 per cent. of the share capital of the Enlarged Group (and 34 per cent. on a fully diluted basis).

If any dividend or other distribution or return of value is proposed, declared, made, paid or becomes payable in respect of Modern Water Shares on or after the date of this announcement and prior to the Offer becoming unconditional, Integumen will have the right to reduce the value of the consideration payable for each Modern Water Share by up to the amount per Modern Water Share of such dividend, distribution or return of value.

Offer Rationale

Integumen and Modern Water have been working together since signing a production and logistics agreement on 17 March 2020, under which Integumen is contracted to produce test kits for Modern Water. This has led to significant collaboration between the two companies which has provided invaluable insight into the Modern Water business. The Board of Integumen believes that a merger of the two businesses would be a natural next step and there are synergies and opportunities across the combined businesses in the areas of science, IT, distribution channels, global reach, marketing and sales and management.

COVID-19 has presented challenges but also major opportunities for Integumen. Integumen's Labskin business provides the only commercially available lab-grown, full thickness human skin model with AI assisted testing platform, and delivers human skin microbiology services to support product R&D activities in the cosmetic, personal care, medical device and pharmaceutical sectors. The initial difficulties that the Board of Integumen assumed would occur for the Labskin business, as many clients went into furlough, have not materialised to the extent expected. Significant growth of new business opportunities, from Labskin's own real-time water contamination detection and environment sector solutions, have increased pressure on demand with additional staff recruited over the lock-down period. In addition, the Board of Integumen has seen an increase of new and core business enquiries from Labskin customers as they emerge from furlough.

Integumen's positioning in water and wastewater is timely. The pandemic has heightened the need for additional surveillance of waterways. This has resulted in contracts to supply reagents for the Microtox water monitoring equipment sold by Modern Water. These reagents are used by many water authorities and environmental management authorities to monitor water systems, with more than 2,900 Microtox instruments sold worldwide. These instruments continuously require consumables in the form of bioluminescent reagents presenting significant revenue opportunities.

It has resulted in demand to engineer Integumen's RAWTest artificial intelligent solution, originally developed over the last 4 years for the detection of E.coli bacteria in reservoirs, lakes and rivers, into a retrofitted real-time alert system that can be added to Modern Water's equipment and, in due course, network the overall Modern Water equipment range with communications, data exchange and AI capability.

With COVID-19 driving rapid changes in the nature of global trade as nations become more protectionist, Integumen has plans to open laboratory and sales facilities in both the US and China. Modern Water already has a presence in New Castle, Delaware (US) and a 100 per cent. owned subsidiary in Shanghai (China).

The recent capital investment that Integumen made into facilitating Modern Water's reagent production in the UK, and the ongoing investment in development of RAWTest AI equipment that can be retrofitted into Modern Water's existing Microtox and Microtrace water contamination detection equipment, is evidence of the value of merging the laboratory, engineering, sales, marketing and distribution channels of both companies to leverage the expertise that is inherent in each.

Managing the route through a COVID-19 world with demand for the products and services means a change to production, sales, support and key management in both Modern Water and Integumen. Integumen management believe there is a need to decentralise and/or out-source to all three territories of US, EU and China, in which Modern Water already has an operational presence. Investment may be considered at a later date to upgrade manufacturing in both US and China to accommodate growth in orders and to be able to secure larger volume of existing and new revenue streams, to extract greater value and not depend on organic growth with existing infrastructure. This also requires alterations to the sales, marketing and distribution channels.

Integumen has global skincare clients in the US, China and EU and has been subject to lockdown restrictions on sales, marketing and scientific staff travelling to and from each territory. Modern Water's physical presence in the US and China would immediately provide Integumen with a physical presence and lower the substantial capital investment of Integumen's expansion aspirations at the same pace on all three continents.

The Integumen Board believes the merger creates a unique opportunity for Modern Water to participate and play an important role in the acceleration of the development of the enlarged group with a strong focus on commercial development of the underlying combined products and services range.

Independent Modern Water Directors

In light of his role as Chief Executive Officer of Integumen, Gerard Brandon, Non-Executive Chairman of Modern Water, has not participated in the appraisal by the Board of Modern Water of the Offer. The Board of Modern Water has constituted a committee comprised of the Independent Modern Water Directors for the purpose of evaluating and recommending the Offer to Modern Water Shareholders.

The Independent Modern Water Directors are Simon Humphrey, Chief Executive Officer, and Nigel Burton, Non-Executive Director.

Modern Water Recommendation

The Independent Modern Water Directors, who have been so advised by Cairn as to the financial terms of the Offer, unanimously consider the terms of the Offer to be fair and reasonable. In providing its advice to the Independent Modern Water Directors, Cairn has taken into account the commercial assessments of the Independent Modern Water Directors. Cairn is providing independent financial advice to the Independent Modern Water Directors for the purposes of Rule 3 of the Code.

Accordingly, the Independent Modern Water Directors unanimously intend to recommend that Modern Water Shareholders accept the Offer, as they have irrevocably undertaken to do in respect of their own beneficial holdings, amounting to, in aggregate, 6,182,000 Modern Water Shares, representing approximately 1.18 per cent. of the Modern Water Shares in issue on the Last Practicable Date.

In addition, Gerard Brandon has irrevocably undertaken to accept the Offer in respect of his own beneficial holdings, amounting to, in aggregate, 10,000,000 Modern Water Shares, representing approximately 1.91 per cent. of the Modern Water Shares in issue on the Last Practicable Date.

Integumen Recommendation

In light of his role as Non-Executive Chairman of Modern Water, Gerard Brandon, Chief Executive of Integumen has not participated in the Integumen Board's deliberation of the terms of the Offer. The Independent Integumen Directors intend to recommend unanimously that the Integumen

Shareholders vote in favour of the resolutions to be proposed at the Integumen General Meeting to approve the issue of the Consideration Shares and the Share Consolidation.

The Integumen Directors have given irrevocable undertakings in respect of their own beneficial holdings, amounting to, in aggregate, 184,911,756 Existing Integumen Shares, representing approximately 16.64 per cent. of the Integumen Shares in issue on the Last Practicable Date, to vote in favour of the resolutions to be proposed at the Integumen General Meeting.

General

Integumen is required to seek the approval of Integumen Shareholders for the authority to issue the Consideration Shares in a General Meeting. The Offer is therefore conditional upon, amongst other things, the Resolution being passed by the Integumen Shareholders at the Integumen General Meeting. Integumen will make application for Admission of all the Consideration Shares issued in respect of the Offer to trading on AIM.

It is intended that the Integumen Circular, which will convene a general meeting of the Integumen Shareholders to approve the issue of the Consideration Shares (and the Share Consolidation), will be published later today.

The Offer Document, which will contain further information about the Offer, and the Forms of Acceptance, will be published in due course and in any event by no later than 25 September 2020.

Commenting on the Offer, Ross Andrews, Chairman of Integumen, said:

"There has been significant collaboration between Integumen and Modern Water over the last 6 months which has provided the Integumen Board with invaluable insight into the Modern Water business. The Integumen Board believes that a merger of the two businesses would be a natural next step and that there are exciting synergies and opportunities across the combined businesses in the areas of science, IT, distribution channels, global reach for supply chain, sales, marketing and distribution channels."

Commenting on the Offer, Nigel Burton, Independent Non-Executive Director of Modern Water, said:

"The Independent Modern Water Directors have carefully considered both this Offer and the alternatives. After a challenging 2019, 2020 has seen a placing which enabled Modern Water to address all outstanding liabilities, and to provide working capital to begin to rebuild and strengthen its sales, marketing and distribution channels.

The Offer provides the opportunity to reduce implementation risks, enhance the technical and human resources available, and grow shareholder value more quickly than any of the alternatives available. The Independent Modern Water Directors therefore unanimously recommend the Offer."

The Offer will be subject to the Conditions and certain further terms set out in Appendix 1 to this announcement and to the full terms and conditions which will be set out in the Offer Document. The bases of calculations and sources of certain financial information contained in this announcement, and certain additional financial and operational information, are set out in Appendix 2 to this announcement. Details of the irrevocable undertakings received by Integumen in relation to the Offer are set out in Appendix 3 to this announcement. Certain definitions and terms used in this announcement are set out in Appendix 4 to this announcement.

This summary should be read in conjunction with, and is subject to, the following full text of this announcement and the Appendices.

For further information please contact:

Integumen plc	Ross Andrews, Chairman	Contact via Integumen's PR
SPARK Advisory Partners Limited (Nominated Adviser to Integumen)	Neil Baldwin/Andrew Emmott	+44 (0) 113 370 8974
Mo PR (Integumen's Financial PR adviser)	Mo Noonan	+44 (0) 7876 444977
Modern Water plc	Dr Nigel Burton	+44 (0) 7785 234447
Cairn Financial Advisers LLP (Nominated Adviser, financial adviser and Rule 3 adviser to Modern Water)	Sandy Jamieson/James Lewis	+44 (0) 20 7213 0880

Disclaimers

SPARK Advisory Partners Limited, which, in the United Kingdom, is authorised and regulated by the Financial Conduct Authority, is acting exclusively and respectively for Integumen and no one else in connection with this announcement and the matters referred to herein and will not be responsible to anyone other than Integumen for providing the protections afforded to clients of SPARK Advisory Partners Limited nor for providing advice in relation to the contents of this announcement and the matters referred to herein.

Cairn, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for Modern Water and for no one else in connection with the Offer or any matters referred to in this announcement and will not be responsible to anyone other than Modern Water for providing the protections afforded to its clients nor for providing advice in relation to the contents of this announcement or any matters referred to in this announcement.

IMPORTANT NOTES

Publication of certain documents in connection with the Offer

The release, publication or distribution of this announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about and observe any applicable restrictions or requirements. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent possible, the companies involved in the Offer disclaim any responsibility or liability for the violation of such requirements by any person. This announcement has been prepared for the purposes of complying with English law, the Code, the rules of the London Stock Exchange and the AIM Rules and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws and regulations of any jurisdiction outside England and Wales.

This announcement is for information purposes only. It is not intended to and does not constitute, an offer or form part of any offer or an invitation to purchase, subscribe for, sell or issue, any securities or a solicitation of any offer to purchase, subscribe for, sell or issue any securities pursuant to this announcement or otherwise in any jurisdiction in which such offer or solicitation is unlawful. This announcement does not comprise a prospectus or a prospectus equivalent document. The Offer will be effected solely by means of the Offer Document which, together with the Forms of Acceptance, will contain the full terms and conditions of the Offer, including details of how to exercise your rights in respect of the Offer.

The Offer Document, together with the relevant Forms of Acceptance, will be sent to Modern Water Shareholders in due course and in any event by no later than 25 September 2020.

It is intended that the Integumen Circular will be posted to Integumen Shareholders later today.

Those documents will also be made available at the same time on Integumen's website at www.integumen.com and on Modern Water's website at www.modernwater.com. Notwithstanding the above, those documents will not be posted into, or made available within, a Restricted Jurisdiction and may not be capable of being accessed by Restricted Overseas Persons. Modern Water urges Modern Water Shareholders to read the Offer Document in its entirety because it will contain important information in relation to the Offer. Any response in relation to the Offer should be made only on the basis of the information contained in the Offer Document.

The statements contained herein are made as at the date of this announcement, unless some other time is specified in relation to them, and service of this announcement shall not give rise to any implication that there has been no change in the facts set forth herein since such date. Nothing contained in this announcement shall be deemed to be a forecast, projection or estimate of the future financial performance of Modern Water, or of Integumen or of the Enlarged Group, except where otherwise stated.

Overseas jurisdictions

The release, publication or distribution of this announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable requirements. In particular, the ability of persons who are not resident in the United Kingdom to exercise their rights as holders of Modern Water Shares in respect of the Offer, to execute and deliver Forms of Proxy, may be affected by the laws of the relevant jurisdictions in which they are located. This announcement has been prepared for the purpose of complying with English law and the Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

Copies of this announcement and any formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. If the Offer is implemented, as expected, by way of a takeover offer, (unless otherwise permitted by applicable law and regulation), the Takeover Offer may not be made, directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, email or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Takeover Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.

Cautionary note regarding forward-looking statements

This announcement, including certain information incorporated by reference, contains certain forward-looking statements with respect to the financial condition, results of operations and business of Modern Water or the Modern Water Group and Integumen or the Integumen Group and certain plans and objectives of the Modern Water Board and the Integumen Board. These forward-looking statements can be identified by the fact that they do not relate to historical or current facts. Forward looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "will", "may", "should", "would", "could" or other words of similar meaning. These statements are based on assumptions and assessments made by the Modern Water Board and

the Integumen Board in the light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty and the factors described in the context of such forward-looking statements in this announcement could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements.

Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this announcement. Except as required by the FCA, the London Stock Exchange, the AIM Rules, the Code or any other applicable law, Modern Water and Integumen assume no obligation to update or correct the information contained in this announcement.

No profit forecasts or estimates

No statement in this announcement is intended as a profit forecast or estimate for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per ordinary share for Integumen or Modern Water, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per ordinary share for Integumen or Modern Water, as appropriate.

Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of: (i) the offeree company; and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) of the Code applies must be made by no later than 3.30 p.m. (London time) on the 10th Business Day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of: (i) the offeree company; and (ii) any securities exchange offeror(s), except to the extent that these details have previously been disclosed under Rule 8 of the Code. A Dealing Disclosure by a person to whom Rule 8.3(b) of the Code applies must be made by no later than 3.30 p.m. (London time) on the Business Day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3 of the Code.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4 of the Code).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0) 20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Publication of this announcement and availability of hard copies

A copy of this announcement and the display documents required to be published pursuant to Rule 26 of the Code will be made available free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Integumen's and Modern Water's websites at www.integumen.com and www.modernwater.com by no later than the business day immediately following this announcement until the end of the Offer Period.

Neither the content of Modern Water's website nor the content of any websites accessible from hyperlinks on such website (or any other websites) are incorporated into, or form part of, this announcement nor, unless previously published by means of a Regulatory Information Service, should any such content be relied upon in reaching a decision regarding the matters referred to in this announcement.

Any person who is entitled to be sent a copy of this announcement under the Code may request a hard copy of this announcement (and any information incorporated by reference in this announcement) by writing to Modern Water, 12th Floor, 6 New Street Square, Holborn, London EC4A 3BF.

Modern Water Shareholders may also request that all future documents, announcements and information to be sent to them in relation to the Offer should be in hard copy form.

The Offer is subject to the provisions of the Code.

Information relating to Modern Water Shareholders

Please be aware that addresses, electronic addresses (if any) and certain other information provided by Modern Water Shareholders, persons with information rights and other relevant persons for the receipt of communications from Modern Water may be provided to offerors (including Integumen) during the Offer Period as required under Section 4 of Appendix 4 of the Code to comply with Rule 2.11(e) of the Code.

Rounding

Certain figures included in this announcement have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Market Abuse Regulation

The person responsible for arranging release of this announcement on behalf of Integumen is Ross Andrews, Chairman.

Status of announcement

This announcement does not constitute a prospectus or prospectus equivalent document.

Rule 2.9 information disclosure

In accordance with Rule 2.9 of the Code:

Integumen confirms that, as at the date of this announcement, it has 1,111,120,710 ordinary shares of 0.01 pence each in issue and admitted to trading on AIM under the International Securities Identification Number ("ISIN") GB00BYWJ6269. Following the Share Consolidation the ISIN code will be GB000BMGWZY29.

Modern Water confirms that, as at the date of this announcement, it has 524,693,214 ordinary shares of 0.25 pence each in issue and admitted to trading on AIM under the International Securities Identification Number ("ISIN") GB00B1XF5X66.

28 August 2020

RECOMMENDED ALL-EQUITY OFFER

for

MODERN WATER PLC ("MODERN WATER")

by

INTEGUMEN PLC ("INTEGUMEN")

1. Introduction

The Boards of Integumen and Modern Water are pleased to announce the terms of a recommended Offer. The Offer will be effected by way of an offer pursuant to which Integumen will acquire the entire issued and to be issued ordinary share capital of Modern Water.

This announcement explains the background to the Offer and the reasons why the Independent Modern Water Directors recommend that Modern Water Shareholders accept the Offer.

The Offer Document, which will contain further information about the Offer, and the Form of Acceptance will be published in due course and in any event by no later than 25 September 2020.

The Offer will be subject to the Conditions set out below and in Appendix 1 to this announcement and the full terms and conditions to be set out in the Offer Document.

2. Terms of the Offer

Under the terms of the Offer, which is subject to the satisfaction (or where applicable, waiver) of the conditions and further terms set out in Appendix 1 of this document, Modern Water Shareholders will be entitled to receive:

for each Modern Water Share 1 Existing Integumen Share

Integumen is seeking shareholders' approval for the Share Consolidation whereby every 10 Existing Integumen Shares are proposed to be consolidated into 1 New Integumen Share, at a general meeting scheduled for 15 September 2020. If the Share Consolidation is approved, the Modern Water Shareholders will instead be entitled to receive:

for every 10 Modern Water Shares 1 New Integumen Share

Based on the Existing Integumen Share Closing Price of 4.05 pence per Existing Integumen Share on the Last Practicable Date, the Offer values the entire issued and to be issued share capital of Modern Water at approximately £21.25 million.

The Offer represents a value of approximately 4.05 pence per Modern Water Share and a premium of approximately:

- 44.6 per cent. based upon the Modern Water Share Closing Price of 2.80 pence on the Last Practicable Date; and
- 110 per cent. to the 90 trading day average price of 1.92 pence per Modern Water Share as at the Last Practicable Date.

The Offer is expected to result in Modern Water Shareholders owning 32 per cent. of the share capital of the Enlarged Group (and 34 per cent. on a fully diluted basis).

The Consideration Shares will be allotted and issued credited as fully paid and will rank *pari passu* in all respects with the existing Integumen Shares in issue at the time the Consideration Shares are allotted and issued pursuant to the Offer, including the right to receive and retain dividends and other distributions declared, made or paid by reference to a record date falling on or after the date of completion of the Offer.

The Existing Integumen Shares are admitted to trading on AIM. Integumen is seeking the approval of its shareholders at the Integumen General Meeting to the consolidation of every 10 Existing Integumen Shares of 0.01 pence each into one New Integumen Share of 0.1 pence.

Integumen is required to seek the approval of its shareholders for the authority to issue the Consideration Shares in a General Meeting. Integumen will make application for Admission of the Consideration Shares issued in respect of the Offer to trading on AIM.

If any dividend or other distribution or return of value is proposed, declared, made, paid or becomes payable by Modern Water in respect of the Modern Water Shares on or after the date of this announcement and prior to the Offer becoming unconditional, Integumen will have the right to reduce the value of the consideration payable for each Modern Water Share by up to the amount per Modern Water Share of such dividend, distribution or return of value.

3. Background to and reasons for the Offer

Integumen and Modern Water have been working together since signing a production and logistics agreement on 17 March 2020, under which Integumen is contracted to produce test kits for Modern Water.

Integumen has seen significant growth opportunities for its real time water contamination detection and environmental sector solutions as a result of COVID-19. This in turn has resulted in contracts for reagents with Modern Water. These reagents are used by many water authorities and environmental management authorities to monitor systems with more than 2,900 Microtox units installed around the world.

This has led to significant collaboration between the two companies which has provided invaluable insight into the Modern Water business. The Integumen Board identified a number of synergies of combining the two businesses:

- Facilities and on the ground sales capability on three continents, Europe, US and China
- Comprehensive monitoring systems from trace metals to viruses
- AI database that can learn from thousands of data points monitoring a myriad of contaminants to provide early warning, analysis and prediction capabilities
- Ability to expand routes to markets with an online affiliate system and partnering with major water players across SCADA/asset/work management
- A bigger group will have greater credibility in the marketplace
- Corporate cost savings with a single listed entity.

The Integumen Board therefore believes a merger of the two businesses is a natural next step.

4. Recommendation of the Offer by the Independent Modern Water Directors

Independent Modern Water Directors

In light of his role as Chief Executive Officer of Integumen, Gerard Brandon, Non-Executive Chairman of Modern Water, has not participated in the appraisal by the Board of Modern Water of the Offer. The Board of Modern Water has constituted a committee comprised of the Independent Modern Water Directors for the purpose of evaluating and recommending the Offer to Modern Water Shareholders.

The Independent Modern Water Directors are Simon Humphrey, Chief Executive Officer, and Nigel Burton, Non-Executive Director.

Recommendation

The Independent Modern Water Directors, who have been so advised by Cairn as to the financial terms of the Offer, unanimously consider the terms of the Offer to be fair and reasonable. In providing its advice to the Independent Modern Water Directors, Cairn has taken into account the commercial assessments of the Independent Modern Water Directors. Cairn is providing independent financial advice to the Independent Modern Water Directors for the purposes of Rule 3 of the Code.

Accordingly, the Independent Modern Water Directors unanimously intend to recommend that Modern Water Shareholders accept the Offer, as they have irrevocably undertaken to do in respect of their own beneficial holdings, amounting to, in aggregate, 6,182,000 Modern Water Shares, representing approximately 1.18 per cent. of the Modern Water Shares in issue on the Last Practicable Date.

In addition, Gerard Brandon has irrevocably undertaken to accept the Offer in respect of his own beneficial holdings, amounting to, in aggregate, 10,000,000 Modern Water Shares, representing approximately 1.91 per cent. of the Modern Water Shares in issue on the Last Practicable Date.

5. Background to and reasons for the Independent Modern Water Directors' recommendation

Since Modern Water was admitted to AIM, revenues have peaked at £4.2 million, but it has been consistently lossmaking. Modern Water's accumulated losses stood at approximately £42.8 million as at 31 December 2019.

In June 2019, Modern Water announced cash flow difficulties, and that it was looking to raise additional capital. In August 2019, it announced that it was putting the Monitoring Division up for sale, and that it had appointed liquidators for two of its subsidiaries, being Modern Water Services Limited and Cogent Environmental Ltd.

Modern Water was unable to agree acceptable terms for the sale of the Monitoring Division, and instead completed a placing of 370,000,000 new Modern Water Shares at 0.5 pence per Modern Water Share in February 2020 raising a total of £1.85 million, which enabled Modern Water to address all outstanding liabilities and provided working capital for the Modern Water Group. Following the placing, Nigel Burton and Gerard Brandon joined the Board of Modern Water.

Since then, Modern Water has implemented structural changes that were necessary to expose the opportunity to move from high-ticket sales, which had a high employee support cost, in desalination and the membrane divisions. The Modern Water business model in 2020 has moved to a high volume, high margin recurring revenue strategy that already existed within the Monitoring Division that was acquired in 2011. Modern Water continues to retain a leadership position within the water contamination monitoring sector and is adding the latest technologies in ecommerce, logistics, comms,

networking and data encryption which extends Modern Water's global reach beyond the US, EU and Far East offices.

As part of this strategy, Modern Water joined the EcoWaterOS Consortium, launched by Integumen in February 2020. The EcoWaterOS Consortium is an end-to-end water contamination detection and decontamination solutions provider network, for real-time monitoring and detection of contaminated water. Modern Water also entered into a reagent supply agreement with Integumen in March 2020 for its Microtox equipment. Furthermore, Integumen announced in July that it had entered into a collaboration agreement with Avacta plc for the evaluation of Avacta Affimers for the real-time identification of localised COVID-19 hotspots in wastewater, with the intention of using Modern Water's water monitoring distribution channels to sell upgraded Microtox equipment with Integumen sensors to detect COVID-19, subject to positive test evaluation results.

The Independent Modern Water Directors have carefully considered both this Offer and the alternatives. After a challenging 2019, the placing in February 2020 enabled Modern Water to address all outstanding liabilities, and provided the working capital needed to begin to rebuild and strengthen its sales, marketing and distribution channels.

The Independent Modern Water Directors consider that the Offer provides the opportunity for Modern Water to accelerate its new strategy as part of a larger group with greater access to capital and to reduce implementation risks, enhance the technical and human resources available, and grow shareholder value more quickly than any of the alternatives available.

As shareholders in an enlarged combined group, Modern Water Shareholders will be able to benefit from Integumen's expertise in the cosmetics, personal healthcare and environmental sectors as well as in the areas of microbiology, AI and software. Its research and testing capabilities are able to turn data monitoring into predictive insights with state-of-the-art AI models. The combination of Integumen and Modern Water will enhance both companies' worldwide reach from research and development projects to commercialisation and building worldwide distribution in the fields of environmental toxicology services and monitoring and testing technology supported by AI modelling to enhance and accelerate data analysis.

The Independent Modern Water Directors have carefully considered both this Offer and the alternatives. After a challenging 2019, 2020 has seen a placing which enabled Modern Water to address all outstanding liabilities, and to provide working capital to begin to rebuild and strengthen its sales, marketing and distribution channels.

The Independent Modern Water Directors have also given due consideration to Integumen's strategic objectives and welcome Integumen's stated intentions concerning the Modern Water Group's management and employees, locations of business and strategic plans. The Independent Modern Water Directors also welcome Integumen's confirmation that, following the completion of the Offer, the existing contractual and statutory employment rights of all Modern Water Group management and employees will be fully safeguarded in accordance with applicable law, including any employer contributions into Modern Water's pension scheme. The Independent Modern Water Directors further welcome the confirmation that Integumen does not intend to make any immediate restructurings or changes in location of Modern Water's headquarters and headquarter functions, operations and places of business.

However, the Offer provides the opportunity to reduce implementation risks, enhance the technical and human resources available, and grow shareholder value more quickly than any of the alternatives available. The Independent Modern Water Directors therefore unanimously recommend the Offer.

6. Recommendation of the Offer by the Independent Integumen Directors

The Independent Integumen Directors, having been advised by SPARK Advisory Partners, believe that the Offer and the resolutions to be proposed at the Integumen General Meeting are in the best interests of Integumen and Integumen Shareholders as a whole. SPARK has taken into account the commercial assessments of the Independent Integumen Directors.

Accordingly, the Independent Integumen Directors intend to recommend unanimously that Integumen Shareholders vote in favour of the resolutions to be proposed at the Integumen General Meeting to allow, *inter alia*, the issue of the Consideration Shares, which will be described in the Integumen Circular.

The Integumen Directors have given irrevocable undertakings in respect of a total of 184,911,756 Existing Integumen Shares, representing, in aggregate approximately 16.64 per cent. of the Integumen Shares in issue on the Last Practicable Date, to vote in favour of the resolutions to be proposed at the Integumen General Meeting.

7. Information on Modern Water

Modern Water was established in 2006 as a joint venture between the IP Group and its management team, based on technology spun out of Cardiff and Surrey universities relating to membrane desalination and domestic wastewater treatment. It floated on AIM in 2007, and in 2011, Modern Water acquired Microtox, a US based business supplying water monitoring equipment, for \$4.5 million. Following the acquisition, the Modern Water business had two core divisions, the Membrane Division and the Monitoring Division.

Modern Water's Monitoring Division is based in the US and has a portfolio of toxicity and trace metal monitoring products, some of which constitute the regulatory standard. The toxicity monitors comprise the Microtox LX (Lab based), Microtox FX (portable) and Microtox CTM (continuous monitoring) derivatives. All require a regular supply of reagents to detect toxicity. Trace metals are detected using the Microtrace PDV (portable and lab based) and the Microtrace OVA (continuous monitoring). The monitoring division has a sales presence in almost 60 countries, and six countries across the world have legislated that Modern Water monitoring test systems are written into their environmental protection legislation.

The headline technology of the Modern Water's Membrane Division, called "AMBC", can be used to tackle complex wastewater treatment problems at a reduced cost compared to standard processes, while being simple to operate. Modern Water's revenues are based on a design and installation fee and ongoing licence fees. The division also offers containerised desalination plants under the Aquapak brand.

Membrane Division

All-Membrane Brine Concentration (Industrial)
Thermal Desalination (Industrial)
Evaporative Cooling Systems (Industrial)
Packaged SWRO Desalination Systems (Industrial & Municipal)
Forward Osmosis Desalination (Industrial & Municipal)

Monitoring Division

Trace Metal Products
Toxicity Products
Environmental Products

Modern Water has a joint venture partner in China, Hangzhou Shangtuo Environmental Technology Co. Ltd ("Sunup"), and partners in India, Advent Envirocare Technology Pvt Ltd and Ion Exchange (India) Ltd, and South Africa, WEC Projects (Pty) Ltd.

Modern Water employs 14 people across the UK, US, Japan and China.

On 24 August 2020, Modern Water announced its audited financial results for the year ended 31 December 2019, including revenue from continuing operations of approximately of £2.9 million (2018: £3.6 million) and an operating loss of £1.6 million (2018: £1.0 million). As at 31 December 2019, the Modern Water Group had net assets of approximately £0.6 million (2018: £2.1 million) with £0.2 million cash in the bank (2018: £0.2 million cash) and a bank loan of £0.4 million (2018: £0.5 million).

8. Information on Integumen

Integumen is a vertically integrated business, collaborating its Labskin technology platform with partners in artificial intelligence, clinical research, medical device and life science. These collaborators are building their own technology on top of the Labskin AI backbone. Labskin allows skin-care, health-care, pharmaceutical manufacturers and cosmetic companies to test their products on human-like skin in a real-world environment with full access to multiple state-of-the-art partner technologies.

Its subsidiary companies have individual domain expertise and synergies to leverage product and business development. Its focus is in the cosmetics, personal healthcare and environmental sectors with several blue chips companies as customers. Its domain expertise is in the areas of microbiology, AI and software. It has a 12 year track record on working with bacteria, fungi and viruses. This has led to new business producing reagents for water monitoring and cutting-edge research into understanding viruses such as Covid-19. With its research and testing it turns data (on skin microbiome, on data from E.Coli, nutrients and phosphates) monitoring into predictive insights with state of the art AI models that is has been developing and fine tuning over the past 4 years. It has a proven management team that has experience of floating business, trade sales, with international reach and taking research projects to commercialisation as well as building international distribution that is rapidly scaling the Integumen business.

Integumen provides the following services:

- Environmental toxicology services
- Human skin equivalent platform to validate and verify the safety and impact on client products for regulatory authority approval
- AI and microbiome platform to facilitate clinical testing of pharmacological effects
- Monitoring platform for pathogens in water and wastewater

9. Future intentions for Modern Water, its management and employees and the Enlarged Group

Save as detailed below, Integumen has no intentions that will result in changes to the location of the Modern Water places of business and Integumen has no intentions to make any material changes in relation to:

- (i) the conditions of employment of the Modern Water employees and management;
- (ii) the balance of the skills and functions of the Modern Water employees and management;
- (iii) the pension contributions made by Modern Water into the Modern Water pension scheme(s), the admission of new members to such pension schemes and the current arrangements for the funding of any scheme deficit (of which there is none);
- (iv) the deployment of Modern Water's fixed assets; or
- (v) the research and development functions of Modern Water.

Locations

Integumen has no intentions to change the location of Modern Water places of business. Integumen believes that Modern Water's staff in the US, China, and Japan have deep domain knowledge and are experts in their fields, both in relation to the Monitoring and the Membrane divisions, and Integumen recognises they will be critical to the combined business model going forward.

Staff terms and conditions

Integumen confirms that it has no intention to make material changes to the conditions of employment of the Modern Water employees and intends to safeguard fully the existing employment and pension rights of Modern Water's local management and employees in accordance with applicable law and to comply with Modern Water's pension obligations for existing employees and members of Modern Water's pension schemes. Integumen confirms it has no intentions to make material changes to the current arrangements for the funding of any pension scheme deficit (of which there is none).

The Integumen Board envisages revenue synergies from the Offer. In addition, it believes that some cost savings will be available from an operational and administrative review of the Enlarged Group, which is likely to be required following the Offer to reduce costs arising from duplicated administrative functions. Integumen anticipates that this could result in the relocation of its central administrative function in order that it is located alongside complementary Modern Water functions. It is anticipated that such relocation may lead to a reduction in headcount of administrative employees given the overlap in expertise between the Integumen Group and the Modern Water Group.

Whilst any review is subject to detailed planning, Integumen intends to engage with appropriate stakeholders, including employee representative bodies, to assess the overall impact of the finalisation of any such plans.

Further, following completion of the Offer, the Enlarged Group will undertake a review of the business to ensure that all its businesses and operations are sufficiently resourced to help grow the Enlarged Group in the future. Integumen has not yet developed any specific proposals as to how this review would be implemented and Integumen will have regard to ensuring that the current balance of skills and functions across the Enlarged Group is maintained.

Operations

Following completion of the Offer, it is intended that the Modern Water and Integumen company names will continue to be employed with respect to the services offered by each group respectively under the ultimate holding company Integumen with the Modern Water name used in respect for the Modern Water operations alongside the Integumen name.

The Enlarged Group's focus will be to build the group profitably both organically and by acquisition. Both groups have in the recent past undertaken cost and overhead restructuring to improve operational efficiency and best position themselves for future profitability.

Integumen does not intend to redeploy any fixed assets of Modern Water following completion of the Offer.

Management

Conditional upon, and following completion of the Offer, it is intended that Dr Nigel Burton will be invited to join the Integumen Board as a non-executive director.

Following Admission, the board of the Enlarged Group is expected to be composed of five directors of whom two will be non-executive Directors and that Ross Andrews and Nigel Burton will be considered by the Board to be independent non-executive Directors.

Notwithstanding the above, no proposals have been made on the terms of any incentive arrangements for relevant managers or the continuing Modern Water Directors and there have been no discussions in respect of the terms of these arrangements.

Research and Development functions of Modern Water

Integumen intends to maintain the existing research and development activities of Modern Water.

10. Modern Water Options and Warrants

Under the Code, by virtue of making an offer for the voting equity share capital of Modern Water, Integumen must make an appropriate offer or proposal to the participants in the Modern Water Share Scheme and to holders of warrants to ensure that their interests are safeguarded. Equality of treatment is required.

Modern Water Share Scheme

Under the Modern Water Share Scheme, there are a total 1,040,000 non EMI options in issue, some with an exercise price equal to the market price on the date of the grant, others at nil exercise price. The weighted average exercise price for non EMI options outstanding is 20.96 pence per Modern Water Share. In addition, there are 2,770,000 EMI options in issue with a nil exercise price.

Warrants

In relation to a placing of 9,038,000 Modern Water Shares on 21 January 2019, Modern Water granted warrants over 9,038,000 Modern Water Shares at an exercise price of 9.75 pence per Modern Water Share and a further 540,000 Modern Water Shares at an exercise price of 6.5 pence per Modern Water Share. The warrants will expire on the 22 January 2021.

On 31 March 2020 Modern Water issued to JIM Nominees, acting as nominee for Turner Pope, Broker Warrants to subscribe for 92,500,000 Modern Water Shares with an exercise price of 0.5 pence per Modern Water Share and an expiry date of 16 February 2023.

On 2 June 2020 Turner Pope exercised Broker Warrants in respect of 22,000,000 Modern Water Shares, which resulted in the receipt of an additional £110,000 cash by Modern Water. As at the Last Practicable Date, there are Broker Warrants to subscribe for 70,500,000 Modern Water Shares outstanding.

Based on the financial terms of the Offer, certain of the options granted under the Modern Water Share Scheme ("Options") and the remainder of the Broker Warrants will have a value on a "see-through" basis and therefore Integumen intends to separately publish, in due course and in accordance with the Code, an appropriate offer or proposal to the holders of the Options and the holders of warrants.

11. Modern Water current trading and prospects

In Modern Water's 2019 Annual Report, issued on 24 August 2020, Modern Water reported that, following the changes to the Modern Water Board in February and March, the group undertook a strategic review of the group and its business model.

The outcome of the review was to move to a revenue-sharing collaborative and partnership strategy to accelerate growth. The new business model adopted in 2020 is to continue the move to a high volume, high margin, recurring revenue model that has been in existence within the Monitoring Division that was acquired in 2011. Examples of the new business model were Modern Water joining the EcowaterOs consortium in February 2020 and in March the signing of a contract with Integumen for the manufacture of reagents using a revenue sharing model.

In June 2020 the group launched its new website. The updated website includes a fully integrated eCommerce solution with back-office and logistics platform, allowing clients and partners access to pricing, quotes, and equipment specifications. It has a built-in knowledge centre where 30 years of water contamination monitoring domain expertise is available to all users. Dedicated account areas for clients and partners also provide dashboards showing the live and near-time state of water monitoring sites including up to date information on consumables.

This new platform gives Modern Water the ability to fully exploit the data the group generates from different water systems across the world. Data analytics with the latest AI systems in collaboration with partners set Modern Water up for multiple revenue streams from equipment, consumables and predictive services for its existing and new clients coming online to manage their COVID-19 risk.

Outlook

Following the liquidity issues in 2019, Modern Water has made a significant reduction in group overheads, and implemented structural changes that were necessary to expose the opportunity to move from high-ticket sales, which had a high employee support cost, in desalination and the membrane divisions. The Modern Water business model in 2020 is now focussed on a high volume, high margin recurring revenue strategy that has been in existence within the Monitoring Division.

Modern Water continues to develop its position within the water contamination monitoring sector and is adding the latest technologies in ecommerce, logistics, comms, networking and data encryption which extends Modern Water's global reach beyond the US, EU and Far East offices. With thousands of sites and hundreds of water systems installed over the last 30 years, Modern Water retains a strong international position in water monitoring. The strategic challenge through this COVID-19 pandemic is being met with the move to provide support services online, making it easier and safer to interact with customers while at the same time to increase the capacity of its equipment to provide surveillance against all sorts of contaminants and threats including viruses and infectious pathogens.

The new platform gives it the ability to fully exploit the data generated from different water systems across the world. Data analytics with the latest AI systems in collaboration partners set Modern Water up for multiple revenue streams from equipment, consumables and predictive services for existing and new clients coming online to manage their COVID-19 risk.

12. Integumen current trading and prospects

In Integumen's 2019 Annual Report, issued on 15 June 2020, Integumen reported:

"This has been another transformational year for Integumen. Building on an already successful business model, better than expected sales growth from higher revenues per client, lower management overhead from disposal of non-performing assets, and expansion into new areas requiring an increase of both employees and capacity, have set the business on a strong footing for 2020. COVID-19 presented challenges but also major opportunities for Integumen. The initial difficulties that the Board had assumed would occur for Labskin business, as many clients went into furlough, have not materialised. Instead, have seen significant growth of new business opportunities from our real-time water contamination detection and environment sector solutions, contributing to increased demand with additional staff recruited over the lock-down period. The outcome has resulted in an increase of new and core business from Labskin clients as they emerge from furlough. The current level of pipeline activity continues to expand. Having integrated the data analytics and AI systems into the Labskin AI ecosystem, by year-end the Board provided guidance for 2020 revenues of £4m. Orders of £2m have already been received and the Board remains confident that the business will continue to flourish as demand grows and as we expand our offering across multiple, but related, sectors."

13. Integumen shareholders' approval

The Share Consolidation proposed by Integumen requires the approval of its shareholders. In addition, the Integumen Directors do not currently have sufficient authority to issue and allot the Consideration Shares in accordance with section 551 of the Act and, accordingly, the approval of Integumen Shareholders is required. The Offer is therefore conditional upon, amongst other things, the Resolution being passed by the Integumen Shareholders at the Integumen General Meeting which has been convened for 11.00 a.m. on 15 September 2020. It is intended that a circular containing, amongst other things, notice of the Integumen General Meeting will be sent to Integumen Shareholders later today.

Integumen has also received irrevocable undertakings in respect of a total of 184,911,756 Integumen Shares, representing, in aggregate approximately 16.64 per cent. of the Integumen Shares in issue on the Last Practicable Date, to vote in favour of the resolutions at the Integumen General Meeting.

Application will be made for the Admission of the Consideration Shares to be issued in respect of the Offer to trading on AIM.

14. Modern Water Directors' Service Contracts

Dr Nigel Burton is a Non-Executive Director of Modern Water. He owns 4,300,000 Modern Water Shares.

Under the terms of Dr Nigel Burton's service contract with Modern Water, he is entitled to receive his salary of £30,000 per annum for the two years from 20 February 2020 in Modern Water Shares at an issue price of 0.5 pence per Modern Water Share. Upon a change of control, these amounts fall due to be settled, to the extent not already settled, by the issue of 12,000,000 Modern Water Shares at an issue price of 0.5 pence per Modern Water Share.

Gerard Brandon, Chief Executive of Integumen, is also the Non-Executive Chairman of Modern Water. He owns 10,000,000 Modern Water Shares.

Under the terms of Gerard Brandon's service contract with Modern Water, he is entitled to receive his salary of £50,000 per annum for the two years from 4 March 2020 in Modern Water Shares at an issue price of 0.5 pence per Modern Water Share. Upon a change of control, these amounts fall due to be settled, to the extent not already settled, by the issue of 20,000,000 Modern Water Shares at an issue price of 0.5 pence per Modern Water Share.

15. Compulsory acquisition and cancellation of admission to trading on AIM of Modern Water Shares

If Integumen acquires, whether through acceptances under the Offer or otherwise, 90 per cent. or more of the Modern Water Shares to which the Offer relates and the Offer becomes or is declared unconditional in all respects, Integumen will exercise its rights pursuant to the provisions of sections 974-991 of the Companies Act to acquire compulsorily the remaining Modern Water Shares. In exercising such rights in respect of Modern Water Shares held by Modern Water Shareholders in, or with a registered address in, a Restricted Jurisdiction, Integumen may elect to arrange for such Modern Water Shares to be sold on behalf of the relevant Modern Water Shareholder and the proceeds (less the costs and expenses of such sale) remitted to such Modern Water Shareholder.

If the Offer becomes or is declared unconditional in all respects and Integumen has acquired or agreed to acquire Modern Water Shares which represent 75 per cent. or more of the voting rights attaching to the Modern Water Shares, then Integumen intends to procure the making of an application by Modern Water to the London Stock Exchange for the cancellation of the admission to trading of Modern Water Shares on AIM and to reregister Modern Water as a private company as soon as it is appropriate to do so under the provisions of the Companies Act.

It is anticipated that any cancellation of admission to trading on AIM would take effect no earlier than twenty Business Days after Modern Water has acquired or agreed to acquire 75 per cent. of the voting rights attaching to the Modern Water Shares. Cancellation of admission to trading on AIM would significantly reduce the liquidity and marketability of all Modern Water Shares not assented to the Offer at that time.

16. Interests of Integumen in Modern Water Shares

As at the Last Practicable Date, other than as set out below, neither Integumen nor, so far as Integumen is aware, any person acting in concert (within the meaning of the Code) with Integumen:

- [] has any interest in, or right to subscribe for, any Modern Water Shares nor does any such person have any short position in Modern Water Shares, including any short position under a derivative, any agreement to sell, any delivery obligation or right to require another person to purchase or take delivery of Modern Water Shares; or
 - [] has borrowed or lent any Modern Water Shares; or
 - [] is party to any dealing arrangement on the definition of acting in concert in the Code in relation to Modern Water Shares.
- a) Gerard Brandon, Chief Executive of Integumen is also the Non-Executive Chairman of Modern Water. He owns 10,000,000 Modern Water Shares.
- b) Under the terms of Gerard Brandon's service contract with Modern Water, he is entitled to receive his salary of £50,000 per annum for the two years from 4 March 2020 in Modern Water Shares at an issue price of 0.5 pence per Modern Water Share. Upon a change of control, these amounts fall due to be settled by the issue of 20,000,000 Modern Water Shares.
- c) Turner Pope is Corporate Broker to both Integumen and Modern Water. Turner Pope owns 15,500,000 Modern Water Shares (representing 2.95% of the Modern Water issued share capital).

Irrevocable Undertakings have been received from the Modern Water Directors to accept the Offer in respect of 16,182,000 Modern Water Shares representing 3.08 per cent. of Modern Water's issued share capital.

17. Publication of associated documents on websites

Copies of the following documents will, in accordance with Rule 26.2 of the Code, be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Integumen's website (www.integumen.com) and Modern Water's website (www.modernwater.com) by no later than 12 noon on the business day following the date of this announcement until the end of the Offer Period:

- a copy of this announcement;
- the irrevocable undertakings referred to above in paragraph 13 and paragraph 16;
- the written consents of each of SPARK Advisory Partners and Cairn referred to in paragraph 19 below; and
- the Integumen Circular.

18. Dividends

If any dividend or other distribution or return of value is proposed, declared, made, paid or becomes payable by Modern Water in respect of the Modern Water Shares on or after the date of this announcement and prior to the Offer becoming unconditional, Integumen will have the right to reduce the value of the consideration payable for each Modern Water Share by up to the amount per Modern Water Share of such dividend, distribution or return of value.

19. Consents

SPARK Advisory Partners Limited has given and not withdrawn its consent to the inclusion in this announcement of reference to its advice to the Integumen Directors in the form and context in which it appears.

Cairn has given and has not withdrawn its consent to the inclusion in this announcement of reference to its advice to the Independent Modern Water Directors in the form and context in which it appears.

For further information please contact:

Integumen plc	Ross Andrews, Chairman	To contact via Integumen PR
SPARK Advisory Partners Limited (Nominated Adviser)	Neil Baldwin/Andrew Emmott	+44 (0) 113 370 8974
Mo PR (Integumen's Financial PR Adviser)	Mo Noonan	+44 (0) 7876 444977
Modern Water plc	Dr Nigel Burton	+44 (0) 07785 234447
Cairn Financial Advisers LLP (Nominated Adviser, financial adviser and Rule 3 adviser to Modern Water)	Sandy Jamieson/James Lewis	+44 (0) 207 213 0880

Disclaimers

SPARK Advisory Partners Limited, which, in the United Kingdom, is authorised and regulated by the Financial Conduct Authority, is acting exclusively and respectively for Integumen and no one else in connection with this announcement and the matters referred to herein and will not be responsible to anyone other than Integumen for providing the protections afforded to clients of SPARK Advisory Partners Limited nor for providing advice in relation to the contents of this announcement and the matters referred to herein.

Cairn, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for Modern Water and for no one else in connection with the Offer or any matters referred to in this announcement and will not be responsible to anyone other than Modern Water for providing the protections afforded to its clients nor for providing advice in relation to the contents of this announcement or any matters referred to in this announcement.

IMPORTANT NOTES

Publication of certain documents in connection with the Offer

The release, publication or distribution of this announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about and observe any applicable restrictions or requirements. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent possible, the companies involved in the Offer disclaim any responsibility or liability for the violation of such requirements by any person. This announcement has been prepared for the purposes of complying with English law, the Code, the rules of the London Stock Exchange and the AIM Rules and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws and regulations of any jurisdiction outside England and Wales.

This announcement is for information purposes only. It is not intended to and does not constitute, an offer or form part of any offer or an invitation to purchase, subscribe for, sell or issue, any securities or a solicitation of any offer to purchase, subscribe for, sell or issue any securities pursuant to this announcement or otherwise in any jurisdiction in which such offer or solicitation is unlawful. This announcement does not comprise a prospectus or a prospectus equivalent document. The Offer will be effected solely by means of the Offer Document which, together with the Form of Acceptance and the Form of Proxy, will contain the full terms and conditions of the Offer, including details of how to vote in respect of the Offer.

The Offer Document, which will contain further information about the Offer, and the Form of Acceptance will be published in due course and in any event by no later than 25 September 2020.

It is intended that the Integumen Circular will be posted to Integumen Shareholders later today.

Those documents will also be made available at the same time on Integumen's website at www.integumen.com and on Modern Water's website at www.modernwater.com. Notwithstanding the above, those documents will not be posted into, or made available within, a Restricted Jurisdiction and may not be capable of being accessed by Restricted Overseas Persons. Modern Water urges Modern Water Shareholders to read the Offer Document, when it becomes available, in its entirety because it will contain important information in relation to the Offer. Any vote in respect of the Offer or other response in relation to the Offer should be made only on the basis of the information contained in the Offer Document.

Integumen urges Integumen Shareholders to read the Integumen Circular, when it becomes available, in their entirety because they it contains important information in relation to the Offer. Any vote by Integumen Shareholders in respect of the Offer should be made only on the basis of the information contained in the Integumen Circular.

The statements contained herein are made as at the date of this announcement, unless some other time is specified in relation to them, and service of this announcement shall not give rise to any implication that there has been no change in the facts set forth herein since such date. Nothing contained in this announcement shall be deemed to be a forecast, projection or estimate of the future financial performance of Modern Water or, or of Integumen or of the Enlarged Group, except where otherwise stated.

Overseas jurisdictions

The release, publication or distribution of this announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable requirements. In particular, the ability of persons who are not resident in the United Kingdom to accept the Offer or to execute and deliver Forms of Acceptance or to vote their Integumen Shares in respect of the Offer or to execute or deliver Forms of Proxy, may be affected by the laws of the relevant jurisdictions in which they are located. This announcement has been prepared for the purpose of complying with English law and the Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

Copies of this announcement and any formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. If the Offer is implemented by way of a Takeover Offer (unless otherwise permitted by applicable law and regulation), the Takeover Offer may not be made, directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited

to, facsimile, email or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Takeover Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.

Cautionary note regarding forward-looking statements

This announcement, including certain information incorporated by reference, contains certain forward-looking statements with respect to the financial condition, results of operations and business of Modern Water or the Modern Water Group and Integumen or the Integumen Group and certain plans and objectives of the Modern Water Board and the Integumen Board. These forward-looking statements can be identified by the fact that they do not relate to historical or current facts. Forward looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "will", "may", "should", "would", "could" or other words of similar meaning. These statements are based on assumptions and assessments made by the Modern Water Board and the Integumen Board in the light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty and the factors described in the context of such forward-looking statements in this announcement could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements.

Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this announcement. Except as required by the FCA, the London Stock Exchange, the AIM Rules, the Code or any other applicable law, Modern Water and Integumen assume no obligation to update or correct the information contained in this announcement.

No profit forecasts or estimates

No statement in this announcement is intended as a profit forecast or estimate for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per ordinary share for Integumen or Modern Water, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per ordinary share for Integumen or Modern Water, as appropriate.

Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of: (i) the offeree company; and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) of the Code applies must be made by no later than 3.30 p.m. (London time) on the 10th Business Day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must

make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of: (i) the offeree company; and (ii) any securities exchange offeror(s), except to the extent that these details have previously been disclosed under Rule 8 of the Code. A Dealing Disclosure by a person to whom Rule 8.3(b) of the Code applies must be made by no later than 3.30 p.m. (London time) on the Business Day following the date of the relevant dealing. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3 of the Code.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4 of the Code).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0) 20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Publication of this announcement and availability of hard copies

A copy of this announcement and the display documents required to be published pursuant to Rule 26 of the Code will be made available free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Integumen's and Modern Water's websites at www.integumen.com and www.modernwater.com by no later than the business day immediately following this announcement until the end of the Offer Period.

Neither the content of Modern Water's website nor the content of any websites accessible from hyperlinks on such website (or any other websites) are incorporated into, or form part of, this announcement nor, unless previously published by means of a Regulatory Information Service, should any such content be relied upon in reaching a decision regarding the matters referred to in this announcement.

Any person who is entitled to be sent a copy of this announcement under the Code may request a hard copy of this announcement (and any information incorporated by reference in this announcement) by writing to Modern Water at 12th Floor, 6 New Street Square, London, EC4A 3BF.

Modern Water Shareholders may also request that all future documents, announcements and information to be sent to them in relation to the Offer should be in hard copy form.

The Offer is subject to the provisions of the Code.

Information relating to Modern Water Shareholders

Please be aware that addresses, electronic addresses (if any) and certain other information provided by Modern Water Shareholders, persons with information rights and other relevant persons for the receipt of communications from Modern Water may be provided to offerors (including Integumen) during the Offer Period as required under Section 4 of Appendix 4 of the Code to comply with Rule 2.11(e) of the Code.

Rounding

Certain figures included in this announcement have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

The person responsible for arranging release of this announcement on behalf of Integumen is Ross Andrews.

Status of announcement

This announcement does not constitute a prospectus or prospectus equivalent document.

APPENDIX 1

CONDITIONS AND FURTHER TERMS OF THE OFFER

PART A CONDITIONS OF THE OFFER

1 Conditions

The Offer will be subject to the conditions and terms set out below, in this document and (in respect of certificated Modern Water Shares) in the Form of Acceptance and to the applicable rules and regulations of the London Stock Exchange and the Code and will be governed by English law and subject to the jurisdiction of the courts of England:

1.1 Acceptance condition

Valid acceptances of the Offer being received (and not, where permitted, withdrawn) by not later than 1.00 p.m. (London time) on the First Closing Date (or such later time(s) and/or date(s) as Integumen may, subject to the rules of the Code or with the consent of the Panel, decide) in respect of Modern Water Shares which, together with all other Modern Water Shares acquired by Integumen (whether pursuant to the Offer or otherwise), will result in Integumen, and any other person acting in concert with Integumen, holding in aggregate not less than 90 per cent. (or such lower percentage as Integumen may decide) in nominal value of the Modern Water Shares to which the Offer relates and of the voting rights attached to those shares, provided that this Condition will not be satisfied unless Integumen and/or any of its associates shall have acquired or agreed to acquire (whether pursuant to the Offer or otherwise) Modern Water Shares carrying in aggregate more than 50 per cent. of the voting rights then normally exercisable at general meetings of Modern Water, including for this purpose (except to the extent otherwise agreed by the Panel), any voting rights attaching to any Modern Water Shares which are unconditionally allotted or issued before the Offer becomes or is declared unconditional as to acceptances (whether pursuant to the exercise of outstanding conversion or subscription rights or otherwise). For the purposes of this Condition 1.1:

1.1.1 Modern Water Shares which have been unconditionally allotted but not issued before the Offer becomes or is declared unconditional as to acceptances, whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise, shall be deemed to carry the voting rights they will carry on being entered into the register of members of Modern Water;

1.1.2 the expressions 'shares to which the Offer relates' and 'associates' shall be construed in accordance with Part 28 of the Act;

1.1.3 Modern Water Shares that cease to be held in treasury before the Offer becomes or is declared unconditional as to acceptances are Modern Water Shares to which the Offer relates; and

1.1.4 valid acceptances shall be deemed to have been received in respect of Modern Water Shares which are treated for the purposes of Part 28 of the Act as having been acquired or contracted to be acquired by Integumen by virtue of acceptances of the Offer;

1.2 CMA clearance

To the extent that the European Commission refers any aspect of the Offer to the CMA under Article 4(4) or Article 9 of the Council Regulation (EC) 139/2004 (the EU Merger Regulation), or if it does not constitute a concentration with an Community dimension, but Integumen and Modern Water agree (such agreement to take due account of their relative legal obligations, and not to be unreasonably withheld) that a CMA filing is otherwise desirable, the CMA confirming, in terms reasonably satisfactory to Integumen and Modern Water, that there will not be a reference by the CMA of the Offer, any part of it or any matter arising from it to its chair for the constitution of a group under schedule 4 to the Enterprise and Regulatory Reform Act 2013;

1.3 Approval of Integumen Shareholders of the Resolution and Admission of the Consideration Shares

1.3.1 the passing at the Integumen General Meeting (or at any adjournment thereof) of the Resolution;

1.3.2 the admission to trading on AIM of the Consideration Shares to be issued in connection with the Offer becoming effective in accordance with the AIM Rules or if Integumen and SPARK Advisory Partners so determine (and subject to the consent of the Panel), the London Stock Exchange having acknowledged to Integumen or its agent (and such acknowledgement not having been withdrawn) that the Consideration Shares will be admitted to trading on AIM;

1.4 General regulatory matters

Other than in respect of Condition 1.2, no central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, authority, court, trade agency, association, institution or professional or environmental body, private body or any other body or person whatsoever in any jurisdiction (each a "Relevant Authority") having instituted, implemented or threatened or having announced its intention to institute, implement or threaten any action, proceedings, suit, investigation, enquiry or reference, or enacted, made or proposed any statute, regulation, decision or order, or having required any action to be taken or information to be provided or otherwise having taken any other steps which would or might reasonably be expected to:

1.4.1 make the Offer or its implementation, or the acquisition or the proposed acquisition by Integumen of any shares or other securities in, or control of, Modern Water or any of its subsidiaries or subsidiary undertakings void, illegal or unenforceable under the laws of any jurisdiction, or otherwise directly or indirectly restrain, prohibit, restrict, prevent or delay the same or impose additional adverse conditions or financial or other obligations with respect thereto, or otherwise challenge or interfere therewith;

1.4.2 impose any limitation on, or result in a delay in, the ability of any member of the Integumen Group to acquire or hold or exercise effectively, directly or indirectly, all rights of all or any of the Modern Water Shares (whether acquired pursuant to the Offer or otherwise);

1.4.3 require, prevent or delay the divestiture or alter the terms envisaged for any proposed divestiture by any member of the Integumen Group or the Modern Water Group of all or any portion of their respective businesses, assets or property, or impose any limitation on the ability of any of them to conduct all or any part of their respective businesses or to own or control any of their respective assets or properties;

1.4.4 require, prevent or delay the divestiture by any member of the Integumen Group of any shares, securities or other interests in any member of the Modern Water Group or of all or any portion of their respective businesses, assets or properties or impose any limitation on the ability of any of them to conduct their businesses or own their respective assets or properties or any part thereof;

1.4.5 impose any limitation on, or result in a delay in, the ability of any member of the Integumen Group to acquire or hold or exercise effectively, directly or indirectly, any rights of ownership of shares or other securities convertible into shares or any other securities (or the equivalent) in any member of the Modern Water Group or on the ability of any member of the Modern Water Group to hold or exercise effectively, directly or indirectly, any rights of ownership of shares or other securities (or the equivalent) in, or to exercise management control over, any other member of the Modern Water Group;

1.4.6 result in any member of the Integumen Group or the Modern Water Group ceasing to be able to carry on their respective businesses under any name under which it is presently carried on;

1.4.7 require any member of the Integumen Group or of the Modern Water Group to acquire or offer to acquire any shares or other securities (or the equivalent) owned by any third party in any member of the Integumen Group or any member of the Modern Water Group, other than as a result of the implementation of the Offer;

1.4.8 make the Offer or its implementation or the proposed acquisition by Integumen of any shares or other securities in Modern Water or the acquisition or control of Modern Water or any member of the Modern Water Group, illegal, void or unenforceable in or under the laws of any jurisdiction or directly or indirectly restrict or delay, prohibit or otherwise interfere with the implementation of, or impose additional conditions or obligations with respect to, or otherwise challenge, the Offer or the acquisition of any shares in Modern Water, or control of Modern Water, by Integumen;

1.4.9 impose any limitation on, or result in any delay in, the ability of any member of the Integumen Group or of the Modern Water Group to conduct or co-ordinate or integrate its business, or any part of it, with the business of any other member of the Integumen Group or the Modern Water Group;

1.4.10 otherwise adversely affect the business, assets, financial or trading position or profits or prospects of any member of the Integumen Group or of the Modern Water Group; or

1.4.11 result in the refusal, withholding, suspension, withdrawal, cancellation, termination or modification in whole or in part of any licence, authority, permission or privilege held or enjoyed by any member of the Integumen Group or of the Modern Water Group which is necessary for the proper carrying on of its business or the imposition of any conditions, restrictions or limitations upon such licence, authority, permission or privilege which would materially inhibit the exercise thereof, and all applicable waiting and other time periods (including any extensions thereof) during which any Relevant Authority could decide to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference or any other step under the laws of any jurisdiction in respect of the Offer or the acquisition of any shares or other securities in Modern Water, or control of Modern Water, by Integumen, having expired, lapsed or been terminated;

1.5 Notifications, filings, authorisations

Other than in relation to the competition law and regulatory approvals referred to in Condition 1.2, all necessary filings or applications having been made, and all statutory or regulatory obligations having been complied with, in each case in any jurisdiction and under any applicable legislation or regulation in relation to the Offer or the acquisition of Modern Water securities by any member of the Integumen Group or change of control of Modern Water, and all authorisations, orders, grants, recognitions, confirmations, licences, consents, clearances, permissions and approvals (together "authorisations") necessary in any jurisdiction for or in respect of the Offer or the acquisition of

Modern Water securities by any member of the Integumen Group or change of control of Modern Water having been obtained (in terms and form reasonably satisfactory to Integumen) from any Relevant Authority or other person or body with whom any member of the Integumen Group or the Modern Water Group has entered into an agreement or arrangement, and such authorisations and any other authorisations necessary or appropriate for any member of the Integumen Group or of the Modern Water Group to carry on any business now carried on by it remaining in full force and effect, and no notice having been given or threatened to revoke, suspend or not renew any of the same;

1.6 Events since last accounts date

Save as Disclosed, no member of the Modern Water Group having, since 31 December 2019:

1.6.1 save as between Modern Water and its wholly-owned subsidiaries or for Modern Water Shares issued pursuant to the exercise of the Broker Warrants or the exercise of options or vesting of awards granted under the Modern Water Share Scheme, issued or agreed to issue or authorised or proposed the issue of additional shares of any class;

1.6.2 save as between Modern Water and its wholly-owned subsidiaries or for the Broker Warrants or the grant of options or awards pursuant to the Modern Water Share Scheme, issued or agreed to issue or authorised or proposed the issue of securities convertible into shares of any class, or rights, warrants or options to subscribe for, or acquire, any such shares or convertible securities;

1.6.3 other than to another member of the Modern Water Group, recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution, whether payable in cash or otherwise;

1.6.4 save for transactions with another member of the Modern Water Group, merged with or demerged from anybody corporate, partnership or business, or acquired or disposed of or transferred, mortgaged or charged or created any security interest of any kind whatsoever over any assets or any right, title or interest in any asset (including shares and trade investments), or authorised or proposed or announced any intention to propose, enter into or create any merger, demerger, acquisition or disposal, transfer, mortgage, charge or security interest of any kind;

1.6.5 save for transactions with another member of the Modern Water Group, made or authorised, or announced a proposal to make, any change in its loan capital or the issue of any debentures;

1.6.6 incurred or increased any indebtedness or become subject to any guarantee or contingent liability other (in any such case) than in the ordinary course of business;

1.6.7 been unable to pay its debts, or having admitted such inability in writing, having stopped or suspended payment of its debts generally (or having threatened to do either such thing), or having ceased, or having threatened to cease, carrying on all or a substantial part of its business;

1.6.8 purchased, redeemed or repaid, or announced any proposal to purchase, redeem or repay, any of its own shares or other securities, or reduced or made any other change (excepting any change referred to in sub-paragraph 1.6.1 above) to any part of its share capital;

1.6.9 other than pursuant to the Offer (and except for transactions with another member of the Modern Water Group which are not material in the context of the Modern Water Group taken as a whole) entered into, implemented, effected or authorised, or proposed or announced its intention to enter into, implement, effect or authorise, any merger, demerger, reconstruction, amalgamation, scheme, commitment or other transaction or arrangement with a substantially equivalent effect;

1.6.10 entered into, or varied in any material respect the terms of, any contract with any director or senior executive of Modern Water or any of its subsidiaries;

1.6.11 other than in the ordinary course of business, entered into or varied or authorised, proposed or announced its intention to enter into, vary or authorise any contract, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, onerous or unusual nature or magnitude, or involves or could involve an obligation of such a nature or magnitude, or which is or could be (in a manner or to an extent abnormal in the context of the business concerned) restrictive on any business of any member of the Modern Water Group;

1.6.12 (other than in respect of a member which is dormant and was solvent at the relevant time) taken any corporate action or had any legal proceedings started or threatened against it for its winding-up, dissolution, reorganisation or any analogous proceedings in any jurisdiction, or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of all or any of its assets or revenues, or had any such person appointed;

1.6.13 entered into any contract, transaction or arrangement which would be restrictive on the business of any member of the Modern Water Group other than to a nature and extent which is normal in the context of the business concerned;

1.6.14 waived or compromised any claim otherwise than in the ordinary course of business;

1.6.15 entered into or varied the terms of any contract, commitment, arrangement or agreement otherwise than in the ordinary course of business, or passed any resolution or made any offer (which remains open for acceptance) with respect to, or announced any intention or proposal to effect, any of the transactions, matters or events referred to in this Condition;

1.6.16 made any amendment to its articles of association;

1.6.17 made or agreed or consented to any change to:

- (a) the terms of any trust deed constituting any pension scheme established by any member of the Modern Water Group for its directors, employees and/or their dependents,
- (b) the contributions payable to any such scheme, or the benefits which accrue or the pensions which are payable thereunder,
- (c) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined, or
- (d) the basis upon which the liabilities (including pensions) of any such pension schemes are funded, valued or made; or

1.6.18 proposed, modified the terms of, or agreed to provide, any share scheme, incentive scheme or other benefit relating to the employment or termination of employment of any person employed by the Modern Water Group, other than in accordance with the terms of the Offer;

1.7 Matters arising from agreement, arrangement etc

Save as Disclosed, there being no provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Modern Water Group is a party, or in or from which any such member may be interested or be entitled to benefit, or by or to which any such member or any of its assets may be bound or subject, which in consequence of the Offer or because of a change in the control of Modern Water or otherwise, could or might result in:

1.7.1 any moneys borrowed by, or any other indebtedness (actual or contingent) of, or any grant available to, any such member, being or becoming repayable or capable of being declared repayable immediately or earlier than their or its stated repayment or maturity date, or the ability of any such member to borrow moneys or incur any indebtedness being withdrawn or restricted, or being or becoming capable of being withdrawn or restricted;

1.7.2 any such agreement, arrangement, licence, permit or instrument or the rights, liabilities, obligations or interests of any such member thereunder being terminated or adversely modified or affected, or any obligation or liability arising or any adverse action being taken or arising thereunder;

1.7.3 any assets or interests of any such member being or falling to be disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of or charged;

1.7.4 the creation or enforcement of any mortgage, charge or other security interest of any kind whatsoever over the whole or any part of the business, property, assets or other interests of any such member or any such security;

1.7.5 the rights, liabilities, obligations or interests of any such member in or in respect of any agreement or arrangement, or the business of any such member, with any person, firm or body being terminated or adversely modified or affected;

1.7.6 the value of any such member or its financial or trading position being prejudiced or adversely affected;

1.7.7 any such member ceasing to be able to carry on business under any name under which it currently does so; or

1.7.8 the imposition of any liability (actual or contingent) on, or an increase in the liability (whether actual or contingent) of, any such member;

and no event having occurred which, under any provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Modern Water Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, could result in the occurrence of any of the events or circumstances described or referred to in paragraphs 1.7.1 to 1.7.8 of this Condition;

1.8 No adverse change, litigation etc.

Save as Disclosed, since the date to which Modern Water's most recently published annual report and accounts were made up:

1.8.1 no adverse change or deterioration having occurred in the business, assets, financial or trading position or profits of any member of the Modern Water Group;

1.8.2 no litigation, arbitration or mediation proceedings, prosecution or other legal proceedings to which any member of the Modern Water Group is or may become a party (whether as a claimant, defendant or otherwise), and no investigation by any Relevant Authority against or in respect of any member of the Modern Water Group remaining outstanding, or having been instituted, announced or threatened by or against any member of the Modern Water Group; and

1.8.3 no contingent or other liability of any member of the Modern Water Group which has not previously been disclosed having arisen which would be likely to adversely affect the business, assets, financial or trading position, profits, prospects or operational performance of any member of the Modern Water Group;

1.9 No withdrawal, cancellation, termination or modification of licence

No steps having been taken and no omissions having been made which are likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Modern Water Group which is necessary for the proper carrying on of its business;

1.10 No discovery of adverse information

Save as Disclosed, Integumen not having discovered in relation to any member of the Modern Water Group:

1.10.1 that any financial, business or other information concerning the Modern Water Group as contained in the information publicly announced at any time by or on behalf of any member of the Modern Water Group is misleading, contains a misrepresentation of fact or omits to state a fact necessary to make that information not misleading;

1.10.2 that any member of the Modern Water Group, or any partnership, company or other entity which is not a member of the Modern Water Group but in which any member of the Modern Water Group has a significant economic interest, is subject to any liability (contingent or otherwise); or

1.10.3 any information which affects the importance of any other information disclosed at any time by or on behalf of any member of the Modern Water Group and whose importance is material in the context of the Modern Water Group taken as a whole.

PART B: FURTHER TERMS OF THE OFFER

Definitions

Except where the context requires otherwise, any reference in this Part B of this Appendix 1 and (in respect of the certificated Modern Water Shares) in the Form of Acceptance to:

1 the "acceptance condition" means the condition set out in paragraph 1.1 of Part A of this Appendix 1;

2 the "Offer" includes any election or alternative available under the Offer and any revision, variation, renewal or extension of the Offer;

3 the "Offer becoming unconditional as to acceptances" means the Offer being or becoming or being declared unconditional as to acceptances by virtue of the acceptance condition having become or been declared fulfilled, whether or not any other condition to the Offer remains to be satisfied;

4 the "Offer becoming wholly unconditional" or the "Offer becoming unconditional in all respects" (and similar terms) means all of the Conditions to the Offer becoming, or being declared, satisfied, or where capable of being waived, waived, and references to the Offer having become, or having been declared, unconditional in all respects shall be construed accordingly;

5 "acceptance of the Offer" includes deemed acceptance of the Offer;

6 a person "acting in concert with" Integumen is a reference to a person acting, or deemed to be acting, in concert with Integumen for the purposes of the Code and/or the Offer;

7 "send", "sent" or "sending" or a similar expression in relation to any document, announcement or other information shall include distribution in hard copy form or electronic form or publication on a website in such manner as shall be permitted by the Code or otherwise with the Panel's consent;

8 "Shareholders" means holders of Modern Water Shares and shall include reference to the person or persons (in respect of certificated Modern Water Shares) executing a Form of Acceptance and, in the event of more than one person executing a Form of Acceptance, the provisions of Part B of Appendix 1 shall apply to them jointly and to each of them. References to the masculine gender shall include the feminine;

The following further terms apply, unless the context requires otherwise, to the Offer.

9 Dividends

9.1 If after the date of this document, any dividend, distribution and/or return of capital is declared, paid or made or becomes payable by Modern Water, Integumen reserves the right (without prejudice to any of its other rights) to reduce the consideration payable under the Offer by the aggregate amount of such dividend, distribution and/or return of capital. Any exercise by Integumen of its rights referred to in this paragraph will be the subject of an announcement and, for the avoidance of doubt, will not be regarded as constituting any revision or variation of the Offer. Furthermore, Integumen reserves the right to reduce the consideration payable under the Offer in such circumstances as are, and by such amount as is, permitted by the Panel.

9.2 If Integumen exercises the right to reduce the consideration payable under the Offer by all or part of the amount of a dividend, distribution and/or return of capital that has been paid or made, Modern Water Shareholders will be entitled to receive and retain the amount of that dividend, distribution and/or return of capital. Subject to the foregoing and notwithstanding the Conditions on which the Modern Water Shares are expressed to be acquired by Integumen pursuant to the Offer, the Modern Water Shares will be acquired by or on behalf of Integumen pursuant to the Offer fully paid and free from all liens, charges, encumbrances and other rights and interests of whatsoever nature and together with all rights now attaching and to become attached thereto, including the right to receive all dividends and other distributions declared, paid or made at any time after the date of this document.

9.3 To the extent that such a dividend, distribution and/or return of capital has been declared, paid, made or is payable and it is: (i) transferred pursuant to the Offer on a basis which entitles Integumen to receive the dividend, distribution and/or return of capital and to retain it; or (ii) cancelled, the consideration payable under the Offer will not be subject to change in accordance with this paragraph.

10 General

10.1 The Offeror reserves the right (subject to the requirements of the Code and the Panel) to waive all or any of Conditions (other than the acceptance condition), in whole or in part, at its absolute discretion.

10.2 The Offeror shall be under no obligation to waive or treat as fulfilled any of the Conditions, by a date earlier than the latest date specified below for the fulfilment of them notwithstanding that the other Conditions may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.

10.3 Except with the consent of the Panel, the Offer will lapse unless all the Conditions to the Offer set out in Part A of this Appendix 1 have been fulfilled or (if capable of waiver) waived or (where appropriate) have been determined by Integumen to be or remain satisfied, by midnight (London time) on the date which is 21 days after the later of the First Closing Date and the date on which the Offer becomes or is declared unconditional as to acceptances or such later date as Integumen may, with the consent of the Panel, decide.

10.4 The Offer will lapse if, before 1.00 p.m. (London time) on the later of the First Closing Date and the date on which the Offer becomes or is declared unconditional as to acceptances:

10.4.1 it is referred to the Competition and Markets Authority; or

10.4.2 the European Commission either initiates proceedings under Article 6(1)(c) of the EU Merger Regulation or, there is a Phase 2 CMA reference following a referral of the Offer by the European Commission under Article 9.1 of the EU Merger Regulation to a competent authority in the United Kingdom.

10.5 If the Offer lapses, not only will it cease to be capable of further acceptance, but also Integumen and Modern Water Shareholders will cease to be bound by prior acceptances.

10.6 If the Offeror is required by the Panel to make a mandatory offer for Modern Water Shares under Rule 9 of the Code, Integumen may make such alterations to the Conditions as are necessary to comply with the provisions of that Rule.

10.7 Integumen reserves the right (with the consent of the Panel) to implement the Offer by way of a scheme of arrangement pursuant to Part 26 of the Act. In such event, the scheme of arrangement will be implemented on the same terms (subject to appropriate amendments), so far as applicable, as those which would apply to the Offer. In particular, the Condition set out in paragraph 1.1 of Part A of this Appendix 1 will not apply and the scheme of arrangement will become subject to the following further conditions which are not intended to be capable of waiver:

10.7.1 approval of the scheme of arrangement at the court meeting (or any adjournment thereof) being given by a majority in number, representing 75 per cent. or more in value present and voting, either in person or by proxy, of the holders of the Modern Water Shares (or the relevant class or classes thereof) (excluding any Modern Water Shares held by Integumen and any person acting in concert with it);

10.7.2 the resolution(s) required to approve and implement the scheme of arrangement and to be set out in the notice of the general meeting of the Modern Water Shareholders, being passed by the requisite majority at such general meeting; and

10.7.3 the sanction of the scheme of arrangement by the court (with or without modifications on terms reasonably acceptable to Integumen and Modern Water) and an office copy of the orders of the court sanctioning the scheme of arrangement being delivered for registration to the Registrar of Companies in England and Wales and being registered by it.

10.8 The Offer will extend to all Modern Water Shares unconditionally allotted or issued and fully paid on the date of the Offer, and any further Modern Water Shares unconditionally allotted or issued and fully paid including pursuant to the exercise of options and awards under the Modern Water Share Scheme or the exercise of the Broker Warrants, before the date on which the Offer closes or such earlier date as Integumen may, subject to the Code, decide.

10.9 The Modern Water Shares will be acquired by Integumen under the Offer fully paid and free from all liens, charges, encumbrances, equitable interests, options, rights of pre-emption and other third party rights and interests of whatsoever nature and together with all rights now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain, in full, all dividends, interest and other distributions (if any) declared, made or paid, or any other return of capital (whether by way of reduction of share capital or share premium account or otherwise) made on or after the date of this document.

10.10 All references in this Appendix 1 to any statute or statutory provision shall include a statute or statutory provision which amends, consolidates or replaces the same (whether before or after the date of this document).

10.11 Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

10.12 The Offer, this document, all acceptances of it and all elections pursuant to it, the Form of Acceptance and Electronic Acceptances, all contracts made pursuant to the Offer, all action taken or made or deemed to be taken or made pursuant to any of these terms, the relationship between a Modern Water Shareholder and Integumen and/or the Registrars and/or SPARK Advisory Partners, and all contractual and non-contractual obligations arising from any of the foregoing, shall be governed by and interpreted in accordance with English law.

11 Overseas Shareholders

11.1 The making of the Offer to Overseas Shareholders or in jurisdictions outside the UK may be prohibited or affected by the laws of such a jurisdiction. Overseas Shareholders should fully inform themselves about and observe any applicable legal requirements.

APPENDIX 2

SOURCES AND BASES OF CALCULATION

In this announcement:

(i) The value attributed to the Offer is based on the value of 4.05 pence per Existing Integumen Share (i.e. prior to the Share Consolidation), derived from the AIM Appendix of the Daily Official List;

(ii) Unless otherwise stated, all closing share prices for Modern Water Shares referred to in this announcement are closing middle market quotations derived from AIM Appendix of the Daily Official List.

(iii) The premium calculations to the price per Modern Water Share have been calculated by reference to a price of 1.92 pence per Modern Water Share, determined by reference to the average price over the 90 trading days to 27 August 2020 for Modern Water.

(iv) References to a percentage of Modern Water Shares are based on the 524,693,214 Modern Water Shares in issue on the Last Practicable Date. In calculating the fully diluted share capital of Modern Water, the total of 631,003,214 includes 70,500,000 Broker Warrants which remain outstanding, 3,810,000 outstanding options under the Modern Water Share Scheme, and 32,000,000 shares to be issued to Gerard Brandon and Nigel Burton as set out in paragraph 14 above.

(v) References to a percentage of Integumen Shares are based on the 1,111,120,710 Existing Integumen Shares in issue on the Last Practicable Date. In calculating the fully diluted share capital of Integumen, the total of 1,224,287,165 includes 87,510,715 warrants which remain outstanding, 638,400 outstanding options under the Integumen Share Schemes, and 25,017,340 shares due to be issued to Integumen directors in lieu of salary.

(vi) Unless otherwise stated, the financial information relating to Modern Water has been extracted or derived (without any adjustment) from the audited consolidated accounts of Modern Water for the financial year ended 31 December 2019, prepared in accordance with IFRS.

(vii) Unless otherwise stated, the financial information relating to Integumen has been extracted or derived (without any adjustment) from the audited consolidated accounts of Integumen for the financial year ended 31 December 2019, prepared in accordance with IFRS.

All references to times in this announcement are to London times unless otherwise stated.

Other footnote references are as below:

^[1] http://www.mee.gov.cn/xxgk2018/xxgk/xxgk15/202001/t20200131_761095.html

² <https://www.modernwater.com/2-uncategorised/203-guangdong-china-has-recently-bought-modern-water-s-microtrace-pdv-analyzer>

³ <https://www.modernwater.com/2-uncategorised/205-modern-water-completed-microtrace-pdv-instrument-validation-and-staff-training-for-the-philippines-department-of-environment-and-natural-resources>

⁴ [https://www.modernwater.com/pdf/MW_Capability_Drilling_Mudv2%20\(003\).pdf](https://www.modernwater.com/pdf/MW_Capability_Drilling_Mudv2%20(003).pdf)

⁵ <https://www.labskin.co.uk/rinoclouds-ai-rawtest-a-resounding-success/>

⁶ <https://www.ft.com/content/ed78b09c-80a3-11ea-8fdb-7ec06edeef84>

⁷ https://irpages2.equitystory.com/websites/rns_news/English/1100/news-tool---rns---eqs-group.html?article=30458521&company=Integumen&iframe=true

⁸ <https://www.labskin.co.uk/rinoclouds-ai-rawtest-a-resounding-success/>

⁹ <https://academic.oup.com/femsle/article/279/1/110/498563>

[1]o <https://www.londonstockexchange.com/news-article/SKIN/labskin-anti-viral-covid19-skin-and-dental-tests/14562887>

APPENDIX 3

SCHEDULE OF IRREVOCABLE UNDERTAKINGS

Modern Water Directors

Irrevocable undertakings

All Modern Water Directors who hold Modern Water Shares or otherwise control the voting rights in respect of such Modern Water Shares have, on the basis set out below, given irrevocable undertakings to Integumen to accept the Offer.

Name of Modern Water Director	Number of Modern Water Shares	Percentage of Modern Water issued share capital
Gerard Brandon	10,000,000	1.91%
Dr Nigel Burton	4,300,000	0.82%
Simon Humphrey	1,882,000	0.36%

All of these irrevocable undertakings terminate and automatically cease to have any effect:

- a) if the announcement (as defined in the undertakings) is not released by 11.59 p.m. (London time) on 28 August 2020 or such later date as Integumen and Modern Water may agree;
- b) if the Offer Document is not published within 28 days of the date of release of the Announcement (or within such longer period as Integumen and Modern Water, with the consent of the Panel, agree);
- c) the time and date on which the Offer lapses, is withdrawn or otherwise terminates in accordance with its terms;
- d) if Integumen publicly announces, with the consent of any relevant authority (if required) and before the Offer Document is posted, that it does not intend to proceed with the Offer;
- e) if the Resolution is not approved by the requisite majority of shareholders of Integumen at the General Meeting; and
- f) if any competing offer for the issued and to be issued share capital of Modern Water is made which is declared unconditional in all respects (if implemented by way of a takeover offer) or otherwise becomes effective (if implemented by way of a scheme of arrangement).

These undertakings will remain binding in the event that a higher competing offer for Modern Water is made.

APPENDIX 4

DEFINITIONS

In this announcement, the following words and expressions have the following meaning, unless the context requires otherwise:

"Act" or "Companies Act" the Companies Act 2006 (as amended or re-enacted)

"Acquisition"	the acquisition by Integumen of the entire issued and to be issued share capital of Modern Water pursuant to the Offer
"Admission"	the admission of the Consideration Shares to trading on AIM in accordance with Rule 6 of the AIM Rules
"AIM"	the AIM Market of the London Stock Exchange
"AIM Rules"	the rules applicable to companies governing their admission to AIM, and following admission their continuing obligations to AIM, as set out in the AIM Rules for Companies published by the London Stock Exchange from time to time
"Articles"	the articles of association of Modern Water as at the date of the Offer and "Article" shall mean any article of those Articles
"Broker Warrants"	the warrants to subscribe for Modern Water Shares at 0.5 pence per share granted by Modern Water to Turner Pope on 31 March 2020 and expiring on 16 February 2023
"business day"	a day (excluding Saturdays, Sundays and public holidays) on which banks are generally open for business in the City of London
"certificated" or in "certificated form"	where a share or other security is not in uncertificated form (that is, not in CREST)
"Cairn"	Cairn Financial Advisers LLP, the independent financial adviser to Modern Water for the purposes of Rule 3 of the Code
"Circular" or "Integumen Circular"	the circular to be sent to Integumen Shareholders convening the Integumen General Meeting to approve the resolutions
"Closing Price"	the closing middle market quotation of a Modern Water Share or an Integumen Share (as the case may be) as derived from the AIM Appendix of the Daily Official List
"Code"	the City Code on Takeovers and Mergers, issued and as amended from time to time by the Panel
"Conditions"	the conditions to the Offer which are set out in Appendix 1 of this document and to be set out in the Offer Document
"Consideration Shares"	the Integumen Shares issued to Modern Water Shareholders under the terms of the Offer
"connected person"	as defined in section 252 of the Act
"CREST"	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
"CREST Manual"	the CREST Manual referred to in agreements entered into by Euroclear and available at www.euroclear.com/CREST
"CREST payment"	has the meaning given in the CREST Manual

"CREST Proxy Instruction"	the appropriate CREST message to make a proxy appointment by means of CREST
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)
"CREST sponsor"	a CREST participant admitted to CREST as a CREST sponsor
"Daily Official List"	the daily official list of the London Stock Exchange
"Dealing Disclosure"	the announcement concerning dealings in relevant securities of any party to the Offer required for the purposes of Rule 8 of the Code
"Disclosed"	the information which has been fairly disclosed by or on behalf of Modern Water: (i) in writing prior to the date of this document to Integumen or Integumen's professional advisers (in their capacity as such in relation to the Offer); (ii) in the Annual Report and Financial Statements of Modern Water; (iii) in this announcement or (iv) in any other public announcement made by Modern Water after 31 December 2019 and prior to the date of this announcement in accordance with the Market Abuse Regulation, the AIM Rules or the DTRs
"DTR"	the Disclosure Guidance and Transparency Rules of the FCA under FSMA and contained in the FCA's publication of the same name (as amended from time to time)
"EC Merger Regulation"	Council Regulation 139/2004/EC (as amended)
"electronic form"	as defined in the Code
"Enlarged Group"	the combined businesses of the Integumen Group and the Modern Water Group following the completion of the Offer
"Euroclear"	Euroclear UK & Ireland Limited, a company incorporated under the laws of England and Wales
"Existing Integumen Shares"	existing ordinary shares of 0.01 pence each in the capital of Integumen (before the Share Consolidation)
"FCA"	the UK Financial Conduct Authority
"First Closing Date"	the date 21 days after the posting of the Offer Document
"Form of Acceptance"	the form of acceptance and authority relating to the Offer which will be sent to Modern Water Shareholders with the Offer document.
"FSMA"	the Financial Services and Markets Act 2000 (as amended)
"hard copy form"	as defined in the Code
"HMRC"	Her Majesty's Revenue and Customs
"holder"	a registered holder of shares, including any person entitled by transmission
"IFRS"	International Financial Reporting Standards as adopted by the European Union

"Independent Modern Water Directors"	Nigel Burton and Simon Humphrey
"Integumen" or "Company"	Integumen plc
"Integumen Board"	the board of directors of Integumen
"Integumen Director"	any member of the Integumen Board
"Integumen General Meeting"	the general meeting of Integumen to be held at 11.00 a.m. on 15 September 2020 at the offices of Jeffreys Henry LLP at Finsgate, 5-7 Cranwood Street, London EC1V 9EE and which has been convened pursuant to the Notice
"Integumen Group"	Integumen and its subsidiaries and subsidiary undertakings (each as defined in the Act)
"Integumen Shares"	existing ordinary shares of 0.01 pence each in the capital of Integumen, (or following the proposed Share Consolidation, new ordinary shares of 0.1 pence each) as the context requires
"Last Practicable Date"	27 August 2020, being the last practicable date prior to the publication of this announcement
"London Stock Exchange"	London Stock Exchange plc
"Modern Water"	Modern Water plc
"Modern Water Board"	the board of directors of Modern Water
"Modern Water Director"	any member of the Modern Water Board
"Modern Water Group"	Modern Water and its subsidiaries and subsidiary undertakings (as defined in the Act)
"Modern Water Options"	options, award or other rights to acquire Modern Water Shares granted pursuant to the Modern Water Share Scheme or otherwise
"Modern Water Shareholders"	holders of Modern Water Shares
"Modern Water Shares"	ordinary shares of 0.25 pence each in the capital of Modern Water
"Modern Water Share Scheme"	the Modern Water plc Incentive Plan
"New Integumen Shares"	the Integumen Shares of 0.1 pence each (following the Share Consolidation) which are to be issued pursuant to the Offer
"Offer"	the recommended offer by Integumen for the entire issued share capital of Modern Water, details of which are set out in this announcement
"Offer Document"	the offer document, relating to the terms of the Offer and the issue of Consideration Shares to be published and sent to Modern Water Shareholders

"Offer Period"	in relation to the Offer, has the meaning given in the Code, which period commenced on 28 August 2020
"Opening Position Disclosure"	the announcement required for the purposes of Rule 8 of the Code containing details of interests or short positions in, or rights to subscribe for, any relevant securities of a party to the Offer if the person concerned has such a position
"Overseas Shareholders"	Modern Water Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom
"Panel"	the UK Panel on Takeovers and Mergers
"participant ID"	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant
"persons with information rights"	as defined in the Code
"pounds", "£", "pence", "p" or "Sterling"	the lawful currency of the United Kingdom
"Registrar of Companies"	the Registrar of Companies for England and Wales, within the meaning of the Act
"Regulatory Information Service"	one of the regulatory information services authorised by the London Stock Exchange to receive, process and disseminate regulatory information in respect of companies trading on AIM
"Resolution"	the resolution to be proposed at the Integumen General Meeting relating to the issue and allotment of the Consideration Shares pursuant to the Offer
"Restricted Jurisdiction"	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if the information concerning the Acquisition is sent or made available to Modern Water Shareholders in that jurisdiction
"Restricted Overseas Shareholder"	a person (including, without limitation, an individual, partnership, unincorporated syndicate, limited liability company, unincorporated organisation, trust, trustee, executor, administrator or other legal representative) in, or resident in, or any person whom Integumen (following consultation with Modern Water) reasonably believes to be in, or resident in, any Restricted Jurisdiction and persons in any other jurisdiction (other than US persons or persons in the UK) whom Integumen (following consultation with Modern Water) is advised to treat as restricted overseas persons in order to observe the laws of such jurisdiction or to avoid the requirement to comply with any governmental or other consent or any registration, filing or

	other formality which Integumen (following consultation with Modern Water) regards as unduly onerous
"SDRT"	stamp duty reserve tax
"Share Consolidation"	the proposed share consolidation of every 10 Existing Integumen Shares into 1 New Integumen Share of 0.1p
"SPARK Advisory Partners"	SPARK Advisory Partners Limited, financial adviser to Integumen
"Turner Pope"	Turner Pope Investments (TPI) Limited
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland
"UK GAAP"	generally accepted accounting principles in the United Kingdom
"uncertificated"/ "uncertificated form"	in respect of a share or other security, where that share or other security is recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which may be transferred by means of CREST "US" or "United States" the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all other areas subject to its jurisdiction
"US Exchange Act"	the US Securities Exchange Act 1934, as amended
"US Modern Water Shareholders"	Modern Water Shareholders located or resident in the United States
"US person"	as defined in Regulation S, as promulgated under the US Securities Act
"US Securities Act"	the United States Securities Act 1933, as amended, and the rules and regulations promulgated under such Act
"VAT"	value added tax as provided under the Value Added Tax Act 1994