

**Stock Data**

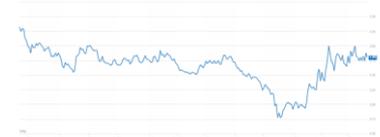
Share Price:	1.98p
Market Cap:	£21.2m
Shares in issue:	1,072.4m

**Company Profile**

Sector:	Healthcare
Ticker:	SKIN
Exchange:	AIM

**Activities**

Integumen plc ('SKIN', 'the Group') is a vertically integrated test services company focused on developing and commercialising technology and products that scientifically prove the impact of skin care product claims for healthcare, life sciences, clinical research, pharmaceutical and cosmetics industries.

**1-year Share price performance**

 Source: [LSE](#)

**Past performance is not an indication of future performance.**

**Turner Pope contact details**

Turner Pope Investments ('TPI') Limited  
8 Frederick's Place  
London EC2R 8AB

Tel: 0203 657 0050  
Email: [info@turnerpope.com](mailto:info@turnerpope.com)  
Web: [www.turnerpope.com](http://www.turnerpope.com)

**Attention is drawn to the disclaimers and risk warnings at the end of this document.**

This is a non-independent marketing communication. The analyst who has prepared this report is aware that TPI has a relationship with the company covered in this report. Accordingly, it has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research.

**TPI acts as sole broker to Integumen plc.**

**Retail clients (as defined by the rules of the FCA) must not rely on this document.**

**Barry Gibb**
**Research Analyst**

Tel: 0203 657 0050  
[barry.gibb@turnerpope.com](mailto:barry.gibb@turnerpope.com)

**Andrew Thacker**
**Corporate Broking & Sales**

Tel: 0203 657 0050  
[andy.thacker@turnerpope.com](mailto:andy.thacker@turnerpope.com)

# Integumen plc

Integumen has announced it has signed a Material Transfer Agreement ('MTA') with the [Aptamer Group Limited](#) ('Aptamer Group') to develop and manufacture [aptamers](#) to detect local SARS-CoV-2 hotspots in wastewater. Aptamers have the potential to play a [key role in the real-time identification](#) of COVID-19 hotspots in wastewater, from which authorities can be alerted through Integumen's real-time alert system to prevent the spread of the disease to the wider community. Recognising the [World Health Authority's](#) guidance on the prevention of COVID-19 [via wastewater](#), this collaboration represents yet another example of Integumen's proactive approach that enables different specialisations of the diagnostics industry to successfully be brought together to create effective solutions in the fight against this global pandemic.

## Validation on the real SARS-CoV-2 virus

Several months of collaborative work have resulted in an MTA that formalises Integumen's access to Aptamer Group's raw materials for coating aptamers on silicon wafer surfaces at nanoscale. A pilot batch of the aptamers is scheduled to be tested on Integumen's SARS-CoV-2 model virus. Once initial testing is complete over an expected two month period, validation on the real SARS-CoV-2 virus will be carried out at the containment level 3 laboratory in the University of Aberdeen. Upon completion of the validation study, Integumen and the Aptamer Group expect to enter into a longer-term supply agreement, with Integumen manufacturing and commercialising real-time pathogenic virus and bacteria detection devices through its international production, sales and distribution channel partners.

## World first in automatic, real-time COVID-19 identification

Existing sewage testing for the virus requires samples to be transported to a remote certified, laboratory for testing and analysis, introducing time delays and quality control issues. Integumen has already demonstrated semi-permanent on-site equipment that is capable of delivering bacteria identification alerts within seconds using proprietary nano-photonics and AI technologies. The Group is also examining online/remote automation opportunities, having already commenced discussions with a major internet-of-things ('IOT') OEM equipment producer. Target customers for such stand-alone COVID-19 virus detectors include hospitals, dental clinics, nursing homes, airports, stadiums, concert venues, hotels, cruise ships etc. along with international governments agencies and their utilities. This robust virus identification facility is also earmarked to be retrofitted within the Group's collaborative partner, [Modern Water's](#) (AIM:MWG) [Microtox](#) globally installed base of contamination detection units. Recurring revenues for the equipment are expected to be generated through the sale of [consumable test cartridges](#), AI-as-a-Service predictive alerts and equipment maintenance contracts.

## Recognising the needs of a post-Pandemic environment

Given the enforcement that is widely expected from international governments in order to protect their populations in a post-Pandemic environment, Integumen's unique real-time detection/identification skills and capabilities are likely to remain in significant demand going forward. Its management's ability to pre-empt such needs, along with the range of companies and organisations that it has established commercial agreements/partnerships with, suggests it should enjoy strong, ongoing, contracted growth for some years to come. With the weight of anticipated demand from global-scale manufacturers seen likely to test the Group's expanded laboratory capacity before the end of current period, [TPI's Initiation research](#) (of 9<sup>th</sup> January 2020) on Integumen plc set a target price of 3.23p/share\*.

**Please note our valuation is relative and such valuation may never be realised, therefore please do not base investment decisions on this valuation alone.** \*£=1.20US\$

**THIS DOCUMENT IS NOT FOR PUBLICATION, DISTRIBUTION OR TRANSMISSION INTO THE UNITED STATES OF AMERICA, JAPAN, CANADA OR AUSTRALIA.**

### **Conflicts**

This is a non-independent marketing communication under the rules of the Financial Conduct Authority ("FCA"). The analyst who has prepared this report is aware that Turner Pope Investments (TPI) Limited ("TPI") has a relationship with the company covered in this report. Accordingly, the report has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing by TPI or its clients ahead of the dissemination of investment research.

TPI manages its conflicts in accordance with its conflict management policy. For example, TPI may provide services (including corporate finance advice) where the flow of information is restricted by a Chinese wall. Accordingly, information may be available to TPI that is not reflected in this document. TPI may have acted upon or used research recommendations before they have been published.

### **Risk Warnings**

Retail clients (as defined by the rules of the FCA) must not rely on this document.

Any opinions expressed in this document are those of TPI's research analyst. Any forecast or valuation given in this document is the theoretical result of a study of a range of possible outcomes and is not a forecast of a likely outcome or share price.

The value of securities, particularly those of smaller companies, can fall as well as rise and may be subject to large and sudden swings. In addition, the level of marketability of smaller company securities may result in significant trading spreads and sometimes may lead to difficulties in opening and/or closing positions. Past performance is not necessarily a guide to future performance and forecasts are not a reliable indicator of future results.

AIM is a market designed primarily for emerging or smaller companies and the rules of this market are less demanding than those of the Official List of the UK Listing Authority; consequently, AIM investments may not be suitable for some investors. Liquidity may be lower and hence some investments may be harder to realise.

### **Specific disclaimers**

TPI acts as sole broker to Integumen plc ("Integumen") which is listed on the AIM Market of the London Stock Exchange ("AIM"). TPI's private and institutional clients may hold, subscribe for or buy or sell Integumen's securities.

Opinions and estimates in this document are entirely those of TPI as part of its internal research activity. TPI has no authority whatsoever to make any representation or warranty on behalf of Integumen.

**General disclaimers**

This document, which presents the views of TPI's research analyst, cannot be regarded as "investment research" in accordance with the FCA definition. The contents are based upon sources of information believed to be reliable but no warranty or representation, express or implied, is given as to their accuracy or completeness. Any opinion reflects TPI's judgement at the date of publication and neither TPI nor any of its directors or employees accepts any responsibility in respect of the information or recommendations contained herein which, moreover, are subject to change without notice. Any forecast or valuation given in this document is the theoretical result of a study of a range of possible outcomes and is not a forecast of a likely outcome or share price. TPI does not undertake to provide updates to any opinions or views expressed in this document. TPI accepts no liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with this document (except in respect of wilful default and to the extent that any such liability cannot be excluded by applicable law).

The information in this document is published solely for information purposes and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. The material contained in the document is general information intended for recipients who understand the risks associated with equity investment in smaller companies. It does not constitute a personal recommendation as defined by the FCA or take into account the particular investment objectives, financial situation or needs of individual investors nor provide any indication as to whether an investment, a course of action or the associated risks are suitable for the recipient.

This document is approved and issued by TPI for publication only to UK persons who are authorised persons under the Financial Services and Markets Act 2000 and to professional clients, as defined by Directive 2004/39/EC as set out in the rules of the Financial Conduct Authority. This document may not be published, distributed or transmitted to persons in the United States of America, Japan, Canada or Australia. This document may not be copied or reproduced or re-distributed to any other person or organisation, in whole or in part, without TPI's prior written consent.

Copyright © 2020 Turner Pope Investments (TPI) Limited, all rights reserved.