

Stock Data

Share Price:	2.30p
Market Cap:	£11.6m
Shares in issue:	502.7m

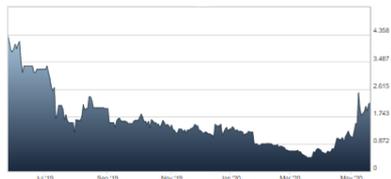
Company Profile

Sector:	Elect. & Electr. Eq.
Ticker:	MWG
Exchange:	AIM

Activities

Modern Water ('the Company', 'MWG') is an AIM listed Water Technology Group that was established in 2006 by IP Group Plc to develop and commercialise IP and technologies related to the treatment of water. It has spent £20m over the last 14 years developing a portfolio of over 100 patents and cutting-edge technology focused on making the treatment and recycling of water more efficient.

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
Web: 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 Modern Water 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

Andrew Thacker

Corporate Broking & Sales

Tel: 0203 657 0050
andy.thacker@turnerpope.com

Modern Water plc

Modern Water has announced it has secured the sale of its largest single order for 20 Microtrace® PDV ('PDV') units to China, plus 7 related reagent consumables. This latest milestone follows recent news of another important Chinese order won by the Company, this time for the [sale of 10 industrial scale Microtox CTM units](#) that are due to be shipped in the 3rd quarter. Together these reflect the major opportunity that Modern Water now has to gain significant long-term and growing exposure to China's giant and increasingly environmentally aware water health and safety markets.

Sichuan Province China orders Modern Water equipment

The total value of this new order from the [Sichuan Department of Ecology and Environment](#), is CNY3.56 million (c.£410,000). Following a directive from this Chinese provincial government office the new PDV units, which measure trace metals in water, soil and food, will be used to improve the region's emergency response to environmental emergencies and overcome its shortfall in provision of comprehensive analysis on water quality. Given that all Modern Water equipment requires consumables and now also has the option to be upgraded with AI-As-A-Service (as part of the Company's [collaboration and production agreement](#) with [Integumen plc](#) (AIM:SKIN)), offering predictive water contamination alerts based on accumulated historical data, this presents an important opportunity to build revenue and longer-term client interdependence.

Significant Chinese market opportunity

On [20 May 2020](#), Modern Water confirmed its newest laboratory biotoxicity analyser, the Microtox LX, had been announced as the Winner of the 'Scientific Instrument Excellent New Product' award by the [Chinese first scientific instrument professional portal](#). This auspicious award followed two years of development and its launch in 2019, from which the sales & support team (established in Shanghai in 2015) is now benefitting from an expanded marketing programme as it builds on the global market opportunity for the Microtox water contamination testing brand. This award highlights the importance of identification and control of water contamination to the Chinese authorities, particularly now as a result of the COVID-19 global health crisis. Revenues for the laboratory instrument and apparatus industry in China over the five years through 2018 have grown at an annualised [rate of 8.7% to US\\$32.7 billion](#) and Modern Water's Board expects demand across its range of instruments and consumables to continue to grow further under the [direction of the Chinese Ministry of Ecology](#).

Meeting the needs of a post-Pandemic environment

Modern Water has implemented significant operational and management change over the past 5 months, while also significantly broadening its international corporate vision. Today's news anticipates expanding, long-term demand for its core products and services in a post-Pandemic environment. The complementary integration of its technologies with that of Integumen plc, also provides a major new, potentially transformative long-term source of ongoing demand, presenting cross-selling opportunities across both companies' respective sales, marketing and distribution channels. Its recent participation in the Integumen-led ecowaterOS consortium also recognises the urgent international need for an end-to-end water contamination, detection and decontamination provider network, that offers the ability to supply customers with instantaneous monitoring solutions. Altogether, recent news and initiatives reflect the new dynamism that has been injected into the Company both in terms of ambition, product offering and global customer targeting, following its reorganisation.

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 Modern Water plc ('Modern Water') 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 Modern Water'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 Modern Water.

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.