



LEADING THE FIELD



PLANT HEALTH CARE PLC (AIM: PHC)
COMPANY UPDATE – SEPTEMBER 2018

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PLANT HEALTH CARE OVERVIEW

Experienced management and Board



Dr Christopher Richards
Executive Chairman and
Interim CEO

- Joined PHC in 2012 as Non-executive Chairman, assuming the role of Executive Chairman in 2015.
- Over 35 years of management experience.
- Previously employed at Syngenta in various senior roles and Arysta LifeScience where he was CEO and non-executive chairman.



Dr Richard Webb
Executive Director,
New Technology

- Joined PHC in 2013 as Non-executive Director; Executive Director from 2015.
- Instrumental in designing and rolling out PHC's New Technology strategy.
- 20+ years of consulting experience in strategic innovation and R&D, largely in agrochemicals and life sciences. Previously 10 years in R&D, sales and marketing, and business strategy.



Michael Higgins
Senior Independent Director
and Chair of Audit Committee

- Joined PHC in 2013. Also serves as chairman of Ebiquity plc and IPSX UK Ltd; NED of Progility plc, Premier Technical Services Group plc and the Quoted Companies Alliance.
- Alternate member of the Panel on Takeovers and Mergers.



William Lewis
Non-executive Director and
Chair of Remuneration
Committee

- Joined PHC in 2015. Currently president of Summit Agro USA; previously held senior roles in Arysta LifeScience, Syngenta Crop Protection and Zeneca/ICI.

Why invest

Leading provider of proprietary biological products for agriculture

Commercial business growing at 20% CAGR; generating cash from 2018 on

Validated technology platforms with strong IP estate: Plant Response Elicitors – PREtec

Seeking technology licences with major partners in 2019-20

Management highly experienced in agricultural R&D, licensing and sales

Targeting cash positive in 2020 within existing cash reserves; strict control of expenses



Financial Highlights

- On track to achieve full year revenue expectations (30% growth)
- Sales in H1 \$3.0m (2017: \$3.1m) due to inventory correction in Africa
- Expect strong advance in H2 driven by Harpin $\alpha\beta$ launch in US corn and growth in Brazil sugarcane
- Gross margin improved to 60% (2017: 58%).
- Raised \$6.7m cash (net of costs) in February 2018; end June cash \$6.2m
- Expect to reach cash positive within existing cash resources; not dependent on income from New Technology

Operational Highlights

- Brazil sugarcane launch of H2Copa through Coplacana went well (\$0.4m H1 sales); expect additional sales in H2 in cane plus launch into soy Brazil
- Early feedback on launch into 90m acre corn market in USA very positive; significant sales in H2
- Brazil soy results with Innatus 3G against disease a set-back; testing of PREtec continues in >12 crops in three Regions with nine partners, including Brazil soy.



Company snapshot

BIOLOGICAL PRODUCTS WITH LOW TOXICITY

COMMERCIAL

\$7.7 million revenues in 2017

Harpin $\alpha\beta$ growing 20%+ CAGR

Target:

Generate cash in 2018; expected
Company cash positive in 2020

Products:

N-Hibit
SEED TREATMENT

Employ
PLANT HEALTH PROMOTER

ProAct
FOLIAR SPRAY

MYCONATE
Mycorrhizal Stimulant

NEW TECHNOLOGY

9 Evaluation Agreements signed
with all 5 major ag/seed
companies plus 4 other
companies

Pipeline of product candidates
with superior activity

Targets:

Commercial collaborations
anticipated in 2019-20 based on
ongoing pre-commercial
collaborations

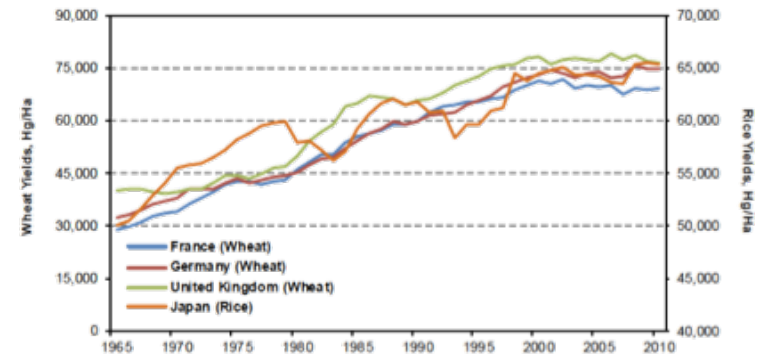
 **PREtec**
— PLANT RESPONSE ELICITORS —



The challenge: increasing crop yields

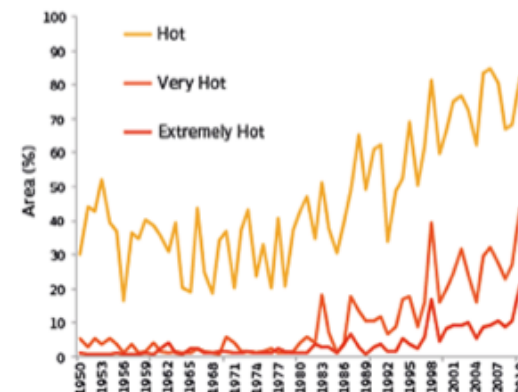
- Growing population requires an increase in food production
- Arable land per person declining, water scarce, weather volatile
- Yield growth slowing due to limitations with conventional fertilisers and agrochemicals
- New approaches needed; move to biological solutions, now growing at 10–15% pa

Declining rate of yield increases in conventional agriculture



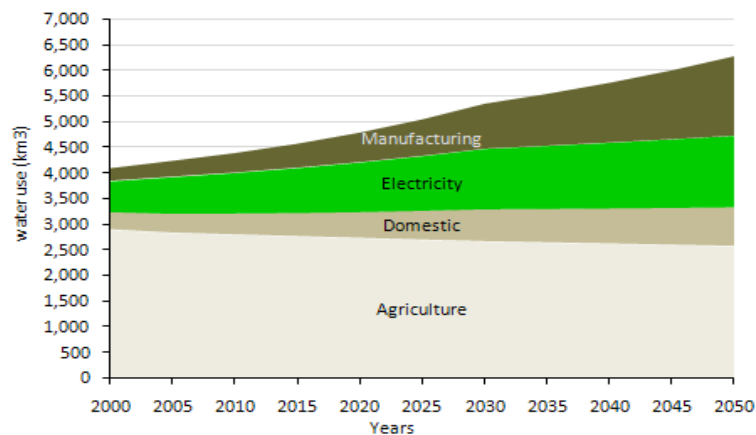
Source: UN Food and Agriculture Organization As of 12/31/10

Increase in hot weather spikes



Source: Perception of Climate Change, Hansen et al (2012).

Worldwide water use by sector

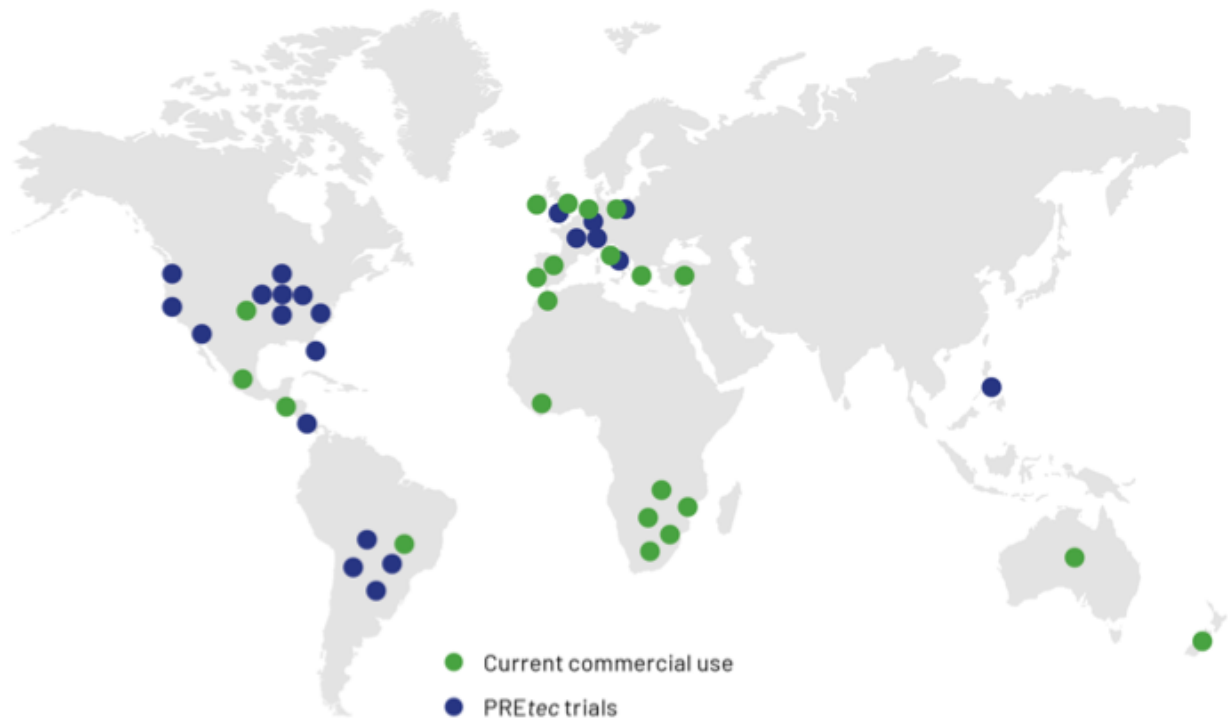


Source: OECD.



Market opportunity in biologicals

Current footprint

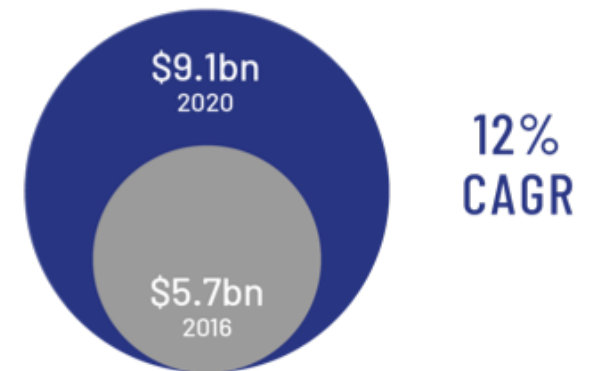


PHC's products:

- Less toxic with fewer environmental concerns
- Science based
- Commercial products proven on more than 13 million acres
- Compelling new platform technology

Biologicals: an emerging market

(global demand for biologicals)



Source: Dunham Trimmer.



PHC's products deliver increased plant health and yield

COMMERCIAL

Harpin can be applied as seed treatments or foliar sprays, often in mixture with agrochemicals

Harpin $\alpha\beta$ current major uses in:

- Vegetable quality and yield
- Fruit colour and taste
- Sugarcane yield
- Corn and soybean seed treatment

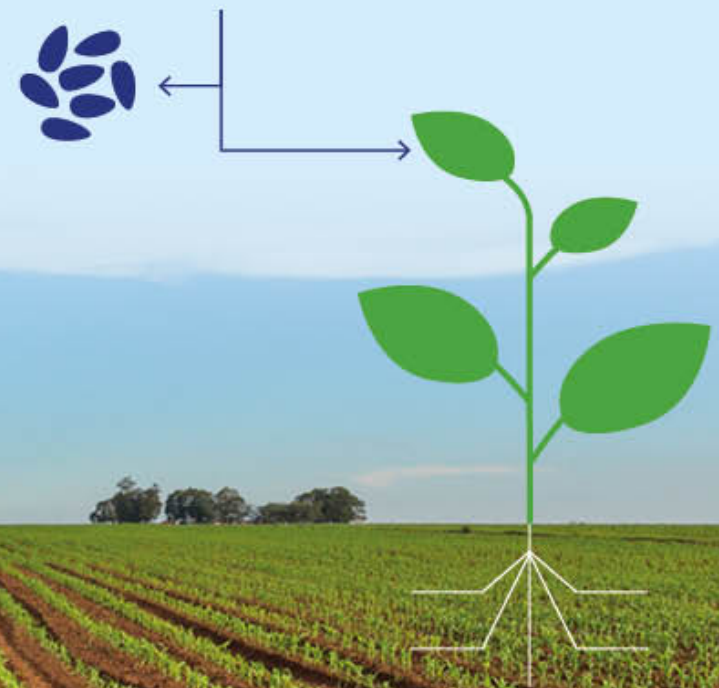
NEW TECHNOLOGY

PREtec is PHC's proprietary technology – plant response elicitors

- Novel peptides, inspired by harpins
- Complementary to conventional agriculture
- Strong intellectual property
- Four platforms; three rolled out so far

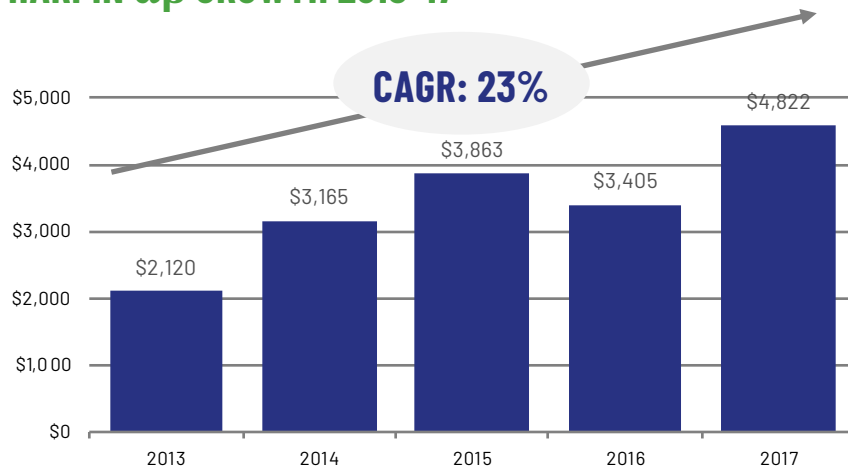
How they are used

Plant Health Care products can be applied both to the leaves of plants (foliar applications) and to the seeds (seed treatment).

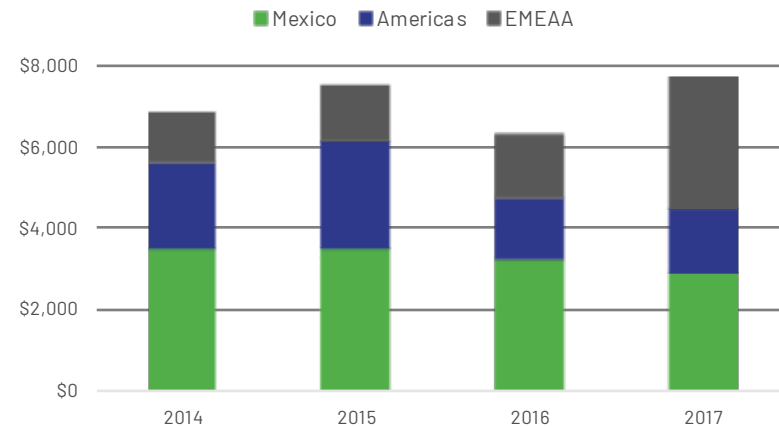


Harpin $\alpha\beta$: established in niche markets and growing 20%+

HARPIN $\alpha\beta$ GROWTH 2013-17



SALES SPLIT BY REGION



Highlights of H1 2018 performance

- Important launch in Brazil sugarcane; \$0.4m launch sales
- Recovery in Mexico (up 21% in local currency)
- Volatility between periods due to market factors and inventory
- H1 sales down 4%; Harpin $\alpha\beta$ sales down 12% due to inventory reduction measures in Africa

Prospects for growth in 2018-19

- Growth in Brazil sugarcane; orders on hand for H2
- New contract in US corn gives access to 90 million acre opportunity; launch in September 2018
- Further new product launches planned in H2 2018 and 2019
- Resumption of sales to Africa and entry into new Europe/ROW markets

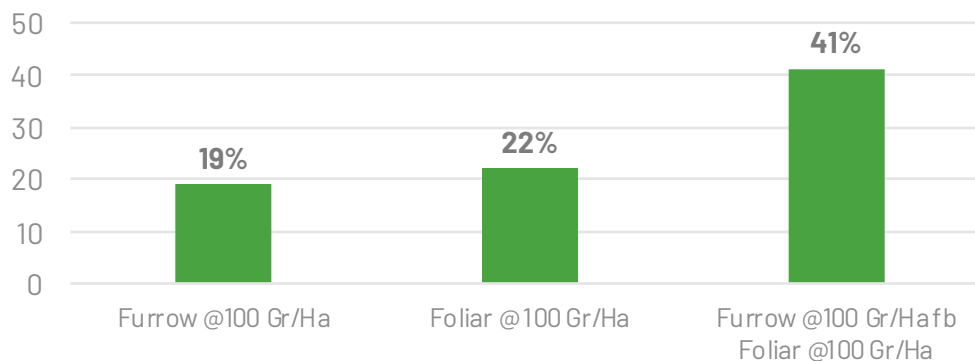


Sugarcane, Brazil: an opportunity for Harpin $\alpha\beta$

- Sugarcane 10 million Ha crop in Brazil; 60% in São Paulo State*
- 2018 demonstration field trials showed an average yield increase of 20% or more**
- Distribution through Coplacana, leading cane co-operative, with >50% agrochemical market share in São Paulo State
- Product applied in Q1 and Q3 each year
- First year sales ex PHC \$0.4 million in February 2018; at least as much revenue expected in H2 2018
- Launch well received; initial sales encouraging
- 5% market share would equate to PHC revenue \$10 million
- Additional potential in Southern Africa



% ave. yield increase**



* Based on 2016 sugarcane harvested data and 2017/18 projected data from USDA Foreign Agricultural Service's GAIN report dated 19 April 2017.

** Yield increase based on Plant Health Care field trials conducted on sugarcane in Brazil in 2018.



Corn, USA: important new contract

- Product launched in September 2018 by partner with major position in US market (approx 25% of corn agchem market)
- New mixture product with fluency agent applies Harpin $\alpha\beta$ directly to seed
- Product benefits:
 - Increase yield ~5 bushels/acre (3-5%); improves seed flowability; reduction in seed dust (improved bee health)
- Corn 90 million acre (38 million hectares) crop in US
- 5% market share would equate to PHC revenue of \$5 million
- Product applied in Q1 2019; sales will begin Q4 2018
- Partner will launch a Harpin-based soybean seed treatment product in Q4 2018



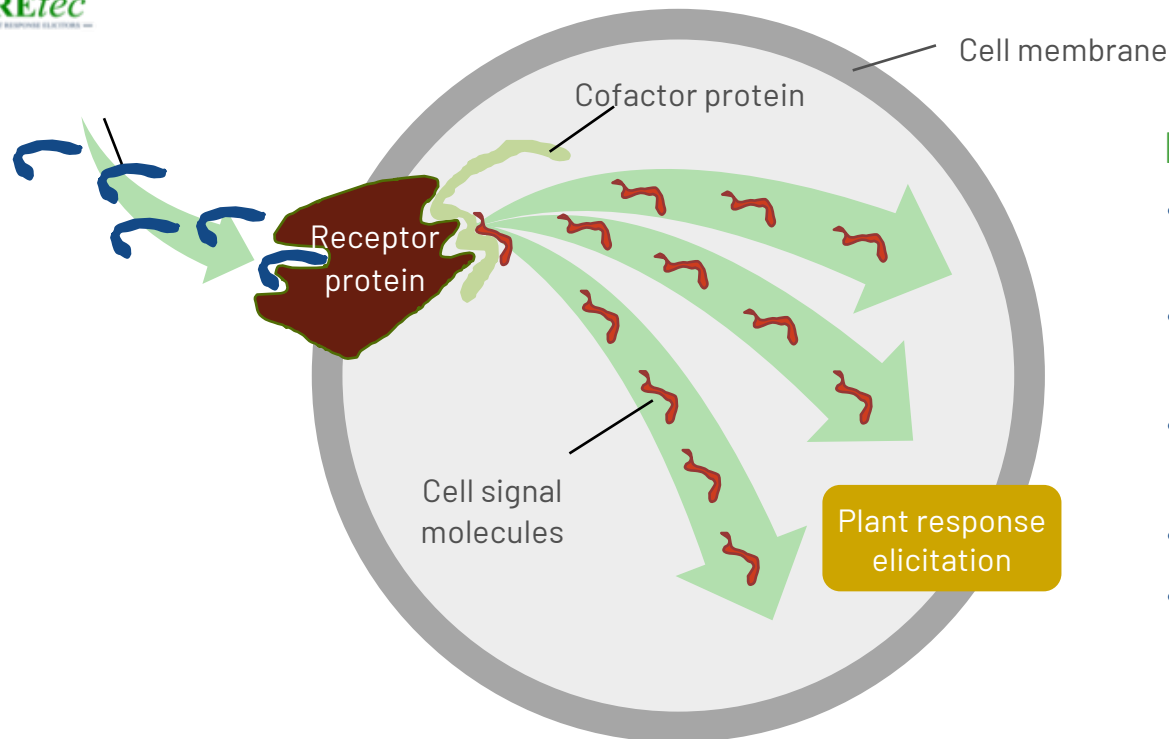


PHC'S GROUND-BREAKING NEW TECHNOLOGY

Introducing PREtec: Plant Response Elicitor technology



Peptides



Bio-rational molecules

- Derived from **natural** molecules
- Active sites identified and stabilised
- Short **signal peptides** generated
- Mode of action studied
- Utility **patents filed** worldwide claiming conserved sequences

For use alongside conventional ag inputs

- Deliver **biotic and abiotic stress** benefits
- Use in mixtures with agrochemicals
- Seed treatment and foliar applications

Biologicals with “small chemical” advantages

- Broad spectrum and versatile
- Robust and scalable
- Cost effective per hectare



PREtec: competitive advantage

COMPATIBLE

Stable in mixtures with major classes of agrochemicals



COMPLEMENTARY

Adds value to existing product ranges by performance and differentiation



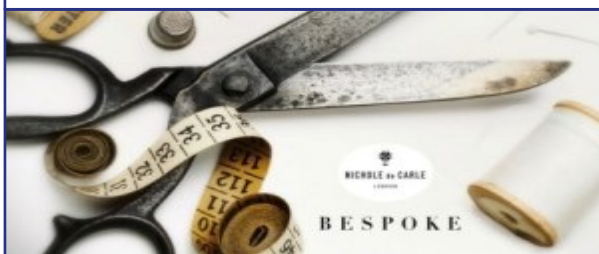
COMBINATORIAL

Novel modes of action synergise performance and break resistance



CUSTOMISABLE

Optimised by design for performance, crop, application and stability



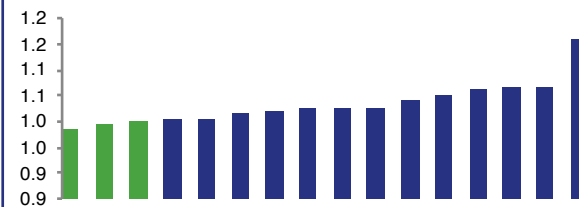
COST EFFECTIVE

Manufacture by fermentation will give low cost for seed and foliar



CONSISTENT

Robust under diverse conditions, across varieties and locations



PREtec: three global proprietary platforms

Biopesticides

INNATUS 3G

Broad plant disease defence and growth platform



T-REX 3G

Nematode defence platform



Biostimulants

Y-MAX 3G

Yield and growth platform



Value propositions

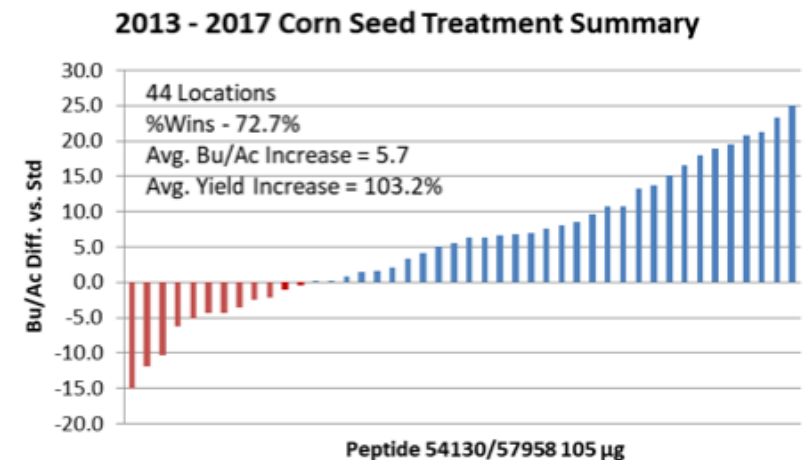
- Yield improvement
- Crop protection: value add
- Ensure performance under sub-optimal growing conditions



PREtec value propositions under evaluation with partners in >10 crops across regions

- N America corn/soy: Innatus 3G yield
 - Significant seed treatment testing by partners continues in 2018
- Brazil soy: Innatus 3G yield and disease
 - Repositioning after 2017/18 ASR trials; potential for dual yield/disease control propositions from early application timing
- Multiple fruit and vegetable opportunities across Innatus 3G, Y-Max 3G and T-Rex 3G
 - Improved yield in strawberries, apples and table grapes, nematode control and yield in tomatoes
- European wheat and oilseed rape: Innatus 3G
 - Improved disease control when sprayed in combination with leading chemical fungicides

Typical corn yield data with PREtec *



Consistent yield benefit across varied agronomic conditions means high ROI for growers

- Opportunity for use on 90 million acres of corn planted in US alone
- Further partnerships likely in H2 2018
- Working actively towards first technology licences, targeting 2019/20

* Source: Field trials conducted in the USA on behalf of PHC in 2013 - 17



PREtec : moving from platforms to products

Many peptide variants possible within each platform: focus on lead peptides

3G platform	Performance focus	Lead peptides (synthetic > fermented product)	Partner trials started
Innatus 3G	Disease resistance, vigour, quality, yield	PHC398 > PHC279 PHC296 > PHC863 PHC958 > PHC404 PHC180 > PHC148	2015
T-Rex 3G	Nematode, yield	PHC176 > PHC032 PHC097 > PHC949	2016
Y-Max 3G	Growth, roots, yield	PHC353 > PHC414 PHC326 > PHC535	2016



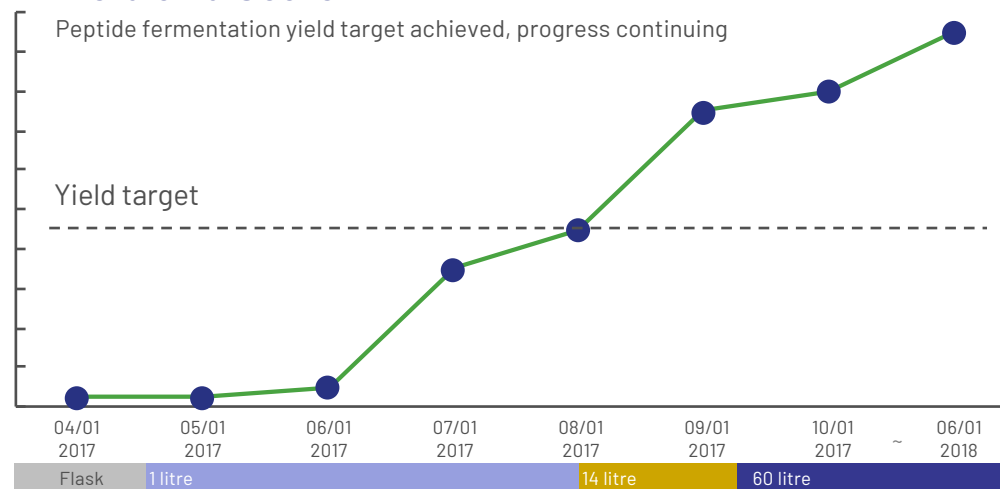
PREtec : substantial progress in product development

LEAD PEPTIDES	2016	2017	2018	Before 2021
EFFICACY	Lab/greenhouse	Evaluation field trials	Evaluation field trials; refine rates and application timing	Commercial sales
ABILITY TO MAKE	Synthesis	Bench-top fermentation	Pilot production	Commercial production
COMMERCIAL FORMULATION			Advanced development	
US REGULATORY		Fast-track strategy	Submit package to EPA	Approval
TECHNOLOGY LICENCE			Partner discussions ongoing	Agree licences

Commercial formulation

- Past trials done with experimental formulation (not optimised)
- New, improved formulation developed in Seattle
- Future field trials to use new formulation for all lead peptides
- Progress towards liquid formulation

Yield and scale



Forward milestones 2018-20

COMMERCIAL

- Deliver market expectations for revenue and cash
- Generate meaningful cash from Commercial in 2018, to reduce Group cash burn

NEW TECHNOLOGY

- Continue evaluation with numerous partners in more than 10 crops and regions
- Pursue technology licences to monetise when appropriate value available in 2019/20

GROUP

- Achieve cash break-even from existing resources in 2020





FINANCIALS AND SHARE METRICS

H1 2018 financial highlights

- Revenue down 4% to \$3.0m (2017: \$3.1m); 8% down in constant currency.
- Sales of Harpin $\alpha\beta$ down by 12% in \$ (16% in constant currency). Brazil sugarcane launch off-set by need to reduce downstream inventory in Europe/Africa (down 21%; 39% in constant currency).
- Gross margin improved to 60% (2017: 58%).
- Cash operating expenses up \$0.4m to \$5.4m (2017: \$5.0m), due to sugarcane launch costs in Brazil.
- Operating loss increased to \$5.1m (2017: \$2.9m), due mainly to a decrease in the non-cash value of Sterling loans from our UK subsidiary (\$1.6m).
- Cash burn \$4.4m; cash reserves \$6.1m.

H2 2018 – reduced cash burn

- Confident of strong sales in H2 2018, meeting market expectations.
- Established PREtec progress enables reduction in R&D expenses.



Income statement (\$ in thousands)

	Unaudited H1 2018	Unaudited H1 2017	% change
Revenue:			
Harpin revenue	1,734	1,966	-12%
Myconate revenue	45	202	-78%
Third-party revenue	1,230	974	26%
Total product revenue	3,008	3,142	-4%
Gross profit	1,806	1,827	-1%
Gross margin	60%	58%	2%
Operating expenses:			
New Technology expenses	2,442	2,358	4%
Operating expenses (cash)	3,003	2,639	14%
Operating expenses (non-cash)	702	654	7%
Translational losses/(gains)	704	(914)	-177%
Total operating costs	6,850	4,737	45%

	Unaudited H1 2018	Unaudited H1 2017	% change
Segmental revenue:			
PHC Americas	751	378	99%
PHC Mexico	1,434	1,163	23%
PHC EMEAA	826	1,601	-48%
Total revenue	3,011	3,142	-4%



Balance sheet (\$ in thousands)

	H1 2018	H1 2017
Cash and cash equivalents*	2,649	2,179
Investments	3,506	4,107
Receivables	3,683	3,630
Inventories	2,897	1,814
Trade and other payables	2,677	1,982
Borrowings	3	11
Total equity	12,697	12,915
Total liabilities and equity	15,377	14,908

* In February 2018, the Company has raised a total of £5.0 million (before expenses) through (i) a placing of 22,596,479 new ordinary shares raising approximately £4.5 million and (ii) a direct subscription of 2,403,521 new ordinary shares raising approximately £0.5 million.



Share metrics

Plant Health Care plc	AIM: PHC
Share price*	£0.174
Market cap*	£30,071,000
Total shares outstanding**	172,822,881
Stock options** (subject to various performance conditions such as share price hurdles)	9,709,418
Total fully diluted shares**	182,532,299
52-week range*	£0.135–£0.28

Major shareholders**		
Mr Richard I Griffiths	63,447,432	36.71%
1798 Volantis	35,675,171	20.64%
Boulder River Capital Corp	12,651,444	7.32%
Polar Capital	12,044,098	6.97%
Management, Directors and related parties***	3,390,177	2.00%

* As of 5 September 2018.

** As of 2 March 2018.

*** Excludes stock options held by management and Directors.



Source: London Stock Exchange.



Contact

Plant Health Care plc (AIM: PHC)

2626 Glenwood Avenue
Suite 350
Raleigh
NC 27608
USA

Phone: 919-926-1600

Email: info@planthealthcare.com

