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# LEADING THE FIELD



**PLANT HEALTH CARE PLC (AIM: PHC. OTCQB: PLHFC)**  
2021 RESULTS – 12<sup>TH</sup> MAY 2022







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# JEFF TWEEDY NOMINATED CEO OF PLANT HEALTH CARE <sup>1</sup>



## EXPERIENCED PROVEN LEADERSHIP

- Joined Plant Health Care in 2015 as North America Commercial Head
- 2017 – Global Commercial Head
- 2019 – Chief Operating Officer and Executive Director

## CHAIRMAN ROLE <sup>1</sup>

- Chris Richards becomes Non-Executive Chairman – Support for corporate development and investor relations
- Richard Webb steps down from the Board

1. With effect from after the AGM on June 22nd, 2022



# PLANT HEALTH CARE – HELPING FARMERS GROW MORE: SUSTAINABLY

**WE DEVELOP AND SELL PROPRIETARY PRODUCTS, DERIVED FROM NATURAL PROTEINS, WHICH PROTECT CROPS FROM DISEASES AND STRESS, LEADING TO INCREASED CROP YIELD, QUALITY AND FINANCIAL RETURN FOR GROWERS GLOBALLY**

**ON TRACK TO DELIVER \$30+M SALES IN 2025**

## HARPIN $\alpha\beta$ – COMMERCIAL BUSINESS

- Revenue \$6m +55%
- Gross Margin 70%

## INCREASING MARKET REACH

- Expanding into new markets

## REPEAT REVENUE BUSINESS

- Established in-market sales growth CAGR 55% – 116%
- Strong start to 2022



## PRETEC – “VACCINES FOR PLANTS”

- First launch 2021 in Brazil; \$10m potential sales
- Annual major launches

## OUTSTANDING PRODUCT BENEFITS

- Yield increase >23%
- ROI for grower <14x

## MAJOR GLOBAL DISTRIBUTION PARTNERS

**Nutrien**

**WILBUR-ELLIS**

**AGER**

**Agrii**

**COPLACANA**  
Orgulho do Sertão

**PROVEN TECHNOLOGY – ACCELERATING GLOBALLY**

# SUSTAINABLE AGRICULTURE – A STRONG GROWTH SECTOR

## THE WORLD NEEDS MORE FOOD

“The UN calculates that the world will need to produce an extra 40% more food by 2050, simply to keep pace with world population”

(Financial Times, 2nd Sept, 2021)

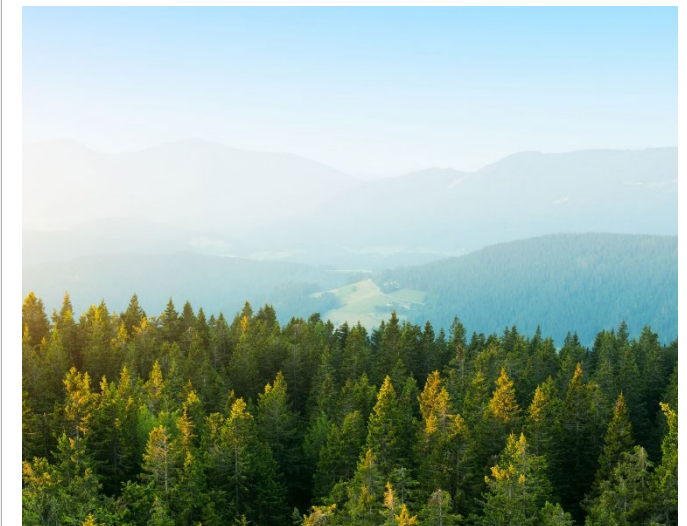


## FARMING GETS HARDER



## BIOLOGICAL PRODUCTS SUPPORT SUSTAINABLE FOOD PRODUCTION

- Inspired by nature
- Produce more from less land
- Protect precious soils and biodiversity
- Reduce the use of chemicals and fertilisers



**DEMAND FOR 'BIOLOGICAL SOLUTIONS' INCREASING AT >16% PA <sup>1</sup>**

1. Source Dunham Trimmer, 2020





# PHC'S PRODUCTS DELIVER INCREASED PLANT HEALTH AND YIELD

## COMMERCIAL

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

- Protein technology – environmentally friendly
- Makes plant healthier
- Resist disease and stress
- Better quality crops, higher yields
- Outstanding grower ROI – >14x in sugar cane
- <5% yield increase in US corn

## NEW TECHNOLOGY

### PREtec: Vaccines for Plants

- Disruptive peptide platform technology
- Proprietary
- Sunk investment >\$25m
- Fast track regulatory status <sup>1</sup>
- First launch 2021 – 'Saori®' Brazil soybeans
- Planning US launch in 2022

## 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).






1. Classified by the Environmental Protection Agency of the USA as zero residue and low toxicity



# GLOBAL DISTRIBUTION PARTNERS DELIVERING HARPIN $\alpha\beta$ GROWTH

## HARPIN $\alpha\beta$ CORE GROWTH MARKETS

	Sales CAGR 2019 – 21 <sup>1</sup>	Sales Potential <sup>2</sup>
BRAZIL SUGAR	 <b>+103%</b>	<b>\$15M</b>
US SPECIALTY CROPS	 <b>+116%</b>	<b>\$10M</b>
US CORN	 <b>+55%</b>	<b>\$5M</b>

US WEST COAST FARMERS SPEND **\$10BN** ON DISEASE CONTROL

## MARKET ACCESS THROUGH MAJOR DISTRIBUTORS

Exclusive for US specialty crops since 2019



Top US distributor; exclusive for US row crops since 2018

**CONFIDENTIAL**

Exclusive for Brazil sugar cane since 2018



Top UK distributor; exclusive for UK crops in 2021



Exclusive for soya & Wheat in Argentina - 2022



**PRODUCT ADOPTION ACCELERATING IN VERY LARGE MARKETS**

1. Sales growth in-market, ex distributor, based on data from the partner  
2. Potential peak sales, at value ex PHC





## STRONG DRIVERS OF HARPIN $\alpha\beta$ GROWTH IN USA IN 2022



01

Strong demand lifted crop prices in 2021

02

Further price increases post Ukraine invasion

03

High fertilizer prices mean growers seek tools to increase yield

04

Harpin  $\alpha\beta$  stock in place

### SPECIALITY CROPS USA – MARKET VALUE >\$1BN

- Sales currently focused in grapes, citrus, apples, pears
- Significant growth potential in California
- Planning H2 2022 launch of PHC279 pending regulatory approval; incremental to Harpin  $\alpha\beta$

### ROW CROPS USA (Corn, Soybeans)

- Harpin  $\alpha\beta$  proven yield increase in row crops; **now on 1% of planted corn** and growing
- Slow start to corn crop due to delayed planting; expect additional benefit from Harpin  $\alpha\beta$
- Planning to extend Harpin  $\alpha\beta$  into soybeans; 90+ million acres
- Potential for new mixture products to drive adoption further

**POISED FOR STRONG GROWTH IN 2022**



# HARPIN $\alpha\beta$ IN BRAZIL SUGAR CANE

## 1. OUTSTANDING PRODUCT BENEFITS

- Yield increase >23%; ROI >14x
- Drought reinforced product benefits

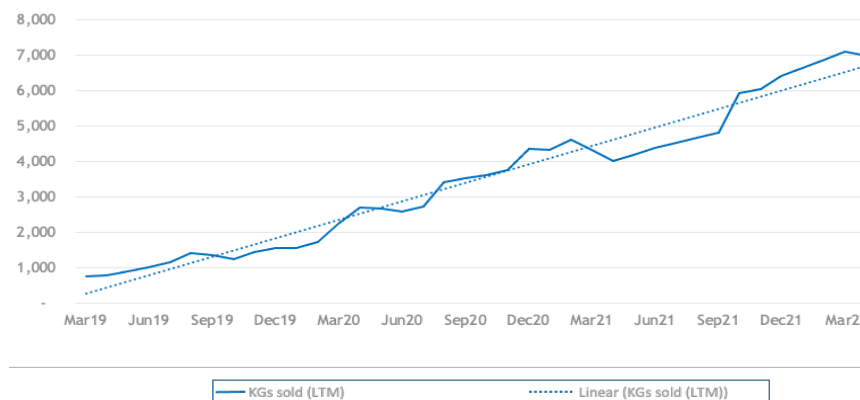
## 2. STRONG MARKET ACCESS

- Coplacana #1 distributor (>70% market share)
- PHC sales team leverages Coplacana retail stores
- Close partnership; monthly sales review, inventory management
- Visibility; shared forecasts of 2022 sales

## 3. MARKET PENETRATION BUILDING

- Sales on ground <sup>1</sup> 103% CAGR 2019 – 2021
- Sales accelerating since H1 2021 drought
- Strong growth in first four months 2022
- Mid-term forecast \$15m sales <sup>2</sup>

## HARPIN $\alpha\beta$ SALES KG LTM 2019 – YTD 2022



## OUTSTANDING BENEFITS OF HARPIN $\alpha\beta$ UNDER DROUGHT CONDITIONS 2021



**TRACTION IN A VERY LARGE MARKET**

1. Sales ex Coplacana  
 2. \$15m sales opportunity (based on achieving 10% share of 10m Ha market, at \$18 per Ha ex PHC)





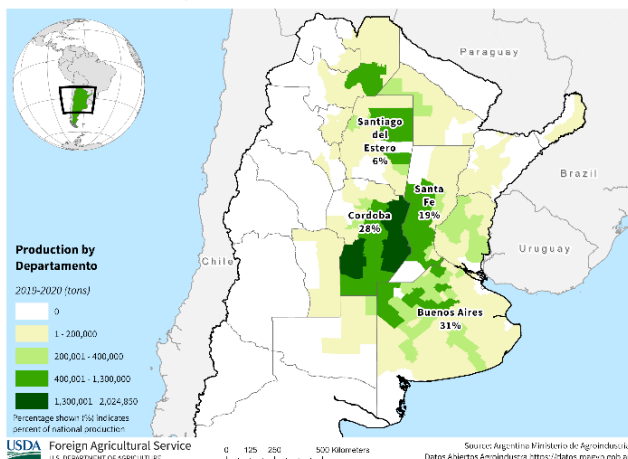
# ARGENTINA: SIGNIFICANT NEW MARKET OPPORTUNITY FOR HARPIN $\alpha\beta$

## EXPANDING INTO THE WORLD'S 3<sup>RD</sup> LARGEST SOYBEAN PRODUCER

### SIGNIFICANT OPPORTUNITY

- Argentina 16.8m Ha of soybeans <sup>1</sup>
- World's 3<sup>rd</sup> largest producer

Argentina: Total Soybean Production



### PARTNERSHIP WITH NEW DISTRIBUTOR

- Partner has access to >3m Ha of soybeans
- First sales in soybeans; plans to expand to Wheat
- New five-year agreement; target 250,000 Ha in 2026
- First year sales in H2 2022
- Opportunity to expand into Uruguay



### PROACT<sup>®</sup>

- Proact<sup>®</sup> (Harpin  $\alpha\beta$ ) seed treatment protects against disease
- Yield increase by 5% in soybeans exposed to drought
- 2027 target \$1+ m sales ex PHC



## AGER – NEW HARPIN $\alpha\beta$ DISTRIBUTION AGREEMENT

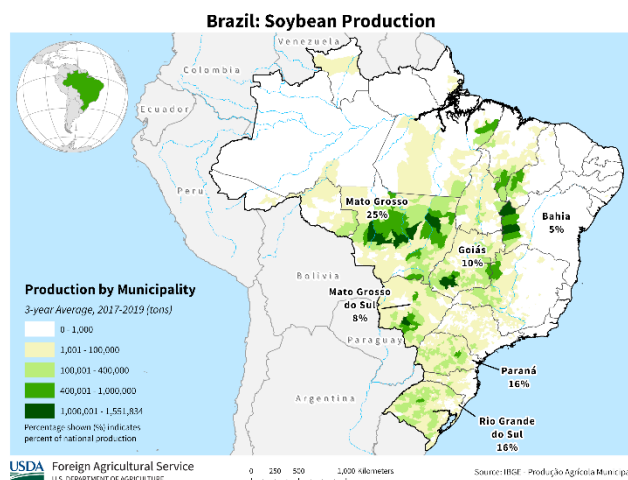


# PRE *TEC*: UPDATE ON LAUNCH OF SAORI® IN BRAZIL

BRAZIL SOY FARMERS SPEND **\$2.5BN** ON DISEASE CONTROL

## VERY LARGE OPPORTUNITY

- Brazil 38m Ha of soybeans
- 2<sup>nd</sup> largest producer globally
- Fungicide spend \$2.5 billion <sup>1</sup>



## PARTNERSHIP WITH MAJOR DISTRIBUTOR

- World's largest distributor of ag inputs \$15bn <sup>2</sup>
- Major investment in Brazil
- Excellent results from 300+ grower demos in 2021
- 2022 sales 150,000 Ha target

**Nutrien®**

## SAORI

- Saori seed treatment protects against disease throughout the season
- Yield increase average 9%, worth over \$200/Ha to grower
- Low-cost supply from EU secured, covers all forecasts
- 2025 target \$10+ m sales ex PHC



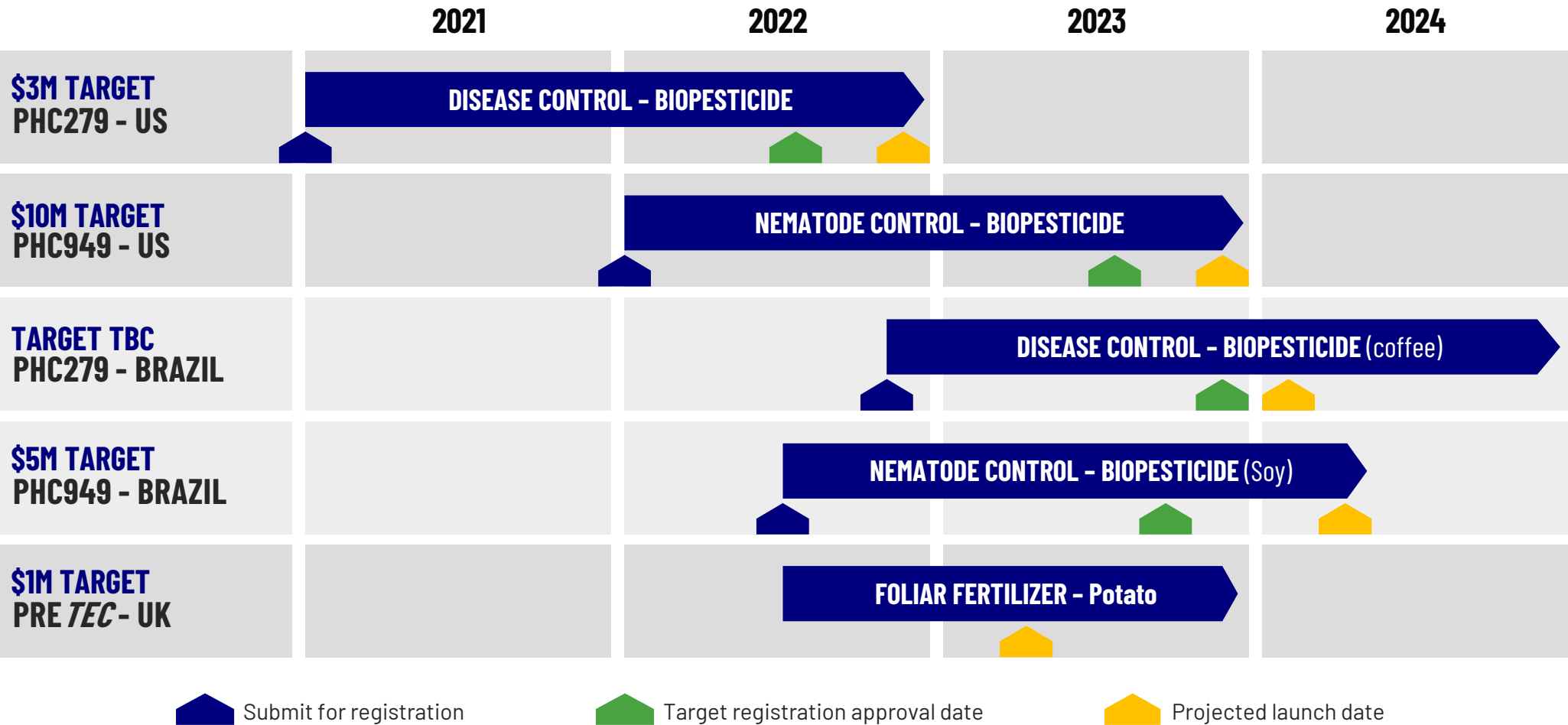
**SAORI - 'LOOKING AFTER YOUR SOY WHEN YOU ARE NOT THERE'**

1. Spark, Business Intelligence Panel, 2020/2021 season, Brazil  
2. Nutrien results for 2020, Nutrien Annual Report





# PRE *TEC*: ACCELERATING GLOBAL LAUNCH PLANS



ON TRACK TO DELIVER ONE MAJOR LAUNCH EVERY YEAR



# ON TRACK TO DELIVER AMBITIOUS TARGETS FOR 2025

## 1. HARPIN $\alpha\beta$ : >\$30m IN OPPORTUNITIES <sup>1</sup>

- US Corn, US Specialty crops, Brazil cane, Argentina
- Driving growth in Europe, Mexico, S America

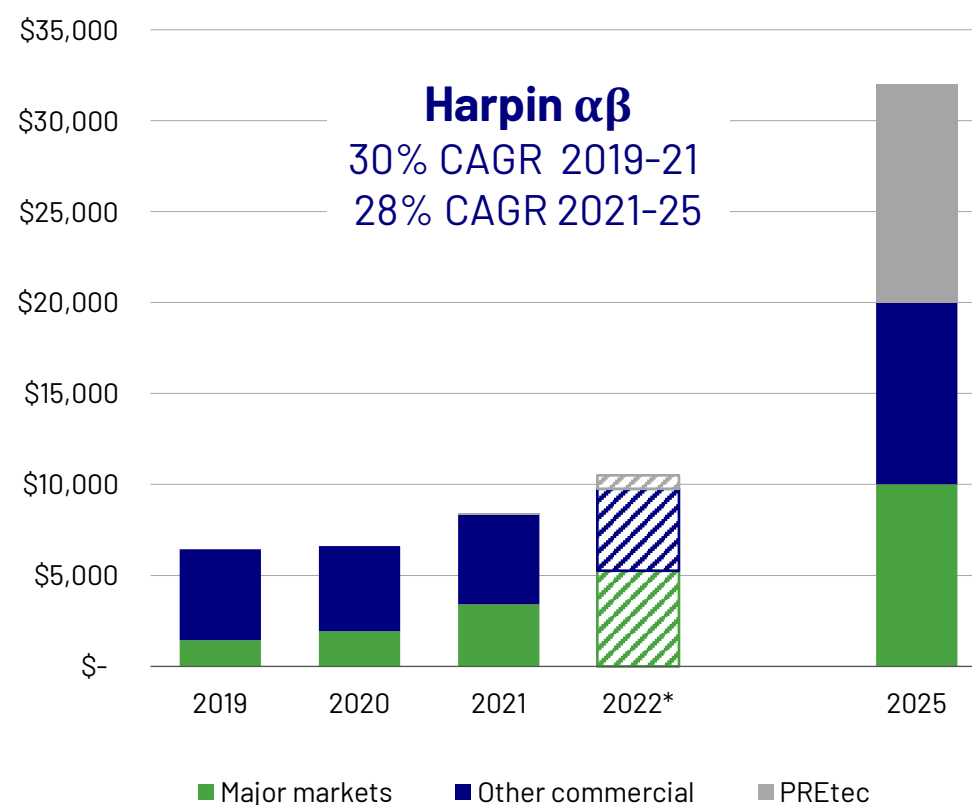
## 2. PRETEC: ANNUAL PRODUCT LAUNCHES

- Brazil Saori launched 2021; \$10m target mid-term
- US launches in 2022 and 2023, each \$5 – 10m targets

## 3. MID-TERM GROUP TARGETS

- Achieve cash positive 2024 or earlier
- Match peer group 25 – 30% EBITDA/Sales
- Explore opportunities in sector consolidation

## REVENUE ASPIRATION FOR 2025



\* - based on market expectations

MID-TERM TARGETS SUPPORTED BY DELIVERY IN 2020 - 21

1. Value ex PHC, mid-term aspirations





# 2021 RESULTS <sup>1</sup> - DELIVERING STRONG GROWTH

## FINANCIALS

**REVENUE: \$8.4M**

(\$6.6m in 2020)

+24% in constant currency

 **+28%**

**GROSS MARGIN: 59%**

(56% in 2020)

 **+300 bp**

**OPERATING CASH BURN <sup>2</sup>: \$3.2M**

(\$2.5m in 2020)

Increased investment  
in PREtec product launches

 **+27%**

**CASH AT 31<sup>ST</sup> DECEMBER 2021 <sup>3</sup>: \$9.2M**

**COMMERCIAL BUSINESS ACHIEVED  
\$0.4M EBITDA AND GENERATED CASH**

## OPERATIONS

**HARPIN  $\alpha\beta$  REVENUE: \$6.0M**

 **+55%**

**HARPIN  $\alpha\beta$  GROSS MARGIN: (70%)**

 **+100 bp**

## MARKET ACCESS FURTHER STRENGTHENED

Four of top global distributors

## PREtec PLATFORM PRODUCTS ADVANCING:

Low-cost production secured  
Saori Brazil launch: \$500m market  
Major US launches on track 2022 & 2023

**OUTSTANDING RESULTS ON ALL FRONTS**

1. Audited final results  
2. Operating cash burn excludes lease payments and capital expenditures  
3. Cash and cash equivalents



## 2021 - P&L FINANCIAL SUMMARY

	2021 \$000	2020 \$000
Revenue	\$8,432	\$6,611
Gross margin	\$5,003	\$3,683
Margin percentage	59%	56%
Cash operating expenses *	\$9,615	\$6,977
<b>Adjusted LBITDA **</b>	<b>\$(4,612)</b>	<b>\$(3,294)</b>
Translational loss/(gain) ***	\$623	\$(971)
Other non-cash expenses	\$1,146	\$1,245
<b>Operating loss ****</b>	<b>\$(6,381)</b>	<b>\$(3,568)</b>

\* - Includes the effects of the forgiven Paycheck Protection Program (U.S. Department of Treasury) in 2020.

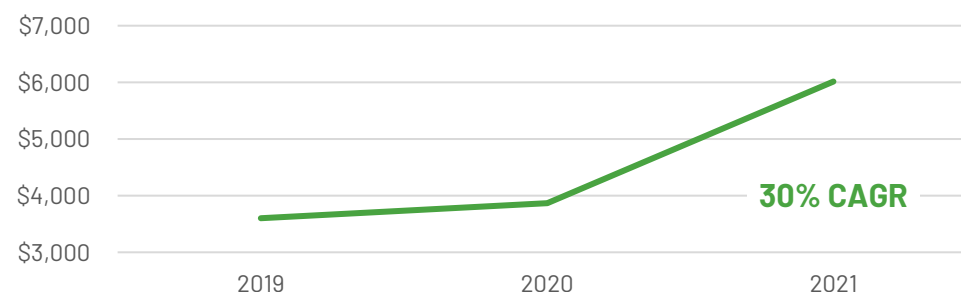
\*\* - Adjusted LBITDA defined as loss before interest, tax, depreciation, amortisation and share-based payments and intercompany foreign exchange.

\*\*\* - Translational gains and loss are based on the value of Sterling loans from our UK subsidiary and fluctuate based on the value of the Pound.

\*\*\*\* - Operating loss includes the effect of translational gains and losses.

- Revenue increased 28%
- Harpin  $\alpha\beta$  revenue increased 55% to \$6.0m
- Gross Margin 59% (2020: 56%). The increase is mainly expanded sales in the Americas.
- Operating expenses increased to drive commercial sales and PREtec product launches
- Translational gains/(losses) are non-cash items

### HARPIN $\alpha\beta$ REVENUE



**ROBUST REVENUE GROWTH**



## 2021 - BALANCE SHEET FINANCIAL SUMMARY

	2021 \$000	2020 \$000
Non-current assets	\$3,318	\$3,144
Inventory	\$2,137	\$3,567
Receivables	\$3,593	\$3,029
Cash and equivalents	\$9,162	\$4,149
<b>Total assets</b>	<b>\$18,210</b>	<b>\$13,889</b>
Payables/accrued exp	\$2,711	\$2,118
Borrowings (leases)	\$1,141	\$1,209
<b>Total liabilities</b>	<b>\$3,852</b>	<b>\$3,327</b>
<b>Total equity</b>	<b>\$14,358</b>	<b>\$10,562</b>

- Inventory progressively reduced over last 18 months; Harpin inventory at historic lows. Expect inventory levels to normalize in future years.
- Receivables increased \$0.6m from YE 2020 due to increased 4<sup>th</sup> quarter sales in the Americas; DSO's improved 40 days from start of 2021.
- Working capital decreased \$1.1m or 22% to \$3.9m since YE 2020 (FY 2020: \$5.0m).
- Successfully raised \$9.1m (net of costs) in March 2021
- Cash and equivalents: \$9.2m (FY20: \$4.1m)
- Cash burn was \$4.1m (2020: \$2.7m)
- Per IFRS 16 guidance, all leases are included in the balance sheet as borrowings. Excluding leases, our debt position is \$150,000.

**STRONG BALANCE SHEET - FOCUSED ON CASH MANAGEMENT**





## SUMMARY – A GROWING OPPORTUNITY IN SUSTAINABILITY

ON TRACK TO DELIVER **\$30+M** SALES IN 2025



Sustainable, effective products

Unrivalled market access

Low COGS delivered

Harvesting \$25m investment in  
PREtec

Major launches planned every year



**Strong Performance in 2021**

**Revenue growth +28%**

**Harpin  $\alpha\beta$  revenue growth +55%**

**Working capital reduction \$1.1 million**

Good prospects for 2022

Reach cash positive  
within existing reserves

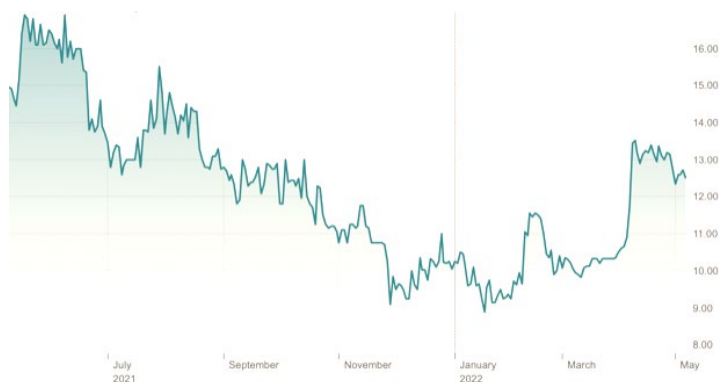
**PROVEN TECHNOLOGY – ACCELERATING GLOBALLY**



# SHARE METRICS

PLANT HEALTH CARE PLC	AIM: PHC
Share price*	£0.123
Market cap*	£36.7m
Total shares outstanding**	304,662,482
Stock options* (subject to various performance conditions such as share price hurdles)	26,770,302
Total fully diluted shares*	331,432,784
52-week range*	£0.082–£0.184

MAJOR SHAREHOLDERS**		
Ospraie AG Science	54,467,950	17.88%
Mr Richard I Griffiths	42,500,000	13.95%
Janus Henderson	30,214,286	9.92%
Lombard Odier	22,589,809	7.41%
Scobie Ward	17,424,005	5.72%
Management, Directors and related parties***	6,451,569	2.12%



\* As of 11<sup>th</sup> May, 2022.

\*\* As of 11<sup>th</sup> May, 2022.

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

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