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# LEADING THE FIELD



**PLANT HEALTH CARE PLC (AIM: PHC. OTCQB: PLHFC)**

H1 TRADING STATEMENT – JULY 2022





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## PRESENTATION TEAM



**DR CHRIS RICHARDS**  
Chairman

- Joined PHC in 2012 as Non-Executive Chairman, assuming the role of CEO in 2017, and Chairman again in June 2022
- 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



**JEFF TWEEDY**  
Chief Executive Officer

- Joined Oct 2017; appointed COO in 2018; CEO in June 2022
- Leads all Commercial activities and PREtec launches
- 31 years experience in sales and business development in US and internationally
- Held senior commercial North America and Global roles in Syngenta, Arysta LifeScience, Horizon Ag



**JEFF HOVEY**  
Chief Financial Officer

- Joined in Sept 2013
- Drove re-structuring and cost reduction in 2014
- >25 years financial management experience
- CPA; IFRS and GAAP experience
- Held numerous senior financial and accounting roles in private and publicly listed retail, life sciences and technology companies



## EXECUTIVE SUMMARY

Our proprietary products derived from natural proteins help protect crops from diseases and stress leading to increased crop yield, quality and financial return for growers globally – We help farmers grow more sustainably

### ON TRACK TO DELIVER \$30M+ (USD) SALES BY 2025

#### STRONG REVENUE GROWTH

- Revenue \$5.6 million, up 60%
- Gross Margin increased to 61% (H1 2021: 56%)

#### EXPANDING MARKET REACH

- Expanding into new markets: Brazil, Argentina, Uruguay

#### INCREASING REVENUE FROM PROPRIETARY TECHNOLOGY

- Harpin  $\alpha\beta$  grew 37% to \$3.3M
- Saori® launch generated \$0.8M in revenue



#### PRETEC – “VACCINES FOR PLANTS™”

- First launch Saori in Brazil 2021
- Annual major launches

#### OUTSTANDING PRODUCT BENEFITS

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

#### MAJOR GLOBAL DISTRIBUTION PARTNERS



PROVEN TECHNOLOGY – ACCELERATING GLOBALLY



# PROPRIETARY BIOLOGICAL PRODUCTS INCREASING 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
- Investment to date >\$25m
- Fast track regulatory status<sup>1</sup>
- First launch 2021 – Saori<sup>®</sup> Brazil soybeans
- Planning US launch in 2022; One new launch planned each year

## APPLICATION

- Leaves (foliar applications)
- Seeds (seed treatment)



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



# FIRST HALF 2022 RESULTS <sup>1</sup> - DELIVERING STRONG GROWTH

## FINANCIALS

### REVENUE: \$5.6M

(\$3.5m in 2021)

 **+60%**

+62% in constant currency

### GROSS MARGIN: 61%

(56% in 2021)

 **+500 bp**

### OPERATING CASH BURN <sup>2</sup>: \$2.1M

(\$1.5m in 2021)

 **+40%**

Investment in PREtec launches and expanding commercial business, from Q3 2021

### CASH AT 30th JUNE 2022 <sup>3</sup>: \$6.3M

### COMMERCIAL BUSINESS ACHIEVED \$0.6M EBITDA AND GENERATED CASH OF \$0.3M

## OPERATIONS

### HARPIN $\alpha\beta$

REVENUE: **\$3.3M** (2021: \$2.4M)

 **+37%**

### HARPIN $\alpha\beta$

GROSS MARGIN: **67%**

### MARKET ACCESS FURTHER STRENGTHENED

Four of top global distributors

### PRETEC PLATFORM PRODUCTS ADVANCING:

Saori Brazil launch: \$500m market

Low-cost production delivered

Major US launches on track for 2022 & 2023

**OUTSTANDING RESULTS ON ALL FRONTS**

1. Unaudited results

2. Operating cash burn excludes lease payments and capital expenditures

3. Cash and cash equivalents





# H1 2022 - P&L FINANCIAL SUMMARY

	2022 \$000	2021 \$000
Revenue	\$5,554	\$3,499
Gross margin	\$3,411	\$1,956
Margin percentage	61%	56%
Cash operating expenses	\$5,199	\$4,241
<b>Adjusted LBITDA *</b>	<b>\$(1,788)</b>	<b>\$(2,285)</b>
Translational loss/(gain)**	\$3,607	\$(423)
Other non-cash expenses	\$787	\$468
<b>Operating loss ***</b>	<b>\$(6,182)</b>	<b>\$(2,330)</b>

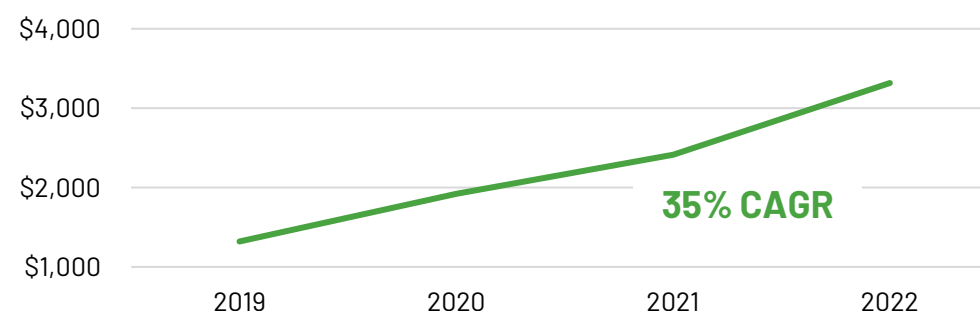
\* -Adjusted LBITDA defined as loss before interest, tax, depreciation, amortisation and share-based payments and intercompany foreign exchange.

\*\* - 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 60%
- Harpin  $\alpha\beta$  revenue increased 37% to \$3.3m
- Gross Margin 61% (2021: 56%)
- Operating expenses increased due to planned investment in PREtec products and expansion of the commercial business; held at same level as H2 2021.
- Reduction of LBITDA of \$0.5m
- Translational gains/(losses) are non-cash items

## HARPIN $\alpha\beta$ REVENUE



## ROBUST REVENUE GROWTH



# H1 2022 - BALANCE SHEET FINANCIAL SUMMARY

	H1 2022 \$000	FY 2021 \$000
Non-current assets	\$3,154	\$3,324
Inventory	\$3,397	\$2,137
Receivables	\$3,156	\$3,593
Cash and equivalents	\$6,340	\$9,162
<b>Total assets</b>	<b>\$16,047</b>	<b>\$18,216</b>
Payables/accrued exp	\$3,049	\$2,618
Borrowings (leases)	\$993	\$1,141
<b>Total liabilities</b>	<b>\$4,042</b>	<b>\$3,759</b>
<b>Total equity</b>	<b>\$12,005</b>	<b>\$14,457</b>

- Inventory increased to ensure supply to meet strong forecast demand in H2 2022.
- Receivables decreased \$0.4m from FY 2021; DSO's improved from FY2021 to 75 days.
- Payables/accrued expenses increased due to inventory purchase.
- Working capital increased \$0.2m or 5% to \$4.1m (FY 2021: \$3.9m).
- Cash and equivalents: \$6.3m (FY21: \$9.2m).
- Per IFRS 16 guidance, all leases are included in the balance sheet as borrowings. Excluding leases, our debt position is \$100,000.

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





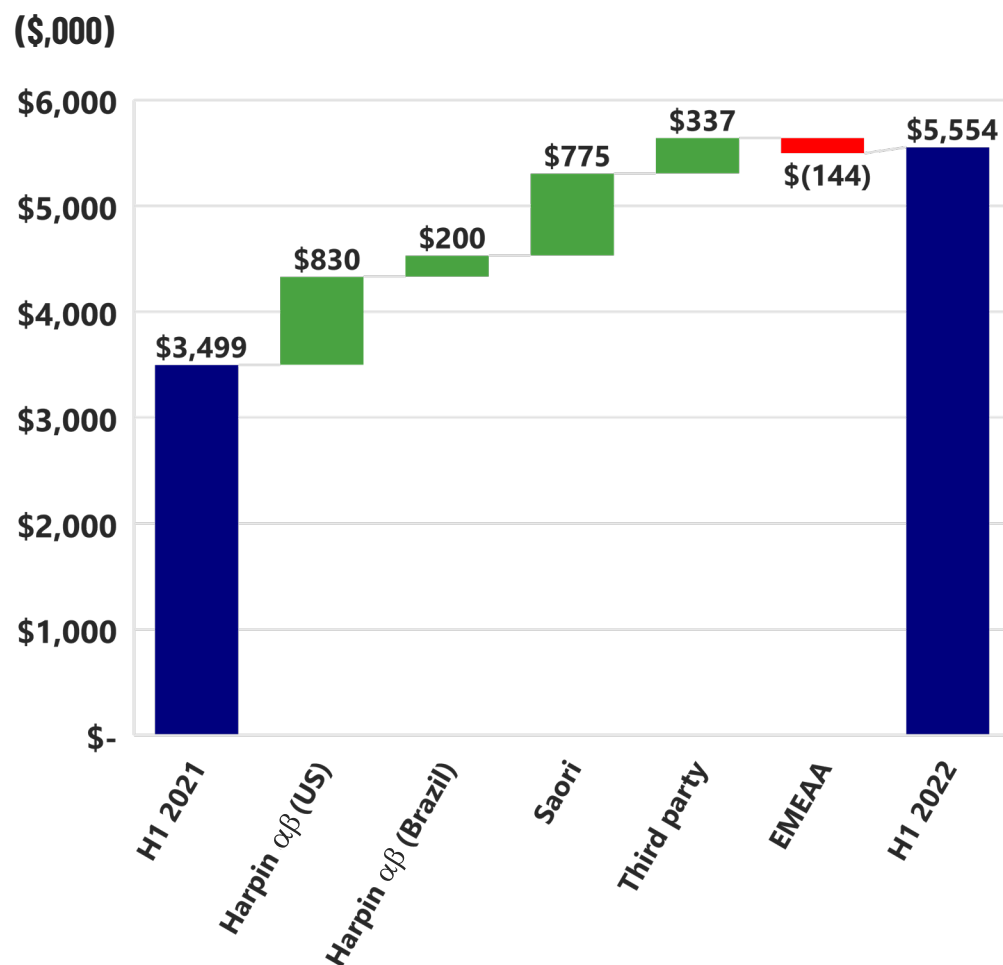
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**COMMERCIAL**





# GLOBAL DISTRIBUTION PARTNERS DELIVERING GROWTH



## MARKET ACCESS THROUGH MAJOR DISTRIBUTORS

Exclusive for US specialty crops since 2019



Five-year exclusive agreement for Brazil seed treatment signed in 2022



Exclusive for Brazil sugar cane since 2018



Top UK distributor; exclusive for UK crops since 2021



Exclusive for soya & wheat in Argentina starting in 2022



**REVENUE UP 60%**



## STRONG DRIVERS OF HARPIN $\alpha\beta$ & SAORI GROWTH 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 on grapes, citrus, apples, pears
- Significant growth potential in California
- Planning H2 2022 launch of PHC279 pending regulatory approval; incremental to Harpin  $\alpha\beta$

### Brazil

- Harpin  $\alpha\beta$  H1 2022 on ground sales up 65% versus H1 2021 due to strong demand from sugar cane processors
- New five-year Saori supply agreement with Nutrien, targeting 150k Ha of soybeans treated with Saori in 2022.
- Revenue from Saori is projected to grow to more than \$5m by 2025

**POISED FOR STRONG GROWTH IN 2022**



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

## 1. OUTSTANDING PRODUCT BENEFITS

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

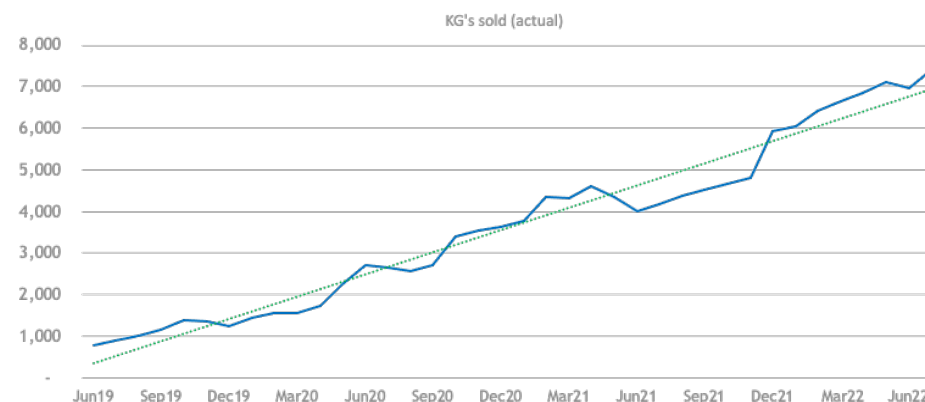
## 2. STRONG MARKET ACCESS

- 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



**SOLID 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)





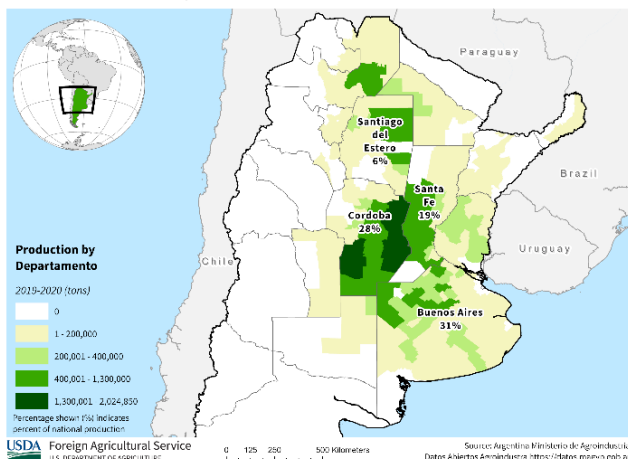
# ARGENTINA: SIGNIFICANT NEW MARKET OPPORTUNITY FOR HARPIN $\alpha\beta$

## 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 \$1m+ sales ex PHC



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



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**PREtec**

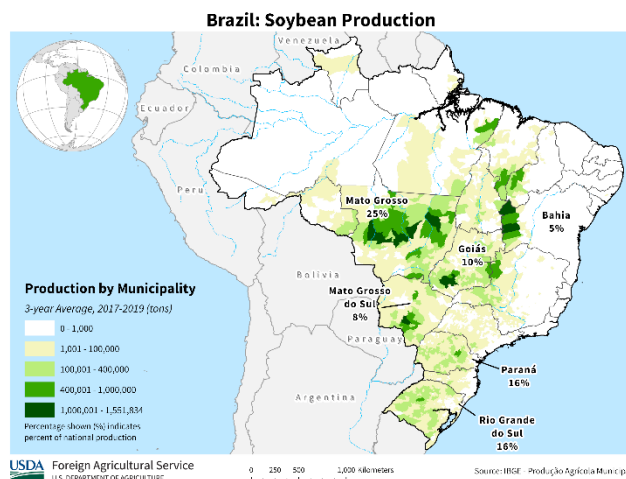


# PRE *TEC*: LAUNCH OF SAORI® IN BRAZIL

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

## VERY LARGE OPPORTUNITY

- Brazil 42m+ Ha of soybeans
- 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
- New five-year agreement; target 1m Ha in 2025
- Excellent results from 200+ grower demos in 2021
- 2022 H1 sales of \$0.8m

**Nutrien®**

## SAORI

- Saori seed treatment protects against disease throughout the season
- Yield increase average 7%, worth more than \$150/Ha to grower
- Low-cost supply from EU secured, covers all forecasts
- 2025 target \$5m+ sales ex PHC

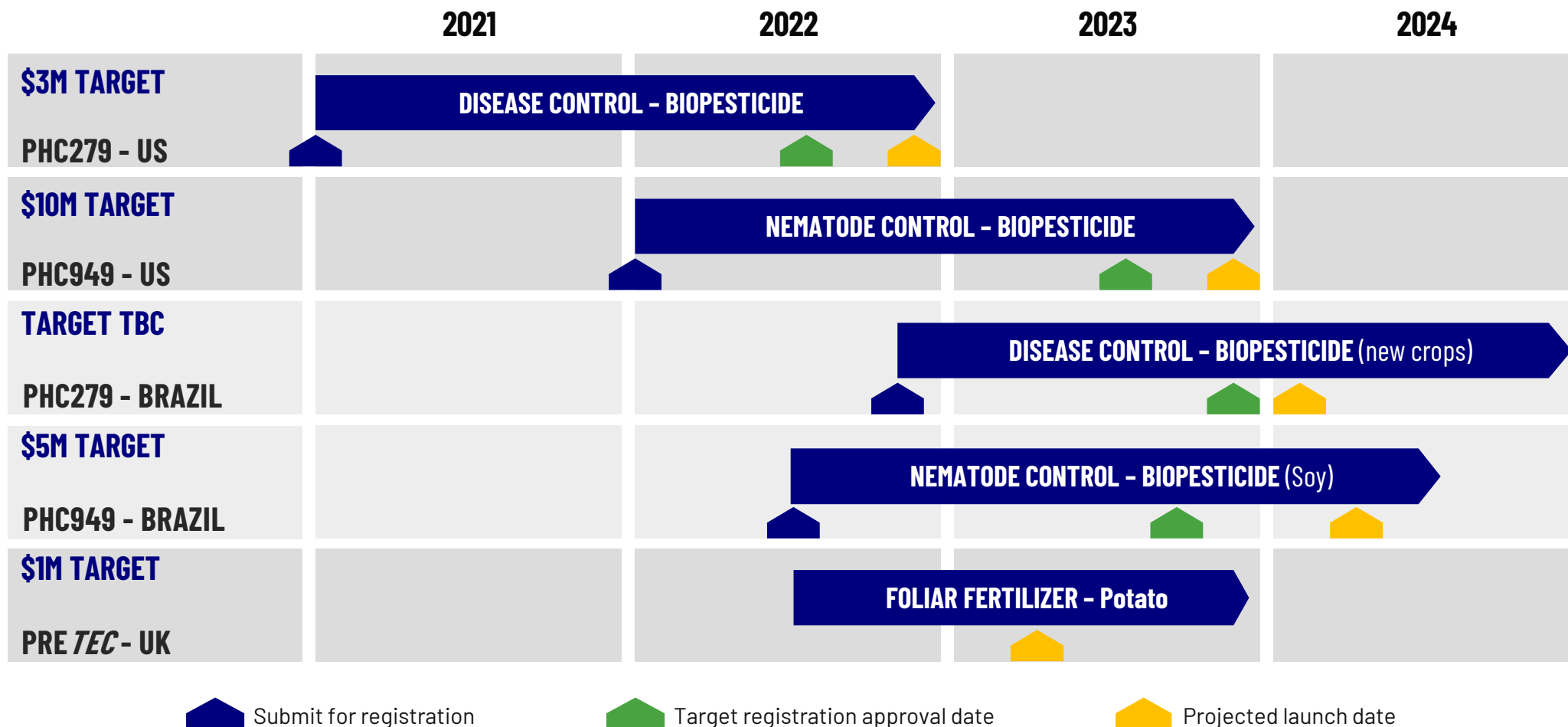


**SAORI - 'LOOKING AFTER YOUR SOY WHEN YOU ARE NOT THERE'**

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**





# SUMMARY

- Sustainability sector growing at >16% pa
- Proven products, with revenue poised to continue accelerating
- >\$25m invested in 'Vaccines for plants', major annual launches planned
- Targeting \$30m+ sales in 2025
- Cash positive within existing reserves
- Explore opportunities in sector consolidation

## GROWTH OPPORTUNITIES

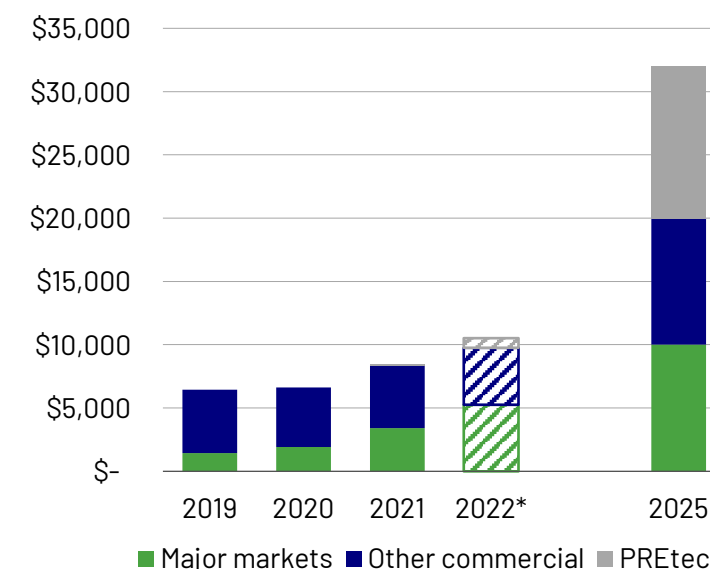


US WEST COAST FARMERS SPEND **\$10bn** ON DISEASE CONTROL

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

<b>Nutrien</b> <b>\$15bn</b> <b>company</b>	 <b>\$3.4bn</b> <b>company</b>	<b>Agrii</b> <b>\$1.8bn</b> <b>company<sup>1</sup></b>
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## REVENUE ASPIRATION FOR 2025



**ON TRACK TO ACHIEVE \$30 MILLION BY 2025**

1. Origin Enterprises, the parent company of Agrii had €1.6 billion revenue in FY20. Source Origin Annual Report, 2020

\* - based on market expectations



## WHY INVEST

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



**SUSTAINABLE, EFFECTIVE PRODUCTS**

**UNRIVALLED MARKET ACCESS**

**LOW COGS DELIVERED**

**STRONG INITIAL LAUNCH OF  
SAORI IN BRAZIL**

**MAJOR LAUNCHES PLANNED EVERY YEAR**



**BUILDING ON STRONG PERFORMANCE  
IN 2021**

- **H1 2022 REVENUE GROWTH +60%**
- **H1 2022 HARPIN  $\alpha$ b GROWTH +37%**

**CONTINUED WORKING CAPITAL  
IMPROVEMENT**

**POSITIVE PROSPECTS FOR 2022**

**REACH CASH POSITIVE WITHIN  
EXISTING RESERVES**

**ACHIEVED 60% GROWTH ON STRONG PRODUCT DEMAND**



# SHARE METRICS

## PLANT HEALTH CARE PLC AIM: PHC

Share price*	£0.097
Market cap*	£29.6m
Total shares outstanding**	304,662,482
Stock options* (subject to various performance conditions such as share price hurdles)	33,291,306
Total fully diluted shares*	337,953,788
52-week range*	£0.089–£0.155

## 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***	6,425,990	2.11%

\* As of 30<sup>th</sup> June, 2022.

\*\* As of 30<sup>th</sup> June, 2022.

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



# THANK YOU!

## PLANT HEALTH CARE LEADING THE FIELD

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**AIM: PHC**  
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### INVESTOR RELATIONS

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