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# LEADING THE FIELD



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

H1 2022 – SEPTEMBER 2022





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## PRESENTATION TEAM



**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 US\$30M 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





# MARKET OUTLOOK



## GLOBAL AGRICULTURE MARKET OUTLOOK

- Large Brazil soybean crop projected to be +40 million Ha
- US crop yields projected to be lower than previous estimates
- Some US distributors have high inventory levels
- Commodity prices remain strong
- Growers still seeking products that deliver higher yields
- Fertilizer prices declining, but still above 5-year average
- Drought in Europe
- Uncertainty remains in Europe due to natural gas supply
- Post Covid world impacting registrations

## Implications for PHC

- Strong demand for Saori in Brazil (180,000 Ha seed treated)
- Continued strong global demand for Harpin  $\alpha\beta$  in row crops
- Transportation costs continue to be high and on-time delivery remain an issue
- PHC is well positioned to meet demand
- PHC279 delayed until 4<sup>th</sup> quarter 2022 due to EPA

**POISED FOR STRONG GROWTH IN 2022**



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

## FINANCIALS

### REVENUE: \$5.6M

(\$3.5m in 2021)

+62% in constant currency

 **+60%**

### GROSS MARGIN: 61%

(56% in 2021)

Price increase, launch of Saori and expansion of Harpin sales

 **+500 bp**

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

(\$1.5m in 2021)

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

 **+40%**

### 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

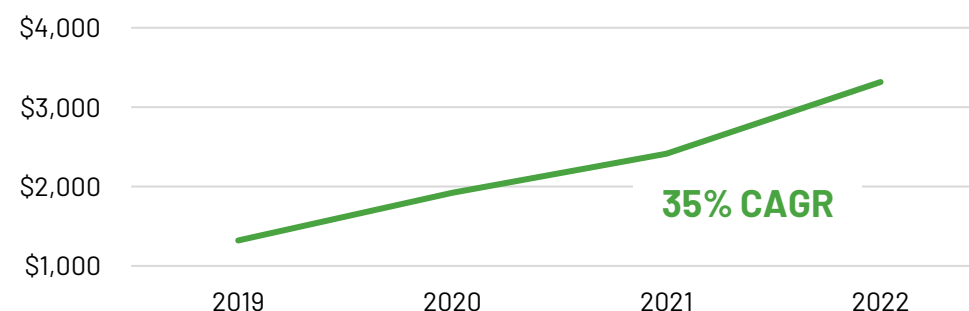


# H1 2022 - P&L FINANCIAL SUMMARY

	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>

- 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



\* -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.

## 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**

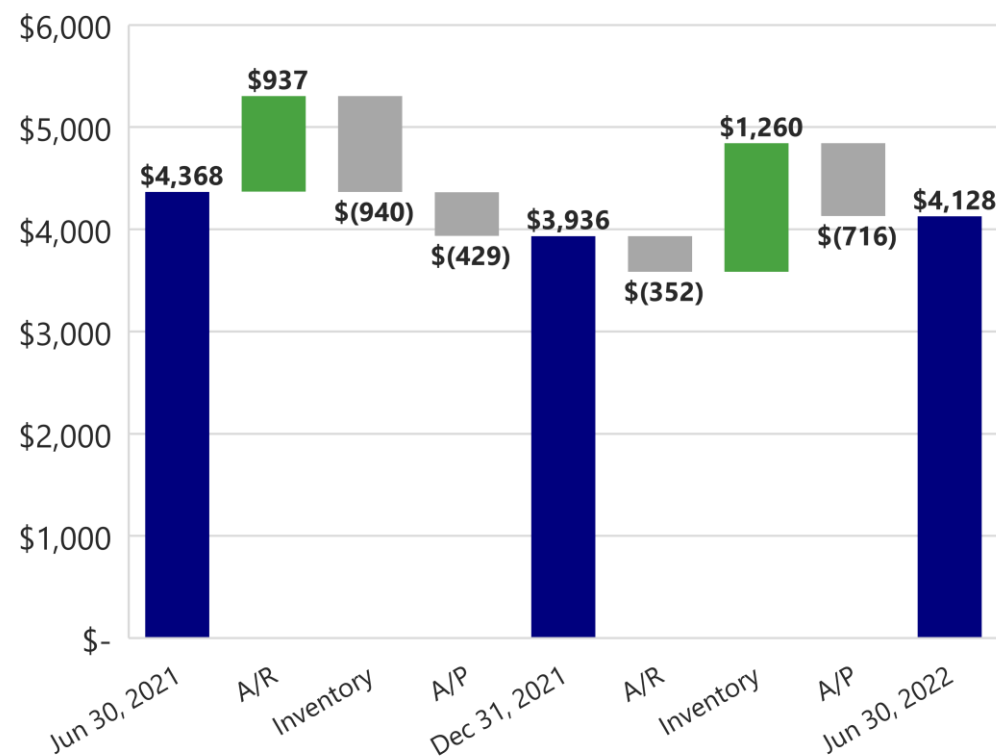


## CASH FLOW AND WORKING CAPITAL

	H1 2021	H2 2021	H1 2022
Accounts receivable	2,090	3,027	2,675
Inventory	3,077	2,137	3,397
Account payable	799	1,228	1,944
Working capital	4,368	3,936	4,128
Revenue	3,499	4,933	5,554
<b>WC % of revenue</b>	<b>125%</b>	<b>80%</b>	<b>74%</b>

- Working capital levels remained consistent between H2 2021 and H1 2022 despite revenue increases.
- Working capital as a percentage of revenue has shown steady improvement over the last 18 months.
- \$1.3 million of Harpin inventory purchased in H1 2022, none in 2021.

### MOVEMENT IN WORKING CAPITAL







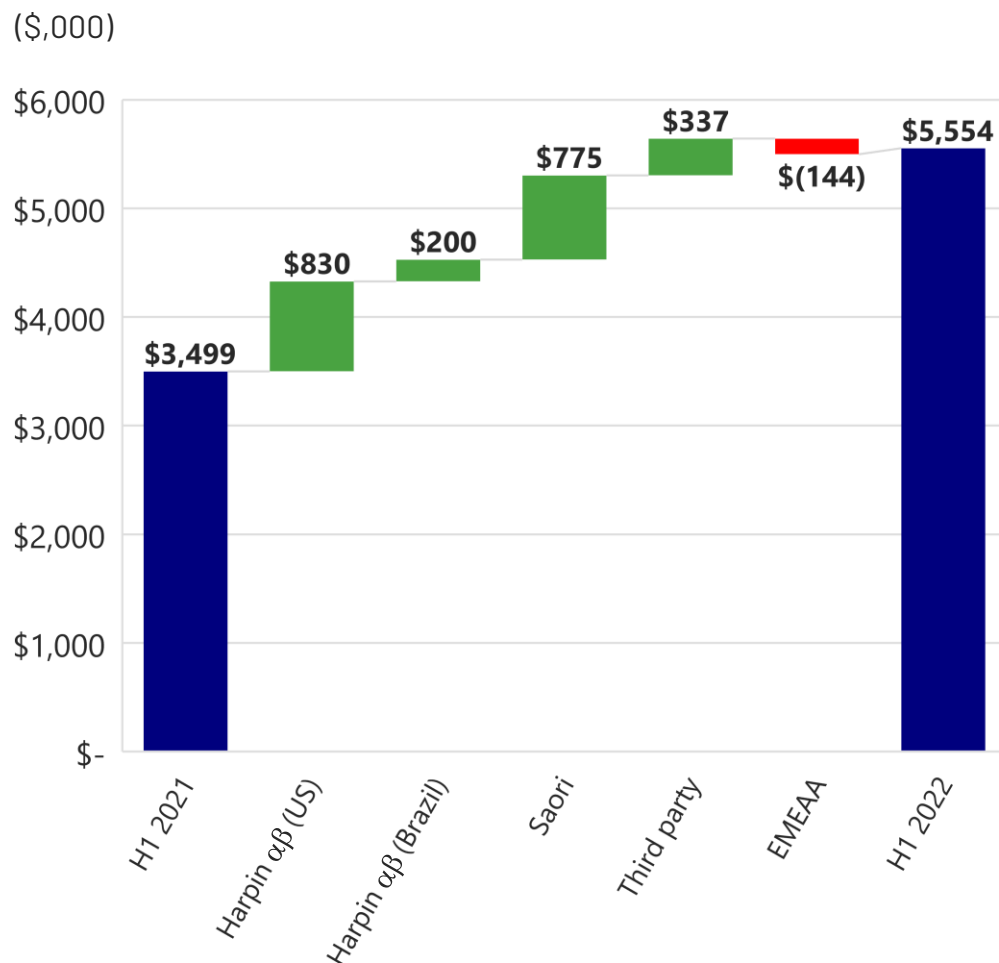
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**COMMERCIAL**





# 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%**

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

## 1. OUTSTANDING PRODUCT BENEFITS

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

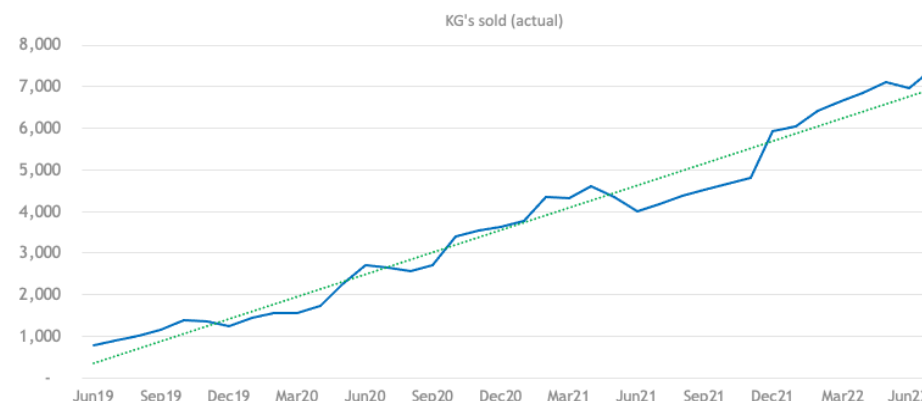
## 2. STRONG MARKET ACCESS

- 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)



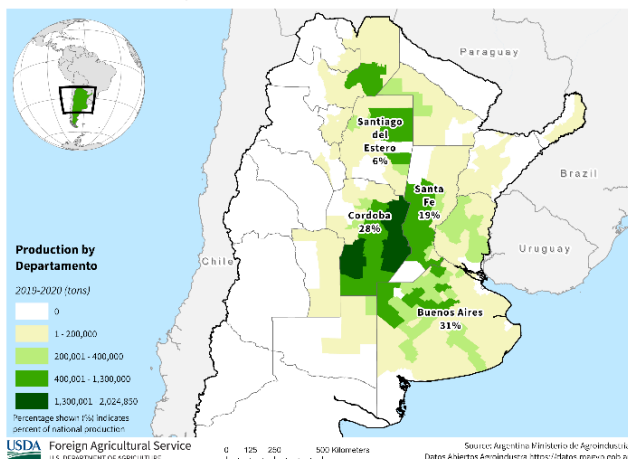
# ARGENTINA: SIGNIFICANT NEW MARKET OPPORTUNITY FOR HARPIN $\alpha\beta$

## 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

1. Statista May 2022





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**PREtec**

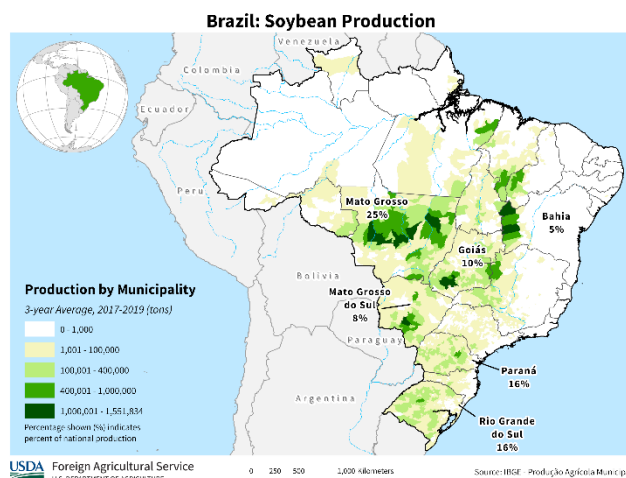


# PRE *TEC*: LAUNCH OF SAORI® IN BRAZIL

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 over \$150/Ha to grower
- Low-cost supply from EU secured, covers all forecasts
- 2025 target \$5m+ sales ex PHC

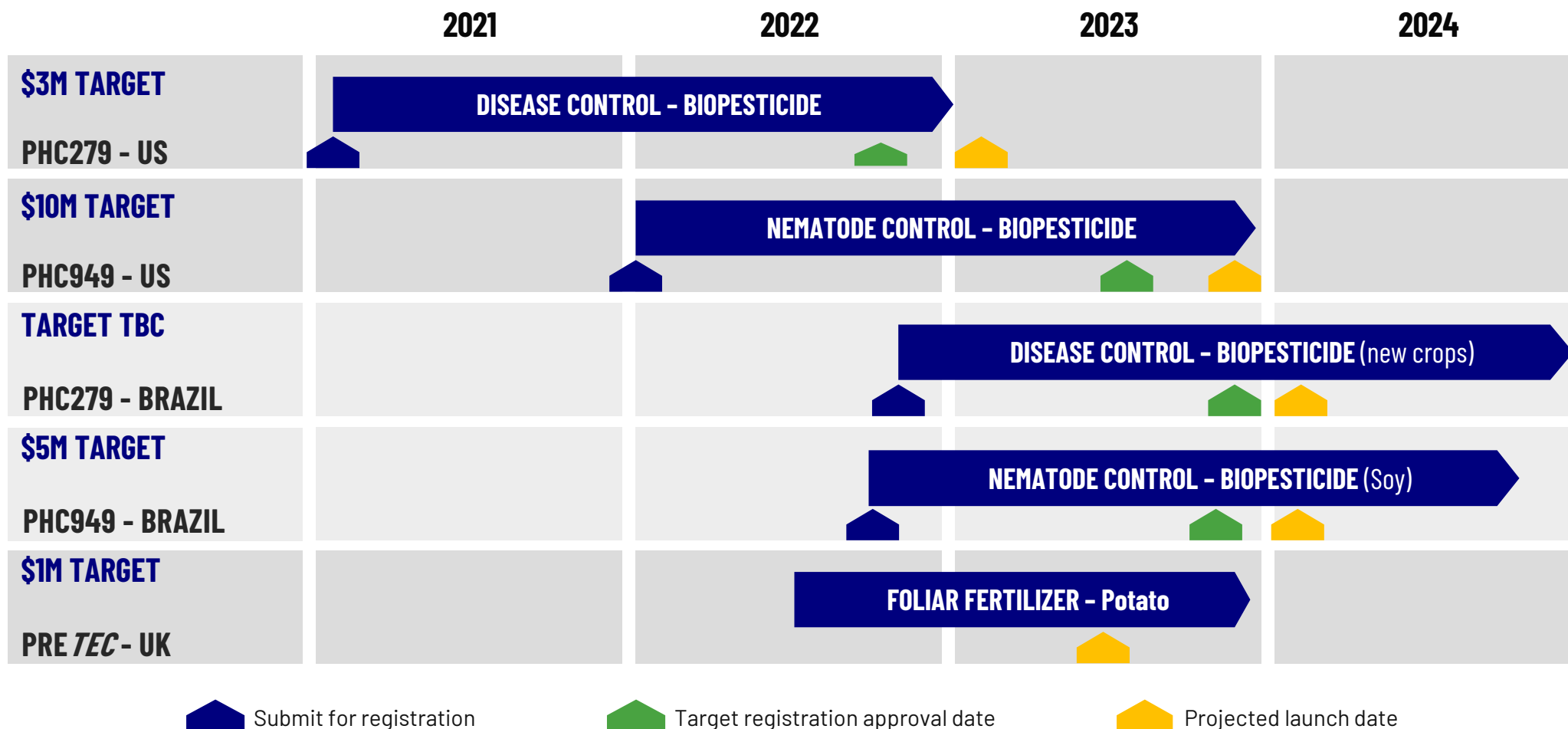
**Saori™**

**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

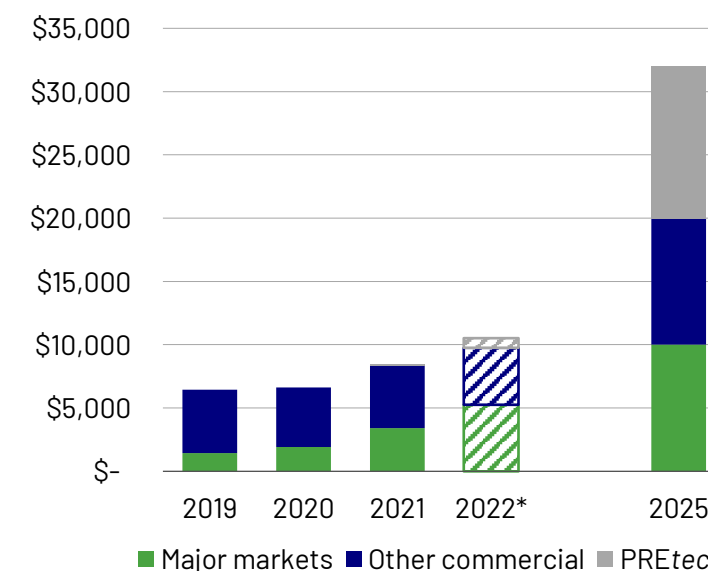


US WEST COAST FARMERS SPEND **\$10bn**  
ON DISEASE CONTROL

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

 <b>\$15bn</b> company	 <b>\$3.4bn</b> company	 <b>\$1.8bn</b> company <sup>1</sup>
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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  $\alpha\beta$  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	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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