



Sept 13, 2022

HeiQ PLC

Half Year Results 2022

Traded at:
XLON: HEIQ
ISIN: GB00BN2CJ299

**SWISS
TECH
INSIDE**

Disclaimer



The distribution of this Presentation in jurisdictions other than the UK may be restricted by law and persons into whose possession this document comes should inform themselves about and observe any relevant restrictions. In particular, this document may not be published or distributed, directly or indirectly, in or into the United States of America, Canada, Australia or Japan.

This Presentation made by HeiQ (or of a new holdco inserted for the purposes of admission to trading) does not constitute an offer of, or an invitation by or on behalf of the Company or anyone else to purchase or subscribe for, any securities of or investment in the Company in any circumstances. You are reminded that any subscription for securities or investment in any offering may be made solely on the basis of your own due diligence, investigations and assessment and solely on the basis of the information contained in the admission document in its final form and no reliance may be placed on the information contained in this document. This Presentation and the information contained within it are strictly confidential to the recipient, may not be distributed to any other person, and may not be further disclosed, copied or reproduced in any form, in whole or in part. Failure to comply with these restrictions may constitute a violation of applicable securities laws.

The information contained in this Presentation is for background purposes only, has not been independently verified by the Company nor any of the Company's directors, officers, shareholders, advisors or representatives. No representation, warranty or undertaking, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein. Save in the case of fraud, neither the Company nor any of its directors, officers, shareholders, advisors or representatives shall have any liability whatsoever for any loss arising from any use of this Presentation or its contents or otherwise arising in connection with this Presentation. By accepting this Presentation you agree, upon request, to return promptly all material received from the Company without retaining any copies.

This Presentation is not an invitation nor is it intended to be an inducement to engage in investment activity for the purpose of Section 21 of the Financial Services and Markets Act 2000. This Presentation does not constitute or form part of and should not be construed as, an offer to sell or issue or the solicitation of an offer to buy or acquire securities of the Company in any jurisdiction or an inducement to enter into investment activity in any jurisdiction. In addition, this Presentation does not constitute a recommendation by the Company or any other person regarding any securities of, or an investment in, the Company. Neither this document nor any part thereof, nor the fact of its distribution, shall form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever.

This Presentation does not take into account the investment objectives, financial situation or particular needs of any particular investor, and it does not purport to be comprehensive or to contain all of the information that a prospective investor may desire or require in investigating the Company or an investment in the Company. Accordingly, each prospective investor should conduct its own due diligence in connection with any potential investment in the Company and seek the advice of its own professional advisors. Prospective investors must not treat the contents of this Presentation as advice relating to legal, taxation or investment matters and must make their own assessments concerning these and other consequences of any investment in the Company, including the merits of investment and the risks.

This Presentation is directed only at persons who (i) are "qualified investors" within the meaning of Article 2(1)(e) of Directive 2003/71/EC (as amended) and any relevant implementing measures and (ii) are outside the United Kingdom, and/or (iii) have professional experience in matters relating to investments who fall within the definition of "investment professionals" contained in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "Order"), or are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Order, or fall within another exemption to the Order (all such persons referred to in (i) to (iii) above together being referred to as "Relevant Persons"). Any person who is not a Relevant Person must not act or rely on this Presentation or any of its contents. Any investment or investment activity to which this communication relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

This Presentation may include statements that are, or may be deemed to be, "forward-looking statements". Any forward-looking statements in this Presentation reflect the Company's current expectations and projections about future events. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described herein. Forward-looking statements contained in this Presentation regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Presentation.

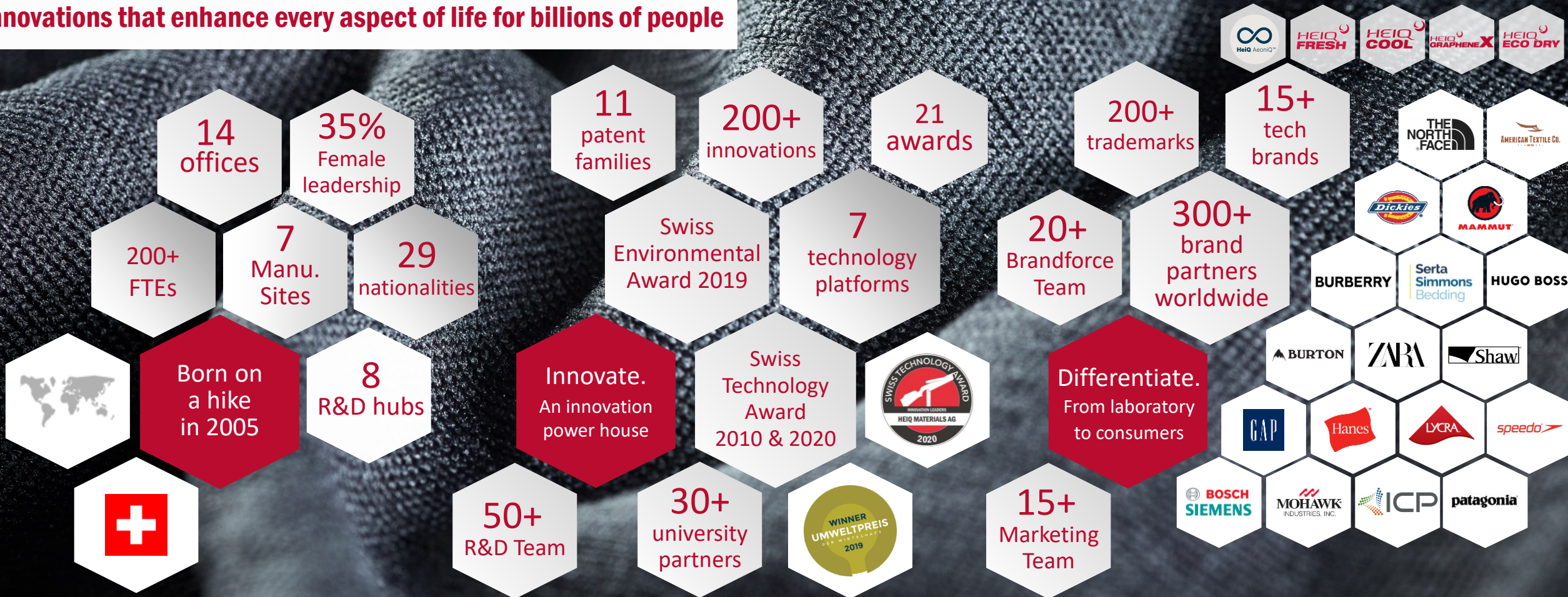
Cenkos Securities plc ("Cenkos"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting for the Company and for no-one else in connection with the contents of this presentation and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Cenkos, or for providing advice in relation to the contents of this presentation or any matters referred to herein. This document has not been approved by Cenkos for the purposes of Section 21 of the Financial Services and Markets Act 2000.

HeiQ at a glance



As of Q3 2022

Innovations that enhance every aspect of life for billions of people



GLOBAL & DIVERSE

CAPABLE & AWARDED

BRANDED & TRUSTED

Agenda



.01

H1 2022 Highlights



.02

Financial
performance H1
2022



.03

Innovation update &
Outlook



H1 2022 highlights

Delivered a **17% revenue growth** vs. H1 2021, showed resilience and continued demand

Improved gross margin from H2 2021 (+3ppt)

Made excellent progress to support mid-term target revenue of US\$300m with our key innovations

- **HeiQ AeoniQ:** Commissioned US\$5m pilot commercialization plant in Q2, secured US\$10m funding
- **HeiQ GrapheneX:** Ordered US\$2m pilot commercialization plant in Q1, filed additional IP in Q2
- **HeiQ Synbio:** Publication on our symbiotic cleaners in Q1 by opinion leading German university hospital
- **HeiQ ECOS:** Developed LowE energy saving applications for smart buildings, filed new IP in Q2
- **HeiQ Mint:** Launched our game-changing botanical odour control for textiles in Q2

Maintained a strong balance sheet and healthy financing structure

Cash balance of US\$ 9.5m following significant innovation project & IT investments



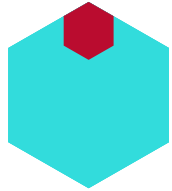
Strong performance expected for H2 22 - Optimistic to meet market expectations for full year 2022



Well positioned for long term growth; Market leading ESG technology platforms

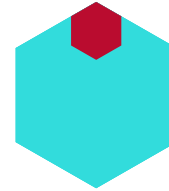


Resilience in challenging macroeconomic environment



Market challenges

- Inflation in most economies & our key markets
- Raw material prices & availability remains a concern
- Lockdowns in China to contain COVID outbreak
- Energy price spikes & upcoming shortages and risk of blackout & brownout in Europe
- Further supply chain disruptions remain possible
- Continued environmental degradation awareness by customers & consumers



Our responses

- Price increases enacted – time-lag to become effective, impact already seen end 1HY 22
- Proactive sales price management & dual / continental raw materials sourcing strategy
- Temporary impact to sales in 1HY 22, catch-up for 2HY 22
- Direct impact of energy costs not material, but indirectly driving inflation; main productions in Europe: Textiles (CH) and Life Sciences (BE/ES). Possibility to switch most Textiles production to the US
- Well adapted with higher inventory allocated in key regions
- Product and innovation project portfolio well-positioned to fit energy saving and ESG demands

Financial Performance H1 2022

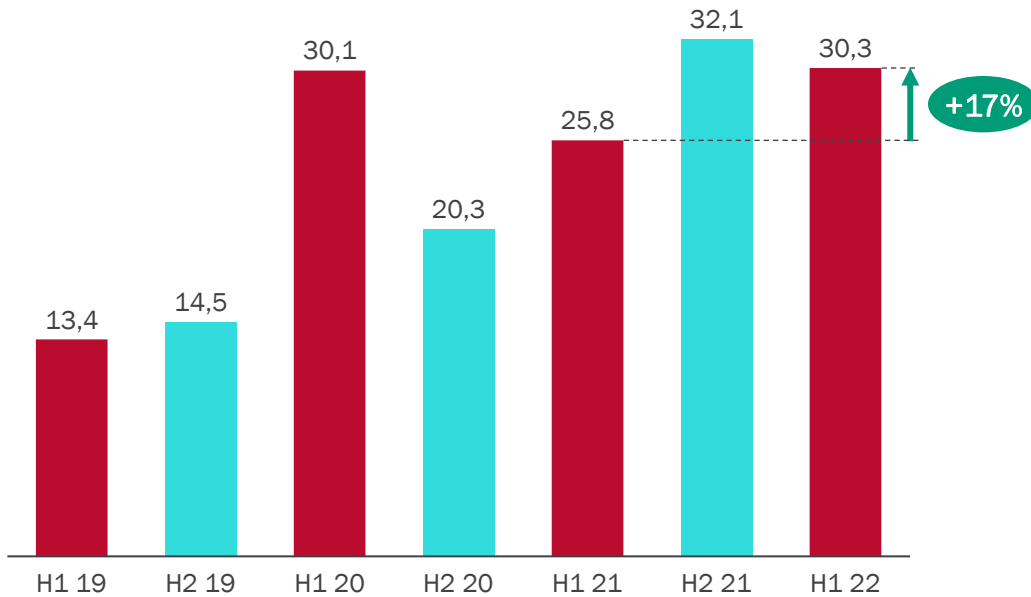


Growth trend – commercialized innovations



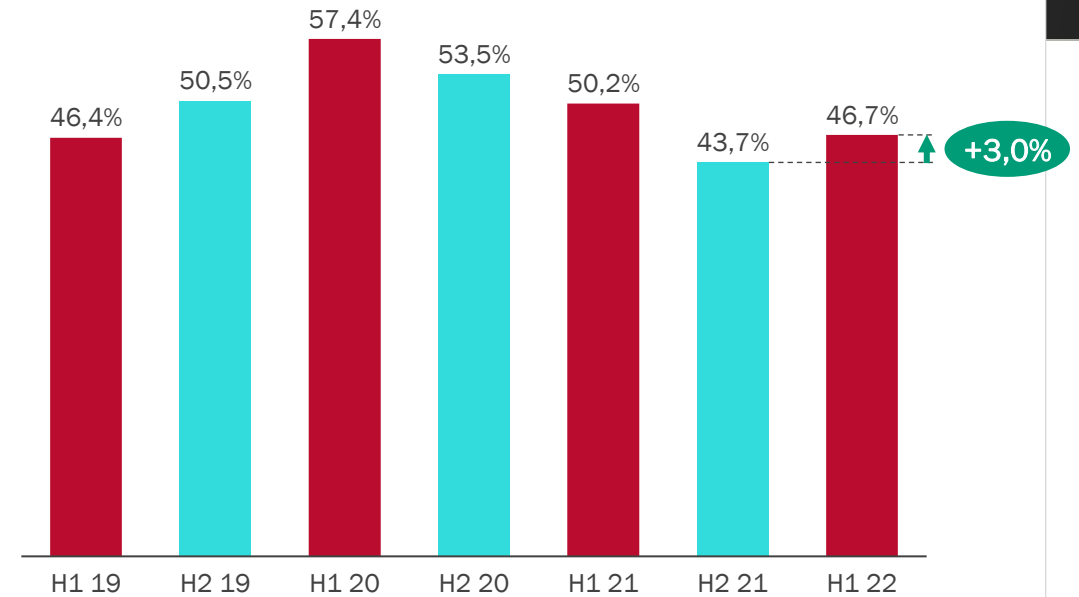
Sales growth trend

Revenue in US\$ million



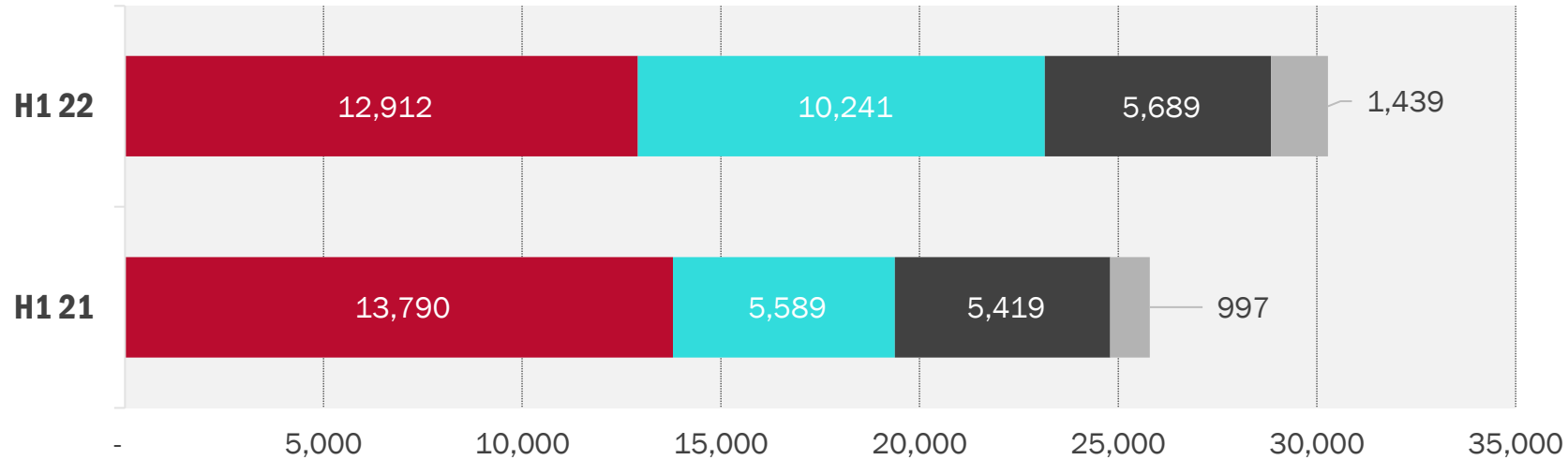
Gross margin trend

Gross margin in %



Sales growth by function

Sales in US\$ '000



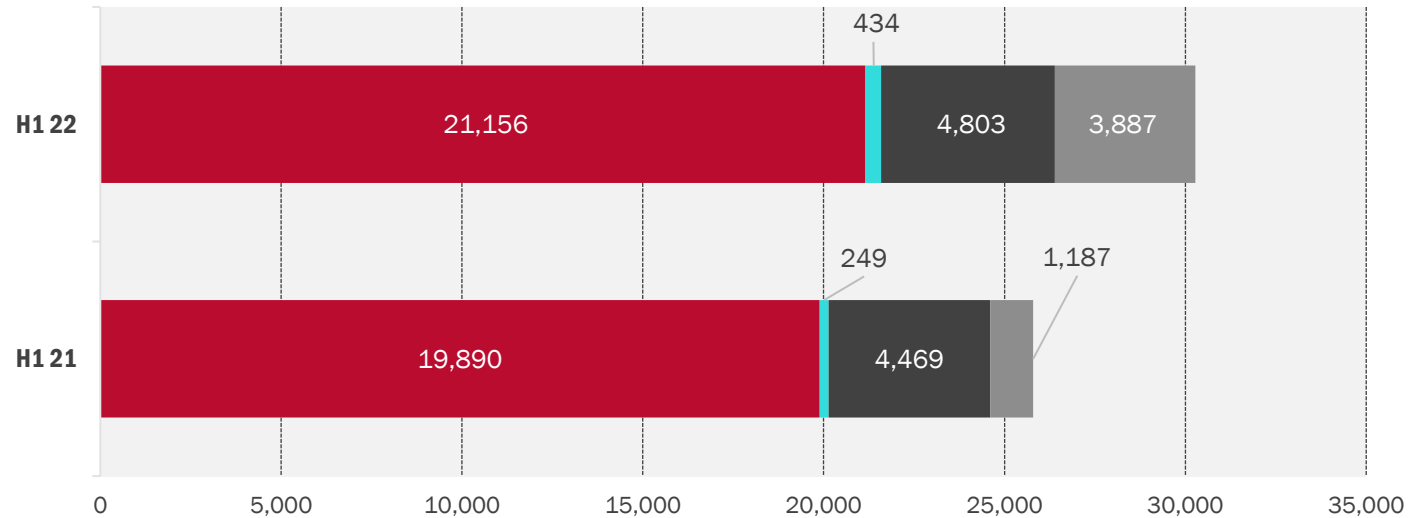
| Function | Growth | Drivers |
|---------------------|--------|---|
| Hygiene | -6% | Impact from lockdowns in China (HeiQ Pure range) |
| Resource Efficiency | +83% | HeiQ AeonIQ, Process Optimization Chemicals and Innovation Services |
| Comfort | +5% | Increase driven by higher demand for surface touch modifiers |
| Protection | +44% | Launch of carpet soil release technology |





Sales growth by form

Sales in US\$ '000



| | Form | Growth | Drivers |
|--|---------------------------|--------|--|
| | Functional Ingredients | +6% | Coatings, Carpet Soil Release and Process chemicals; |
| | Functional Materials | +74% | Antimicrobial masterbatch, textiles & coatings |
| | Functional Consumer Goods | +7% | Synbiotic product line offsetting lower demand for masks |
| | Services & Licensing | +227% | Royalties, Tech Fees & Innovation Services |



Statement of Comprehensive Income



Revenue growth of 17%
driven by function category
“Resource Efficiency”



Gross margins under
pressure compared to H1 21,
but up 3% compared to H2 21



SG&A costs increase
driven by acquisitions and
investments in commercial
teams and innovation

| | Six months to June 30, 2022 US\$'000 | Six months to June 30, 2021 US\$'000 |
|---|--|--|
| Revenue | 30'280 | 25'795 |
| Gross profit | 14'153 | 12'955 |
| Selling and general administrative expenses | (13'878) | (10'576) |
| Other operating income /expenses (net) | 965 | 928 |
| Operating profit | 1'240 | 3'307 |
| Other income /costs (net) | 48 | (175) |
| Finance income /costs (net) | (95) | 238 |
| Income before taxation | 1'193 | 3'370 |
| Taxation | (287) | (522) |
| Income after taxation | 906 | 2'848 |
| Adj. EBITDA | 3'481 | 4'769 |



Revenue US\$m

+17 %

30.3

H1 2022

32.1

H2 2021

25.8

H1 2021



Gross margin %

-3.5%

46.7

H1 2022

43.7

H2 2021

50.2

H1 2021



EBITDA
(Adjusted) US\$m

-27%

3.5

H1 2022

1.7

H2 2021

4.8

H1 2021



Statement of Financial Position



Strong balance sheet
Low leverage



Net cash position of US\$ 7m
Additionally available US\$
10m credit lines



Leadership team owning
about 23% of equity – fully
aligned with investors

| | As at June 30, 2022 US\$'000 | As at Dec 31, 2021 US\$'000 |
|---------------------------------|---|--|
| Intangible assets | 33'448 | 32'212 |
| Other non-current assets | 16'964 | 16'978 |
| Total non-current assets | 50'412 | 49'190 |
| Inventories | 16'184 | 13'770 |
| Trade receivables | 21'512 | 18'050 |
| Other current assets | 5'143 | 6'275 |
| Cash | 9'488 | 14'560 |
| Total current assets | 52'327 | 52'655 |
| Total Assets | 102'739 | 101'845 |

| | As at June 30, 2022 US\$'000 | As at Dec 31, 2021 US\$'000 |
|--------------------------------------|---|--|
| Total Equity | 71'096 | 64'637 |
| Long-term borrowings | 668 | 670 |
| Other non-current liabilities | 12'007 | 12'689 |
| Total non-current liabilities | 12'675 | 13'359 |
| Short-term borrowings | 1'503 | 1'004 |
| Trade & other payables | 7'928 | 9'359 |
| Other current liabilities | 9'537 | 13'486 |
| Total current liabilities | 18'968 | 23'849 |
| Total liabilities | 31,643 | 37'208 |



US\$ 33m
Net working
capital

*Total Current
assets – total
current liabilities*



2.76
Current ratio

*Total Current
assets / total
current liabilities*



1.91
Quick ratio

*(Total Current
assets – inventory) /
total current
liabilities*



US\$ 7m
Net cash

*Cash -
borrowings*



69.2%
Equity ratio

*Total equity /
total assets*



Cashflow Statement

.01

Increase of working capital

- Tactical inventory management
- Significant accounts receivable invoiced at end of H1 22, collected in July 22 (US\$ 3m)

.02

Investments HeiQ AeoniQ pilot plant, IT systems (global ERP) and innovation pipeline

.03

US\$ 1.4m Earn-out payments for 2021 acquisitions (H2 2022):

.04

Capital investment from partner brands in HeiQ AeoniQ (US\$ 2.5m)

| | Six months to June 30, 2022 US\$'000 | Six months to June 30, 2021 US\$'000 |
|---|--|--|
| Income before tax | 1'193 | 3'370 |
| Reconciling items including taxes paid | 957 | 189 |
| Working capital adjustments | (4'153) | (665) |
| Net cash generated from operating activities | (2'003) | 2'894 |
| Purchase of property, plant & equipment (net) | (1'023) | (218) |
| Development of intangible assets | (1'946) | (1'329) |
| Other investing activities including acquisitions | (1'586) | (6'318) |
| Net cash from /used in investing activities | (4'555) | (7'865) |
| Net cash from /used in financing activities | 2'296 | (64) |
| Net (decrease) /increase in cash | (4'262) | (5'035) |
| Cash balance (end of period) | 9'488 | 19'910 |



US\$ (2m)

Operating Cash Flow
(US\$ +2.15m before working capital adjustments)



US\$ (3m)

Free Cash Flow

Cash generated from operating activities – Purchase of property, plant & equipment



(2.21)

Cash Conversion Ratio

Cash generated from operating activities / Income after taxation

H1 2022 business highlights

FINANCIALS

+17%

Revenue US\$m

H1 2022 30.3

H1 2021 25.8

H1 2020 30.1

-3.5ppt

Gross Margin %

H1 2022 46.7

H2 2022 43.7

H1 2021 50.2

H2 2020 53.5

H1 2020 57.4

-27%

Adj. EBITDA US\$m

H1 2022 3.5

H1 2021 4.8

H1 2020 12.0

DIFFERENTIATION

-21%

Media mentions

H1 2022 6'000

H1 2021 7'610

H1 2020 2'000

-169%

Operating Cashflow US\$m

H1 2022 -2.0

H1 2021 2.9

H1 2020 0.3

-66%

EPS (diluted) US\$

H1 2022 0.008

H1 2021 0.0238

H1 2020 0.0832

INNOVATION

21

New R&D projects

2

Patents filed

7

Innovations launched



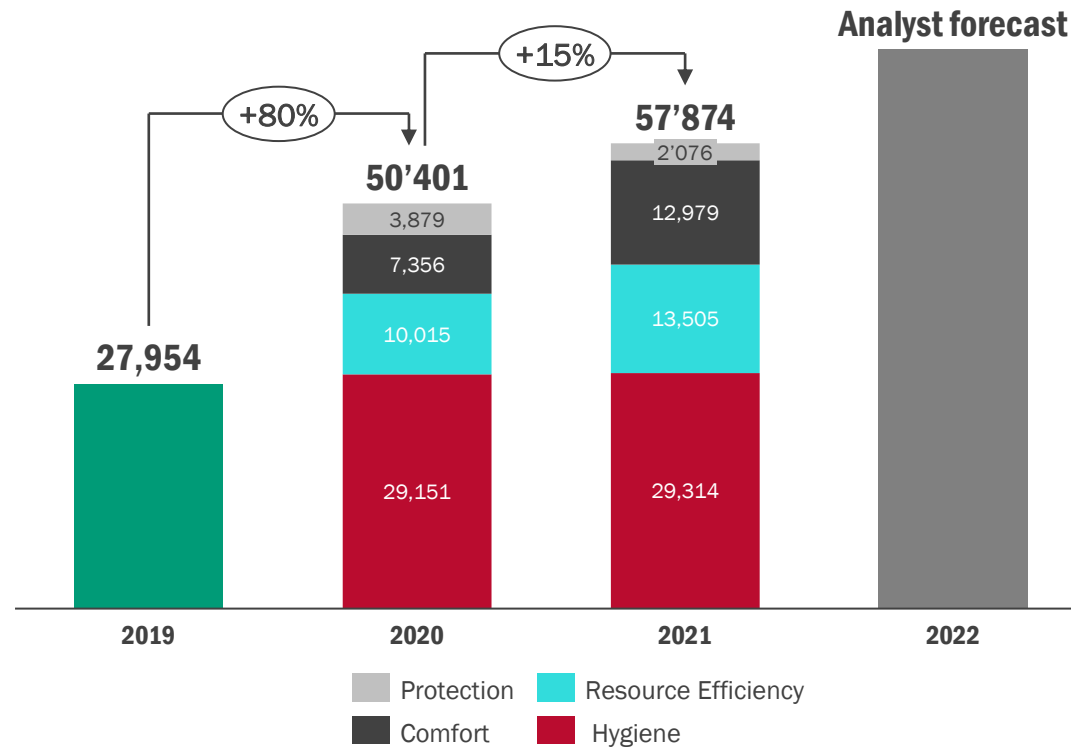
Innovation Update & Outlook

Growth strategy 2022



Growth targets

Revenue in US\$'000



Growth drivers

Protection

- HeiQ Eco Dry – flourine-free carpet stain & water repellency
- HeiQ Synbio - bio-based carpet pet stain & odor control
- Carpet soil release

Comfort

- HeiQ Effect STR – recyclable elastomeric finishing technology
- HeiQ Cool – new, bio-based instant cooling technology
- HeiQ Smart Temp - generation 7.0 launch imminent

Resource efficiency

- HeiQ AeoniQ – world's first climate positive fiber
- HeiQ Clean Tech – >35% energy, water & CO₂ savings in dyeing
- HeiQ ECOS – lowE tech preventing infrared energy loss/gain

Hygiene

- HeiQ Synbio – probiotic hygiene of surfaces
- HeiQ Life Natural – botanical peppermint antimicrobial for plastics
- HeiQ Sanpure – durable hygiene coatings for hospitals
- HeiQ Mint launch imminent



Progress update – HeiQ AeoniQ™

Textile game-changer to replace polyester & nylon fibers

PROGRESS TO DATE

- US\$5m Investment by HUGO BOSS (implied valuation US\$200m) + 7-digit milestone payments
- Pilot commercialization plant operational in Q2 22
- Negotiating with multiple fortune 500 brands, due diligence in progress
- Exclusive distributorship with The LYCRA Company
- Secured Renewcell® Circulose® feedstock derived from textile waste
- Awarded with a Selection in the ISPO Textrends Awards
- Garment capsule collection prototypes ready to launch 1HY 23

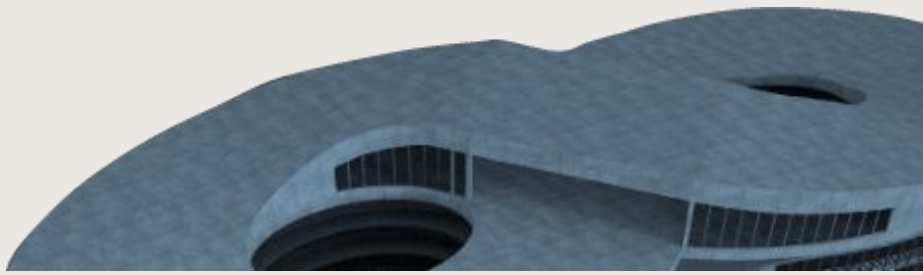


TECHNOLOGY HIGHLIGHT

- World's first climate positive circular & biodegradable cellulosic filament yarn
- Designed to replace polyester & nylon in textile
- Made from cellulosic agri-waste, bio-tech or circular cellulose biopolymers that decarbonize the atmosphere
- For every ton of Polyester substituted by HeiQ AeoniQ up to 5 tons of CO2 are reduced (carbon credits)
- Market potential: Global polyester & nylon annual production: 80 million metric tons, \$135B market, CAGR >5%,
- Potential tech licensing & franchise to accelerate market adoption.

NEXT MILESTONES

- In negotiation
 - Equity investment and development partnership with Mills & Brands
 - Economic aid from the Ministry of Economy of EU countries
- Gigafactory with 30'000 tons annual capacity to be completed by 2025



Progress update – HeiQ GrapheneX™

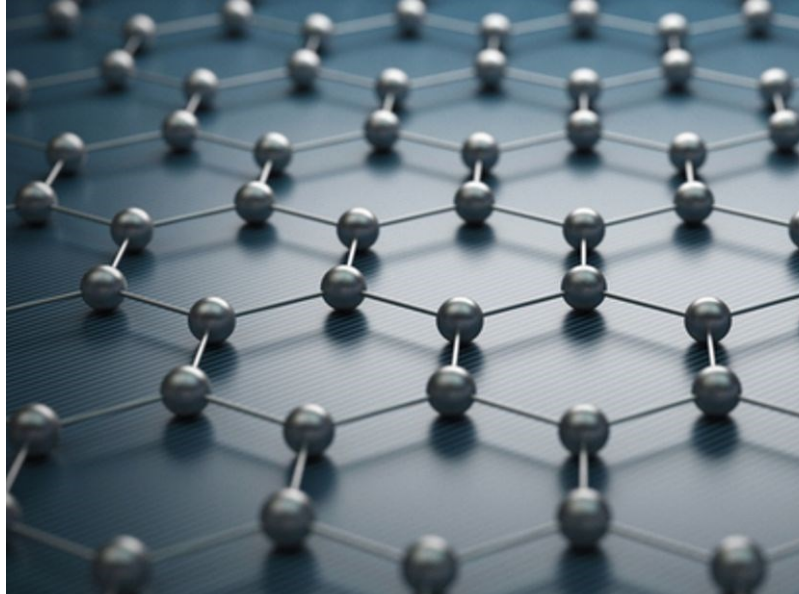
Highly porous graphene membrane for batteries & electronics

PROGRESS TO DATE

- **Sourcing completed for pilot commercialization plant** systems to execute process scale-up
- **Successful prototypes** demonstrating performance benefits enabled by HeiQ GrapheneX materials for initial target solid state battery & electronic vent applications.
- **Battery pilot proof of concept achieved with excellence**
- **Fourth Patent Application filed.**

NEXT MILESTONES

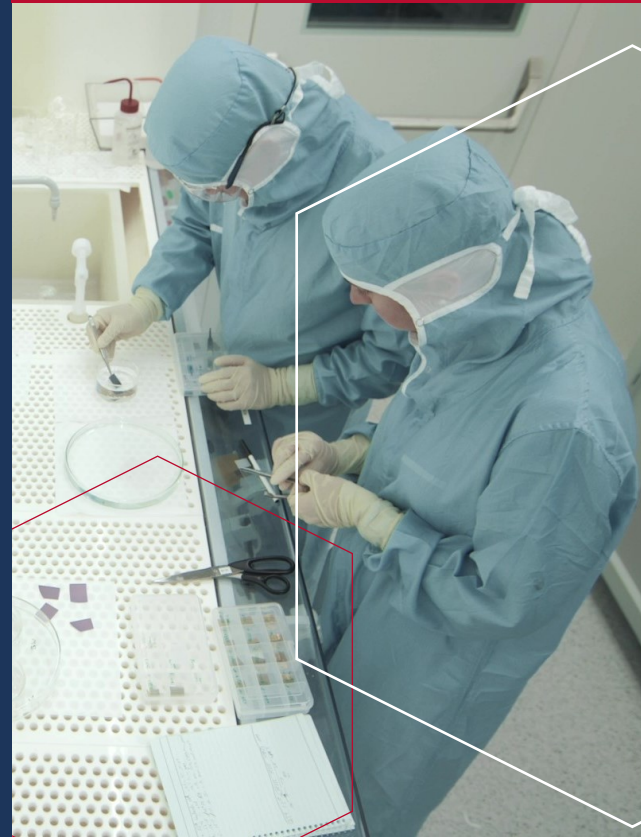
- **Pilot plant on-track to be commissioned by end 2023.**
- JDA with battery & electronic vent leader
- Strategic research collaboration to further develop porous graphene materials as electrodes in next-generation lithium metal batteries, including next round of advanced prototypes.



HEIQ
GRAPHENETMX

TECHNOLOGY HIGHLIGHT

- Proprietary technology platform to directly synthesize porous graphene films
- Atomically-thin, extra strong, flexible, stretchable, resistant, fully permeable and conductive material
- Distinctive properties, enhanced performance across a wide range of applications
- Highly scalable and cost-effective process.
- Resolve the technical challenges for numerous industries:
- Electronics vents
 - Electrodes for next-generation lithium batteries
 - Total market of all applicable sectors: US150bn, CAGR >25%



Progress update – HeiQ Synbio

Synbiotic technology as solution for multi-resistant bacteria & hospital-acquired infections

PROGRESS TO DATE

- Breakthrough publication by Europe's leading University Hospital (Charité Berlin)
- Announced imminent **major shift on EU detergent legislation** in favour of including probiotic cleaning in cleaning protocols
- Extended the number of recurring buying Hospitals in BENELUX
- On-boarded a market leading Facility Management Company as launch partner for several products
- Sales volumes through private label customer Greenspeed accelerating nicely

NEXT MILESTONES

- First medical device **synbiotic skincare against acne**
- Synbio wound-care project in partnership with pharmaceutical company
- Worldwide exclusive distribution right for synbiotic ingredients in negotiation with leading specialty ingredient supplier
- Negotiating with a market leading supplier for a JV for the cosmetic industry
- Global distribution of HeiQ Synbio Clean Pro (international buying platforms)
- Investment in plant with higher capacity & cosmetic ISO

TECHNOLOGY HIGHLIGHT

SYNBIOTIC CLEANING USP

- Backed by a study published by Charite Hospital Berlin to be **more effective than conventional disinfectant and cleaning procedures**
 - Reduces antimicrobial resistance by up to 99.9%
 - Reduces hospital surface pathogens by up to 90% more than disinfectants
 - Reduces costs associated with hospital acquired infection by up to 75%
 - Reduces days of treatment with antibiotics by up to 86%

MARKET POTENTIAL

- Hospital and household cleaners market size total: US\$55b, CAGR 5.2%



Technology launch – HeiQ ECOS®

Silver Nanowire technology for lowE Coatings

PROGRESS TO DATE

- First products launched to market:
 - HeiQ ECOS HC
 - HeiQ ECOS SURFLINK
- Product performance verified in lab & in real-life use
- Pilot commercialization plant commissioned in Q2
- Successful completion of confidential defence application

NEXT MILESTONES

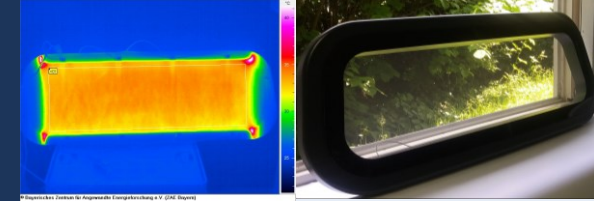
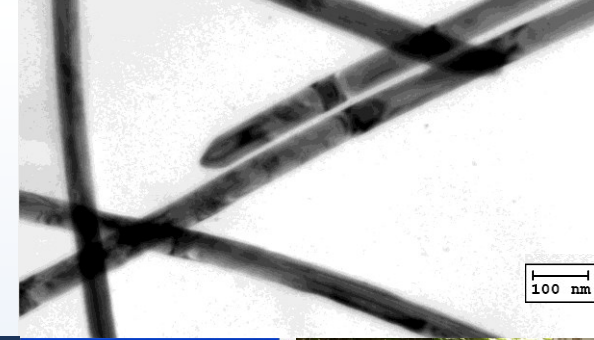
- **Search for a partner among leading European building materials companies for thin, transparent window insulation retrofitting**
- Win a recurring project with manufacturers of military equipment, vehicles and aircraft (IR & Radar shielding)
- Win a project with leading camouflage textile maker to bring the ECOS technology to millions of square meters of camouflage fabric

TECHNOLOGY HIGHLIGHT

- Silver nanowires with diameter 30-40 nm.
- Invisible, transparent, conductive, heat-reflecting
- APPLICATIONS:
 - Transparent heating (e.g., rear windshield of cars,
 - Radar & infrared shielding (e.g., for camouflage nets, drones)
 - Transparent heat reflection (e.g. greenhouses, single glazed windows).

OPPORTUNITIES:

- Rapidly rising energy prices (heat reflection for saving energy)
- Increased defence need and investments by countries



Looking ahead

Invest in innovation 2022

- Integration of acquired businesses
- **HeiQ AeonIQ**: Pilot commercialization plant launch
- **HeiQ Synbio**: Market channels development supported by 3rd party credentialling of the technologies
- **HeiQ GrapheneX**: pilot commercialization plant order & JV partner selection
- **HeiQ ECOS**: product application development with partners

2020 Listing

- Listing on the LSE
- >100% sales growth

2021 Tech expansion

- Completed 3 complementary acquisitions
- Double FTE's
- Expanded technology base
- Entered into new markets

2023 & Beyond

Invest in growth

- Focus on growing key markets with dedicated organizational structure and blockbuster technologies
- HeiQ AeonIQ: Giga Factory building
- HeiQ Synbio: build up of sales channels into hospitals



Differentiate.



Innovate.



Invest in HeiQ. Invest in impact.

Traded at:
XLON: HEIQ
ISIN: GB00BN2CJ299

Investment case summary

.01

Solid growth path

- Historic CAGR of 77%
- 15% top line growth in FY 2021
- 17% top line growth in H1 2022
- Target US\$300m revenue in the mid-term

.02

Financial track record

- Cash generative operating business
- Healthy balance sheet & financing structure
- Strong cash position allowing strategy execution

.03

Established IP creator

- 7 innovation tech platforms
- 4 blockbuster technologies in sight (combined implied valuation US\$ >400m)
- ~10% of revenues invested in R&D

.04

Experienced, diverse and committed leadership team

- ~23% ownership

.05

Award-winning ESG credentials

- Swiss Environmental award
- Swiss Tech award (2x)

Differentiate. Innovate.



UK

London
HeiQ plc
Ultimate parent

Switzerland

Schlieren (Zurich)
HeiQ Materials AG
*Operational headquarters
R&D/Testing/Production*

Australia

Geelong
HeiQ PTY
R&D/Production

Austria

Herzogenburg
HeiQ GmbH
R&D/Sales

Belgium

Lommel
HeiQ Chrisal NV
R&D/Production

Germany

Regensburg
HeiQ RAS AG
R&D/Sales

Greater China

Shanghai
HeiQ Materials
Company Limited
Warehouse/Testing/Sales

Japan

Tokyo
Sales

Portugal

Moreira da Maia
HeiQ Iberia
Unipessoal Lda
R&D/Sales

Spain

Pizarra (Málaga)
HeiQ Medica SL
R&D/Production/Sales

Thailand

Bangkok
HeiQ Life
R&D/Production/Sales

USA

Concord & Calhoun
HeiQ ChemTex Inc.
R&D/Production/Sales

Taoyuan City/Taiwan
HeiQ Company Ltd /
HX Company Ltd
Sales/Production

Follow us:



LSE : HeiQ
www.heiq.com

SWISS
TECH
INSIDE