



Company and strategy presentation

April 2021

**SWISS
TECH
INSIDE**



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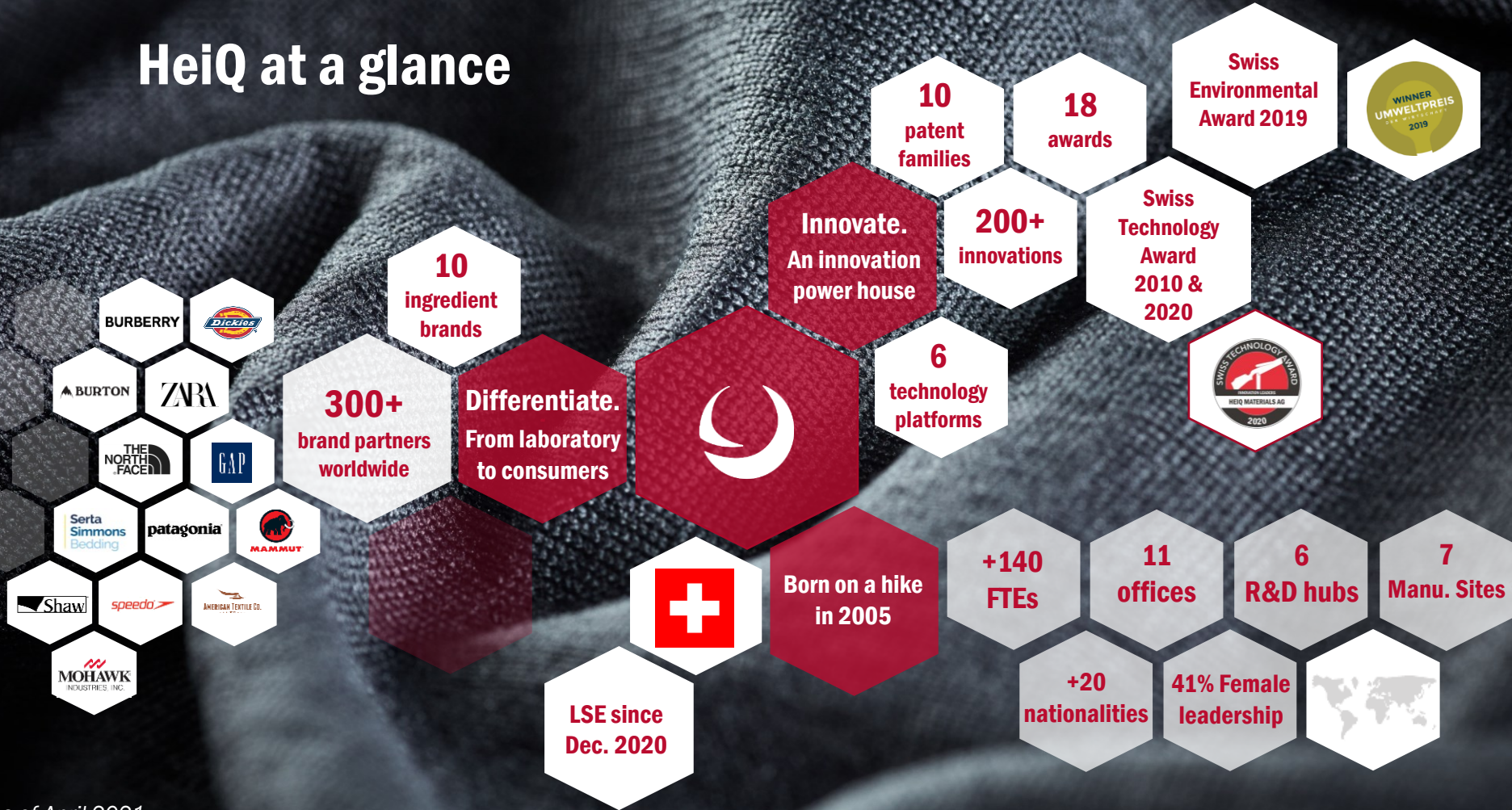
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HeiQ at a glance



What we do and our key markets

Our Purpose

To improve lives by innovating the materials people use every day.



Antimicrobial Textiles market

+\$10bn

in 2019 | **CAGR 9.8 %**
(Global Market Insights)

Textile chemicals market

+\$24bn

CAGR 4.5%
(GrandView Research)

Industrial filtration market

+\$29bn

in 2020 | **CAGR 6.9 %**
(Markets and Markets™)

Probiotics market

+\$50bn

CAGR 6.9 %
(GrandView Research)

Proven strategy

Anticipate future needs brought by megatrends

- Create novel demand
- Create new segment in our key markets (blue ocean)
- Win with end-to-end innovations, from lab to consumer
- Products with strong ESG focus

**HEIQ
SMART TEMP**

- ✓ Launched in 2011
- ✓ 4 upgrades since launch
- ✓ +16% in 2020



**HEIQ
FRESH AIR**

- ✓ Launched in Q4 2019
- ✓ \$2 mio with first customer first article (curtain)

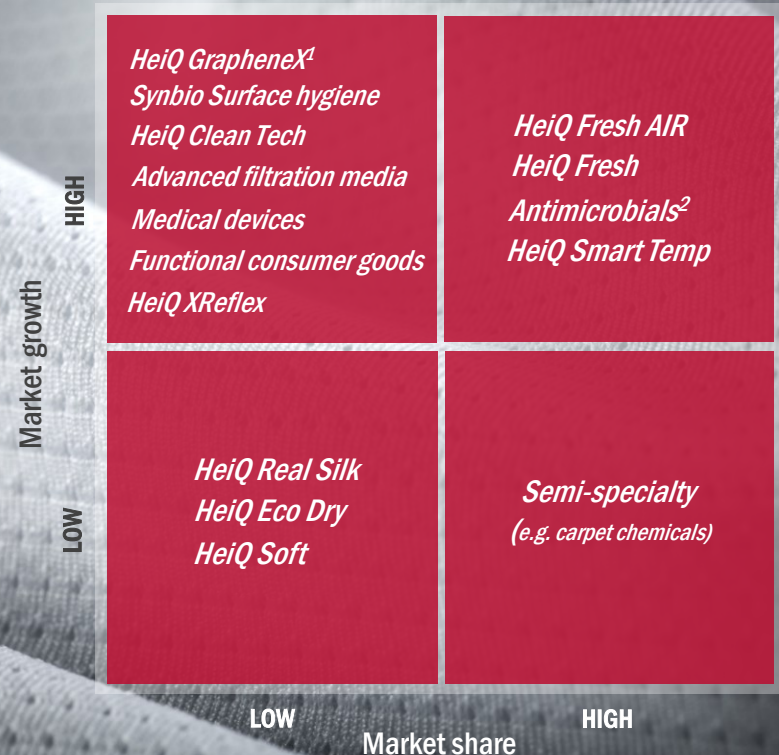


**HEIQ
VIROBLOCK**

- ✓ Invented in 2013
- ✓ Commercialized in 2020
- ✓ \$14mio sales



Balanced product portfolio with exciting growth opportunities



¹ Research project

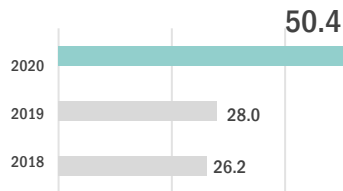
² Includes HeiQ BacShield, HeiQ Pure and HeiQ Viroblock

2020 business highlights

FINANCIALS

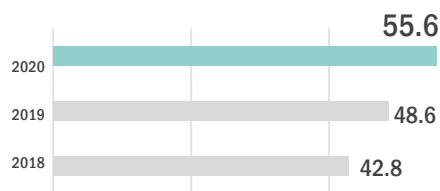
+80.3%

Revenue \$m



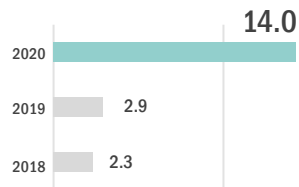
+700bpt

Gross Margin %



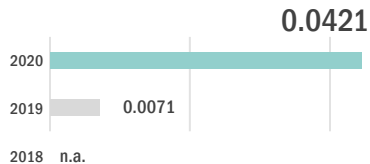
+384%

Adj. EBITDA \$m



+493%

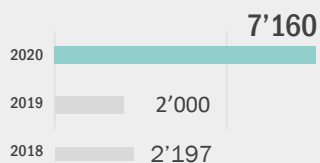
EPS (diluted) \$



DIFFERENTIATION

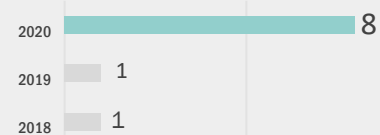
+280%

Media mentions



+700%

Royalty contracts enacted



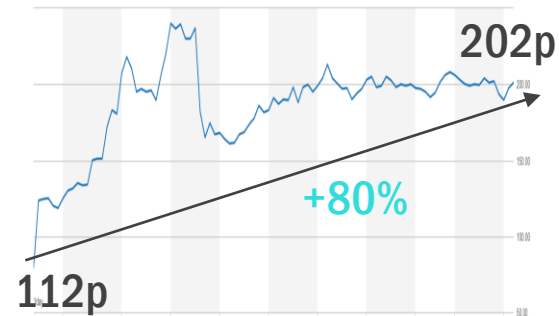
INNOVATION

+12

New R&D projects

5

Innovations launched



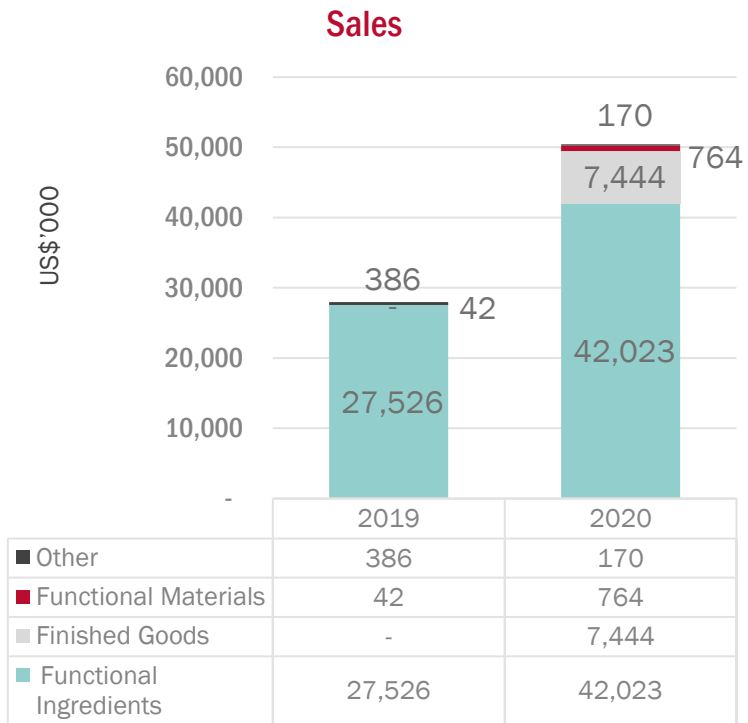
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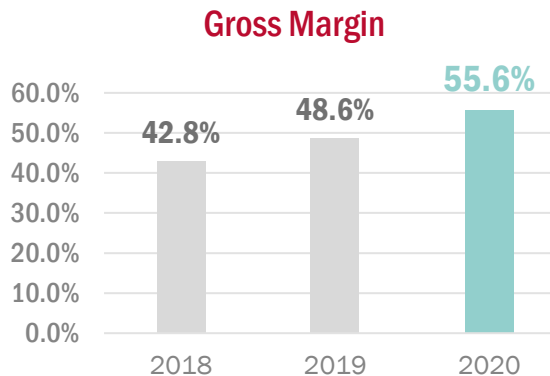
Financials 2020



Strong, profitable sales growth in 2020



- Strong organic growth of +80.3%
- Increased gross margin +700bpt to 55.6%
- Successful forward integration from Functional Ingredients into Functional Materials and Finished goods
- Key drivers: HeiQ Smart Temp, HeiQ Viroblock, Medical devices





Statement of Comprehensive Income

	2020	2019	Variance	
	\$'000	\$'000	\$'000	%
Revenue	50,401	27,954	22,447	80.3%
Cost of sales	-22,402	-14,382	-8,020	55.8%
Gross profit	27,999	13,572	14,427	106.3%
Gross profit margin	55.6%	48.6%	7.0%	
Other operating income	4,744	1,585	3,159	199.3%
Selling and general administrative expenses	-16,117	-12,048	-4,069	33.8%
Other operating expenses	-5,127	-1,687	-3,440	203.9%
Operating profit	11,499	1,422	10,077	708.6%
Operating profit margin	22.8%	5.1%	17.7%	
Deemed cost of listing	-1,402	-	-1,402	
Transaction costs of relisting	-1,871	-	-1,871	
Other income	-	24	-24	-100.0%
Other costs	-69	-	-69	
Finance income	68	8	60	750.0%
Finance costs	-1,184	-428	-756	176.6%
Share of (losses) / profits of associates	-15	3	-18	-600.0%
Income before taxation	7,026	1,029	5,997	582.8%
Taxation	-2,112	-314	-1,798	572.6%
Income after taxation	4,914	715	4,199	587.3%

Operating profit	11,499	1,422	10,077	708.6%
Amortization & Depreciation	1,254	1,265	-11	-0.9%
Adjustment of share-based payments	1,217	201	1'016	505.5%
Adjusted EBITDA	13,970	2'888	11'082	383.7%
Adjusted EBITDA margin	27.7%	10.3%		17.4%

- **Strong overall performance**
 - Revenue: \$50M (+80%)
 - Adj. EBITDA: \$14M (+384%)
 - Net profit: \$5M (+587%)
- **Adjusted EBITDA** includes investments in new markets like Medical device & Consumer goods
- **Other operating income/expense** driven by foreign exchange impacts
- **Listing cost** of in total \$3.3M included in profit
- **Finance cost** driven by foreign exchange impacts



Statement of Financial Position

ASSETS	2020	2019	Variance	
	\$'000	\$'000	\$'000	%
Intangible assets	5,264	4,522	742	16%
Property, plant and equipment	5,467	3,884	1,583	41%
Right-of-use assets	2,564	2,714	-150	-6%
Investments	-	44	-44	-100%
Deferred tax assets	826	380	446	117%
Other non-current assets	206	73	133	182%
Non-current assets	14,327	11,617	2,710	23%
Inventories	13,328	3,202	10,126	316%
Trade receivables	13,437	9,175	4,262	46%
Other receivables and prepayments	2,609	342	2,267	663%
Cash and cash equivalents	25,695	3,603	22,092	613%
Current assets	55,069	16,322	38,747	237%
Total assets	69,396	27,939	41,457	148%

- Net current assets: \$43M
- Higher inventory levels due to general, global supply chain instabilities
- Net cash position: \$24m
- Equity ratio: 71%

EQUITY AND LIABILITIES	2020	2019	Variance	
	\$'000	\$'000	\$'000	%
Share capital	49,559	2,696	46,863	1'738%
Capital reserve	134,537	25,168	109,369	435%
Other reserve	-2,043	1,312	-731	56%
Share-based payment reserve	50	-	50	
Merger reserve	-126,912	-	-126,912	
Currency translation reserve	2,937	467	2,470	529%
Retained deficit	-8,711	13,702	4,991	-36%
Equity attributable to owners of the parent	49,417	13,317	36,100	271%
Non-controlling interests	-20	23	-43	-187%
Total equity	49,397	13,340	36,057	270%
Lease liabilities	2,304	2,445	-141	-6%
Deferred tax liability	857	216	641	297%
Long-term borrowings	1,400	-	1,400	
Other non-current liabilities	3,425	2,780	645	23%
Total non-current liabilities	7,986	5,441	2,545	47%
Trade and other payables	5,815	1,830	3,985	218%
Accrued liabilities	3,214	3,113	101	3%
Income tax liability	1,495	101	1,394	1380%
Deferred revenue	-	50	-50	-100%
Short-term borrowings	173	2,478	-2,305	-93%
Lease liabilities	349	339	10	3%
Other current liabilities	967	1,247	-280	-22%
Total current liabilities	12,013	9,158	2,855	31%
Total liabilities	19,999	14,599	5,400	37%
Total liabilities and equity	69,396	27,939	41,457	148%



Cashflow Statement

Cash flows from operating activities	2020	2019	Variance	
	\$'000	\$'000	\$'000	%
Income before taxation	7,026	1,029	5,997	583%
Cash flow from operations reconciliation:	4,676	2,074	2,602	125%
Depreciation and amortization	1,254	1,267	-13	-1%
Loss on disposal of property, plant and equipment	46	2	44	2200%
Loss on disposal of investments	22	-	22	
Finance costs	399	428	-29	-7%
Finance income	-68	-8	-60	750%
Expected credit loss on trade receivables	377	-	377	
Pension expense	176	-	176	
Non-cash equity compensation	1,217	428	789	184%
Share of loss / (profit) of associates	15	-3	18	-600%
Deemed cost of listing	1,402	-	1,402	
Foreign exchange differences	-164	-40	-124	310%
Working capital adjustments:	-10,549	64	-10,613	-16583%
(Increase)/decrease in inventories	-8,161	696	-8,857	-1273%
(Increase) in trade and other receivables	-5,165	-2,044	-3,121	153%
Increase in trade and other payables	2,777	1,412	1,365	97%
Cash generated from operations	1,153	3,167	-2,014	-64%
Taxes paid	-48	-178	130	-73%
Net cash generated from operating activities	1,105	2,989	-1,884	-63%

<i>Operating cashflow before Working Capital adjustments</i>	11,654	2,925	8,729	298%
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- Strong operating cashflow before working capital investments to manage increased business and global supply chain instabilities
- Ended the year with a strong cash position to fund growth initiatives

Cash flows from investing activities	2020	2019	Variance	
	\$'000	\$'000	\$'000	%
Consideration for acquisitions of businesses	-1,424	-1,290	-134	10%
Cash assumed on acquisitions of businesses	27,111	-	27,111	
Purchase of property, plant and equipment	-932	-370	-562	152%
Proceeds from the disposal of property, plant and equipment	10	4	6	150%
Development of intangible assets	-635	-118	-517	438%
Investment in associated company	-	-15	15	-100%
Proceeds from the disposal of associated company	7	-	7	
Finance income	68	8	60	750%
Net cash from / (used in) investing activities	24,205	-1,781	25,986	-1459%

Cash flows from financing activities	2020	2019	Variance	
	\$'000	\$'000	\$'000	%
Finance costs	-399	-182	-217	119%
Repayment of leases	-354	-386	32	-8%
Proceeds from borrowings	2	929	-927	-100%
Repayment of borrowings	-2,737	-	-2,737	
Dividends paid from capital contributions	-	-149	149	-100%
Net cash (used in) / from financing activities	-3,488	212	-3,700	-1745%

Net increase in cash and cash equivalents	21,822	1,420	20,402	1437%
Cash and cash equivalents – beginning of the year	3,603	2,163	1,440	67%
Effects of exchange rate changes on the balance of cash held in foreign currencies	270	20	250	1250%
Cash and cash equivalents – end of the year	25,695	3,603	22,092	613%



Looking ahead

2020 paved the way to future sales

Broadened customer base

- +124% invoiced customers
- Cross-selling of new innovation initiated (typical time to market 18 month)^L

Expanded sales network

- +9 new distributors
- +6 sales staff
- Direct-to-consumer sales initiated (1M sales on Webshop)

Entered into new markets

- Consumer goods
- Medical device
- Healthcare

Strengthened brand equity

- + brand presence (7'160 media mentions)
- +7 royalty contracts
- +650 new brands on-boarded by trademark license agreement^L (150 already on market)



^LLeading indicator for future sales



2021: strong start + strategic focus

	Priority for 2021	Our progress in Q1
Sales channels	<ul style="list-style-type: none">• <u>China</u> full commercial entity• HeiQ subsidiaries <u>South Asia</u>• Additional distributors & sales staff• New industry partners	<ul style="list-style-type: none">• Sales above Q4'20 & Q1'20• 5 large <u>contract wins</u>• Entered <u>4 new markets</u>• 5 new distributors, 2 sales staff
Innovation & technology platforms	<ul style="list-style-type: none">• Upgrade to one of key lifestyle range• HeiQ Fresh AIR• Microbial management• High-tech surgical mask	<ul style="list-style-type: none">• Acquired <u>probiotics tech.</u> platform• Launched <u>5 ingredients</u> products• Launched Advanced <u>Filtration Media</u>• 3 staff for HeiQ GrapheneX• 2 PhD's for R&D
Differentiating capabilities	<ul style="list-style-type: none">• <u>Regulatory</u>• Digitization• Digital marketing	<ul style="list-style-type: none">• Strengthened regulatory, royalty• Launched B2C social media
M&As	<ul style="list-style-type: none">• <u>Capability building</u> M&As	<ul style="list-style-type: none">• HeiQ Medica integration• Acquired HeiQ Chrisal (Industrial Biotech)• Added manufacturing facilities

Industrial biotech acquisition

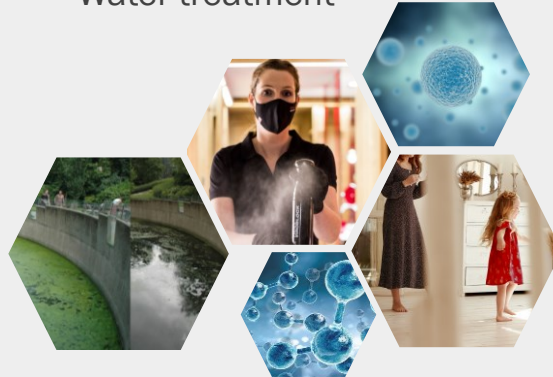
Overview:

- Turnover c.a. \$6mio
- Operating margin 25%
- Strong IP: 4 patents (+2 pending)
- +500 customers in 25 countries
- 120 products (probiotics & patented synbiotic)



Key markets:

- Healthcare (+40 hospitals in IT, DE, NL, BE)
- Homecare
- Personal care / cosmetics
- Water treatment



Opportunities for HeiQ

- Probiotic ingredient for textile chemical
- HeiQ marketing & branding for Chrisal products
- Manufacturing capability for functional consumer goods
- Probiotic surface hygiene solution as next generation microbial management



PROBLEM:

Multi-resistant bacteria & hospital acquired infections

SOLUTION:

Patented Synbiotic tech. (70% reduction in clinical study!)

Healthcare surface hygiene

PROBLEM:

Current batteries have limited reach & long charging time

SOLUTION:

HeiQ GraphenX high-yield high-efficiency batteries

Batteries

Desalinization

PROBLEM:

The world is running dry due to climate change

SOLUTION:

HeiQ GrapheneX high-efficiency desalinization providing clean drinking water

Air purifying textiles

PROBLEM:

Air pollution kills 7 mio people each year (WHO)

SOLUTION:

Air purifying textiles (market tested, exponential organic growth potential)

Multiple substantial growth opportunities

Reach new height with us

**Medium term
goal: grow
revenue from
\$50m to \$300m**

High performing, growing business

- Strong financial base
- High margin business in high growing markets
- Healthy organic growth
- Growing brand equity

Innovation powerhouse

- 6 technology platforms
- 20+ universities
- 10 patent families
- 40+ projects in R&D pipeline

Multiple growth opportunities

- Microbial management
- Air Purification
- Desalination (HeiQ GrapheneX)
- Water purification

Differentiate. Innovate.

HeiQ PLC (UK)

London
(Ultimate parent)

Switzerland

Schlieren
Operational headquarters
(R&D & Testing)
& Zurzach (Production)

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Australia

Geelong, Australia
(R&D/Production)

HeiQ Chrisal (Belgium)

Probiotics & synbiotics,
Lommel
(R&D, Production)

Greater China

Shanghai (Testing & Sales)
Taiwan (Production & Sales)
Hong Kong (Logistics & Sales)

Japan

Tokyo
(Sales)

Portugal

Maia
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