



INVESTOR PRESENTATION

Interim results 2022

Jenny Winter, Chief Executive Officer
Chris Brewster, Chief Financial Officer

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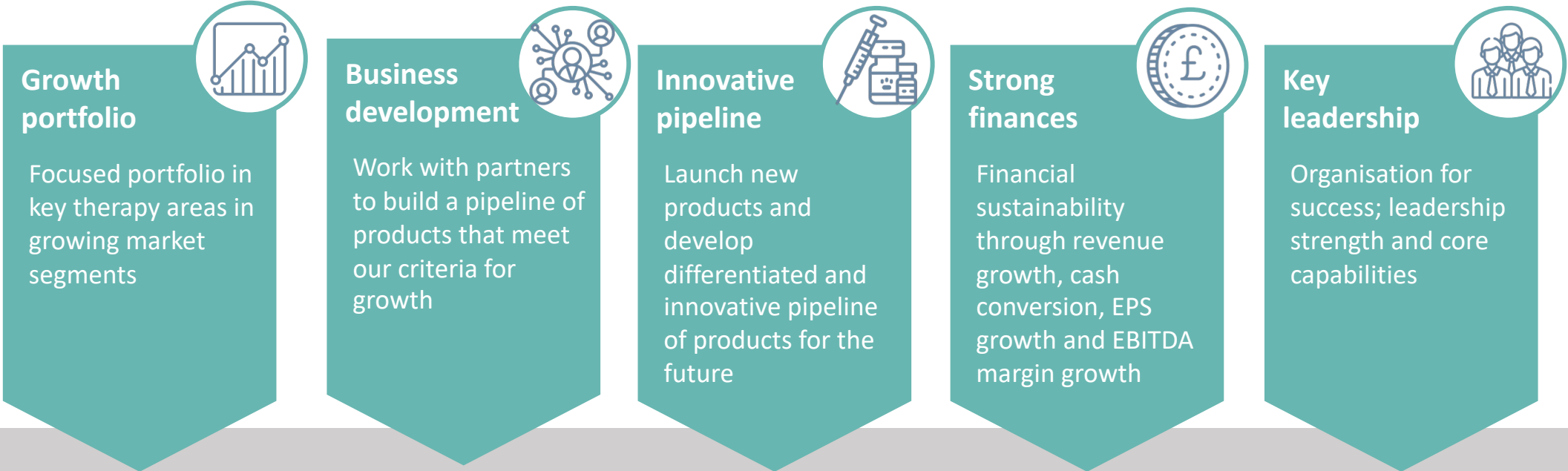
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Solid revenue, improved margins and strategic progress



H1 highlights

- ✓ 2.4% increase in revenue generated by Top 40 products
- ✓ Focus on Top 40 a key driver of 1.4% increase in gross margin
- ✓ Global VHH research collaboration with Orthros Medical
- ✓ Group continues to leverage financial platform in pursuit of M&A and licensing deals
- ✓ Orthros research studies under way; full year spend expected to total c£0.5m
- ✓ STEM Plaqtiv+ range launched
- ✓ Solid revenues and improved gross margins against exceptional H1 2021 and headwinds
- ✓ Net debt well below Group's target range
- ✓ Continuing to build a scalable organisation for future growth
- ✓ Doug Hutchens and Sylvia Metayer appointed to Group Board

Financial highlights H1 2022

Revenue

↓2.1%

£38.3m



0% at CER versus prior year period

Underlying EBITDA

↓5.3%

£8.0m



Underlying EBITDA margin 21.0%; 21.7% for H1 2021

Gross margin

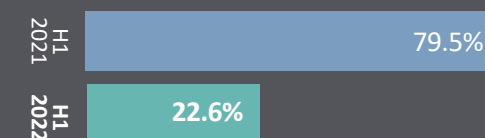
↑1.4%

56.0%



Underlying cash conversion

22.6%



Net debt* below target range for underlying EBITDA leverage ratio

2022 interim dividend

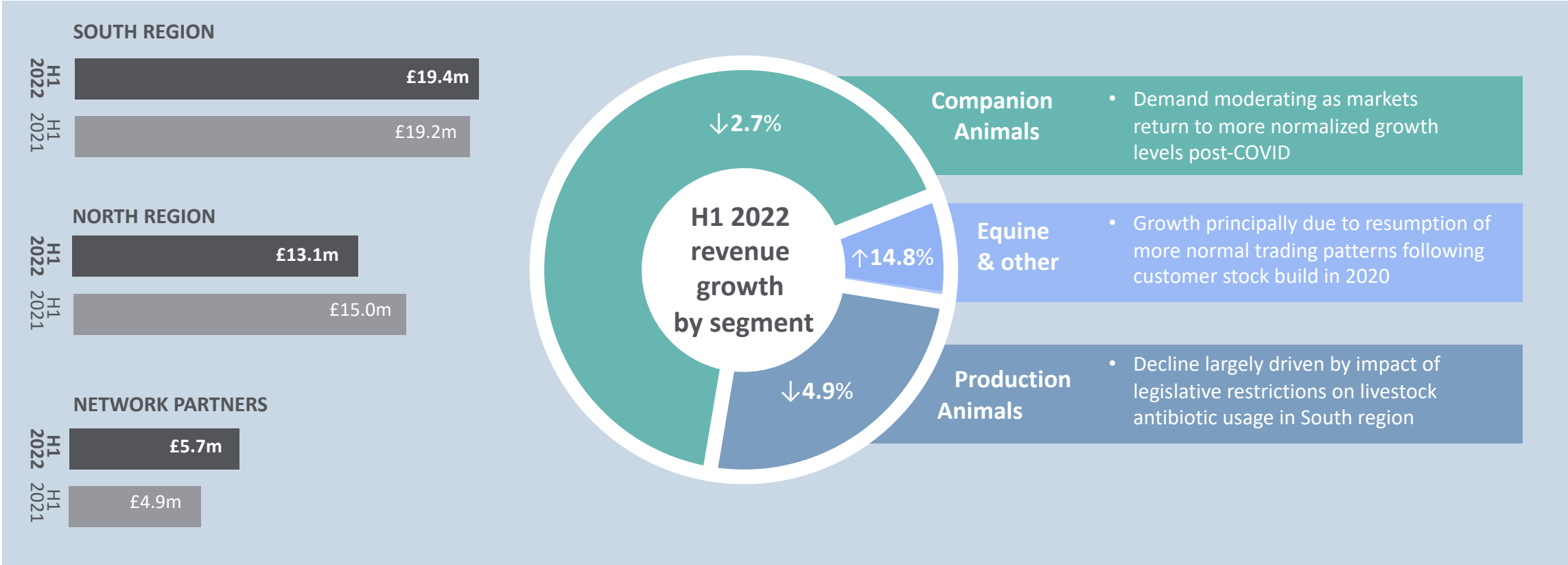
Board declares **2.0 pence** per share dividend payment reflecting solid revenue performance, margin growth and financial strength in a market with attractive fundamentals

Underlying measures are before the effect of non-underlying items which excludes fair value adjustments on acquired inventory, amortisation of acquired intangibles and acquisition and integration costs.

* Net debt as at 30 June 2022

Solid revenue performance against exceptional H1 2021

Sector fundamentals remain attractive despite intensifying headwinds



Ongoing focus on top 40 brands drives margin growth

Smaller number of higher selling, higher margin products increases management focus and impact of sales and marketing activity



↑2.4%

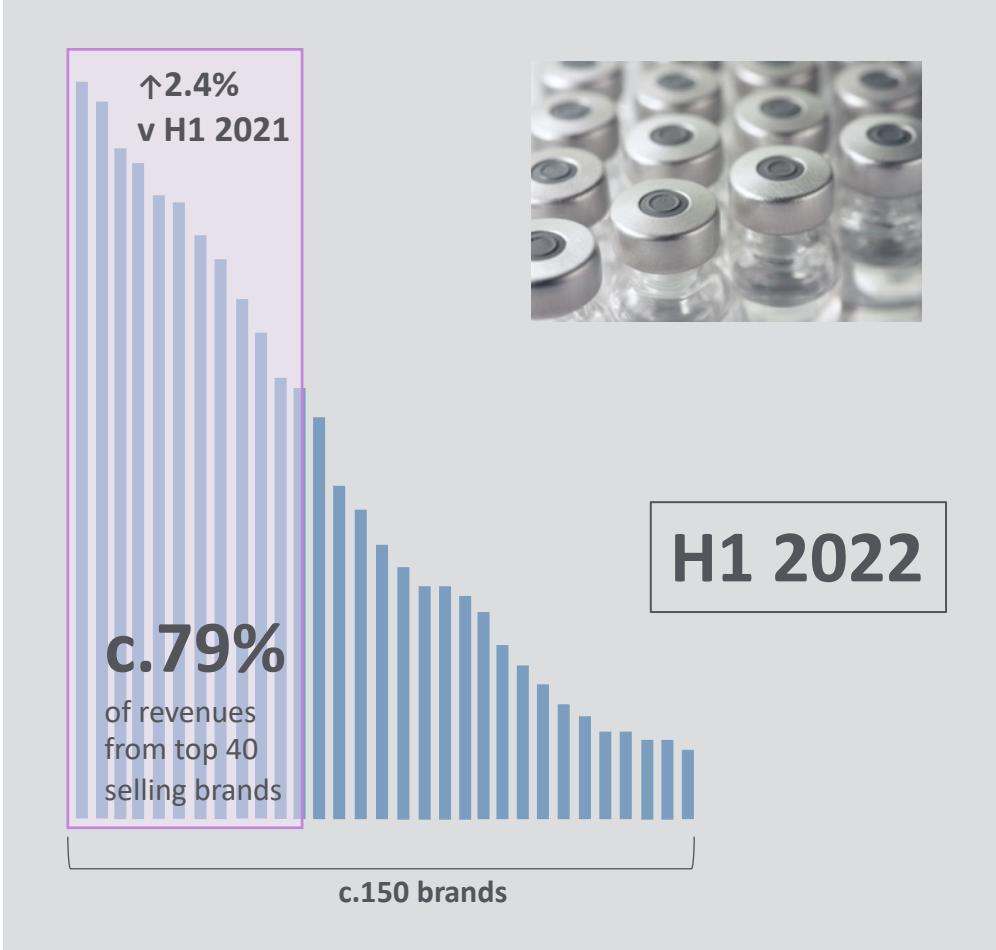
Increase in revenue generated by **top 40 selling brands** in H1 2022 – predominately driven by new product launches

Increase in gross margin in H1 benefiting from continued focus on brands with **higher growth and margin potential**

↑1.4%

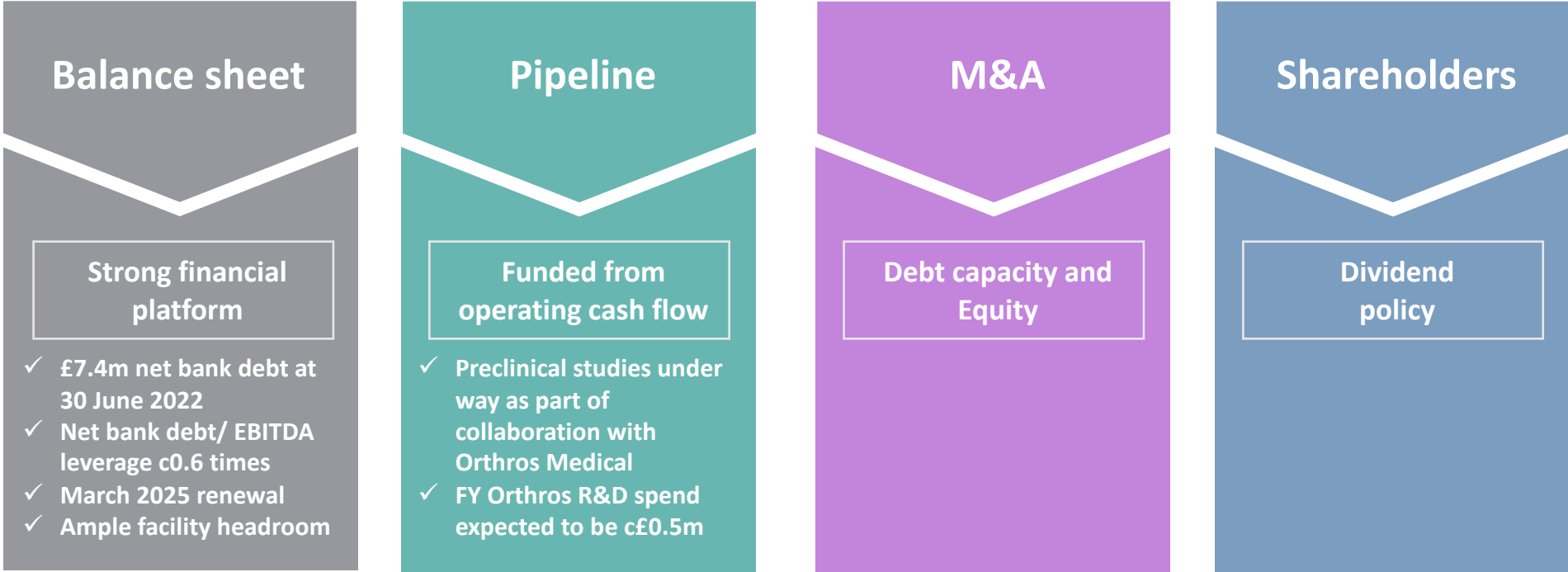


Inflationary headwinds intensifying but no significant impact on gross and EBITDA margins in first half due in part to mitigating price actions



Capital allocation

Balance sheet well positioned to execute strategy



GUIDANCE

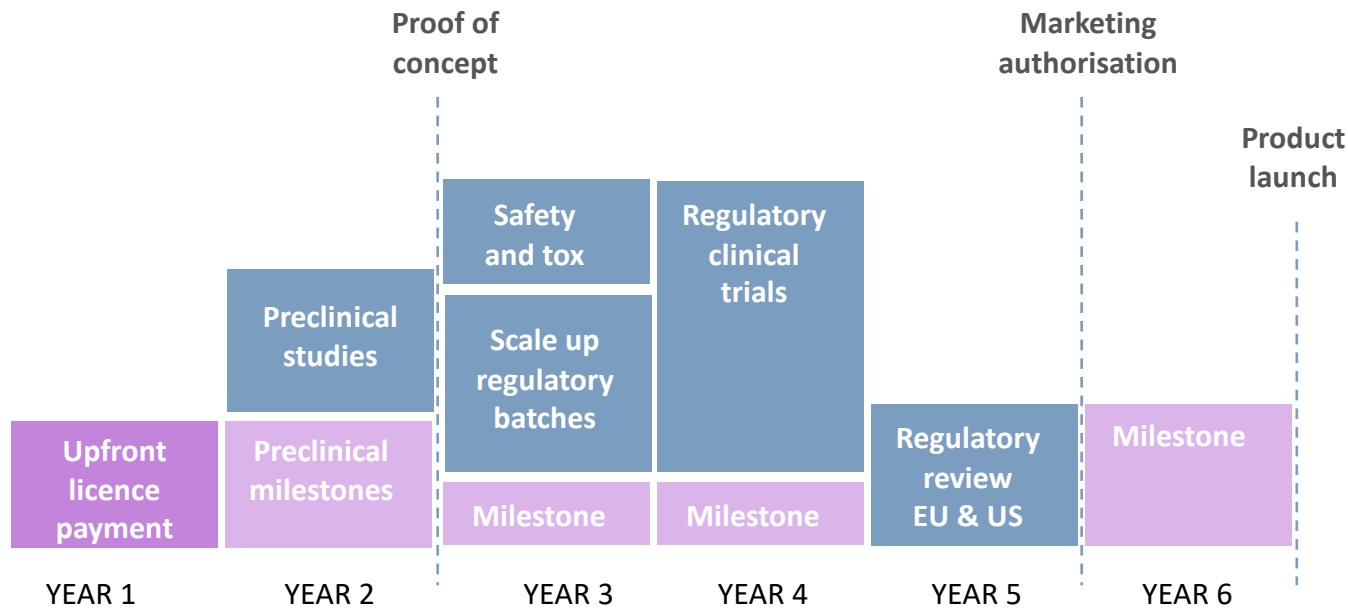
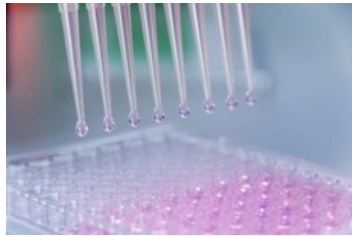
Net debt to EBITDA **leverage** range
1.0x to 2.0x

Underlying **cash conversion**
90% to 100%

R&D investment as % of sales
5% to 10%

Strengthening pipeline through risk adjusted approach

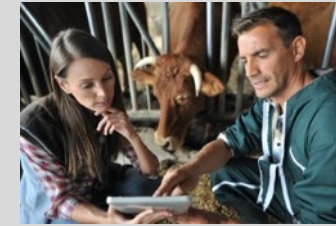
Breakdown of headline figure for typical early-stage in-licensed candidate drug



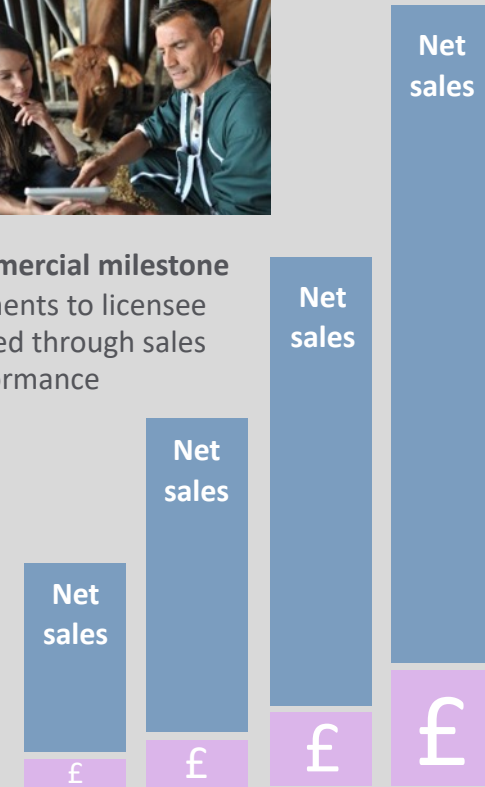
Licensee

Paid to licensor by licensee

INDICATIVE ONLY: NOT TO SCALE

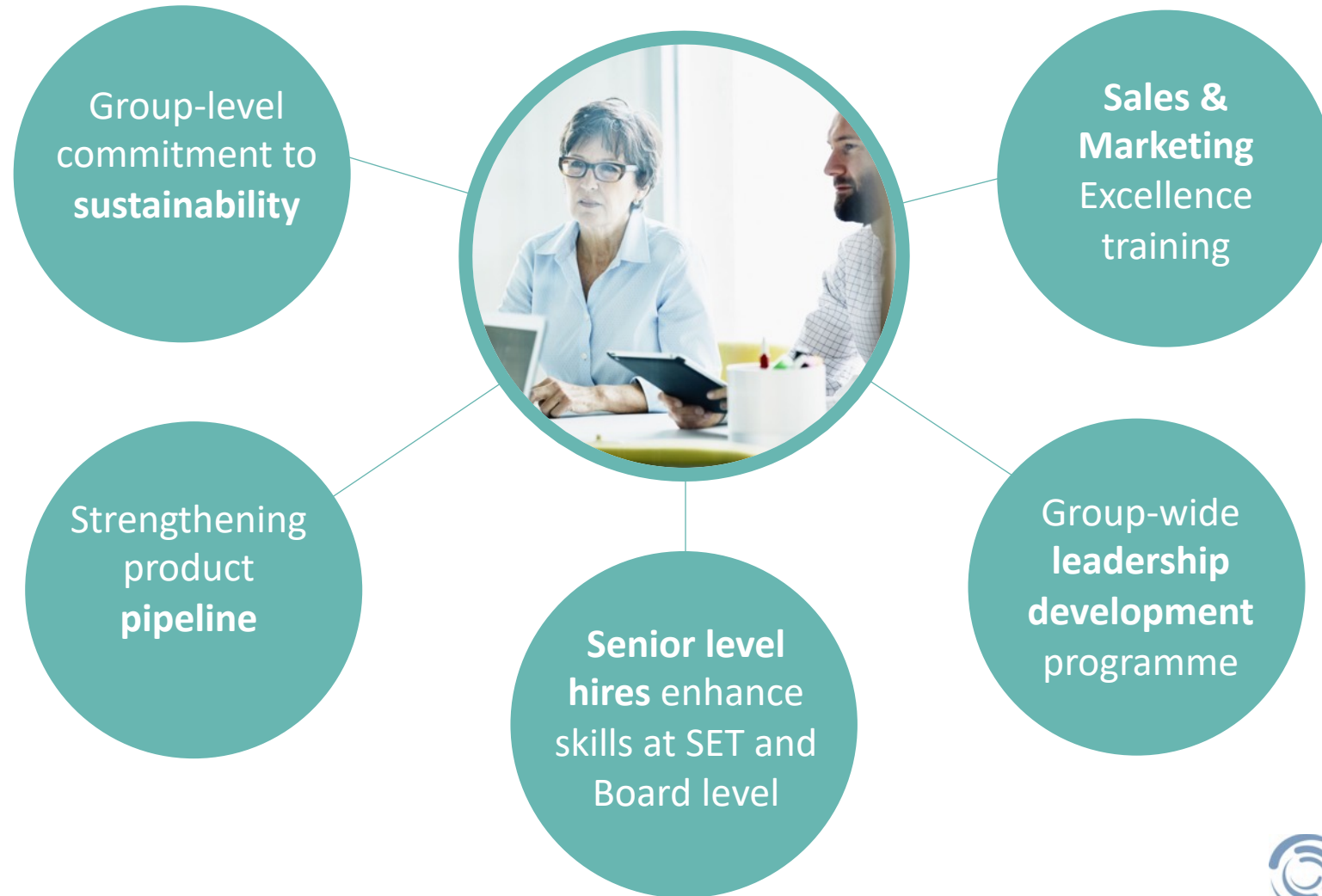


Commercial milestone payments to licensee funded through sales performance



Building organisation that can scale and flex as it grows

A platform to generate sustainable organic and inorganic growth



Summary and outlook

SUMMARY

- Solid revenue performance against tough prior year comparator and moderation of market demand
- Gross margin improvement driven by focus on top 40 brands
- Strong financial platform continues to support pursuit of investment opportunities including M&A, licensing and partnerships
- Preclinical studies initiated under the VHH pipeline collaboration with Orthros Medical strengthens pipeline

OUTLOOK

- Adjusted for the increase in Orthros R&D investment, we anticipate that full year earnings will be within market expectations
- Against a backdrop of intensifying headwinds, we now anticipate a marginal revenue bias to H1 versus H2 2022

