



Benchmark
Holdings plc

End of Year Results Presentation

FY 2016





FY16 HIGHLIGHTS

Financial Highlights

- Acquisition of INVE Aquaculture in December 2015 for US\$342m (c.£230m) created new Advanced Animal Nutrition division
 - Funded by £219m (gross) equity raise and US\$70m revolving credit facility
- INVE revenue of £55m in line with expectations
- Like for like² revenue up 20% to £30m (2015: £25m)
- Operating loss reflects
 - £12.9m expensed acquisition and integration costs related to INVE
 - £11.7m investment in expensed R&D (2015: £6.6m)
- £30.7m (gross) equity placing in August 2016 to fund capital projects and bolt-on acquisitions
- Cash and cash equivalents at period end of £38.1m (2015: £13.6m)

| £m | 2016 | 2015 |
|---------------------------------------------|--------|--------|
| Revenue | 109.4 | 44.2 |
| EBITDA from Trading Activities ¹ | 22.3 | 2.4 |
| Adjusted EBITDA ³ | 9.2 | (5.7) |
| Operating loss | (20.5) | (11.6) |
| Basic loss per share (pence) | (4.39) | (5.96) |
| Net cash | 0.4 | 13.4 |

¹ EBITDA from Trading Activities – excludes costs relating to Investing Activities from reported IFRS numbers. Investing Activities comprise exceptional restructuring costs, acquisition costs, pre-operational expenses for new ventures and research and development expenditure

² Like for like – statutory IFRS results excluding businesses acquired in either 2016 or 2015 (primarily the Breeding and Genetics division and INVE)

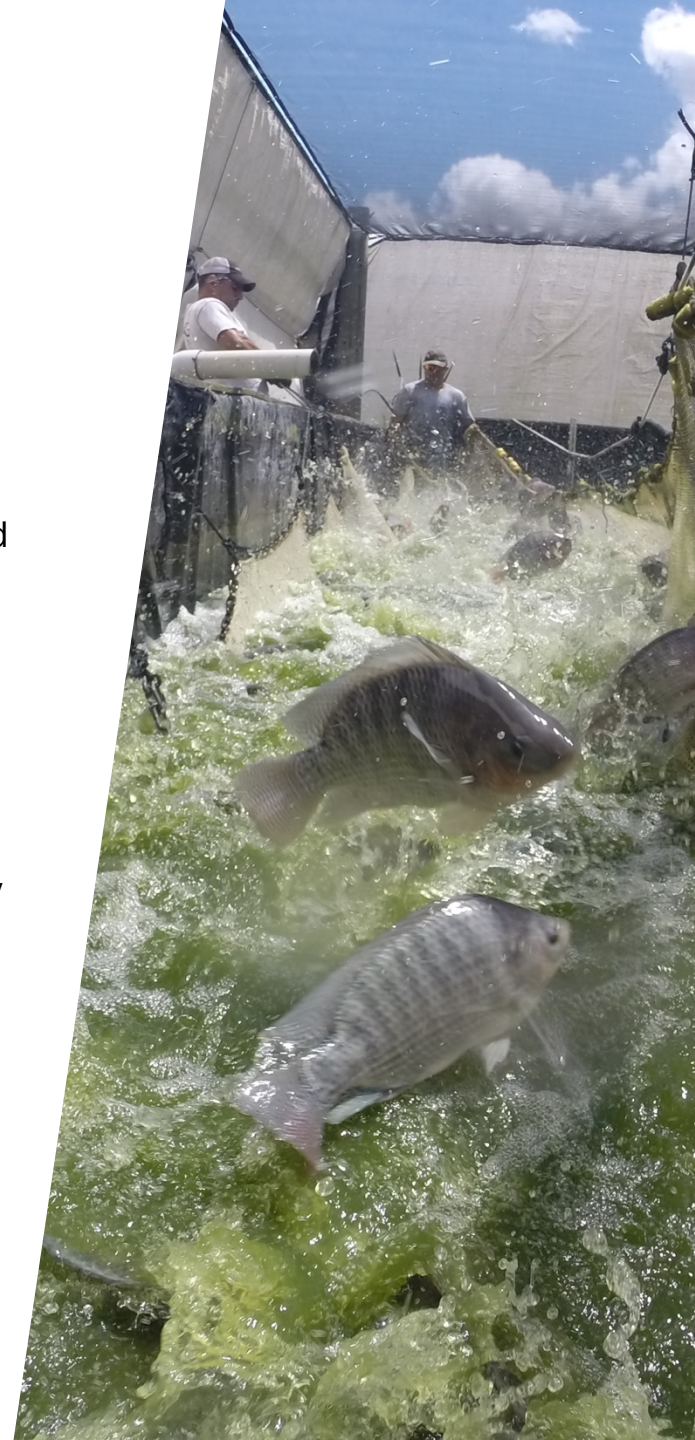
³ Adjusted EBITDA – EBITDA before exceptional and acquisition cost



FY16 HIGHLIGHTS

Operational Highlights

- Integration of INVE acquisition on track, synergies delivered with Benchmark Group include
 - First sales of new aquaculture vaccine for sea bass achieved
 - First major tilapia breeding programme in Asia for Spring Genetics secured post period end
- Bolt-on acquisition of world leading shrimp breeding programme in Colombia
- Adverse environmental factors mitigated by diversified Group portfolio
- £16m investment in state-of-the-art vaccine manufacturing facility in Braintree in commissioning phase, first commercial batches expected in H2 FY 2017
- Constructing new year-round, land based salmon egg production unit in Norway which will increase salmon ova production capacity by 37.5%
- Ten-year contract with top three global salmon producer supplying genetic material, breeding selection services and health support
- Pipeline of products continues to progress well
 - Eight products developed entirely in-house in final regulatory approval or have achieved first sales
 - Current product pipeline of 94 products with an addressable market of £783m





STRATEGIC PROGRESS

Completing our Technology Platform by adding a world-leading nutrition business

- Presence in >70 countries
- 25% market share in global hatchery segment (fish & shrimp)
- Increased global distribution network
- Integration progressing well
 - Key Account Management programme across combined customer portfolio
 - Work on first co-developed products commenced





INTEGRATING INVE

Extracting synergies and entering new genetics markets

- Acquisition of one of the world's leading shrimp breeding programmes
- Growing global demand for faster growing, more robust shrimp
- Increases market penetration in the shrimp sector together with INVE
- Adds to Benchmark's unique combined offering of genetics, nutrition and health





GROWING CAPACITY

Delivering manufacturing firepower to support sales growth

- £16m investment in 2,500sq m biotechnology building
 - State-of-the-art vaccine manufacturing facility entered commissioning
- Improved efficiency and flexibility combining both conventional and recombinant vaccines, including Virus Like Particles (VLP)
- First commercial production expected in H2 FY 2017





GROWING CAPACITY

Increasing salmon egg production capacity to meet demand

- Building commenced of Benchmark's new land-based salmon broodstock and egg facility – SalmoBreed Salten - in Norway
- Capacity to deliver 150m eggs per year and deliver 52 weeks a year
- Funded by £31m capital raise in August 2016

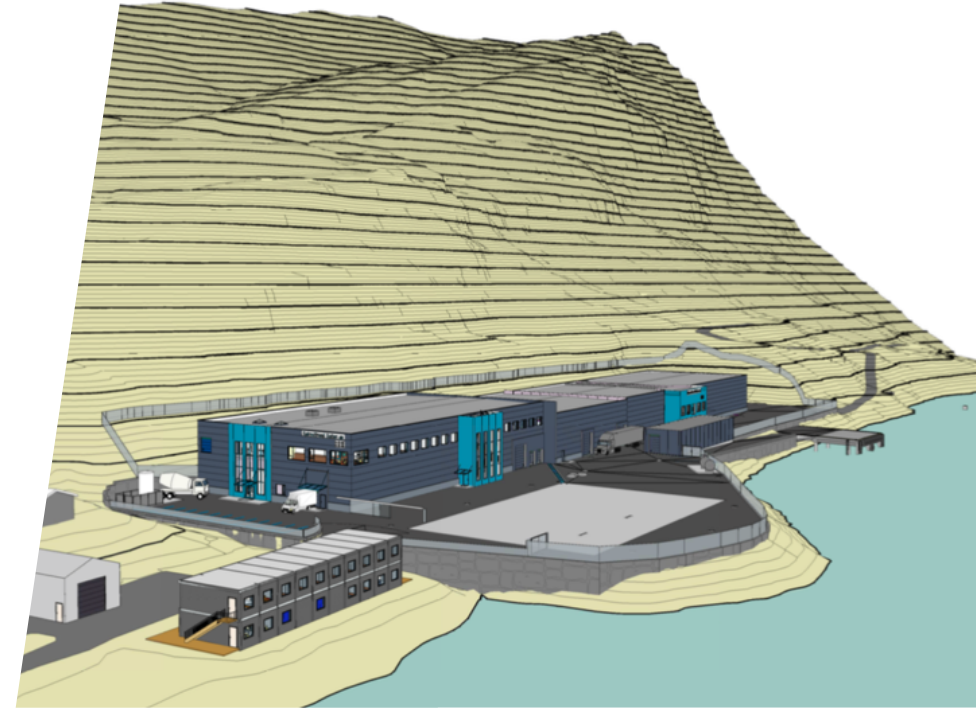
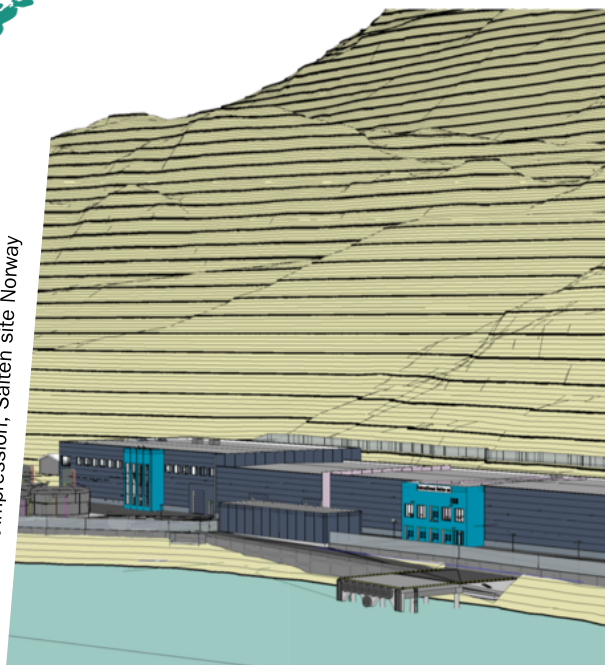


Image: Artist impression, Salten site Norway





PRODUCT EXPANSION & PROGRESSION

Pipeline of new healthcare technologies to solve major disease problems

- **Sealice treatment** — effective against ALL resistant sealice in Salmon
- **Streptococcus vaccine** — the disease accounts for more deaths in fish than any other
- **VLP technology** — transferring technology that has seen success in human vaccines into the animal healthcare industry
 - Noda-vibrio vaccine – marine fin fish
 - Sweetitch - horses
 - Canine Atopic Dermatitis





FROM DEVELOPMENT TO COMMERCIALISATION

New generation aquaculture vaccine released into market for commercial field trials

- Targeted at €300m Mediterranean sea bass market
- Providing producers with an effective control of Nodavirus - a disease that impedes growth and causes high production losses
- Full development and manufacture of the product has been undertaken in-house





PRODUCT PIPELINE

ANIMAL HEALTH

| | Discovery /Pre-Poc | Passed Poc | Development Trials | In Regulatory | First Sales Achieved |
|-----------------------------|--------------------|------------|--------------------|---------------|----------------------|
| Number of products | 20 | 12 | 11 | 6 | 2 |
| Addressable market £618m | £256m | £73m | £215m | £67m | £7m |

ADVANCED ANIMAL NUTRITION

| | Development & Lab Testing | Field Verification | Market Preparation | Start of sales up to 1Y |
|----------------------------|---------------------------|--------------------|--------------------|----------------------------|
| Number of products | 10 | 10 | 4 | 1 |
| Addressable market £70m | £48m | £18m | £4m | £0.2m |

BREEDING & GENETICS

| | Pre-Project | Project Phase | Test Development | Launch |
|----------------------------|-------------|---------------|------------------|--------|
| Number of products | 3 | 2 | 6 | 7 |
| Addressable market £95m | £20m | £16m | £23m | £36m |

**Full product pipelines are outlined in the appendix.*



INCOME STATEMENT – REVENUE AND GROSS PROFIT

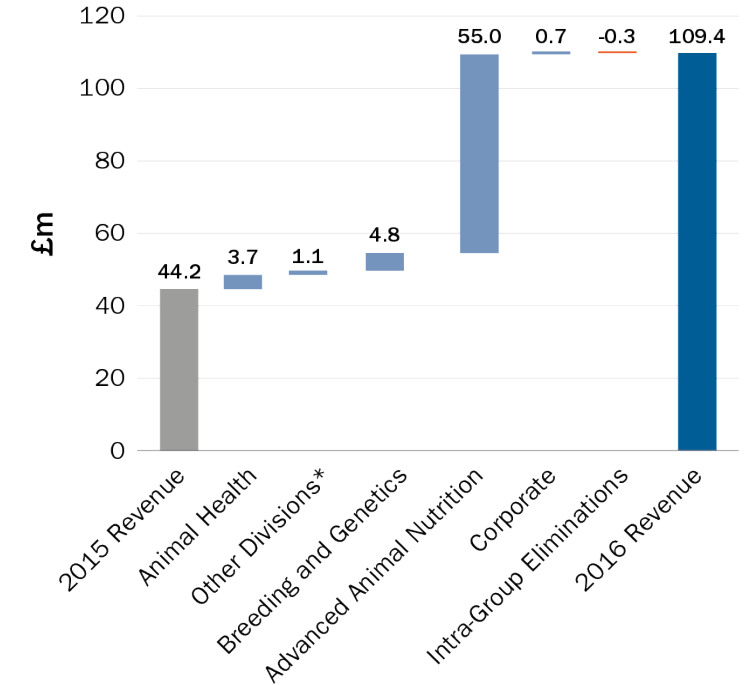
Increased revenue

- Revenue up by £65.2m
 - INVE revenue £55m (9 months)
 - Full year impact of 2015 acquisitions £6.6m
 - Like for like¹ up £5.1m
- INVE revenue in line with expectations
- Gross profit percentage increased to 47% (2015: 36%)
 - INVE higher margin business (52%)
 - Animal Health division 40% (2015: 31%)

Group Revenue



Group Revenue by Division



*Other Divisions – Sustainability Science and Technical Publishing divisions



INCOME STATEMENT – OPEX AND EBITDA FROM TRADING ACTIVITIES*

Improved adjusted earnings

- Opex as percentage of sales reduced to 26% (2015: 31%)
- Like for like¹ opex increased by £0.9m (8%)
 - Like for like¹ headcount increased by 3%
- EBITDA from Trading Activities² up by £19.9m
 - INVE and full year impact of 2015 acquisitions £16.2m
 - Like for like¹ up £3.7m
- Adjusted EBITDA³ increased to £9.2m (2015: loss of £5.7m)

Headcount



Group EBITDA from Trading Activities



* The group continues to separate the statutory IFRS results into Trading Activities and Investing Activities to present better the underlying performance and development of the business

¹ Like for like is statutory IFRS results excluding businesses acquired in either 2016 or 2015 (principally the Breeding and Genetics division and INVE)

² EBITDA from Trading Activities – excludes costs relating to Investing Activities from reported IFRS numbers. Investing Activities comprise exceptional restructuring costs, acquisition costs, pre-operational expenses for new ventures and research and development expenditure

³ Adjusted EBITDA – EBITDA before exceptional and acquisition costs



INCOME STATEMENT – INVESTING ACTIVITIES*

Investing in the pipeline

- Commitment to invest in R&D
 - Like for like¹ investment in R&D increased by £2.5m (35%)
 - Investment in R&D includes £1.4m capitalised
 - Expensed R&D 11% of revenue (2015: 15%)
- Amortisation substantially related to acquired intangibles
- Acquisition costs substantially re INVE
- Finance costs mainly relate to acquisition finance

Products in Pipeline



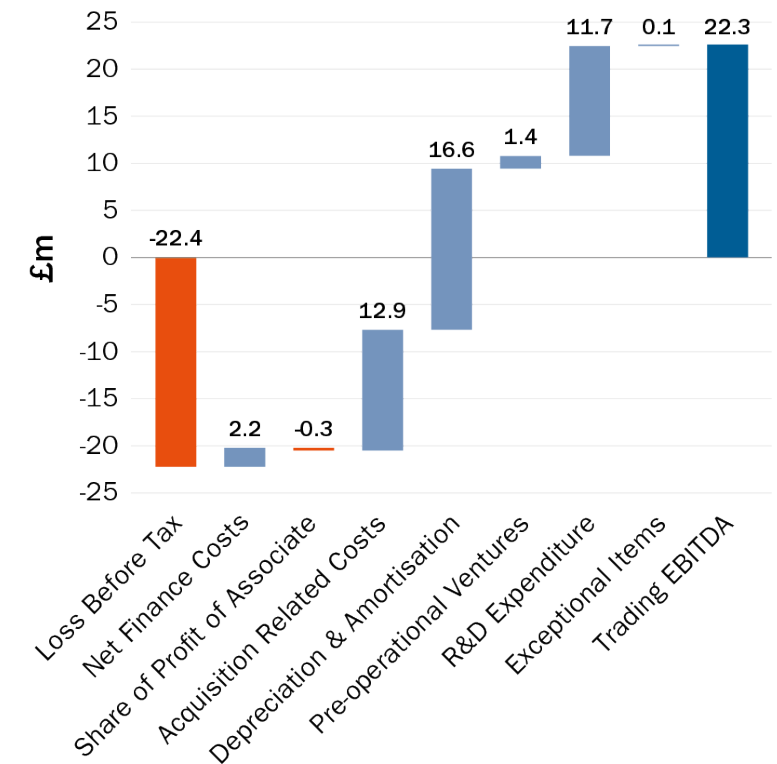
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Investment in R&D (including additions to intangibles)



Reconciliation of Group Loss before Tax to Group EBITDA from Trading Activities





CASHFLOW AND BALANCE SHEET

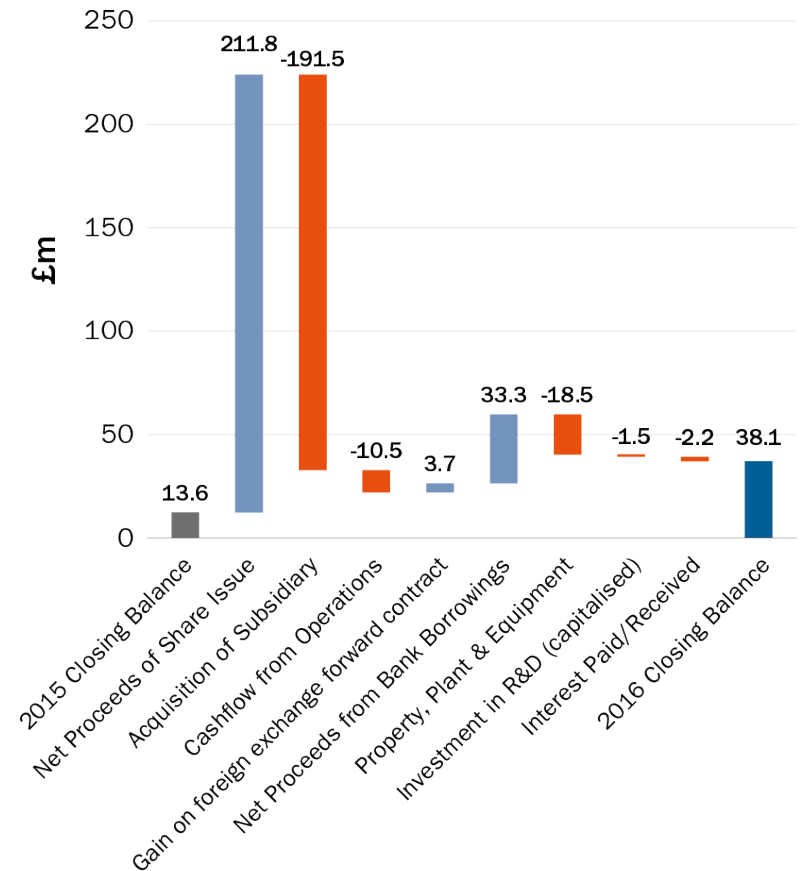
Cash generation and deployment of capital

- Cash outflow from operations
 - Investment in expensed R&D
 - Increased working capital requirements of enlarged group
- Free cash outflow of £30.6m reflects
 - investment capex of £15.4m
 - acquisition costs of £11.5m
 - deferred consideration payments of £9.6m
- Cash and cash equivalents £38.1m (2015 £13.4m)
- Net cash at year end £0.4m (2015: £13.6m)

Net assets



Group Cashflow 2016

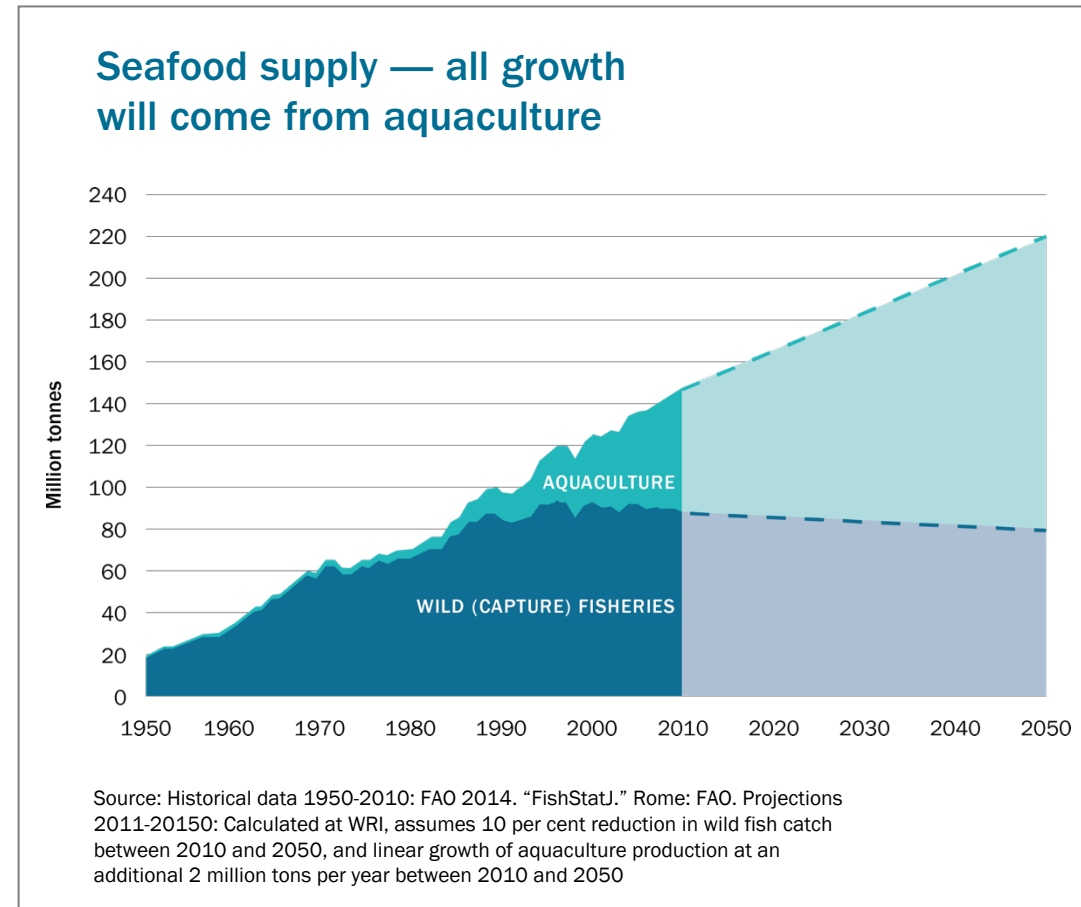




OUTLOOK

Growing our sustainable business and delivering sustainable shareholder returns

- Global demand to grow at 5% per annum
- Delivery of commercial sales from robust pipeline of new products
- Increasing number of products expected to come to market from 2017 to 2019
- Current year started in line with expectations
- Expected recovery from softness in Asian shrimp farming market following disease challenges may run into 2018
- Salmon farming market experiencing record high prices which look likely to be sustained
- New markets and customers opening up as Benchmark's role in the "Blue Revolution" is increasingly recognised





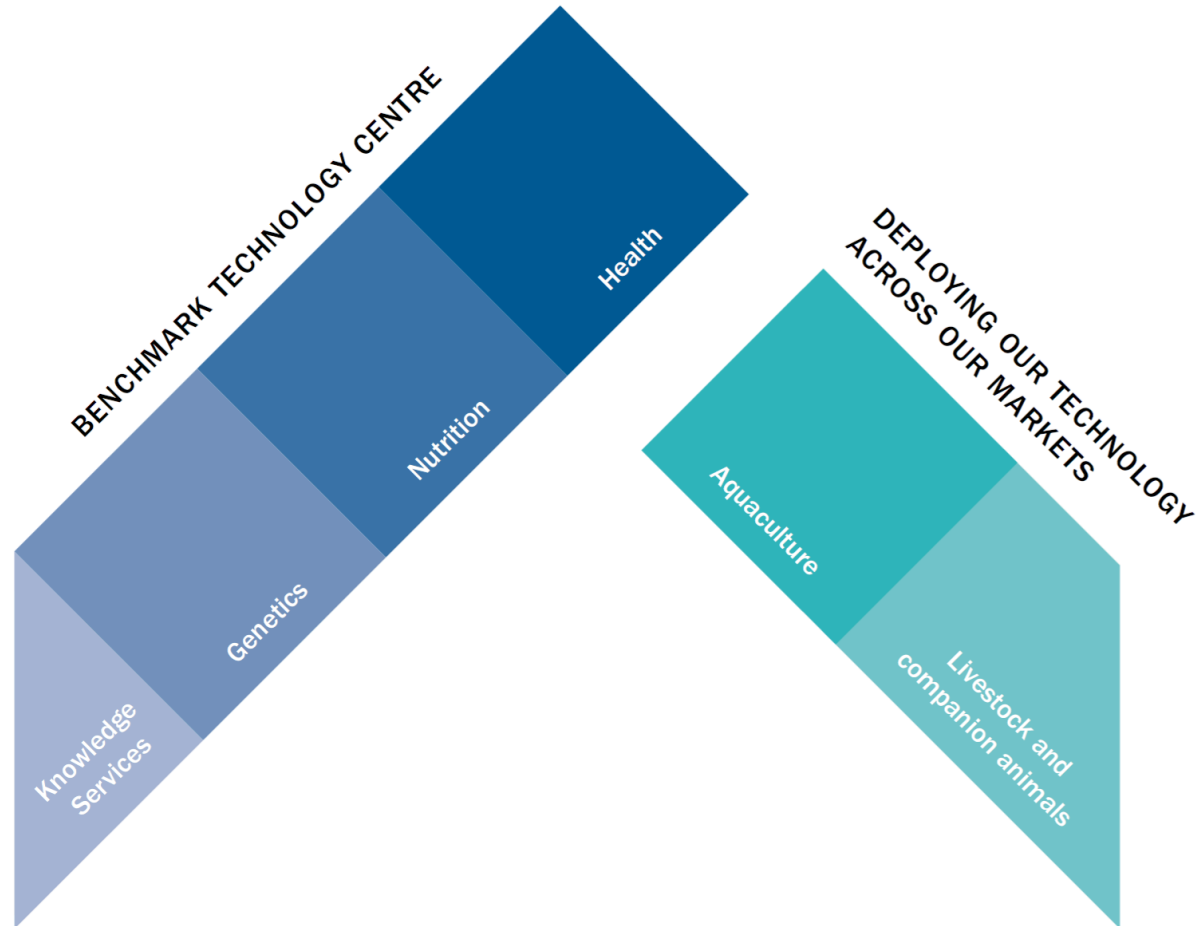
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Appendix





BENCHMARK'S TECHNOLOGY PLATFORM



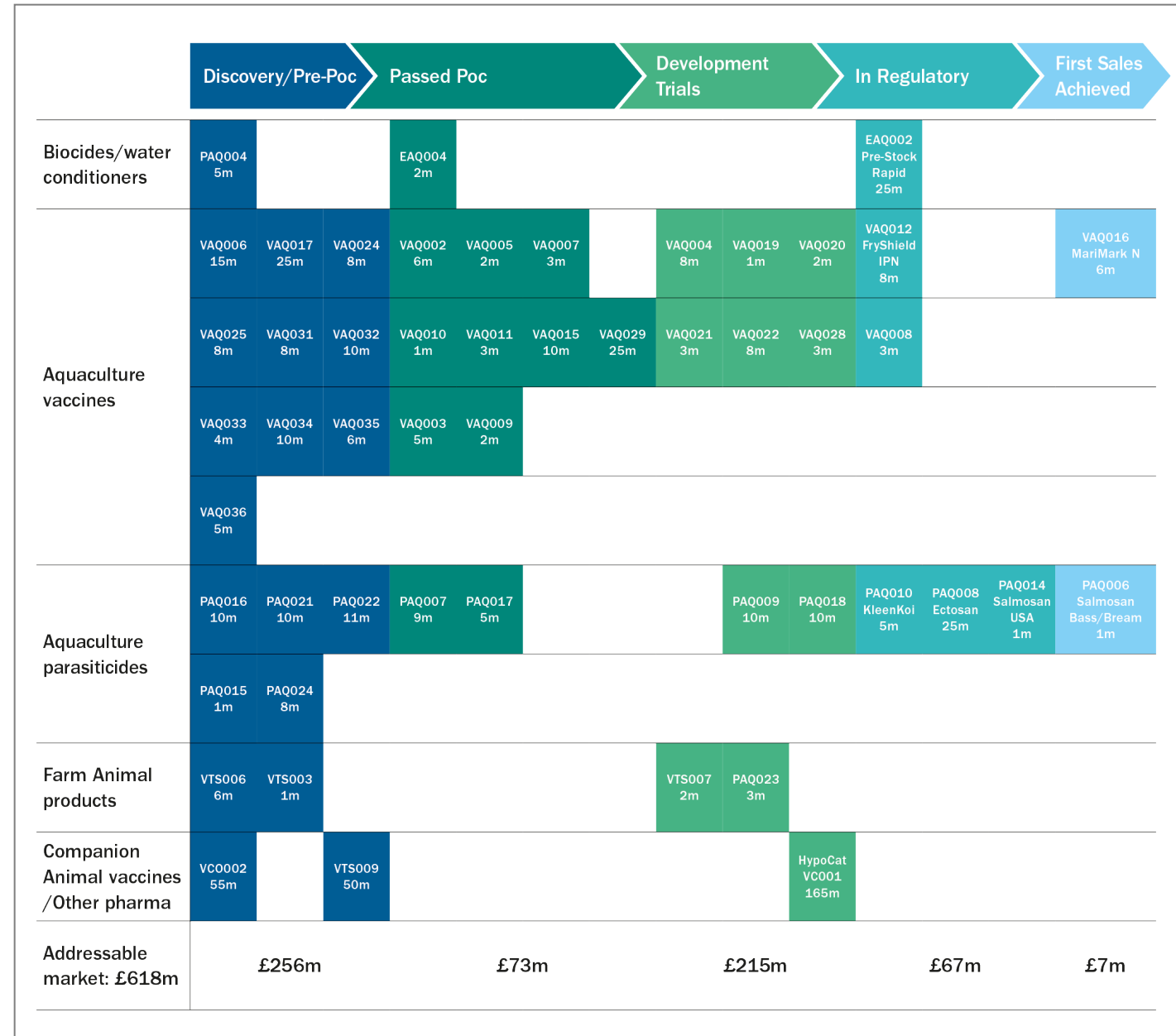
Biological control is the key driver for sustainable growth

- Harnessing best expertise
- Deploying cutting edge technologies
- Embedded alongside our customers



PRODUCT PIPELINE — ANIMAL HEALTH

- 51 products
- Addressable market of £618m
- 34 vaccine projects that can be manufactured at Benchmark's newly upgraded facility in Braintree, UK





PRODUCT PIPELINE — ADVANCED ANIMAL NUTRITION

- 25 products
- Addressable market of £70m

| | Development & lab testing | | Field verification | | | | Market preparation | Start of sales up to 1Y | |
|-----------------------------|------------------------------|---------------|--------------------|---------------|--------------|--------------|----------------------------|--------------------------------|------------------------------|
| Artemia | | | ART01 4m | ART02 0.3m | | | | | |
| Shrimp diets | SD03 23m | | SD04 0.1m | SD29 TBD | | | Thalapure TBD | | |
| Fish diets | FD05 7m | | | | | | FD06 Natura 50 3m | FD07 EASY DRY SELCO 0.4m | |
| Sanocare | SC11 3m | SC12 3m | SC13 8m | | | | SC15 SANOCARE FIT 1m | | |
| Sanolife | SL21 1m | SL22 0.1m* | SL16 3m | SL17 0.4m | SL18 0.1m | SL19 0.3m | SL20 2m | | SL23 SANOLIFE GUT 0.2m |
| Sanoguard | SG25 TBD | SG26 2m | | | | | | | |
| | SG27 TBD | SG28 9m | | | | | | | |
| Addressable market: £70m | £48m | | £18m | | | | £4m | £0.2m | |



PRODUCT PIPELINE — BREEDING AND GENETICS

- 18 products
- Addressable market of £95m
- Recently expanded through Shrimp Breeding programme acquisition

| | <div><div>Pre-Project</div><div>Project Phase</div><div>Test Development</div><div>Launch</div></div> | | | | | | | | | | |
|------------------------------|-------------------------------------------------------------------------------------------------------|--------------|-------------|-------------|-------------|-------------|---------------------------|----------------------------|-----------------------------|-----------------------|------------------|
| Lumpfish | | | | | | | Lumpfish Iceland 4m | Lumpfish Scotland 8m | | | |
| Salmon ova genetic traits | DH021 8m | PF011 10m | DH022 8m | QF001 8m | DA009 3m | DS011 8m | Genomics ISA 1m | Genomics PD 5m | Genomics Sea lice 14m | Genomics SRS 2m | All-female 2m |
| Tilapia genetic traits | DBV002 2m | | | | DT001 1m | DT002 1m | | | | | |
| Shrimp genetic traits | | | | | DP001 5m | DP002 5m | | | | | |
| Addressable market: £95m | £20m | | £16m | | £23m | | £36m | | | | |



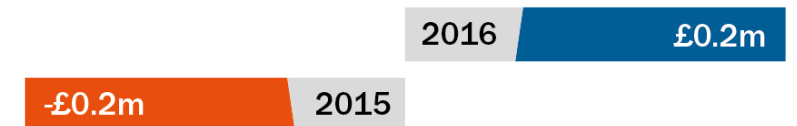
FINANCIAL REVIEW: KNOWLEDGE SERVICES - SUSTAINABILITY SCIENCE & TECHNICAL PUBLISHING DIVISIONS

- Revenue up £1.1m to £11.2m
 - Like for like¹ down £0.6m due to strategy to focus on higher margin business
- EBITDA from Trading Activities² up £0.4m to £0.2m
- £2.7m invested in FAI Aquaculture's R&D and production sites in Scotland

Sustainability Science and Technical Publishing Divisions Revenue



Sustainability Science and Technical Publishing Divisions EBITDA from Trading Activities



¹ Like for like is statutory IFRS results excluding businesses acquired in either 2016 or 2015 (principally the Breeding and Genetics division and INVE)

² EBITDA from Trading Activities – excludes costs relating to Investing Activities from reported IFRS numbers. Investing Activities comprise exceptional restructuring costs, acquisition costs, pre-operational expenses for new ventures and research and development expenditure



FINANCIAL REVIEW: ANIMAL HEALTH DIVISION

- Revenue up 18% to £24.8m
 - Recovery of Salmosan sales
- EBITDA from Trading Activities² up 109% to £4.5m
- Expensed R&D up £3.1m (59%) to £8.3m
- R&D capitalised for the first time – total £0.7m
- £8.6m invested in the year in Benchmark Vaccine's manufacturing facility in Braintree

Animal Health Division Revenue



Animal Health Division EBITDA from Trading Activities



Manufacturing Revenue



Own Products Revenue



Fish Vet Group Services Revenue



Factored Products Revenue



² EBITDA from Trading Activities – excludes costs relating to Investing Activities from reported IFRS numbers. Investing Activities comprise exceptional restructuring costs, acquisition costs, pre-operational expenses for new ventures and research and development expenditure



FINANCIAL REVIEW: BREEDING AND GENETICS DIVISION

- Revenue up by £4.8m to £20.7m
 - Full year impact of 2015 acquisitions £5.1m
 - Reduction of £3.1m due to Chile border closure
 - AFGC growth of £1.4m
- EBITDA from Trading Activities² down by £1.1m to £3.6m
 - Positive full year impact of 2015 acquisitions £0.4m
 - Reduction of £2m due to Chile border closure
 - AFGC growth of £1.3m
- Expensed R&D up by £0.8m – full year impact of 2015 acquisitions
- £1.8m invested in the year in new salmon pedigree stock facility and lumpfish production capacity

Breeding and Genetics Division Revenue



Breeding and Genetics Division EBITDA from Trading Activities



² EBITDA from Trading Activities – excludes costs relating to Investing Activities from reported IFRS numbers. Investing Activities comprise exceptional restructuring costs, acquisition costs, pre-operational expenses for new ventures and research and development expenditure



FINANCIAL REVIEW: ADVANCED ANIMAL NUTRITION DIVISION

- Revenue in line with expectations
- INVE's sales 12 months to 30 September 2016 8% above same period in prior year
- Revenue growth for all products except for diet sales in Asia due to El Nino and disease factors
- Gross profit percentage 51.8%
 - Improved for all product categories
 - Overall gross profit percentage reduced due to product mix – lower proportion of diet sales
- Controlled increase in headcount / opex - investment for future growth
- EBITDA from Trading Activities² in line with expectations despite market challenges
- EBITDA margin 28.8%
- Expensed R&D £1.3m and capitalised £0.7m

Advanced Animal Nutrition Division Revenue



Advanced Animal Nutrition Division EBITDA from Trading Activities



² EBITDA from Trading Activities – excludes costs relating to Investing Activities from reported IFRS numbers. Investing Activities comprise exceptional restructuring costs, acquisition costs, pre-operational expenses for new ventures and research and development expenditure



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