



Benchmark[®]

DRIVING SUSTAINABILITY IN FOOD PRODUCTION

Full Year Results 2019



CHALLENGING MARKETS AFFECTED PERFORMANCE PROGRESS TOWARDS LAUNCH OF KEY PRODUCTS

Divisional Revenues

Revenue Total¹

£148.7m

-2% (2018: £151.5m)

Continuing Operations

£127.3m

-3% (2018: £131.6m)

Advanced Nutrition

- 10%

Artemia

- 23%

Diets and Health

-5%

Restructuring accelerated

- Management changes
- Non-core disposals – advisers appointed
- Refocused pipeline and trial facilities

BMK08+CleanTreat®

**>99% efficacy,
animal welfare and low
environmental impact**

- Preparing for commercial launch in Q1 2021 CY

Adjusted EBITDA² Total¹

£13.7m

(2018: £17.0m)

Continuing Operations

£12.1m

(2018: £19.1m)

Genetics

+11%

Health

+10%

Liquidity and going concern

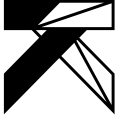
- Reliant on restructuring

Impairment

- INVE goodwill £44.8m
- Discontinued £7.5m

SPR shrimp

- Positive results from further trials
- Production in Florida commenced
- Partnership agreement in Thailand



Revenue
£76.8m
2018: £85.7m

Revenue
£39.7m
2018: £35.8m

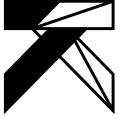
ADVANCED NUTRITION



- Artemia affected by increased competition and price pressure but health and probiotics showed resilience and gained market share
- Core business with growth opportunities despite short term outlook
 - Expand into nursery and grow-out
 - Continued innovation e.g. Artemia with protection against vibrio
 - Increased capacity in Thailand for specialist diets

GENETICS

- Good growth and prospects in salmon
 - Opening and ramp-up of state-of-the-art facility in Norway
 - Establishment of wholly owned facility in Chile
 - Positive market outlook
- Opening new market with SPR shrimp



HEALTH



- Increased sales of Salmosan as a result of high levels of sea lice
- Good progress in BMK08 which continued to show c.99% efficacy
- Prioritisation of pipeline. First sea bass/ sea bream vaccine launch expected H12020 CY

Revenue

£17.7m

2018: £16.2m

BMK 08 - A TRANSFORMATIONAL SOLUTION

Sea lice treatment and prevention

£2-3bn

+ reputation & production loss

No treatment in the market is fully efficacious

BMK 08

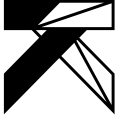
c.99% Efficacy

Low environmental impact

Superior animal welfare

Extensive programme of trials over 24 months with five top producers

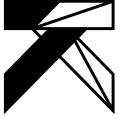
Regulatory approval progressing; preparing launch



CLEANTREAT® - TRANSFORMING THE SUSTAINABILITY LANDSCAPE FOR MEDICINAL TREATMENTS IN AQUACULTURE

- Winner of the 2019 Aquaculture Innovation Award
- Addresses environmental contamination; one of most pressing societal concerns in sustainability
- Broad application for current and future medicinal treatments in the industry
- Proven - removed medicines and other pollutants in large scale trials - 400,000+ m3 water treated
- Now defining optimal strategy for commercial scale-up





SUSTAINABILITY IS AT THE CORE OF OUR MISSION

HIGHLIGHTS OF 2019 SUSTAINABILITY EFFORTS

CleanTreat® wins Innovation Award



40%
reduction in Group
accident rates

**Published first thought
leadership magazine**
*“Technologies shaping the
future of shrimp production”*



Shrimp welfare – building a strong case for non-ablation



40%
reduction in waste to
landfill in Thailand
production facility

Employee community clean





RECAP ON STRATEGIC PRIORITIES

- 1 Complete restructuring**
 - Disposals, exits and cost reductions

- 2 Commercial delivery of major pipeline products in Health**
 - BMK08 + CleanTreat
 - Sea bass/sea bream vaccines

- 3 Grow in established markets**
 - Salmon genetics - Ramp up production in Norway; expand in Chile
 - Advanced Nutrition - expand into nursery and grow-out segments

- 4 Focused investment in markets that leverage Group platform**
 - SPR Shrimp
 - Probiotics

- 5 Position Benchmark in areas of future growth**
 - Tilapia genetics



FINANCIAL OVERVIEW



FINANCIAL OVERVIEW: FY19

(Continuing Operations unless stated otherwise)

**Revenue
Total¹**

£148.7m

-2% (2018: £151.5m)

Continuing Operations

£127.3m

-3% (2018: £131.6m)

Gross profit

£66.0m

GP% 52%

(2018: £68.5m; 52%)

**Operating costs
as % of revenue**

32%

(2018: 28%)

**Adj. Operating
Profit⁴**

£3.6m

(2018: £14.2m)

Depreciation up
as new production
assets launched

**Adjusted EBITDA²
Total¹**

£13.7m

(2018: £17.0m)

Continuing Operations

£12.1m

(2018: £19.1m)

Loss for period

£(73.3m)

(2018: £0.5m profit)

Impairment

• INVE goodwill £44.8m

Free cash outflow⁵

£23.9m

2018: £36.2m

Capex Investment

£12.5m

2018: £25.1m

Net debt⁶

£87.1m

Refinancing in June

2018: £55.7m

(1) Continuing and discontinued

(2) EBITDA is earnings before interest, tax, depreciation and amortisation and impairment

(3) Adjusted EBITDA is EBITDA² before exceptional items and acquisition related expenditure

(4) Adjusted Operating Profit is operating loss before exceptional items including acquisition related items and amortisation of intangible assets excluding development costs

(5) Free Cash Flow is operating cashflow less investment capex (including capitalised development costs)

(6) Net debt is cash and cash equivalents less loans and borrowings

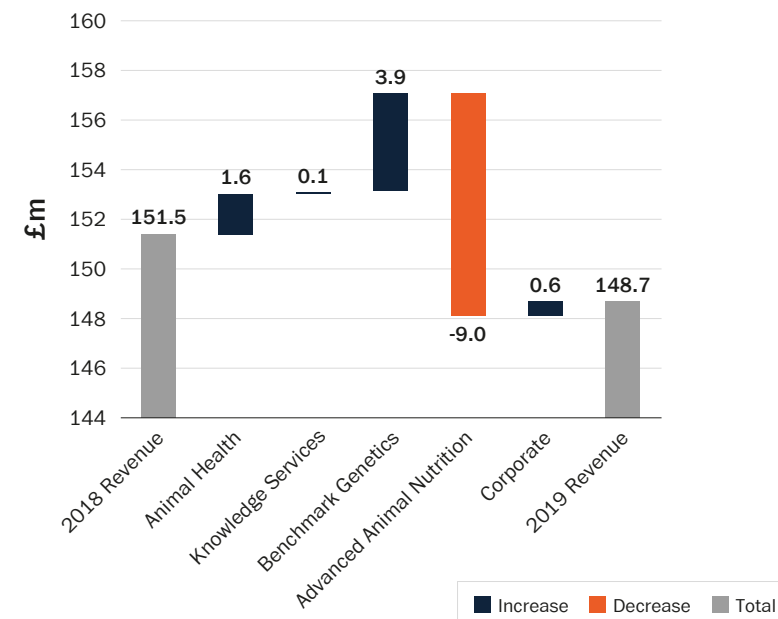


PROFITABLE GROWTH IN GENETICS NUTRITION MARGIN MAINTAINED

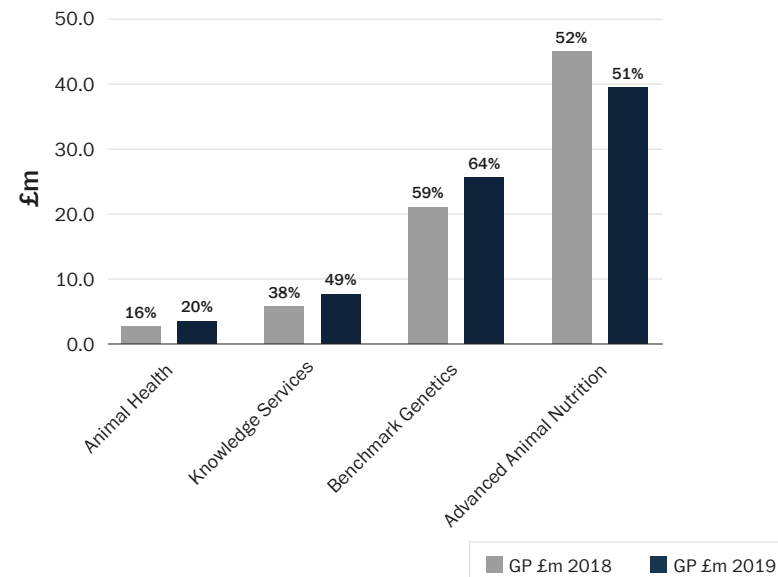
- **Group GP% stable at 52% (2018: 52%)**
- **Adv. Nutrition revenue -10%; GP% 51% (2018:52%)**
 - Selling prices held, diets & health relatively resilient
 - GP% change results from sales mix
- **Genetics revenue +11%; GP% 64% (2018: 59%)**
 - Continued rise in salmon egg prices and volumes
 - Benefit of expanding own production including biological asset valuation increase
- **Health¹ +10%; GP% 20% (2018:16%)**
 - Increased Salmosan sales
 - Margin improved with sales mix

Note - all figures are from Continuing Operations unless otherwise stated
(1) Continuing and discontinued

Change in total¹ revenue by division



Total¹ Gross Profit





OPERATING COSTS REFLECT PRIOR YEAR INVESTMENTS

Operating Expenses as % of sales 32% (2018: 28%)

- Increase in production opex as facilities come onstream
- Annualised effect of 2018 key management hires
- Offset by the benefit of one-off other income

Total R&D Investment 16.1% of sales (2018: 14.6%)

- 7% increase in expensed R&D to maintain leadership in core markets
- 7% increase in capitalised development costs driven by products close to launch

Continuing Operating Costs as a % revenue

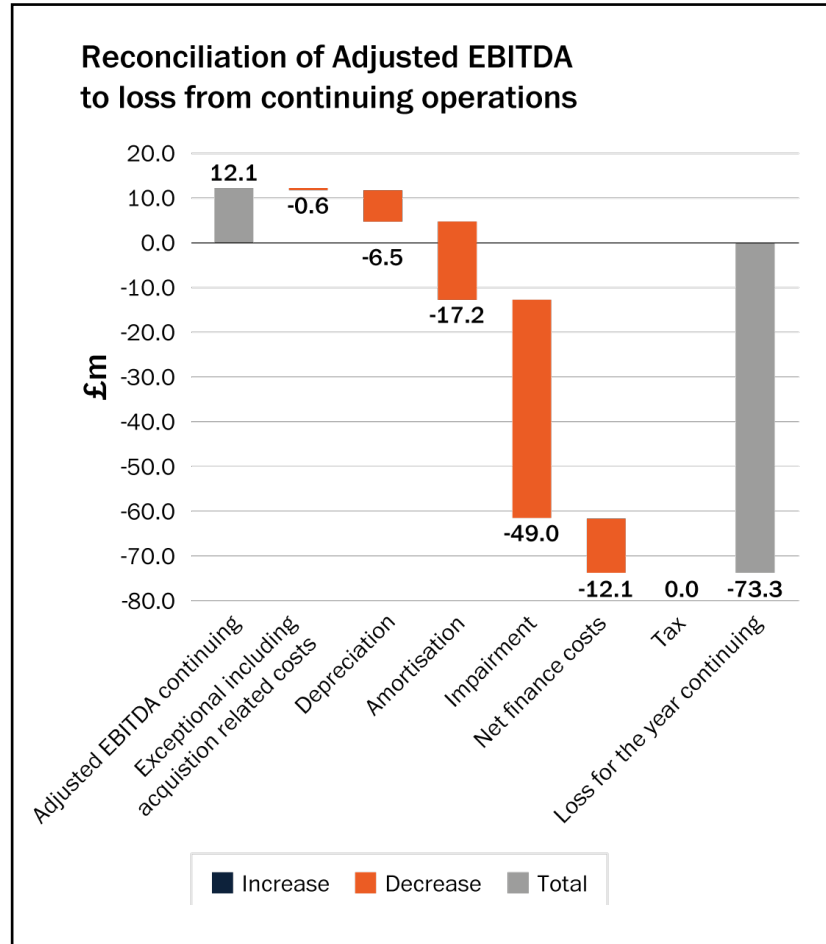
2019	32.0%	£40.7m
2018	28.1%	£37.0m

Investment in R&D (including capitalised)

2019	16.1%	£20.5m
2018	14.6%	£19.2m



NON-CASH ITEMS DRIVE INCREASED LOSS FOR THE YEAR



- **Continuing Operations Adjusted EBITDA³ - £12.1m (2018: £19.1m) at 9% margin (2018: 14%)**
- **Loss for the period £(73.3m) (2018: profit of £0.5m):**
 - Exceptionals – management restructuring
 - Depreciation - New production assets come onstream
 - Impairments – includes impact of challenging AAN markets
 - Finance costs – refinancing and associated hedging; fx losses

Note - all figures are from Continuing Operations unless otherwise stated

(1) Continuing and discontinued

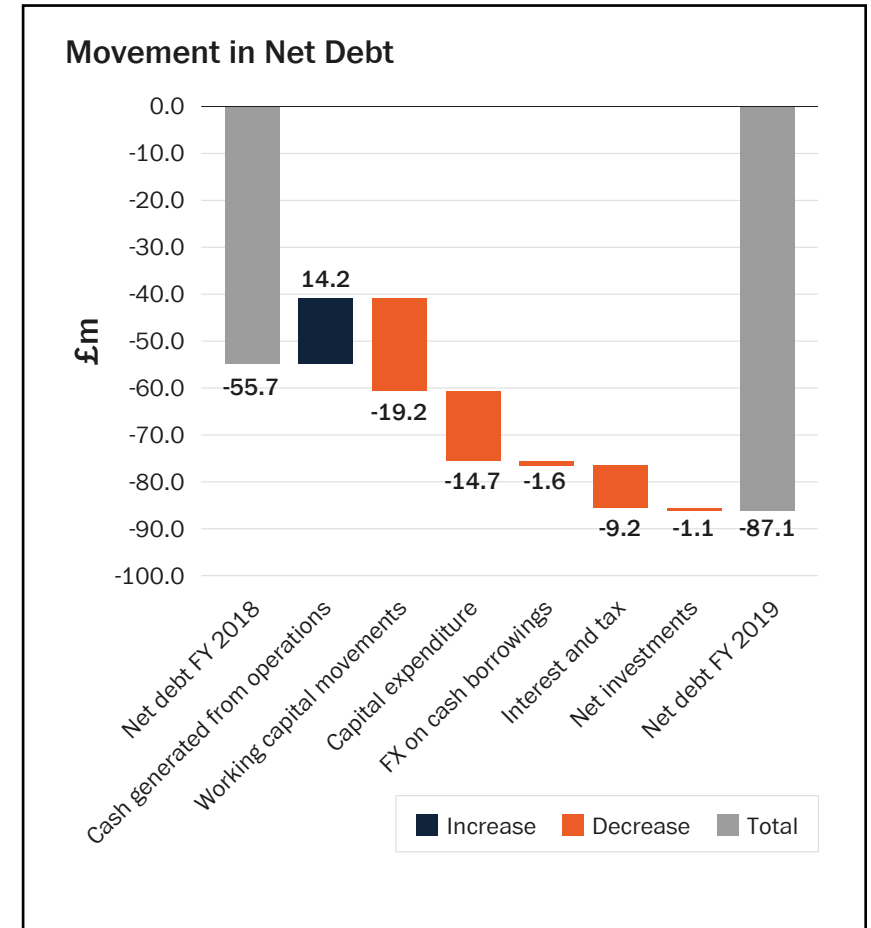
(2) EBITDA is earnings before interest, tax, depreciation and amortisation and impairment

(3) Adjusted EBITDA² is earnings before interest, tax, depreciation, amortisation, impairment, exceptional items and acquisition related expenditure



CASHFLOW, NET DEBT AND LIQUIDITY

- **Free Cash Flow¹ outflow of £23.9m (2018: outflow of £36.2m)**
 - Increased inventory for new Genetics production facility
 - Inventory increase from key supplier agreement
 - Timing of sales resulted in higher year end net working capital
 - Capex reduction – maintenance plus reduced investments
- **Liquidity³ of £28.2m at year end**
 - Comprises £16.1m cash and £12.1m undrawn RCF
 - Significant covenant headroom
 - Going concern - focus on programme of disposals and cost efficiencies



Note - all figures are from Continuing Operations unless otherwise stated
(1) Free Cash Flow is operating cashflow less investment capex (including capitalised development costs)
(2) Net debt is cash and cash equivalents less loans and borrowings
(3) Liquidity is defined as undrawn facilities plus cash balances



MARKET CONDITIONS AND OUTLOOK

Salmon

Favourable conditions

- Growing demand and consistently high prices
- Expect to continue, driven by demand from US and Asia (China)

Sea bass/ Sea bream

Challenging markets continue

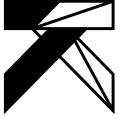
- Low prices and overstocking exacerbated by economy in Turkey

Shrimp

Challenging markets

- Low prices as a result of overstocking following record harvests
 - Some recovery expected but not returning to 2018 levels in 2020
-

Overall, expect to deliver underlying Adjusted EBITDA
(before one-off other income) in line with FY19



2020 PRIORITIES

- Disposals, exits and cost reductions
- Continued execution of strategy in core businesses
 - Genetics: Salten ramp-up, local production in Chile, SPR shrimp
 - Advanced Nutrition: focus on specialist diets and health including probiotics
- Commercial readiness of product candidate BMK 08 and scaling up CleanTreat®

A LEADER RAISING SUSTAINABILITY STANDARDS IN AQUACULTURE



Improving **animal health and welfare**



Innovation track record -
disruptive solutions
supported by patents



Environment and Sustainability



Strategy to move from
Moving from R&D
Investment phase to
profitability



DISCLAIMER

IMPORTANT NOTICE

This presentation has been prepared by Benchmark Holdings plc (the "**Company**") in connection with the Final Results on 20 December 2019.

This presentation does not constitute a prospectus or an admission document relating to the Company, nor does it constitute or form part of any offer or invitation to purchase, sell or subscribe for, or any solicitation of any such offer to purchase, sell or subscribe for, any securities in the Company nor shall this presentation or any part of it, or the fact of its distribution, form the basis of, or be relied on in connection with, any contract for the same.

No reliance may be placed, for any purposes whatsoever, on the information contained in this presentation or on its completeness. No representation or warranty, express or implied, is given by or on behalf of the Company, or any of its respective directors, partners, officers, employees, advisers or any other persons as to the accuracy, fairness or sufficiency of the information or opinions contained in this presentation and none of the information contained in this presentation has been independently verified by any person. Save in the case of fraud, no liability is accepted for any errors, omissions or inaccuracies in such information or opinions.

This presentation is being made only in the United Kingdom and is directed only at (i) persons having professional experience in matters relating to investments, i.e. investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**FPO**"), (ii) persons in the business of disseminating information within the meaning of Article 47 of the FPO and (iii) high net-worth companies, unincorporated associations and other bodies within the meaning of Article 49 of the FPO and (iv) persons to whom it is otherwise lawful to make the presentation. The investment or investment activity to which this presentation relates is available only to such persons and will be engaged in only with such persons. Persons who fall outside categories (i) - (iii) above must check that they fall within category (iv).

Neither this presentation nor any copy of it may be (i) taken or transmitted into the United States of America, (ii) distributed, directly or indirectly, in the United States of America or to any US person (within the meaning of regulations made under the Securities Act 1933, as amended), (iii) taken or transmitted into or distributed in Canada, Australia, the Republic of Ireland or the Republic of South Africa or to any resident thereof, or (iv) taken or transmitted into or distributed in Japan or to any resident thereof. Any failure to comply with these restrictions may constitute a violation of the securities laws or the laws of any such jurisdiction. The distribution of this document in other jurisdictions may be restricted by law and the persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.



FINANCIAL OVERVIEW: Q4 2019

Total¹ revenue £41.8m (Q4 2018: £38.4m) +9%	Revenue from Continuing Operations £37.0m (Q4 2018: £33.6m) +10% Growth in Genetics	Advanced Nutrition revenue +4%	Genetics revenue +60%	Gross profit £21.6m GP% 59% (Q4 2018: £19.3m; 58%)
Total¹ Adjusted EBITDA³ £7.4m (Q4 2018: £6.1m)	Adjusted EBITDA³ from Continuing Operations £7.5m (Q4 2018: £7.0m)	Operating costs as % of revenue 29% (Q4 2018: 26%)	Adj Operating Profit⁴ £3.7m (Q4 2018: £5.5m)	Loss for period £(53.2m) (Q4 2018: £1.1m loss) Advanced Nutrition impairment of INVE goodwill £44.8m

Note - all figures are from Continuing Operations unless otherwise stated

(1) Continuing and discontinued

(2) EBITDA is earnings before interest, tax, depreciation and amortisation and impairment

(3) Adjusted EBITDA is EBITDA² before exceptional items and acquisition related expenditure

(4) Adjusted Operating Profit is operating result before exceptional items including acquisition related items and amortisation of intangible assets excluding development costs