Benchmark®

Driving sustainability in aquaculture

Q1 FY23 Results

28 February 2023

GENETICS | ADVANCED NUTRITION | HEALTH

Q1 FY23 – Excellent start to the year; significant uplift in Health

36% increase in revenues; growth in all business areas

Adj. EBITDA[1] excl. biological asset movements +61%

Operating loss: -£0.1m (Q1 FY22: -£1.5m)

Cash inflow from operations: £8.1m (Q1 FY22:£1.1m)

Cash and net debt: £42.8m and £61.4m respectively
Net debt excluding lease liabilities: £37.9m

Intention to up-list to Oslo Børs
Ongoing consultation with shareholders

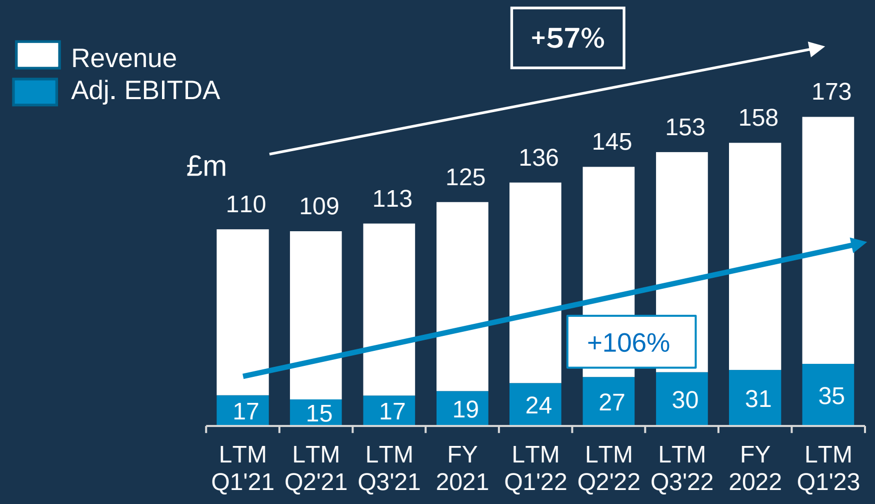
(1) Adjusted EBITDA is EBITDA (earnings before interest, tax, depreciation and amortisation and impairment), before exceptional items including acquisition related expenditure (2) Constant exchange rate (CER) figures derived by retranslating current year figures using previous year's foreign exchange rates

Revenue
£54.5m
(+36%) (+29% CER[2])

Adj. EBITDA[1] excl. FV movements
£12.1m
(+61%) (+56% CER[2])

Adj. EBITDA Margin
20%
Q1 FY22: 19%

Continuation of consistent quarter on quarter growth



Business area highlights

Genetics
Continued growth with record number of salmon eggs sold

- Record number of salmon eggs 118m (Q1 FY22: 76m)
- Acquisition of minority interest in Benchmark Genetics Iceland
- Chile – continued efforts to penetrate market
- SPR shrimp – temporary pause to refine product offering
- Strategic review of tilapia
- Leadership succession

Revenues
£21.4m (+41%)

Adj. EBITDA excl. biological assets
£3.7m (+11%)

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Advanced Nutrition
Good performance despite relative soft shrimp market

- Growth in all product areas
- Customer-centric commercial efforts
- Ongoing actions to increase efficiency
- Translate into enhanced margin
- Innovation – pre-launch of new artemia tool

Revenues
£22.7m (+19%)

Adj. EBITDA
£5.3m (+23%)

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Adj. EBITDA
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Health
Significant increase in adoption of Ectosan® Vet and CleanTreat®

- Ectosan® Vet and CleanTreat®
  - Substantial improvement in capacity utilisation and profitability
  - Progress on business model aimed at reducing capital intensity - partnership with MMC and SALT
  - Customer owned PSVs are viable alternative
- Increased sales of Salmosan® Vet – variation to marketing label

Revenues
£10.4m (+80%)

Adj. EBITDA
£4.1m (+643%)

Financial Review

Q1 FY23: Excellent performance - improved profitability and cash generation

£m	Q1 FY23	Q1 FY22	% AER	% CER**	FY22 (full year)
Revenue	54.5	40.0	+36%	+29%	158.3
Adjusted					
Adjusted EBITDA[1]	11.0	7.4	+48%	+44%	31.2
Adj. EBITDA excluding FV movement in biological assets	12.1	7.5	+61%	+56%	29.6
Adjusted Operating Profit[2]	5.7	2.5	+131%	+127%	9.1
Statutory					
Operating profit/(loss)	(0.1)	(1.5)	+92%	+86%	(7.9)
Profit before tax	0.1	(3.7)	+103%	+114%	(23.2)
Loss for the period	(0.7)	(5.1)	+87%	+96%	(30.5)
Basic loss per share (p)	(0.18)	(0.79)			(4.60)
Net debt[3]	(61.4)	(64.3)			(73.7)
Net debt excluding lease liabilities	(37.9)	(43.1)			(47.5)

- Revenues: +36%
- Adj. EBITDA margin excl. FV movement: 22% (Q1 FY22: 19%)
- Operating loss: -£0.1m (Q1 FY22: -£1.5m)
- Net Debt excluding lease liabilities: (£37.9m) (FY22: (£47.5m))
- Focus on cash generation through active management of working capital and capex while maintaining cost discipline

(1) Adjusted EBITDA is EBITDA (earnings before interest, tax, depreciation and amortisation and impairment), before exceptional items including acquisition related expenditure
(2) Adjusted Operating Profit is operating loss before exceptional items including acquisition related items and amortisation of intangible assets excluding development costs
(3) Net debt is cash and cash equivalents less loans and borrowings

Genetics

Excellent performance underpinned by success of recent investment

- 41% revenue growth driven by:
  - Record sales of salmon eggs
  - Higher harvest revenues
  - Genetic services and other products (smolt, royalties, lumpfish)
- Margin reduction driven by
  - one-off maintenance spend in Iceland
  - shift in product mix
  - ongoing investment in growth vectors – Chile and shrimp
- Temporary pause in commercialisation of SPR shrimp to refine product offering

- Capex investment: £1.3m (Q1 FY22: £1.9m)

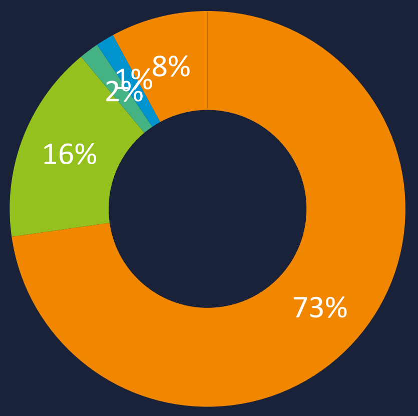
Revenue
£21.4m
+41% (+42% CER)
Q1 FY22: £15.2m

Adj. EBITDA ex FV movement
£3.7m
+11% (+19% CER)
Q1 FY22: £3.4m

Gross Margin excl. FV movement
36%
Q1 FY22: 49%

Adj. EBITDA Margin excl. FV movement
17%
Q1 FY22: 22%

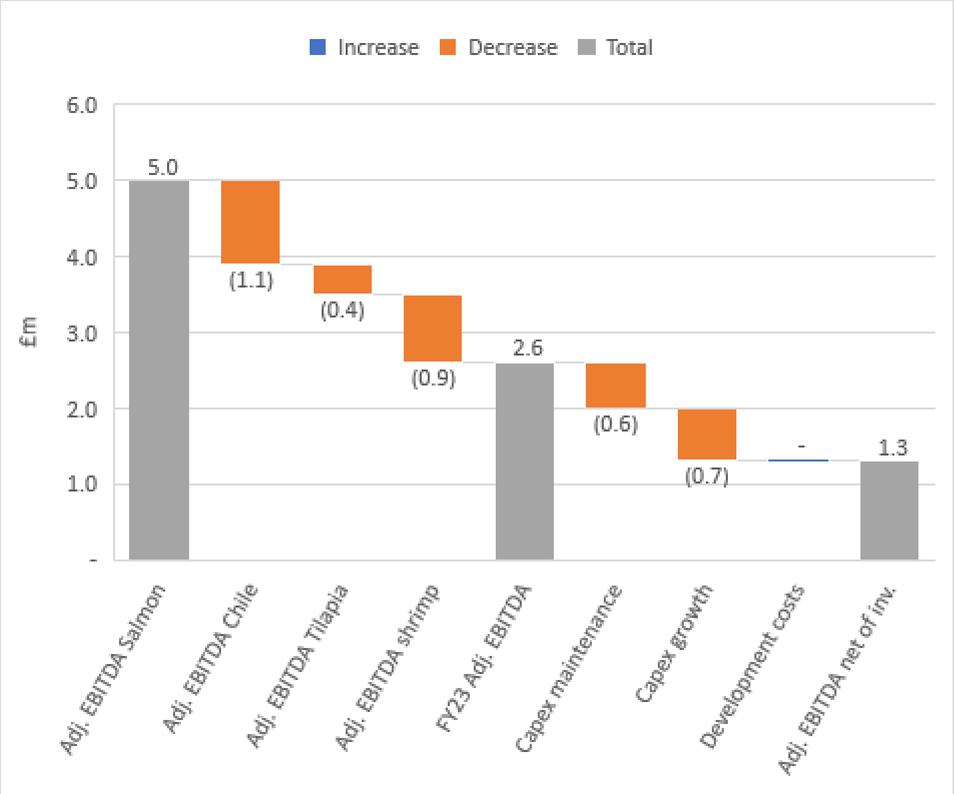
Revenue contribution



	Revenues Q1 FY23/Q1 FY22
Salmon eggs	+61%
Harvest income	+31%
Shrimp	-20%
Genetic Services	+15%
Other products	-8%

Genetics

Investment in growth areas



- Capex investment in Salten
  - £0.7m investment in new tanks to reach 150m salmon egg capacity in 2024
- Focus on achieving profitability and cash generation in growth areas
  - Chile: targeted commercial efforts
  - SPR shrimp: refining product offering and market strategy based on feedback from first commercial phase
  - Tilapia: strategic review of breeding operation

Advanced Nutrition

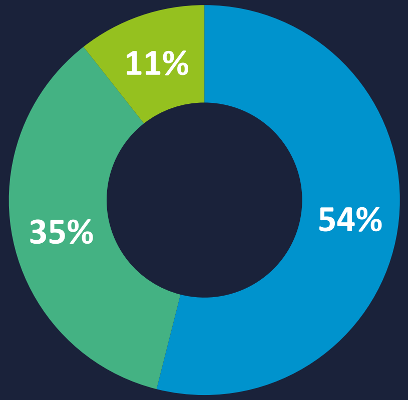
Good performance despite relatively soft markets in shrimp

- Revenues +19% (+4% CER); growth in all product areas
- Ongoing cost discipline and efforts to improve operational efficiency
- Good performance is notable in a period of softness in shrimp markets:
  - Thailand and India affected by poor weather
  - Ecuador impacted by cost inflation
- 2022/23 GSL artemia harvest completed in January
  - slightly below prior year
  - together with healthy inventory contributes to improve working capital position

- Capex: £0.4m (Q1 FY22:£0.3m)

Revenue	Adj. EBITDA
£22.7m	**£5.3m**
+19% (+4% CER)	+23% (+9% CER)
Q1 FY22: £19.1m	Q1 FY22: £4.3m
Gross Margin	**Adj. EBITDA Margin**
50%	**23%**
Q1 FY22: 50%	Q1 FY22: 23%

Revenue contribution



	Revenue Q1FY23/Q1FY22
Artemia	+23%
Diets	+10%
Health	+27%

Health

Significant increase in customer adoption drive sales growth and Adjusted EBITDA improvement

Two complementary solutions in customers' overall sea lice management strategy

Ectosan® Vet and CleanTreat®

- Increased utilisation of CleanTreat® units
- 2 vessels in operation throughout the period; 1 in Q1 2022
- £2.2m of revenue (Q1 FY22: £1.0m) derived from recharging of vessel and fuel costs
- Leases (PSV vessels) : £2.1m (Q1 FY22: £2.1m)

Salmosan® Vet

- Revenues up 123%
- Variation to marketing label, enhanced product management and commercial effort

- Capex: £0.2m (Q1 FY22: £0.5m)

Revenue
£10.4m
+80% (+80% CER)
Q1 FY22: £5.8m

Gross margin
61%
Q1 FY22: 47%

Adj. EBITDA
£4.1
Q1 FY22: £0.5m

Adj. EBITDA Margin
39%
Q1 FY22: 9%

Adj. EBITDA
after cash lease costs
£2.0m
Q1 FY22: (-£1.6m loss)

Cashflow, net debt and liquidity

Improved cash generation and financial position in line with medium term targets

£m	
Net debt[1] at 30 September 2022	**(73.7)**
Cash generated from operations	9.6
Interest and taxes	(3.6)
Shares issued	11.6
Capital expenditure	(1.9)
Cash advances to joint venture	(0.4)
Foreign exchange on cash and debt	(2.9)
Other	(0.1)
Net debt[1] at 31 December 2022	**(61.4)**
excluding lease liabilities	**(37.9)**

(1) Net debt is cash and cash equivalents less loans and borrowings.

- Cash generated from operations after working capital: £9.6m (Q1 FY22: £2.1m)
- £11.6m inflow from share issuance
- Investing activities outflow of £2.2m (Q1FY22: £2.6m outflow)

Meeting our KPI's:

- **Cash conversion: 76% (Q1 FY22:15%)**
  - Medium term target: 70%-80%
- **Free cash flow as percentage of sales: 8% (Q1 FY22: -10%)**
  - Medium term target: 10%-15%

- Refinancing of Salten facility and RCF in the period
- Liquidity as at 24 Feb 2023: £49.5m
- Cash as at 24 Feb 2023: £37.5m

Current trading and outlook

- Strong start to the year and continued good performance post period end

- Encouraging outlook for the full year
    - Good visibility in Genetics
    - Good ongoing performance in Advanced Nutrition despite softness in shrimp markets
    - Increasing adoption of Ectosan® Vet and CleanTreat® in Health

Benchmark: A unique value proposition

Benchmark®

AQUACULTURE: GROWING INDUSTRY WITH MEGATRENDS

- Crucial role in food security: >50% of fish consumption
- Overtaken fisheries
- 4%+ CAGR expected for major species – salmon, shrimp
- Demographic, sustainability and health megatrends

MARKET LEADING POSITIONS IN MAJOR SPECIES

- Market leader in mission critical areas:
  - Salmon genetics
  - Early-stage specialist nutrition
  - Sea lice treatments

UNIQUE MATURE BIOTECH PLATFORM

- 3 complementary areas driving farming efficiency, growth and animal health
- High entry barriers
- Leading team of scientists
- Track record of innovation and IP

STRATEGY AND FINANCIAL FRAMEWORK FOR GROWTH AND RETURNS

- Successful restructuring with optimised platform
- At financial turning point
- New commercial and financial discipline in place
- Financial framework to enhance profitability and returns

PURPOSE DRIVEN WITH STRONG ESG CREDENTIALS

- Purpose driven, high quality organisation
- Sustainability at core of our mission - solutions drive sustainable production
- Net Zero commitment