

24 August 2023

Information within this announcement is deemed by the Company to constitute inside information under the Market Abuse Regulations (EU) No. 596/2014

Benchmark Holdings plc
("Benchmark", the "Company" or the "Group")

Q3 & Year to Date Results
(Three months and nine months ended 30 June 2023)

Strong performance YTD Q3

Q3 reflects anticipated seasonality in Health and conditions in the global shrimp market

In compliance with the terms of the Company's unsecured Green bond, which requires it to publish quarterly financial information, Benchmark, the aquaculture biotechnology business, announces its unaudited results for the three months ended 30 June 2023 (the "Period"), which constitutes the third quarter for the fiscal year ("FY") 2023, and its year to date unaudited results for the nine months ended 30 June 2023. All Q3 FY23, Q3 FY22, Q3 YTD FY23 and Q3 YTD FY22 figures quoted in this announcement are based on unaudited accounts.

Financial highlights

Q3 FY23

- Q3 FY23 revenues 6% below the prior year (-1% CER) with growth in Genetics offset by lower revenues in Advanced Nutrition due to ongoing softness in shrimp markets. Health revenues broadly in line with the prior year.
- Q3 FY23 Adjusted EBITDA excluding fair value movements from biological assets 29% below the prior year (-19% CER) as a result of lower revenues, adverse forex and quarter specific factors including an increase in third party production costs for our salmon harvest income, partially offset by ongoing cost control.
- Adjusted Operating Loss excluding FV movement in biological assets of £1.7m (Q3 FY22: £0.7m loss).
- Loss before tax reduced substantially £4.7m (Q3 FY22: £11.2m loss) due to a material reduction in net finance costs as a result of forex movements and mark to market movements in the value of financial derivatives.

Q3 YTD FY23 – Significant year on year growth and improved profitability

- Q3 YTD FY23 revenues 15% ahead of the prior year (+13% CER), driven by growth in Genetics and Health; Advanced Nutrition revenues in line with prior year.
- Adjusted EBITDA excluding fair value movements from biological assets 27% ahead of the prior year (+27% CER) driven primarily by growth in Health and resilience in Advanced Nutrition. Adjusted EBITDA margin (excluding fair value movements from biological assets) of 19% (Q3 YTD FY22: 17%).
- Adjusted Operating Profit excluding FV movement in biological assets more than triple to £9.7m (Q3 YTD FY22: £3.2m).
- Loss before tax significantly reduced to £6.6m (Q3 YTD FY22: £16.4m).

- Operating cash significantly improved to £11.2m inflow versus prior year (Q3 YTD FY22: cash outflow of £2.2m).
- Cash of £32.9m and liquidity of £45.1m (cash and available facility) as at 30 June 2023.
- Net debt (excluding lease liabilities) continues to reduce year on year to £45.7m as at 30 June 2023 (31 March 2023: £44.5m; 30 September 2022: £47.5m).

Business Area Highlights

- **Advanced Nutrition – commercial focus and cost control mitigate impact of shrimp market conditions**
 - Q3 revenues 17% below the prior year (-18% CER) reflecting global shrimp market. YTD Q3 23 revenues in line with prior year.
 - Despite drop in revenue, Q3 Adjusted EBITDA 20% above Q3 2022 as a result of product mix, lower freight costs, and ongoing efficiency programme. YTD Q3 Adjusted EBITDA 4% ahead of the prior year.
 - Conditions in global shrimp markets affecting demand for our nutritional solutions
- **Genetics – revenue growth offset by quarter specific factors**
 - Q3 revenues 10% above Q3 2022 (+21% CER) driven by higher sales of salmon eggs and harvest revenues
 - Growth in salmon egg sales: 68.5m eggs sold in Q3 FY23 (Q3 FY22: 59.4m eggs)
 - YTD Q3 revenues 23% (+28% CER) ahead of prior year
 - Q3 Adjusted EBITDA excluding FV movement in biological assets 44% below the prior year (-29% CER) due to a number of factors including:
 - higher third-party production costs related to harvest income
 - lower capitalisation of biological asset production costs, and
 - forex headwinds
 - YTD Q3 Adjusted EBITDA excluding FV movements 5% below the prior year (CER +7% higher).
- **Health – results reflective of seasonality in sea lice treatments**
 - Q3 revenues broadly in line with Q3 2022 at 1% below (+5% CER)
 - YTD Q3 revenues 57% ahead of prior year (+59% CER)
 - Q3 Adjusted EBITDA loss of £1.0m (Q3 FY22 loss £0.6m) due to low utilisation of CleanTreat® vessels during low season for sea lice treatments
 - YTD Q3 Adjusted EBITDA of £5.6m (YTD Q3 2022: £0.5m loss).
 - The Company is making progress in the development of the new configuration and business model for CleanTreat® with partners MMC and SALT
- **Group integration initiatives** – steps taken to realise synergies and strengthen commercial focus by combining Health and Genetics activities within Salmon under common leadership with a combined commercial offering.

Current trading and outlook

- Trading within market expectations for FY23:
 - Good visibility in Genetics for the remainder of the year
 - Advanced Nutrition will continue to be influenced by weak global shrimp market conditions
 - Health expected to benefit from seasonal increase in sea lice treatments during Q4
 - Efforts continue to focus on profitability and cash generation driven by commercial success and integration synergies

£m	Q3 YTD FY23	Q3 YTD FY22	% CER Q3 YTD FY23	Q3 FY23	Q3 FY22	% CER Q3 FY23
Revenue	133.1 +15%	115.5	+13%	34.3 -6%	36.3	-1%
Adjusted						
Adjusted EBITDA ¹	27.1 +21%	22.4	+21%	5.1 -23%	6.6	-13%
Adj. EBITDA excluding biological asset fair value movements	25.4 +27%	20.0	+27%	3.6 -29%	5.1	-19%
Adjusted Operating Profit/(Loss) ²	11.4 104%	5.6	107%	(0.2) -129%	0.8	-58%
Adj. Operating profit excluding biological asset fair value movements	9.7 207%	3.2	206%	(1.7) -149%	(0.7)	-83%
Statutory						
Operating loss	(4.2) 32%	(6.1)	35%	(4.5) -13%	(4.0)	1%
Loss before tax	(6.6) 60%	(16.4)	64%	(4.7) 58%	(11.2)	63%
Basic loss per share (p)	(1.27)	(3.24)		(0.70)	(1.90)	
Net debt ³	(66.9)	(89.1)		(66.9)	(89.1)	
Net debt ³ excluding lease liabilities	(45.7)	(59.3)		(45.7)	(59.3)	

Business Area summary

£m	Q3 YTD FY23	Q3 YTD FY22	% CER Q3 YTD FY23	Q3 FY23	Q3 FY22	% CER Q3 FY23
Revenue						
Advanced Nutrition	61.4 0%	61.4	-8%	16.1 -17%	19.4	-18%
Genetics	48.9 +23%	39.7	+28%	14.4 +10%	13.1	+21%
Health	22.9 +57%	14.5	+59%	3.8 -1%	3.8	+5%
Adjusted EBITDA¹						
Advanced Nutrition	14.9 +4%	14.3	-4%	3.4 +20%	2.8	+20%
Genetics	9.3 -11%	10.5	0%	3.4 -30%	4.8	-18%
- Net of fair value movements in biological assets	7.6 -5%	8.1	+7%	1.9 -44%	3.4	-29%

Health	5.6 +1,188%	(0.5)	1,186%	(1.0) -67%	(0.6)	-57%
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*Constant exchange rate (CER) figures derived by retranslating current year figures using previous year's foreign exchange rates

(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

Trond Williksen, CEO, commented:

"Our Q3 trading reflects the anticipated low season for our Health solutions in the salmon industry, as well as the continuing adverse market conditions in the global shrimp market. Despite these headwinds we have delivered strong year to date results, with double digit growth in revenues and earnings compared to the prior year.

"For the remainder of the year we have good visibility in Genetics and are moving into the main season for sea lice treatments in Health. Notwithstanding the prevailing market conditions for Advanced Nutrition, we continue to demonstrate momentum in our business and the resilience of our diversified business model to face cyclical fluctuations in our end markets. We continue our strong commercial focus to ensure the further growth and profitable development of the Group."

Presentation for analysts and institutional investors at 08.00 UK time (09.00 CET)

Trond Williksen, Chief Executive Officer and Septima Maguire, Chief Financial Officer will host a presentation for analysts and institutional investors on the day at 08.00 UK time.

The presentation will be held in person at DnB's offices in Oslo at Dronning Eufemias gate 30, 0191 Oslo, Norway. If you would like to attend in person, please contact Henriette Christensen at henriette.gjeldvik.christensen@dnb.no

A live webcast of the presentation will be available for analysts and investors to join remotely at the following link: [Benchmark Holdings Webcast Q3 2023 \(royalcast.com\)](https://www.benchmarkplc.com/investors/reports-presentations/)

A copy of the presentation can be found on the Company's website <https://www.benchmarkplc.com/investors/reports-presentations/>

Equity Development webcast at 12.00 UK time

Trond Williksen, Chief Executive Officer and Septima Maguire, Chief Financial Officer will host a second webcast for retail investors and wealth managers on the day at 12.00 UK time. The webcast is open to all existing and potential shareholders.

To register please visit: <https://www.equitydevelopment.co.uk/news-and-events/benchmark-q3results-presentation-24aug2023>

A recording of the presentation will be available after the event on the [Equity Development website](#).

Enquiries

For further information, please contact:

Benchmark Holdings plc

Trond Williksen, CEO

Septima Maguire, CFO

Ivonne Cantu, Investor Relations

benchmark@mphc.com

Numis (Broker and NOMAD)

Freddie Barnfield, Duncan Monteith, Sher Shah

Tel: 020 7260 1000

MHP

Katie Hunt, Reg Hoare, Veronica Farah

benchmark@mhpgroup.com

Tel: +44(0) 20 3128 8004

About Benchmark

Benchmark is a market leading aquaculture biotechnology company. Benchmark's mission is to drive sustainability in aquaculture by delivering products and solutions in genetics, advanced nutrition and health which improve yield, growth and animal health and welfare.

Through a global footprint in 26 countries and a broad portfolio of products and solutions, Benchmark addresses many of the major aquaculture species – salmon, shrimp, sea bass and sea bream, and tilapia - in all the major aquaculture regions around the world. Find out more at www.benchmarkplc.com

Management Report

Q3 FY23 commentary

Benchmark reported revenues of £34.3m, 6% below the prior year revenue of £36.3m. This resulted from revenue growth in Genetics of 10% being offset by a 17% drop in Advanced Nutrition as a result of prevailing conditions in the global shrimp markets during the period. Revenues in the Health business area broadly in line with the prior year (-1%). On a constant exchange rate (CER) basis Group revenues were 1% below the prior year, a reflection of some forex headwinds in the quarter.

Adjusted EBITDA (excluding fair value uplift from biological assets) was £3.6m, 29% (CER -19%) below the prior year (Q3 FY22: £5.1m). This was mainly due to a reduction in Adjusted EBITDA in Genetics and Health. Despite lower revenues in Advanced Nutrition, Adjusted EBITDA showed growth of 20% in Q3 FY23 due to continued commercial focus and cost control. Further detail on business area performance is provided below.

Operating costs for the Group of £10.6m were 7% below last year (Q3 FY22: £11.5m) with a decrease in all business areas demonstrating the focus on continued cost control. R&D expenses of £1.5m were broadly in line with the prior year (Q3 FY22: £1.4m). Depreciation and amortisation decreased to £9.0m (Q3 FY22: £10.1m), taking Group operating loss for the quarter to £4.5m (Q3 FY22: £4.0m). The Adjusted Operating loss excluding fair value movements in biological assets was £1.7m (Q3 FY22: £0.7m).

Net finance costs were £0.2m, significantly below the comparative period (Q3 FY22: £7.3m), due to a combination of the portion of the movement in the fair value of the derivative instrument which is ineffective for hedge accounting purposes and forex movements. The ineffective portion of the movement in the fair value of the derivative in the period was a gain of £1.1m (Q3 YTD FY22: £2.3m loss) and the Group had net forex gains of £1.3m (Q3 FY22: £3.1m). As a result of these year-on-year movements, the loss before tax in the quarter was £4.7m (Q3 FY22: £11.2m). Interest charges, including interest on right of use assets increased £0.9m primarily following increased interest rates from the refinancing in FY22.

The tax charge in the period was a £76,000 credit (Q3 FY22: £1.6m charge) due to lower profits in Advanced Nutrition and Genetics in the quarter in territories where no loss relief was available. The resulting loss after tax for the quarter was £4.6m (Q3 FY22: loss £12.8m).

We continue our efforts to enhance our commercial focus and integrate the Group to drive synergies. In the period we brought together our Health and Genetics operations under common leadership which drives the synergies from our salmon product portfolio across the two business areas and results in an integrated customer-centric offering.

Advanced Nutrition

Advanced Nutrition revenues were down 17% (CER -18%) compared to Q3 2022, a direct result of conditions in the global shrimp markets which remained unfavourable throughout the year. In 2023 the global shrimp markets have been affected by a number of factors including inflation in the US and in Europe which have reduced consumption, creating oversupply and driving down farm gate prices for shrimp. Imports to the US and Europe are estimated to be 20%-30% below the prior year. At the same time shrimp producers have been faced with increased costs particularly in aquafeed and have reacted by reducing pond stocking thus limiting demand for our products. This environment is expected to continue for the remainder of the year. By product area, sales of Artemia were -21%, Diets -16% and Health -8% against Q3 2022.

Against this backdrop our business has demonstrated resilience, making commercial decisions to maintain and strengthen our market position, while taking action to align our resources and cost base to the market

environment. As a result of this, and with a shift in the product mix, our Advanced Nutrition business delivered an increase in Adjusted EBITDA of 20% to £3.4m (Q3 FY22: £2.8m) (CER 20%).

Revenue YTD at £61.4m was in line with the prior year (Q3 YTD FY22: £61.4m) with assistance from forex movements (CER -8% below prior year); Adjusted EBITDA was 4% above (CER -4% below) prior year at £14.9m (Q3 YTD FY22: £14.3m) due to continued commercial focus and cost control.

Genetics

Despite forex headwinds with weak NOK and ISK, Genetics delivered good revenue growth in Q3 FY23 with revenues of £14.4m, 10% above the prior year (Q3 FY22: £13.1m) (+21% CER). This was driven mainly by strong salmon egg sales, together with improved revenue from harvest income and smolt sales, partially offset by a reduction in sales of SPR shrimp and lumpfish. Sales of salmon eggs were 39% higher than the prior year while sales from shrimp were below the prior year at £0.2m (Q3 FY22: £0.4m) and revenues from tilapia were flat.

Our work to refine the shrimp genetics product line is ongoing and we have lowered our commercial activities during this period. Prevailing conditions in the shrimp markets have also affected this area of our business. As previously announced, we are conducting a strategic review of our tilapia operations and are well advanced. This has had a bearing on our commercial activities in this area in the short run.

Adjusted EBITDA for Q3 FY23 excluding fair value movements of biological assets was down 44% to £1.9m (Q3 FY22: £3.4m) due to a number of factors specific to Q3. These included forex pressure from weak NOK and ISK (-£0.6m), a £1.2m reduction in the margin from harvest income where third party production costs have been significantly higher than the prior year, together with our own cost inflation, and lower capitalisation of production costs as a result of lower closing stock levels (-£1.2m). Biological assets were higher in Q3 FY22 in anticipation of higher sales in Q4 FY22 due to supply issues in the market a year ago. On a constant currency basis Adjusted EBITDA excluding FV movements was down -29% compared to Q3 FY22.

Revenue YTD at £48.9m was 23% higher than the prior year (Q3 YTD FY22: £39.7m) and Adjusted EBITDA excluding fair value movements in biological assets was 5% below the prior year at £7.6m (Q3 YTD FY22: £8.1m) (+7% CER).

Health

Revenues in Q3 FY23 were £3.8m, in line with the prior year (Q3 FY22: £3.8m). Sales from Ectosan® Vet and CleanTreat® were £2.7m, 25% ahead of the prior year, while Salmosan® sales for the quarter were below prior year at £1.1m (Q3 FY22 £1.6m) following strong sales in Q2. Adjusted EBITDA was a loss of £1.0m (Q3 FY22: loss of £0.6m) as a result of the low utilisation rate of the CleanTreat® assets in the quarter due to it being the low season for sea lice treatments. £0.9m of the revenue in the period (Q3 FY22: £0.2m) was derived from recharging vessel and fuel costs associated with the Ectosan® Vet and CleanTreat® operations. YTD revenue was significantly ahead of the prior year at £22.9m (Q3 YTD FY22: £14.5m) with corresponding YTD Adjusted EBITDA also higher at £5.6m (YTD Q3 FY22 £0.5m loss).

Q3 has seasonally been a slow period for sea lice treatments as anticipated, however going into Q4, we expect increased activity. We continue to progress the development of a new configuration of the Group's CleanTreat® systems with our partners MMC, a wellboat equipment provider and SALT, a ship designer. The new configuration is based on the next generation of large wellboats, which form a core part of our customers' infrastructure and is of strategic importance for the ongoing commercial roll-out of Ectosan® Vet and CleanTreat®.

Q3 YTD FY23 Commentary

Q3 YTD the Group delivered 15% growth (CER +13%) in revenue at £133.1m and 27% growth (CER +27%) in Adjusted EBITDA excluding fair value movements from biological assets at £25.4m. Genetics and Health reported strong revenue growth of 23% and 57% respectively while revenues in Advanced Nutrition were in line with the prior year despite significant headwinds in the shrimp markets.

Operating costs were £34.7m, an 11% increase from the prior year (Q3 YTD FY22: £31.4) due to higher activity levels, cost inflation and the impact of forex movements, while R&D expenses of £4.5m were 4% lower than the comparative period in the previous year (Q3 YTD FY22: £4.7m). Total R&D investment including capitalised development costs was £4.9m, £1.4m below the prior year (Q3 YTD FY22: £6.3m) following the cessation of capitalisation of SPR shrimp development costs at the end of the prior year.

Adjusted EBITDA (excluding fair value movement from biological assets) was £25.4m (Q3 YTD FY22: £20.0m) driven by higher revenues, increased asset utilisation and ongoing cost control. As a result, the Group achieved an Adjusted EBITDA margin (excluding fair value movement from biological assets) of 19% (Q3 YTD FY22: 17%). Depreciation and amortisation decreased 3% from the comparative period last year to £28.1m (Q3 YTD FY22: £29.0m), leaving the operating loss in the period at £4.2m (Q3 YTD FY22: £6.1m).

There was a significant decrease in net finance costs for Q3 YTD to £2.4m (Q3 YTD FY22: £10.3m), primarily due to the portion of the movement in the fair value of the derivative instrument which is ineffective for hedge accounting purposes and forex movements. Ineffective movements in the fair value of the derivative instruments were a gain of £3.7m (Q3 YTD FY22: £1.7m loss) and there were net forex gains of £0.5m (Q3 YTD FY22: £2.6m loss). Interest costs, including interest on right of use assets, were £1.2m higher than prior year following the refinancing at the end of FY22. Together this led to a Q3 YTD FY23 loss before tax of £6.6m significantly below the loss in the previous year of £16.4m. There was a lower income tax charge in the period of £1.4m (YTD Q3 FY22: £5.2m) due to lower profits in the territories with no available loss reliefs, leaving loss after tax of £8.0m significantly below the prior year (Q3 YTD FY22: loss after tax £21.6m).

Year to date, the Group reported a net operating cash inflow of £11.2m after an increase in working capital of £5.3m mainly due to a reduction in payables in the nutrition business which has had low sales in recent months. Net cash outflow from investing activities was £11.3m, £8.0m of which was spent in acquiring the minority interest in Benchmark Genetics Iceland. Capex was £4.2m primarily in Genetics (£2.8m) and Health (£1.2m) and capitalised R&D was £0.4m mostly incurred in Health, both of which were offset by receipts of deferred consideration from earlier year disposals of divested businesses of £1.3m. Our cash position at the end of the period was £32.9m and liquidity of £45.1m.

Outlook

YTD Q3 FY23 the Group has delivered double digit revenue growth of 15% and 27% increase in Adjusted EBITDA excluding FV movement from biological assets. This demonstrates the momentum in our business and resilience of our diversified business model to face cyclical fluctuations in our end markets.

Looking forward conditions in the salmon remain favourable while the global shrimp markets are expected to remain unchanged for the rest of the year. We anticipate a seasonal improvement in sales of our Health solutions and continue to have good visibility of our Genetics revenues. There is continued commercial focus in the business, and the Group is trading within market expectations for the full year.

Benchmark Holdings plc

Consolidated Income Statement for the period ended 30 June 2023

All figures in £000's	Notes	Q3 2023 (unaudited)	Q3 2022 (unaudited)	YTD Q3 2023 (unaudited)	YTD Q3 2022 (unaudited)	FY 2022 (audited)
Revenue	4	34,267	36,272	133,129	115,519	158,277
Cost of sales		(16,990)	(16,799)	(66,807)	(56,524)	(75,149)
Gross profit		17,277	19,473	66,322	58,995	83,128
Research and development costs		(1,496)	(1,426)	(4,494)	(4,663)	(6,691)
Other operating costs		(10,639)	(11,464)	(34,682)	(31,371)	(44,661)
Share of (loss)/profit of equity-accounted investees, net of tax		(55)	(10)	1	(538)	(595)
Adjusted EBITDA²		5,087	6,573	27,147	22,423	31,181
Exceptional - restructuring, disposal and acquisition related items	5	(530)	(469)	(3,218)	439	16
EBITDA¹		4,557	6,104	23,929	22,862	31,197
Depreciation and impairment		(4,702)	(5,206)	(13,868)	(15,258)	(19,897)
Amortisation and impairment		(4,318)	(4,849)	(14,230)	(13,721)	(19,161)
Operating profit/(loss)		(4,463)	(3,951)	(4,169)	(6,117)	(7,861)
Finance cost	6	(2,981)	(7,428)	(13,207)	(10,674)	(20,057)
Finance income	6	2,746	141	10,762	409	4,741
Loss before taxation		(4,698)	(11,238)	(6,614)	(16,382)	(23,177)
Tax on loss	7	76	(1,584)	(1,407)	(5,200)	(7,274)
Loss for the period		(4,622)	(12,822)	(8,021)	(21,582)	(30,451)
Loss for the period attributable to:						
- Owners of the parent		(5,153)	(13,394)	(9,294)	(22,526)	(32,087)
- Non-controlling interest		531	572	1,273	944	1,636
		(4,622)	(12,822)	(8,021)	(21,582)	(30,451)
Earnings per share						
Basic loss per share (pence)	8	(0.70)	(1.90)	(1.27)	(3.24)	(4.60)
Diluted loss per share (pence)	8	(0.70)	(1.90)	(1.27)	(3.24)	(4.60)

1 EBITDA – Earnings before interest, tax, depreciation, amortisation, and impairment

2 Adjusted EBITDA – EBITDA before exceptional items including acquisition related items

Benchmark Holdings plc

Consolidated Statement of Comprehensive Income for the period ended 30 June 2023

All figures in £000's	Q3 2023 (unaudited)	Q3 2022 (unaudited)	YTD Q3 2023 (unaudited)	YTD Q3 2022 (unaudited)	FY 2022 (audited)
Loss for the period	(4,622)	(12,822)	(8,021)	(21,582)	(30,451)
Other comprehensive income					
Items that are or may be reclassified					
subsequently to profit or loss					
Foreign exchange translation differences	(11,153)	17,180	(35,166)	24,381	47,606
Cash flow hedges - changes in fair value	2,093	(2,368)	1,794	580	2,627
Cash flow hedges - reclassified to profit or loss	(273)	(19)	(565)	159	2,546
Total comprehensive income for the period	(13,955)	1,971	(41,958)	3,538	22,328
Total comprehensive income for the period					
attributable to:					
- Owners of the parent	(14,204)	1,381	(42,250)	2,217	20,326
- Non-controlling interest	249	590	292	1,321	2,002
	(13,955)	1,971	(41,958)	3,538	22,328

The accompanying notes are an integral part of this consolidated financial information.

Benchmark Holdings plc

Consolidated Balance Sheet as at 30 June 2023

		30 June 2023	30 June 2022	30 September 2022
All figures in £000's	Notes	(unaudited)	(unaudited)	(audited)
Assets				
Property, plant and equipment		71,880	81,478	81,900
Right-of-use assets		21,755	29,060	27,034
Intangible assets		205,312	235,175	245,264
Equity-accounted investees		3,028	3,086	3,113
Other investments		13	15	15
Biological and agricultural assets		21,688	20,927	20,878
Non-current assets		323,676	369,741	378,204
Inventories		26,244	27,228	29,813
Biological and agricultural assets		21,301	23,636	25,780
Trade and other receivables		47,858	51,105	56,377
Cash and cash equivalents		32,858	38,179	36,399
		128,261	140,148	148,369
Assets held for sale	9	850	-	-
Current assets		129,111	140,148	148,369
Total assets		452,787	509,889	526,573
Liabilities				
Trade and other payables		(32,034)	(41,243)	(44,324)
Loans and borrowings	10	(21,757)	(14,226)	(17,091)
Corporation tax liability		(6,791)	(7,408)	(10,211)
Provisions		(1,557)	(543)	(1,631)
Current liabilities		(62,139)	(63,420)	(73,257)
Loans and borrowings	10	(77,960)	(113,094)	(93,045)
Other payables		(4,908)	(1,055)	(8,996)
Deferred tax		(22,755)	(28,116)	(27,990)
Non-current liabilities		(105,623)	(142,265)	(130,031)
Total liabilities		(167,762)	(205,685)	(203,288)
Net assets		285,025	304,204	323,285
Issued capital and reserves attributable to owners of the parent				
Share capital	11	739	704	704
Additional paid-in share capital	11	37,428	420,824	420,824
Capital redemption reserve		5	5	5
Retained earnings		197,168	(175,866)	(185,136)
Hedging reserve		526	(5,137)	(703)
Foreign exchange reserve		43,520	54,469	77,705
Equity attributable to owners of the parent		279,386	294,999	313,399
Non-controlling interest		5,639	9,205	9,886
Total equity and reserves		285,025	304,204	323,285

The accompanying notes are an integral part of this consolidated financial information.

Benchmark Holdings plc

Consolidated Statement of Changes in Equity for the period ended 30 June 2023

	Share capital	Additional paid-in share capital*	Other reserves	Hedging reserve	Retained earnings	Total attributable to equity holders of parent	Non-controlling interest	Total equity
	£000	£000	£000	£000	£000	£000	£000	£000
As at 1 October 2022 (audited)	704	420,824	77,710	(703)	(185,136)	313,399	9,886	323,285
Comprehensive income/(loss) for the period								
Profit/(loss) for the period	-	-	-	-	(9,294)	(9,294)	1,273	(8,021)
Other comprehensive income/(loss)	-	-	(34,185)	1,229	-	(32,956)	(981)	(33,937)
Total comprehensive income/(loss) for the period	-	-	(34,185)	1,229	(9,294)	(42,250)	292	(41,958)
Contributions by and distributions to owners								
Share issue	35	12,985	-	-	-	13,020	-	13,020
Share issue costs recognised through equity	-	(2,146)	-	-	-	(2,146)	-	(2,146)
Cancellation of part of share premium account (note 11)	-	(394,235)	-	-	394,235	-	-	-
Share-based payment	-	-	-	-	833	833	-	833
Total contributions by and distributions to owners	35	(383,396)	-	-	395,068	11,707	-	11,707
Changes in ownership								
Acquisition of NCI	-	-	-	-	(3,470)	(3,470)	(4,539)	(8,009)
Total changes in ownership interests	-	-	-	-	(3,470)	(3,470)	(4,539)	(8,009)
Total transactions with owners of the Company	35	(383,396)	-	-	391,598	8,237	(4,539)	3,698
As at 30 June 2023 (unaudited)	739	37,428	43,525	526	197,168	279,386	5,639	285,025
As at 1 October 2021 (audited)	670	400,682	30,470	(5,876)	(154,231)	271,715	7,884	279,599
Comprehensive income/(loss) for the period								
Profit/(loss) for the period	-	-	-	-	(22,526)	(22,526)	944	(21,582)
Other comprehensive income/(loss)	-	-	24,004	739	-	24,743	377	25,120
Total comprehensive income/(loss) for the period	-	-	24,004	739	(22,526)	2,217	1,321	3,538
Contributions by and distributions to owners								
Share issue	34	20,704	-	-	-	20,738	-	20,738
Share issue costs recognised through equity	-	(562)	-	-	-	(562)	-	(562)
Share-based payment	-	-	-	-	891	891	-	891
Total contributions by and distributions to owners	34	20,142	-	-	891	21,067	-	21,067
Changes in ownership								
Total changes in ownership interests	-	-	-	-	-	-	-	-
Total transactions with owners of the Company	34	20,142	-	-	891	21,067	-	21,067
As at 30 June 2022 (unaudited)	704	420,824	54,474	(5,137)	(175,866)	294,999	9,205	304,204
As at 1 October 2021 (audited)	670	400,682	30,470	(5,876)	(154,231)	271,715	7,884	279,599
Comprehensive income/(loss) for the period								
Profit/(loss) for the period	-	-	-	-	(32,087)	(32,087)	1,636	(30,451)
Other comprehensive income/(loss)	-	-	47,240	5,173	-	52,413	366	52,779
Total comprehensive income/(loss) for the period	-	-	47,240	5,173	(32,087)	20,326	2,002	22,328
Contributions by and distributions to owners								
Share issue	34	20,704	-	-	-	20,738	-	20,738
Share issue costs recognised through equity	-	(562)	-	-	-	(562)	-	(562)
Share-based payment	-	-	-	-	1,182	1,182	-	1,182
Total contributions by and distributions to owners	34	20,142	-	-	1,182	21,358	-	21,358
Changes in ownership								
Total changes in ownership interests	-	-	-	-	-	-	-	-
Total transactions with owners of the Company	34	20,142	-	-	1,182	21,358	-	21,358
As at 30 September 2022 (audited)	704	420,824	77,710	(703)	(185,136)	313,399	9,886	323,285

*Other reserves in this statement is an aggregation of capital redemption reserve and foreign exchange reserve

Consolidated Statement of Cashflows for the period ended 30 June 2023

	Notes	30 June 2023 (unaudited)	30 June 2022 (unaudited)	30 September 2022 (audited)
Cash flows from operating activities				
Loss for the period		(8,021)	(21,582)	(30,451)
Adjustments for:				
Depreciation and impairment of property, plant and equipment		6,363	6,324	8,602
Depreciation and impairment of right-of-use assets		7,505	8,934	11,295
Amortisation and impairment of intangible fixed assets		14,230	13,721	19,161
Loss on sale of property, plant and equipment		(36)	(43)	(43)
Finance income		(4,195)	(238)	(319)
Finance costs		7,173	7,913	18,437
Increase in fair value of contingent consideration receivable		-	(1,203)	(1,203)
Share of (loss)/profit of equity-accounted investees, net of tax		(1)	538	595
Foreign exchange (losses)/gains		(2,443)	5,607	(3,985)
Share-based payment expense		833	891	1,182
Other adjustments for non-cash items		-	-	(276)
Tax charge		1,407	5,200	7,274
Decrease/(increase) in trade and other receivables		3,772	(4,456)	(8,511)
Decrease/(increase) in inventories		2,249	(7,314)	(5,406)
Increase in biological and agricultural assets		(403)	(4,144)	(6,099)
(Decrease)/increase in trade and other payables		(10,862)	(6,228)	6,946
(Decrease)/increase in provisions		(20)	(21)	1,058
		17,551	3,899	18,257
Income taxes paid		(6,335)	(6,100)	(7,447)
Net cash flows generated from operating activities		11,216	(2,201)	10,810
Investing activities				
Acquisition of minority interests in subsidiaries, net of cash acquired	14	(8,009)	-	-
Acquisition of subsidiaries	14	(48)	-	-
Purchase of investments		(359)	(108)	(378)
Receipts from disposal of investments	14	1,250	919	1,544
Purchases of property, plant and equipment		(4,171)	(7,169)	(10,808)
Purchase of intangibles		(120)	(1,757)	(205)
Capitalised research and development costs		(380)	-	(1,708)
Proceeds from sale of fixed assets		99	194	220
Interest received		469	34	119
Net cash flows used in investing activities		(11,269)	(7,887)	(11,216)
Financing activities				
Proceeds of share issues		13,020	20,782	20,737
Share-issue costs recognised through equity		(2,146)	(607)	(562)
Proceeds from bank or other borrowings		21,984	-	67,939
Repayment of bank or other borrowings		(17,527)	(1,333)	(74,874)
Capitalised borrowing costs		(1,159)	-	-
Interest and finance charges paid		(6,736)	(5,381)	(9,629)
Repayments of lease liabilities		(7,349)	(6,928)	(10,533)
Net cash inflow/(outflow) from financing activities		87	6,533	(6,922)
Net increase/(decrease) in cash and cash equivalents		34	(3,555)	(7,328)
Cash and cash equivalents at beginning of period		36,399	39,460	39,460
Effect of movements in exchange rate		(3,575)	2,274	4,267
Cash and cash equivalents at end of period		32,858	38,179	36,399

1. Basis of preparation

Benchmark Holdings plc (the 'Company') is a company incorporated and domiciled in the United Kingdom. These consolidated quarterly financial statements as at and for the nine months ended 30 June 2023 comprises those of the Company and its subsidiaries (together referred to as the 'Group').

These consolidated quarterly financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006 and are unaudited. These financial statements do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements. The Group's last annual statutory financial statements as at and for the year ended 30 September 2022 were prepared in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006 as it applies to companies reporting under those standards ("Adopted IFRS") and are available from the Company's website at www.benchmarkplc.com.

The prior year comparatives are derived from audited financial information for Benchmark Holdings PLC Group as set out in the Annual Report and Accounts for the year ended 30 September 2022 and the unaudited financial information in the Quarterly Financial Report for the nine months ended 30 June 2022. The comparative figures for the financial year ended 30 September 2022 are not the Company's statutory accounts for that financial year. Those accounts were approved by the Directors on 30 November 2022 and have been delivered to the Registrar of Companies. The audit report received on those accounts was (i) unqualified and (ii) did not include a reference to any matters to which the external auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

Statement of Compliance

These consolidated quarterly financial statements have been prepared in accordance with UK and EU adopted IAS 34 'Interim Financial Reporting'. These financial statements do not include all of the information required for the full annual financial statements and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 30 September 2022. These consolidated quarterly financial statements were approved by the Board of Directors on 24 August 2023.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Management Report.

As at 30 June 2023 the Group had net assets of £285.0m (30 September 2022: £323.3m), including cash of £32.9m (30 September 2022: £36.4m) as set out in the consolidated balance sheet. The Group made a loss for the nine months of £8.0m (year ended 30 September 2022: loss £30.5m).

As noted in the Management Report, the business has continued to perform steadily in the first nine months and has shown resilience to some tough market conditions in recent months, with results in line with expectations. The Directors have reviewed forecasts and cash flow projections for a period of at least 12 months including downside sensitivity assumptions in relation to trading performance across the Group to assess the impact on the Group's trading and cash flow forecasts and on the forecast compliance with the covenants included within the Group's financing arrangements.

In the downside analysis performed, the Directors considered severe but plausible scenarios on the Group's trading and cash flow forecasts, firstly in relation to continued roll out of the Ectosan® Vet and CleanTreat offering. Sensitivities considered included modelling slower ramp up of the commercialisation of Ectosan® Vet and CleanTreat® through delayed roll-out of the revised operating model for the service, together with reductions in expected biomass treated and reduced treatment prices. Key downside sensitivities modelled in other areas included assumptions on slower commercialisation of SPR shrimp, slower salmon egg sales growth both in Chile and to land-based farms in Genetics, along with sensitivities on sales price increases and demand for artemia feeds in certain territories. Mitigating measures within the control of management have been identified should they be required in response to these sensitivities, including reductions in areas of discretionary spend, tight control over new hires, and deferral of capital projects.

The refinancing exercise which commenced in FY22 was completed in Q1 FY23, so that adequate finance facilities are in place, and with financial instruments in place to fix interest rates and opportunities available to mitigate globally high inflation rates, the Group continues to show resilience against current global economic pressures. The Directors are therefore confident that even under all of the above sensitivity analysis, the Group has sufficient liquidity and resources throughout the period under review whilst still maintaining adequate headroom against the borrowing covenants and remain confident that the Group has adequate resources to continue to meet its liabilities as and when they fall due within the period of 12 months from the date of approval of these financial statements. Based on their assessment, the Directors believe it remains appropriate to prepare the financial statements on a going concern basis.

2. Accounting policies

The accounting policies adopted are consistent with those used in preparing the consolidated financial statements for the financial year ended 30 September 2022.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total earnings.

Alternative performance measures ('APMs')

The Directors measure the performance of the Group based on a range of financial measures, including measures not recognised by EU-adopted IFRS. These APMs may not be directly comparable with other companies' APMs, and the Directors do not intend these as a substitute for, or superior to, IFRS measures.

Directors have presented the performance measures Adjusted EBITDA, Adjusted Operating Profit, Adjusted Profit Before Tax and Adjusted EBITDA excluding fair value movement on biological assets because they monitor performance at a consolidated level using these and believe that these measures are relevant to an understanding of the Group's financial performance (see note 12). Furthermore, the Directors also refer to current period results using constant currency, which are derived by retranslating current period results using the prior year's foreign exchange rates.

Use of estimates and judgements

The preparation of quarterly financial information requires management to make certain judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual amounts may differ from these estimates.

In preparing these quarterly financial statements the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 30 September 2022.

3. Segment information

Operating segments are reported in a manner consistent with the reports made to the chief operating decision maker. It is considered that the role of chief operating decision maker is performed by the Board of Directors.

The Group operates globally and for management purposes is organised into reportable segments based on the following business areas:

- *Genetics* - harnesses industry leading salmon breeding technologies combined with state-of-the-art production facilities to provide a range of year-round high genetic merit ova.
- *Advanced Nutrition* - manufactures and provides technically advanced nutrition and health products to the global aquaculture industry.
- *Health* - the segment provides health products and services to the global aquaculture market.

Unaudited notes to the quarterly financial statements for the period ended 30 June 2023

3. Segment information (continued)

In order to reconcile the segmental analysis to the consolidated income statement, corporate and inter-segment sales are also shown. Corporate sales represent revenues earned from recharging certain central costs to the operating business areas, together with unallocated central costs.

Measurement of operating segment profit or loss

Inter-segment sales are priced along the same lines as sales to external customers, with an appropriate discount being applied to encourage use of Group resources at a rate acceptable to local tax authorities. This policy was applied consistently throughout the current and prior period.

Segmental Revenue

	Q3 2023	Q3 2022	YTD Q3	YTD Q3	FY 2022
All figures in £000's	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(audited)
Genetics	14,426	13,091	48,907	39,694	58,008
Advanced Nutrition	16,067	19,381	61,391	61,414	80,286
Health	3,795	3,840	22,872	14,533	20,135
Corporate	1,426	1,406	4,299	4,218	5,120
Inter-segment sales	(1,447)	(1,446)	(4,340)	(4,340)	(5,272)
Total	34,267	36,272	133,129	115,519	158,277

Segmental Adjusted EBITDA

	Q3 2023	Q3 2022	YTD Q3	YTD Q3	FY 2022
All figures in £000's	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(audited)
Genetics	3,356	4,816	9,339	10,507	15,980
Advanced Nutrition	3,420	2,837	14,886	14,311	19,017
Health	(1,022)	(610)	5,628	(517)	108
Corporate	(667)	(470)	(2,706)	(1,878)	(3,924)
Total	5,087	6,573	27,147	22,423	31,181

Reconciliations of segmental information to IFRS measures**Reconciliation of Reportable Segments Adjusted EBITDA to Loss before taxation**

	Q3 2023	Q3 2022	YTD Q3	YTD Q3	FY 2022
All figures in £000's	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(audited)
Total reportable segment Adjusted EBITDA	5,754	7,043	29,853	24,301	35,105
Corporate Adjusted EBITDA	(667)	(470)	(2,706)	(1,878)	(3,924)
Adjusted EBITDA	5,087	6,573	27,147	22,423	31,181
Exceptional - restructuring, disposal and acquisition related items	(530)	(469)	(3,218)	439	16
Depreciation and impairment	(4,702)	(5,206)	(13,868)	(15,258)	(19,897)
Amortisation and impairment	(4,318)	(4,849)	(14,230)	(13,721)	(19,161)
Net finance costs	(235)	(7,287)	(2,445)	(10,265)	(15,316)
Loss before taxation	(4,698)	(11,238)	(6,614)	(16,382)	(23,177)

Unaudited notes to the quarterly financial statements for the period ended 30 June 2023

4. Revenue

The Group's operations and main revenue streams are those described in its financial statements to 30 September 2022. The Group's revenue is derived from contracts with customers.

Disaggregation of revenue

In the following tables, revenue is disaggregated by primary geographical market and by sales of goods and services. The table includes a reconciliation of the disaggregated revenue with the Group's reportable segments (see note 3).

Sale of goods and provision of services

3 months ended 30 June 2023 (unaudited)

All figures in £000's	Genetics	Advanced Nutrition	Health	Corporate	Inter-segment sales	Total
Sale of goods	13,523	16,049	2,259	-	-	31,831
Provision of services	900	-	1,536	-	-	2,436
Inter-segment sales	3	18	-	1,426	(1,447)	-
	14,426	16,067	3,795	1,426	(1,447)	34,267

3 months ended 30 June 2022 (unaudited)

All figures in £000's	Genetics	Advanced Nutrition	Health	Corporate	Inter-segment sales	Total
Sale of goods	12,148	19,346	3,598	-	-	35,092
Provision of services	938	-	242	-	-	1,180
Inter-segment sales	5	35	-	1,406	(1,446)	-
	13,091	19,381	3,840	1,406	(1,446)	36,272

9 months ended 30 June 2023 (unaudited)

All figures in £000's	Genetics	Advanced Nutrition	Health	Corporate	Inter-segment sales	Total
Sale of goods	45,727	61,356	15,823	-	-	122,906
Provision of services	3,174	-	7,049	-	-	10,223
Inter-segment sales	6	35	-	4,299	(4,340)	-
	48,907	61,391	22,872	4,299	(4,340)	133,129

9 months ended 30 June 2022 (unaudited)

All figures in £000's	Genetics	Advanced Nutrition	Health	Corporate	Inter-segment sales	Total
Sale of goods	36,529	61,339	9,443	-	-	107,311
Provision of services	3,118	-	5,090	-	-	8,208
Inter-segment sales	47	75	-	4,218	(4,340)	-
	39,694	61,414	14,533	4,218	(4,340)	115,519

4. Revenue (continued)

Sale of goods and provision of services (continued)

12 months ended 30 September 2022 (audited)						
All figures in £000's	Genetics	Advanced Nutrition	Health	Corporate	Inter-segment sales	Total
Sale of goods	53,978	80,191	13,528	-	-	147,697
Provision of services	3,973	-	6,607	-	-	10,580
Inter-segment sales	57	95	-	5,120	(5,272)	-
	58,008	80,286	20,135	5,120	(5,272)	158,277

Primary geographical markets

3 months ended 30 June 2023 (unaudited)						
All figures in £000's	Genetics	Advanced Nutrition	Health	Corporate	Inter-segment sales	Total
Norway	7,190	349	3,155	-	-	10,694
India	-	671	-	-	-	671
Turkey	54	1,208	-	-	-	1,262
Greece	-	1,698	-	-	-	1,698
Faroe Islands	1,668	-	116	-	-	1,784
Ecuador	9	1,936	-	-	-	1,945
United Kingdom	783	27	93	-	-	903
Chile	332	1	291	-	-	624
Vietnam	-	2,445	-	-	-	2,445
Rest of Europe	1,546	767	-	-	-	2,313
Rest of World	2,841	6,947	140	-	-	9,928
Inter-segment sales	3	18	-	1,426	(1,447)	-
	14,426	16,067	3,795	1,426	(1,447)	34,267

3 months ended 30 June 2022 (unaudited)						
All figures in £000's	Genetics	Advanced Nutrition	Health	Corporate	Inter-segment sales	Total
Norway	7,721	328	2,411	-	-	10,460
India	181	3,208	-	-	-	3,389
Turkey	-	1,173	-	-	-	1,173
Greece	2	1,795	-	-	-	1,797
Faroe Islands	1,325	1	101	-	-	1,427
Ecuador	18	1,575	-	-	-	1,593
United Kingdom	363	39	48	-	-	450
Chile	429	2	96	-	-	527
Vietnam	-	4,022	-	-	-	4,022
Rest of Europe	1,591	631	-	-	-	2,222
Rest of World	1,456	6,572	1,184	-	-	9,212
Inter-segment sales	5	35	-	1,406	(1,446)	-
	13,091	19,381	3,840	1,406	(1,446)	36,272

Unaudited notes to the quarterly financial statements for the period ended 30 June 2023

4. Revenue (continued)

Primary geographical markets (continued)

9 months ended 30 June 2023 (unaudited)						
All figures in £000's	Genetics	Advanced Nutrition	Health	Corporate	Inter-segment sales	Total
Norway	30,251	691	17,607	-	-	48,549
India	-	7,696	-	-	-	7,696
Turkey	60	5,940	-	-	-	6,000
Greece	-	5,969	-	-	-	5,969
Faroe Islands	4,987	-	464	-	-	5,451
Ecuador	38	5,508	-	-	-	5,546
United Kingdom	2,334	54	135	-	-	2,523
Chile	1,465	12	633	-	-	2,110
Vietnam	-	7,475	-	-	-	7,475
Rest of Europe	5,288	4,105	-	-	-	9,393
Rest of World	4,478	23,906	4,033	-	-	32,417
Inter-segment sales	6	35	-	4,299	(4,340)	-
	48,907	61,391	22,872	4,299	(4,340)	133,129

9 months ended 30 June 2022 (unaudited)						
All figures in £000's	Genetics	Advanced Nutrition	Health	Corporate	Inter-segment sales	Total
Norway	23,515	651	11,367	-	-	35,533
India	581	10,927	-	-	-	11,508
Turkey	-	5,105	-	-	-	5,105
Greece	2	5,266	-	-	-	5,268
Faroe Islands	3,926	7	378	-	-	4,311
Ecuador	18	3,866	-	-	-	3,884
United Kingdom	3,219	67	166	-	-	3,452
Chile	769	7	649	-	-	1,425
Vietnam	-	10,031	-	-	-	10,031
Rest of Europe	4,952	3,212	-	-	-	8,164
Rest of World	2,665	22,200	1,973	-	-	26,838
Inter-segment sales	47	75	-	4,218	(4,340)	-
	39,694	61,414	14,533	4,218	(4,340)	115,519

4. Revenue (continued)

Primary geographical markets (continued)

12 months ended 30 September 2022 (audited)						
All figures in £000's	Genetics	Advanced Nutrition	Health	Corporate	Inter-segment sales	Total
Norway	34,666	965	15,571	-	-	51,202
India	619	12,001	-	-	-	12,620
Turkey	-	6,419	-	-	-	6,419
Greece	2	6,197	-	-	-	6,199
Faroe Islands	5,465	9	587	-	-	6,061
Ecuador	18	6,472	-	-	-	6,490
United Kingdom	4,318	93	199	-	-	4,610
Chile	1,006	15	871	-	-	1,892
Vietnam	-	10,512	-	-	-	10,512
Rest of Europe	7,110	4,056	-	-	-	11,166
Rest of World	4,747	33,452	2,907	-	-	41,106
Inter-segment sales	57	95	(0)	5,120	(5,272)	(0)
	58,008	80,286	20,135	5,120	(5,272)	158,277

5. Exceptional – restructuring, disposal, and acquisition related items

Items that are material because of their size or nature, non-recurring and whose significance is sufficient to warrant separate disclosure and identification within the consolidated financial statements are referred to as exceptional items. The separate reporting of exceptional items helps to provide an understanding of the Group's underlying performance.

All figures in £000's	Q3 2023 (unaudited)	Q3 2022 (unaudited)	YTD Q3 2023 (unaudited)	YTD Q3 2022 (unaudited)	FY 2022 (audited)
Acquisition related items	579	-	579	-	-
Exceptional restructuring costs	153	508	2,826	606	1,229
(Income)/cost in relation to disposals	(201)	(39)	(186)	(1,045)	(1,245)
Total exceptional items	530	469	3,218	(439)	(16)

Acquisition related items comprise fees incurred in the period in connection with an aborted acquisition.

Exceptional restructuring costs include £43,000 for the quarter (Q3 2022: £331,000) and £2,580,000 YTD (Q3 YTD 2022: £371,000) of legal and professional costs in relation to preparing for listing the Group on the Oslo stock exchange, and £110,000 for the quarter (Q3 2022: £177,000) and £246,000 YTD (Q3 YTD 2022: £235,000) relating to other restructuring costs.

(Income)/costs in relation to disposals in the quarter and YTD relate to a credit of £235,000 (Q3 2022: £294,000 credit; Q3 YTD 2022: £1,202,000) due to higher than anticipated deferred consideration received from subsidiary company disposals made in 2020 offset by £34,000 (Q3 2022: £255,000) in Q3 and £49,000 in the year to date (Q3 YTD 2022: £157,000) of other disposal costs.

Unaudited notes to the quarterly financial statements for the period ended 30 June 2023

6. Net finance costs

	Q3 2023 (unaudited)	Q3 2022 (unaudited)	YTD Q3 2023 (unaudited)	YTD Q3 2022 (unaudited)	FY 2022 (audited)
All figures in £000's					
Interest received on bank deposits	155	9	472	238	319
Foreign exchange gains on financing activities	158	-	158	-	4,422
Foreign exchange gains on operating activities	1,363	114	6,409	171	-
Cash flow hedges - reclassified from OCI	273	19	565	-	-
Cash flow hedges - ineffective portion of changes in fair value	798	-	3,158	-	-
Finance income	2,746	141	10,762	409	4,741
Leases (interest portion)	(390)	(24)	(1,262)	(717)	(1,744)
Cash flow hedges - reclassified from OCI	-	-	-	(159)	(2,546)
Cash flow hedges - ineffective portion of changes in fair value	-	(2,318)	-	(1,562)	(4,475)
Foreign exchange gains on financing activities	-	(1,542)	-	(1,984)	-
Foreign exchange losses on operating activities	(175)	(1,683)	(6,034)	(777)	(1,620)
Interest expense on financial liabilities measured at amortised cost	(2,416)	(1,863)	(5,911)	(5,475)	(9,672)
Finance costs	(2,981)	(7,428)	(13,207)	(10,674)	(20,057)
Net finance costs recognised in profit or loss	(235)	(7,287)	(2,445)	(10,265)	(15,316)

7. Taxation

	Q3 2023 (unaudited)	Q3 2022 (unaudited)	YTD Q3 2023 (unaudited)	YTD Q3 2022 (unaudited)	FY 2022 (audited)
All figures in £000's					
Analysis of charge in period					
Current tax:					
Current income tax expense on profits for the period	823	2,596	3,658	7,603	11,727
Adjustment in respect of prior periods	-	-	-	-	(39)
Total current tax charge	823	2,596	3,658	7,603	11,688
Deferred tax:					
Origination and reversal of temporary differences	(899)	(1,012)	(2,251)	(2,403)	(4,414)
Deferred tax movements in respect of prior periods	-	-	-	-	-
Total deferred tax credit	(899)	(1,012)	(2,251)	(2,403)	(4,414)
				-	-
Total tax (credit)/charge	(76)	1,584	1,407	5,200	7,274

Unaudited notes to the quarterly financial statements for the period ended 30 June 2023

8. Loss per share

Basic loss per share is calculated by dividing the loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Q3 2023 (unaudited)	Q3 2022 (unaudited)	YTD Q3 2023 (unaudited)	YTD Q3 2022 (unaudited)	FY 2022 (audited)
Loss attributable to equity holders of the parent (£000)	(5,153)	(13,394)	(9,294)	(22,526)	(32,087)
Weighted average number of shares in issue (thousands)	739,300	703,961	729,437	696,303	698,233
Basic loss per share (pence)	(0.70)	(1.90)	(1.27)	(3.24)	(4.60)

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. This is done by calculating the number of shares that could have been acquired at fair value (determined as the average market price of the Company's shares for the period) based on the monetary value of the subscription rights attached to outstanding share options and warrants. The number of shares calculated above is compared with the number of shares that would have been issued assuming the exercise of the share options and warrants.

Therefore, the Company is required to adjust the earnings per share calculation in relation to the share options that are in issue under the Company's share-based incentive schemes, and outstanding warrants. However, as any potential ordinary shares would be anti-dilutive due to losses being made there is no difference between Basic loss per share and Diluted loss per share for any of the periods being reported.

A total of 5,988,043 potential ordinary shares have not been included within the calculation of statutory diluted loss per share for the year (30 September 2022: 6,240,304 and 30 June 2022: 5,066,469). These potential ordinary shares could dilute earnings/loss per share in the future.

9. Assets held for sale

This property was transferred to assets held for sales at £850,000, which is the book value and market value.

Assets held for sale	Transferred to held for sale	Fair value adjustment	Total assets transferred
All figures in £000's			
Property, plant and equipment	850	-	850
Total Assets held for sale	850	-	850

10. Loans and borrowings

All figures in £000's	YTD Q3 2023 (unaudited)	YTD Q3 2022 (unaudited)	FY 2022 (audited)
Non-Current			
2025 750m NOK Loan notes	53,382	-	61,054
2023 850m NOK Loan notes	-	78,172	-
Bank borrowings	15,746	17,771	17,226
Lease liabilities	8,832	17,151	14,765
	77,960	113,094	93,045
Current			
Bank borrowings	9,439	1,583	5,569
Lease liabilities	12,318	12,643	11,522
	21,757	14,226	17,091
Total loans and borrowings	99,717	127,320	110,136

On 27 September 2022, the Group successfully issued a new unsecured floating rate listed green bond of NOK 750m. The bond which matures in September 2025, has a coupon of three-month NIBOR + 6.50% p.a. with quarterly interest payments, and is to be listed on the Oslo Stock Exchange. The proceeds were used to repay its existing NOK 850m floating rate listed bond, originally raised in June 2019.

On 21 November 2022, the Group refinanced its USD15m RCF, which was provided by DNB Bank ASA (50%) and HSBC UK Bank PLC (50%), with a secured GBP20m RCF provided by DNB Bank ASA, maturing on 27 June 2025. The margin on this facility is a minimum of 2.75% and a maximum of 3.25%, dependent upon the leverage of the Group above the relevant risk-free reference or IBOR rates depending on which currency is drawn.

On 15 February 2023, the Group drew down €9,000,000 on the GBP20,000 RCF. On 16 June 2023 this was repaid by a further draw down from the RCF of £7,750,000, leaving £12,250,000 undrawn as at 30 June 2023.

Additionally on 1 November 2022, the Group's Nordea Bank term loan of NOK 165.6m, which had a term loan of five years ending in November 2023 and interest rate of 2.5% above three month NIBOR, was refinanced together with an existing undrawn overdraft facility into a new loan facility of NOK 179.5m with a new maturity date in a further five years no later than 15 January 2028. Other terms of this facility remain the same.

11. Share capital and additional paid-in share capital

	Number	Share Capital £000	Additional paid-in share capital £000
Allotted, called up and fully paid			
Ordinary shares of 0.1 pence each			
Balance at 30 September 2022	703,960,798	704	420,824
Shares issued through placing and open offer	35,189,350	35	10,839
Cancellation of part of the share premium account			(394,235)
Exercise of share options	127,321	-	-
Balance at 30 June 2023	739,277,469	739	37,428

On 15 December 2022, the Company issued 35,189,350 new ordinary shares of 0.1 pence each by way of a placing and subscriptions at an issue price of 37.0 pence per share. Gross proceeds of £13.0m were received for the placing and subscription shares. Non-recurring costs of £2.1m were in relation to the share issue and this has been charged to the share premium account (presented within additional paid-in share capital).

The share premium account is used to record the aggregate amount of value of the premiums paid when the Company's shares are issued/redeemed at a premium. On 20 March 2023, part of the Company's share premium account was cancelled following the confirmation of the capital reduction by the High Court of England and Wales on 14 March 2023 and the subsequent registration of the court order with the Registrar of Companies. The capital reduction created additional distributable reserves to the value of £394,235,072.

12. Alternative performance measures and other metrics

Management has presented the performance measures EBITDA, Adjusted EBITDA, Adjusted EBITDA before fair value movement in biological assets, Adjusted Operating Profit and Adjusted Profit Before Tax because it monitors performance at a consolidated level using these and believes that these measures are relevant to an understanding of the Group's financial performance.

Adjusted EBITDA which reflects underlying profitability, is earnings before interest, tax, depreciation, amortisation, impairment, and exceptional items and is shown on the Income Statement.

Adjusted EBITDA before fair value movements in biological assets, which is Adjusted EBITDA before the non-cash fair value movements in biological assets arising from their revaluation in line with International Accounting Standards.

Adjusted Operating Profit is operating loss before exceptional items and amortisation and impairment of intangible assets excluding development costs as reconciled below.

Adjusted Profit Before Tax is earnings before tax, amortisation and impairment of intangibles assets excluding development costs, and exceptional items as reconciled below. These measures are not defined performance measures in IFRS. The Group's definition of these measures may not be comparable with similarly titled performance measures and disclosures by other entities.

12. Alternative performance measures and other metrics (continued)

Reconciliation of Adjusted Operating Profit to Operating Loss

All figures in £000's	Q3 2023 (unaudited)	Q3 2022 (unaudited)	YTD Q3 2023 (unaudited)	YTD Q3 2022 (unaudited)	FY 2022 (audited)
Revenue	34,267	36,272	133,129	115,519	158,277
Cost of sales	(16,990)	(16,799)	(66,807)	(56,524)	(75,149)
Gross profit	17,277	19,473	66,322	58,995	83,128
Research and development costs	(1,496)	(1,426)	(4,494)	(4,663)	(6,691)
Other operating costs	(10,639)	(11,464)	(34,682)	(31,371)	(44,661)
Depreciation and impairment	(4,702)	(5,206)	(13,868)	(15,258)	(19,897)
Amortisation of capitalised development costs	(606)	(605)	(1,833)	(1,550)	(2,165)
Share of loss of equity accounted investees net of tax	(55)	(10)	1	(538)	(595)
Adjusted operating (loss)/profit	(221)	762	11,446	5,615	9,119
Exceptional - restructuring, disposal and acquisition related items	(530)	(469)	(3,218)	439	16
Amortisation and impairment of intangible assets excluding development costs	(3,712)	(4,244)	(12,397)	(12,171)	(16,996)
Operating loss	(4,463)	(3,951)	(4,169)	(6,117)	(7,861)

Reconciliation of Loss Before Taxation to Adjusted Profit Before Tax

All figures in £000's	Q3 2023 (unaudited)	Q3 2022 (unaudited)	YTD Q3 2023 (unaudited)	YTD Q3 2022 (unaudited)	FY 2022 (audited)
Loss before taxation	(4,698)	(11,238)	(6,614)	(16,382)	(23,177)
Exceptional - restructuring, disposal and acquisition related items	530	469	3,218	(439)	(16)
Amortisation and impairment of intangible assets excluding development costs	3,712	4,244	12,397	12,171	16,996
Adjusted (loss)/profit before tax	(456)	(6,525)	9,001	(4,650)	(6,197)

Other Metrics

All figures in £000's	Q3 2023 (unaudited)	Q3 2022 (unaudited)	YTD Q3 2023 (unaudited)	YTD Q3 2022 (unaudited)	FY 2022 (audited)
Total R&D Investment					
Research and development costs	1,496	1,426	4,494	4,663	6,691
Internal capitalised development costs	183	192	380	1,596	1,708
Total R&D investment	1,679	1,618	4,874	6,259	8,399

All figures in £000's	Q3 2023 (unaudited)	Q3 2022 (unaudited)	YTD Q3 2023 (unaudited)	YTD Q3 2022 (unaudited)	FY 2022 (audited)
Adjusted EBITDA excluding fair value movement in biological assets					
Adjusted EBITDA	5,087	6,573	27,147	22,423	31,181
Exclude fair value movement	(1,457)	(1,437)	(1,704)	(2,442)	(1,595)
Adjusted EBITDA excluding fair value movement in biological assets	3,630	5,136	25,443	19,981	29,586

12. Alternative performance measures and other metrics (continued)**Liquidity**

A key financial covenant is a minimum liquidity of £10m, defined as cash plus undrawn facilities.

	30 June 2023
All figures in £000's	(unaudited)
Cash and cash equivalents	32,858
Undrawn bank facility	12,250
	45,108

The undrawn bank facility relates to the RCF facility. At 30 June 2023, £7.8m of the RCF was drawn (30 September 2022: £4m and 31 March 2022: £nil), leaving £12.3m undrawn (30 September 2022: £9.4m and 31 March 2022: £nil).

13. Net debt

Net debt is cash and cash equivalents less loans and borrowings.

	30 June 2023	30 June 2022	30 September 2022
All figures in £000's	(unaudited)	(unaudited)	(audited)
Cash and cash equivalents	32,858	38,179	36,399
Loans and borrowings (excluding lease liabilities) – current	(9,439)	(1,583)	(5,569)
Loans and borrowings (excluding lease liabilities) – non-current	(69,128)	(95,943)	(78,280)
Net debt excluding lease liabilities	(45,709)	(59,347)	(47,450)
Lease liabilities – current	(12,318)	(12,643)	(11,522)
Lease liabilities – non-current	(8,832)	(17,151)	(14,765)
Net debt	(66,859)	(89,141)	(73,737)

14. Business combinations and transactions in subsidiary companies

In June, the Group acquired 66% of the issued share capital of Baggfossen Mikrokraft AS to bring the total owned to 100% for consideration of £48,000. The goodwill has been impaired in the period. The following table shows the consideration paid and the fair value of the assets acquired.

	Total £000
Consideration	
Cost of investment	48
<i>Satisfied by:</i>	
Cash	48
Total consideration	48
Fair value of assets acquired	
Fixed assets	307
Accounts Receivable	(13)
Other receivables	1
Financial instrument - interest rate swap	10
Accounts payable	(1)
Other current liabilities - advance from customers	(3)
Bank loan	(235)
Advance from Salten Stamfisk	(10)
Advance from BG Salten	(12)
Total identifiable net assets	44
Goodwill	4

On 15 February 2023, the Group purchased the minority interest's shareholding of 14,981,272 shares in Benchmark Genetics Iceland HF for €9,000,000. Following this acquisition, Benchmark Genetics Limited, a subsidiary of Benchmark Holdings PLC, now owns 100% of the share capital of Benchmark Genetics Iceland HF.

On 6 February 2023, the Group exercised the put/call option in place to purchase the final 20% of Benchmark Genetics USA Inc for 1 NOK.

On 11 May 2023, the Group received £1,250,000 as the final part of the deferred consideration for Improve International Limited and its subsidiaries which was sold in June 2020.