

22 February 2022

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”)
Q1 Results
(3 months ended 31 December 2021)

Excellent Q1 results with strong growth in revenues and Adjusted EBITDA
Building momentum following strong FY21 performance

In compliance with the terms of the Company’s senior secured bond which requires it to publish quarterly financial information, Benchmark, the aquaculture biotechnology business, announces its unaudited results for the 3 months ended 31 December 2021 (the “period”). All Q1 FY22 and Q1 FY21 figures quoted in this announcement are based on unaudited accounts.

Highlights – Strong growth in revenues and Adjusted EBITDA; good performance in all business areas

- Group revenues 38% ahead of the prior year (+38% CER) with good growth in all three business areas:
 - Advanced Nutrition – revenues 26% above Q1 FY21 (+28% CER) building upon the strong FY21 performance
 - Genetics – revenues 20% above Q1 FY21 (+18% CER) driven by higher harvest income, as well as higher salmon egg revenues
 - Health – revenues 347% above Q1 FY21 (+348% CER) reflecting sales of Ectosan® Vet and CleanTreat® (launched in August 2021)
- Adjusted EBITDA of £7.4m, 145% ahead of Q1 FY22, with all business areas EBITDA profitable
- Adjusted EBITDA margin increased from 10.4% to 18.6%
- Operating loss halved, however net loss increased due to negative £4.9m non-cash movement in net finance costs (Q1 FY21 had benefitted from £2.5m forex gain and £2.3m revaluation of hedging instrument associated with NOK bond)
- Net debt reduced to £64.3m at 31 December 2021 (30 September 2021: £80.9m) following equity raise in November 2021; Net debt excluding lease liabilities £43.1m (30 September 2021: £56.9m)
- Cash of £50.6m and Liquidity (cash and available facility) of £61.6m as at 21 February 2022

£m	Q1 FY22	Q1 FY21	% AER	% CER**	FY21 (full year)
Revenue	40.0	29.0	+38%	+38%	125.1
Adjusted					
Adjusted EBITDA ¹	7.4	3.0	+145%	+142%	19.4
Adj. EBITDA excluding fair value movement in biological asset	7.5	1.8	+329%	+321%	16.1
Adjusted Operating Profit ²	2.5	1.3	+97%	+89%	10.8
Statutory					
Operating loss	(1.5)	(3.3)			(5.4)
Loss before tax	(3.7)	(0.5)			(9.2)
Loss for the period	(5.1)	(0.2)			(12.9)
Basic loss per share (p)	(0.79)	(0.11)			(1.9)
Net debt ³	(64.3)	(51.9)			(80.9)
Net debt excluding lease liabilities	(43.1)	(40.4)			(56.9)

** 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

Business Area Summary

£m	Q1 FY22	Q1 FY21	% AER	% CER**	FY21 (full year)
Revenue					
Advanced Nutrition	19.1	15.1	+26%	+28%	70.5
Genetics	15.2	12.6	+20%	+18%	46.8
Health	5.8	1.3	+347%	+348%	7.8
Adjusted EBITDA¹					
Advanced Nutrition	4.3	1.0	+335%	+337%	13.8
Genetics	3.3	3.9	-16%	-19%	11.5

- Net of fair value movements in biological assets	3.4	2.6	+29%	+23%	8.2
Health	0.5	(1.1)	+149%	+149%	(2.7)

** 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.

Operational highlights

- **Advanced Nutrition**
 - Patrick Waty named new Head of Advanced Nutrition bringing extensive commercial and industry expertise to business area
 - Continued to strengthen our commercial footprint, enhancing our distributor network and commercial team
 - Obtained ISO 14001:2015 certification for main facility in Thailand
 - Benchmark's Frippak China Aquatic Feed named "Favourite Brand"
- **Genetics**
 - First deliveries of salmon eggs from new incubation centre in Iceland showing excellent quality, enhancing our ability to serve all production systems including land-based farming
 - Good progress in the roll-out of SPR shrimp, winning new customers, import licence to India obtained and gaining commercial traction
 - Appointment of Professor Ross Houston, leading aquaculture genetics scientist, as Director of Innovation, Genetics
- **Health**
 - Both CleanTreat® systems in operation from last part of quarter onwards and treatments showing excellent results in line with our expectations
 - Order recently placed for third CleanTreat® system
 - Collaboration with key customers on optimising future configuration initiated
 - Progress in trials to obtain extension of Marketing Authorisation for Ectosan® Vet and CleanTreat® in Norway
 - Ectosan® Vet patent grant approved providing 20-year protection
- One Benchmark integration – continued to integrate Group functions to realise synergies, leverage capabilities and enhance customer proposition
- Sustainability – by working with our suppliers the soy beans used in our feeds are sustainably certified
- Consideration of a listing in Oslo is ongoing

Current trading and outlook

- Following the good performance in Q1 we are trading in line with FY22 expectations
- Positive market environment across our core species
- Well positioned to reach sustainable profitability and deliver growth, supported by leading market positions in all business areas, a focused strategy and well embedded financial discipline

Trond Williksen, CEO commented

“Benchmark has delivered an excellent Q1 performance, reporting a 38% annual growth in revenue and 145% increase in Adjusted EBITDA. This reflects an excellent performance in Advanced Nutrition, continued good performance in Genetics and the benefit of revenues from the recently launched Ectosan® Vet and CleanTreat® in our Health business area.

“We are performing in line with market expectations for the full year, with building momentum in our commercial, operating and financial performance in all business areas. The positive market environment in our core species, our leading market positions, together with our focused strategy and financial discipline positions the Group well to reach profitability and deliver growth.”

Enquiries

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About Benchmark

Benchmark's mission is to enable aquaculture producers to improve their sustainability and profitability.

We bring together biology and technology to develop innovative products which improve yield, quality, and animal health and welfare for our customers. We do this by improving the genetic make-up, health and nutrition of their stock - from broodstock and hatchery through to nursery and grow out.

Benchmark has a broad portfolio of products and solutions, including salmon eggs, live feed (artemia), diets and probiotics and sea lice treatments. Find out more at www.benchmarkplc.com

Management Report

The Group delivered an excellent performance in the quarter reporting a 38% growth in revenue and 145% growth in Adjusted EBITDA. These strong results reflect an excellent performance in Advanced Nutrition, continued good performance in Genetics and the benefit of early revenues from the recently launched Ectosan® Vet and CleanTreat® in our Health business area. The Group's performance is particularly pleasing in the context of the logistics challenges and increased transportation costs affecting industries worldwide. Conditions in our core markets have improved and are positive with a solid, growing salmon sector, recovery in the global shrimp markets and stability in the sea bass and sea bream market.

Operating costs in Q1 FY22 were £9.9m, 7% above the prior year as a result of increased activity, but significantly below our revenue growth demonstrating the operational leverage in our business. R&D expenses at £1.6m were broadly in line with the comparative quarter (Q1 FY21: £1.7m). Total R&D investment including capitalised development costs was £2.3m (Q1 FY21: £2.8m) reflecting the lower level of capitalised development costs following the launch of Ectosan® Vet and CleanTreat® in Q4 FY21.

Adjusted EBITDA for the quarter was £7.4m, +145% up from £3.0m in Q1 FY21 as a result of higher revenues, ongoing financial discipline and operational improvements across the Group. Importantly our Adjusted EBITDA margin increased to 18.6% (Q1 FY21: 10.4%). Depreciation and amortisation in the quarter increased significantly from the comparative period last year to £8.9m (Q1 FY21: £5.7m) due to both the depreciation of the leased vessels used in the CleanTreat® operation and the commencement of amortisation of the capitalised Ectosan® Vet and CleanTreat® development costs following the launch at the end of FY21. These higher costs were more than offset by the better Adjusted EBITDA and as a result, the Group reported a significant improvement in its operating result, reducing the operating loss to £1.5m in the period (Q1 FY21: operating loss of £3.3m).

Although Operating Loss halved, the Loss before tax, and Loss for the period, increased due to a negative £4.9m non-cash movement in net finance costs (Q1 FY21 benefitted from £2.5m forex gain and £2.3m revaluation of hedging instrument associated with NOK bond).

Advanced Nutrition

Advanced Nutrition delivered excellent results in the quarter building on a strong performance in FY21 with revenues up 26% and Adjusted EBITDA increasing more than four-fold. As the shrimp markets recover post COVID-19 we are profiting from our leading market position, an enhanced commercial function and new digital tools. Overall, we are emerging from the pandemic in a stronger position.

Revenue in the quarter was £19.1m (Q1 FY21: £15.1m) with good growth across all product areas – Artemia (+23%), Diets (+31%) and Health (+13%). By region the Americas were up 41%, Asia +45% and Europe +1%.

Adjusted EBITDA was £4.3m (Q1 FY21: £1.0m). The increase in Adjusted EBITDA reflects higher sales and gross profit margin and ongoing cost discipline. As a result, adjusted EBITDA margin increased from 6.5% to 22.7%.

The shrimp markets continued to recover in the period which together with the strategic focus on our commercial organisation contributed to our strong performance. Examples of our commercial focus and success include receiving an Aquatic Feed Favourite Brand Award in China for one of our lead products, Frippak, expanding our network of distributors in Latin America and developing new digital tools in local languages to better serve our Asian and Latin American markets. The most recent Artemia harvest was below recent record years which, together with increased sales, will allow us to reach normal inventory levels over time.

During the period we obtained ISO 14001 Environmental Management System certification for our facility in Thailand. This is an important milestone in our sustainability programme. We are also evaluating greener energy alternatives for our facility in Thailand as we work towards our Net Zero targets.

Genetics

Genetics performed well in the period with revenues of £15.2m, 20% above the prior year (Q1 FY21: £12.6m) driven by higher harvest revenues from our broodstock licence in Salten, where we sell surplus broodstock as harvested fish, as well as higher revenues from salmon eggs and SPR shrimp.

Adjusted EBITDA for Q1 FY22 of £3.3m was 16% lower than prior year (Q1 FY21: £3.9m) as a result of adverse fair value movements in biological assets and an increase in operating costs as operations normalise post COVID-19. Excluding the reduction in fair value of biological assets of £0.1m (Q1 FY21 £1.3m uplift), Adjusted EBITDA was £3.4m, 29% above the prior year (Q1 FY21: £2.6m).

We continued to make strategic progress during the period, with the first deliveries of salmon eggs from the new incubation centre in Iceland as planned. In Chile, we continued the operational ramp up of our facilities to enable us to deliver a steady supply to the market, and we obtained organic certification for our salmon eggs. While still in the early phase of commercialisation entering an established market, we are growing sales in line with our expectations and building our customer base.

In SPR shrimp we are gaining commercial traction. Sales of breeders in the first quarter were 245% ahead of last year, in line with our commercial roll-out plan. During the quarter we also obtained an import license in India and secured our first customers in this important market.

We are delighted to have appointed Professor Ross Houston as Director of Innovation, Genetics. Professor Houston has an international reputation where his work includes the discovery of a genetic marker associated with resistance to Infectious Pancreatic Necrosis and he leads several high-profile aquaculture research projects focussing on the application of genomics and genome editing technologies.

Health

Revenues in Q1 FY22 of £5.8m were significantly above the prior year (Q1 FY21: £1.3m) due to sales from Ectosan® Vet and CleanTreat® following the launch in Q4 FY21, together with slightly higher sales of Salmosan. Adjusted EBITDA was a profit of £0.5m (Q1 FY21: loss of £1.1m) as a result of the higher revenues. £1.0m of the revenue in the period (Q1 FY21: £nil) derived from recharged vessel and fuel costs associated with the Ectosan® Vet/CleanTreat® operations.

We have two CleanTreat® systems in operation and treatments continue to show excellent results with efficacy above 99% and good operational efficiency. Delivery of treatments post period end slowed down as anticipated due to seasonal adverse weather conditions. Post period end we have placed an order for our third CleanTreat® system, and we are working closely with customers to optimise the future configuration of the system.

We are making progress in the trials to obtain extension of Marketing Authorisation for Ectosan® Vet and CleanTreat® in Norway is continuing as planned. In the period, the patent for Ectosan® Vet was approved and granted giving 20 year protection.

Depreciation and Amortisation

Depreciation and amortisation charges increased from £5.7m to £8.9m in the period as a result of the depreciation associated with the CleanTreat® infrastructure and the commencement of the amortisation of the development costs associated with Ectosan® Vet and CleanTreat®.

Finance costs, cashflow and net debt

Net finance cost for the quarter of £2.2m is significantly higher than the prior year (Q1 FY21: credit of £2.7m), with the increase as a result of minimal revaluation movements on financial instruments (£nil) and forex movements (£0.2m loss) compared to much larger movements in the prior year (Q1 FY21: £2.3m gain and £2.5m gain respectively). Interest charges (including interest expense on right-of-use assets) of £2.2m are broadly in line with the prior year (Q1 FY21: £2.1m).

The Group reported a cash inflow of £13.4m in the quarter, driven by an equity raise of £20m (net proceeds) completed in November 2021. This, added to a net cash inflow from operating activities of £1.1m was partially offset by cash outflow from capex of £2.6m (including £0.6m of capitalised R&D) and with tangible fixed asset additions primarily related to investments in Genetics and cash outflow in financing activities (finance charges and repayment of lease liabilities) of £4.6m. Net debt including lease liabilities at the quarter end was £64.3m (30 September 2021: £80.9m). Liquidity at the end of the period was £63.8m providing £53.8m of headroom against our minimum liquidity covenant. Net debt excluding lease liabilities was £43.1m (30 September 2021: £56.9m).

Outlook

The Group is performing in line with market expectations for the full year, with continuing good performance and revenue visibility in Genetics and Advanced Nutrition, and Health starting to benefit from the Ectosan® Vet and CleanTreat® revenue stream. The roll-out of Ectosan Vet and CleanTreat is progressing as expected, reflecting the anticipated challenges caused by the winter weather. Conditions and outlook in our markets are positive with solid salmon markets and the shrimp market showing recovery.

With a streamlined Group and leading market positions in each of our business areas, as well as building commercial, operating and financial momentum, we are well positioned to build on our FY21 track record and continue to deliver improved performance, profitability and growth.

Benchmark Holdings plc

Consolidated Income Statement for period ended 31 December 2021

All figures in £000's	Notes	Q1 2022 (unaudited)	Q1 2021 (unaudited)	FY 2021 (audited)
Revenue	4	40,014	29,030	125,062
Cost of sales		(20,515)	(14,359)	(59,477)
Gross profit		19,499	14,671	65,585
Research and development costs		(1,647)	(1,745)	(7,010)
Other operating costs		(9,923)	(9,285)	(38,221)
Share of loss of equity-accounted investees, net of tax		(504)	(611)	(905)
Adjusted EBITDA²		7,425	3,030	19,449
Exceptional - restructuring, disposal and acquisition related items	5	-	(593)	(184)
EBITDA¹		7,425	2,437	19,265
Depreciation and impairment		(4,495)	(1,771)	(8,359)
Amortisation and impairment		(4,388)	(3,918)	(16,283)
Operating loss		(1,458)	(3,252)	(5,377)
Finance cost		(2,343)	(2,149)	(7,987)
Finance income		119	4,886	4,185
Loss before taxation		(3,682)	(515)	(9,179)
Tax on loss	6	(1,427)	290	(2,397)
Loss for the period		(5,109)	(225)	(11,576)
Loss for the period attributable to:				
- Owners of the parent		(5,357)	(717)	(12,891)
- Non-controlling interest		248	492	1,315
		(5,109)	(225)	(11,576)
Earnings per share				
Basic loss per share (pence)	7	(0.79)	(0.11)	(1.93)
Diluted loss per share (pence)	7	(0.79)	(0.11)	(1.93)

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

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

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

Benchmark Holdings plc

Consolidated Statement of Comprehensive Income for period ended 31 December 2021

All figures in £000's	Q1 2022 (unaudited)	Q1 2021 (unaudited)	FY 2021 (audited)
Loss for the period	(5,109)	(225)	(11,576)
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Foreign exchange translation differences	(2,611)	(8,714)	(9,929)
Cash flow hedges - changes in fair value	(134)	2,898	3,054
Cash flow hedges - reclassified to profit or loss	115	156	709
Total comprehensive income for the period	(7,739)	(5,885)	(17,742)
Total comprehensive income for the period attributable to:			
- Owners of the parent	(7,948)	(6,624)	(19,329)
- Non-controlling interest	209	739	1,587
	(7,739)	(5,885)	(17,742)

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

Benchmark Holdings plc

Consolidated Balance Sheet as at 31 December 2021

All figures in £000's	Notes	31 December 2021 (unaudited)	31 December 2020 (unaudited)	30 September 2021 (audited)
Assets				
Property, plant and equipment		78,082	68,820	78,780
Right-of-use assets		23,062	11,371	25,531
Intangible assets		224,192	235,644	229,040
Equity-accounted investees		2,815	3,069	3,354
Other investments		15	24	15
Biological assets		21,206	15,929	21,244
Non-current assets		349,372	334,857	357,964
Inventories		21,343	17,197	20,947
Biological assets		17,137	19,118	17,121
Trade and other receivables		43,267	35,248	46,489
Cash and cash equivalents		52,705	56,428	39,460
Current assets		134,452	127,991	124,026
Total assets		483,824	462,848	481,990
Liabilities				
Trade and other payables		(39,001)	(28,318)	(46,668)
Loans and borrowings	8	(6,872)	(4,209)	(10,654)
Corporation tax liability		(6,936)	(3,919)	(5,634)
Provisions		(557)	-	(563)
Current liabilities		(53,366)	(36,446)	(63,519)
Loans and borrowings	8	(110,119)	(104,077)	(109,737)
Other payables		(895)	(1,822)	(911)
Deferred tax		(27,159)	(30,450)	(28,224)
Non-current liabilities		(138,173)	(136,349)	(138,872)
Total liabilities		(191,539)	(172,795)	(202,391)
Net assets		292,285	290,053	279,599
Issued capital and reserves attributable to owners of the parent				
Share capital	9	704	668	670
Additional paid-in share capital	9	420,754	399,803	400,682
Capital redemption reserve		5	5	5
Retained earnings		(159,269)	(142,591)	(154,231)
Hedging reserve		(5,895)	(6,596)	(5,876)
Foreign exchange reserve		27,893	31,716	30,465
Equity attributable to owners of the parent		284,192	283,005	271,715
Non-controlling interest		8,093	7,048	7,884
Total equity and reserves		292,285	290,053	279,599

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 31 December 2021

	Share capital £000	Additional paid-in share capital £000	Other reserves* £000	Hedging reserve £000	Retained earnings £000	Total attributable to equity holders of parent £000	Non-controlling interest £000	Total equity £000
As at 1 October 2021 (audited)	670	400,682	30,470	(5,876)	(154,231)	271,715	7,884	279,599
Comprehensive income for the period								
(Loss)/profit for the period	-	-	-	-	(5,357)	(5,357)	248	(5,109)
Other comprehensive income	-	-	(2,572)	(19)	-	(2,591)	(39)	(2,630)
Total comprehensive income for the period	-	-	(2,572)	(19)	(5,357)	(7,948)	209	(7,739)
Contributions by and distributions to owners								
Share issue	34	20,634	-	-	-	20,668	-	20,668
Share issue costs recognised through equity	-	(562)	-	-	-	(562)	-	(562)
Share-based payment	-	-	-	-	319	319	-	319
Total contributions by and distributions to owners	34	20,072	-	-	319	20,425	-	20,425
Total transactions with owners of the Company	34	20,072	-	-	319	20,425	-	20,425
As at 30 December 2021 (unaudited)	704	420,754	27,898	(5,895)	(159,269)	284,192	8,093	292,285
As at 1 October 2020 (audited)	668	399,601	40,683	(9,651)	(142,170)	289,131	6,309	295,440
Comprehensive income for the period								
(Loss)/profit for the period	-	-	-	-	(717)	(717)	492	(225)
Other comprehensive income	-	-	(8,962)	3,055	-	(5,907)	247	(5,660)
Total comprehensive income for the period	-	-	(8,962)	3,055	(717)	(6,624)	739	(5,885)
Contributions by and distributions to owners								
Share issue	-	202	-	-	-	202	-	202
Share-based payment	-	-	-	-	296	296	-	296
Total contributions by and distributions to owners	-	202	-	-	296	498	-	498
Total transactions with owners of the Company	-	202	-	-	296	498	-	498
As at 31 December 2020 (unaudited)	668	399,803	31,721	(6,596)	(142,591)	283,005	7,048	290,053
As at 1 October 2020 (audited)	668	399,601	40,683	(9,651)	(142,170)	289,131	6,309	295,440
Comprehensive income for the period								
(Loss)/profit for the period	-	-	-	-	(12,891)	(12,891)	1,315	(11,576)
Other comprehensive income	-	-	(10,213)	3,775	-	(6,438)	272	(6,166)
Total comprehensive income for the period	-	-	(10,213)	3,775	(12,891)	(19,329)	1,587	(17,742)
Contributions by and distributions to owners								
Share issue	2	1,081	-	-	-	1,083	-	1,083
Share-based payment	-	-	-	-	830	830	-	830
Total contributions by and distributions to owners	2	1,081	-	-	830	1,913	-	1,913
Changes in ownership								
Disposal of subsidiary with NCI	-	-	-	-	-	-	(12)	(12)
Total changes in ownership interests	-	-	-	-	-	-	(12)	(12)
Total transactions with owners of the Company	2	1,081	-	-	830	1,913	(12)	1,901
As at 31 Sept 2021 (audited)	670	400,682	30,470	(5,876)	(154,231)	271,715	7,884	279,599

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

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

Benchmark Holdings plc

Consolidated Statement of Cash Flows for the period ended 31 December 2021

	Q1 2022 (unaudited) £000	Q1 2021 (unaudited) £000	FY 2021 (audited) £000
Cash flows from operating activities			
Loss for the period	(5,109)	(225)	(11,576)
Adjustments for:			
Depreciation and impairment of property, plant and equipment	2,022	1,272	5,017
Depreciation and impairment of right-of-use assets	2,473	499	3,342
Amortisation and impairment of intangible fixed assets	4,388	3,918	16,283
(Gain)/loss on sale of property, plant and equipment	-	(68)	46
Finance income	(119)	(2,336)	(1,442)
Finance costs	2,247	2,149	7,987
Share of loss of equity-accounted investees, net of tax	504	611	905
Foreign exchange gains	(9)	(3,480)	(1,800)
Share-based payment expense	319	296	830
Tax credit/(charge)	1,427	(290)	2,397
	8,143	2,346	21,989
Decrease/(increase) in trade and other receivables	2,683	4,563	(8,178)
(Increase)/decrease in inventories	(880)	1,799	(3,554)
Increase in biological assets	(138)	(2,038)	(5,427)
(Decrease)/increase in trade and other payables	(7,687)	(11,846)	5,547
Decrease in provisions	(6)	(10)	-
	2,115	(5,186)	10,377
Income taxes paid	(981)	(1,241)	(4,587)
Net cash flows generated from/(used in) operating activities	1,134	(6,427)	5,790
Investing activities			
Purchase of investments	-	-	(578)
Receipts from disposal of investments	-	-	9
Purchases of property, plant and equipment	(1,914)	(3,424)	(17,683)
Purchase of intangibles	(680)	(1,128)	(5,038)
Proceeds from sale of fixed assets	-	286	112
Interest received	19	21	88
Net cash flows used in investing activities	(2,575)	(4,245)	(23,090)
Financing activities			
Proceeds of share issues	20,712	203	750
Share-issue costs recognised through equity	(607)	-	-
Acquisition of NCI	-	-	(12)
Repayment of bank or other borrowings	(638)	(1,664)	(3,106)
Interest and finance charges paid	(1,882)	(1,800)	(7,699)
Repayments of lease liabilities	(2,730)	(689)	(4,602)
Net cash inflow/(outflow) from financing activities	14,855	(3,950)	(14,669)
Net increase/(decrease) in cash and cash equivalents	13,414	(14,622)	(31,969)
Cash and cash equivalents at beginning of period	39,460	71,605	71,605
Effect of movements in exchange rate	(169)	(555)	(176)
Cash and cash equivalents at end of period	52,705	56,428	39,460

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

1. Basis of preparation

Benchmark Holdings plc (the 'Company') is a company incorporated domiciled in the United Kingdom. These consolidated quarterly financial statements as at and for the three months ended 31 December 2021 represents that of the Company and its subsidiaries (together referred to as the 'Group').

These quarterly financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 30 September 2021 ('last annual financial statements'). They do not include all of 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. Statutory accounts for the year ended 30 September 2021 were approved by the Directors on 29 November 2021 and will be delivered to the Registrar of Companies. The audit report received on those accounts was unqualified and did not make a statement under section 498 of the Companies Act 2006 but did contain an emphasis of matter paragraph in relation to going concern.

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 31 December 2021 the Group had net assets of £292.3m (30 September 2021: £279.6m), including cash of £52.7m (30 September 2021: £39.5m) as set out in the consolidated balance sheet. The Group made a loss for the quarter of £5.1m (year ended 30 September 2021: loss £11.6m).

As noted in the Management Report, we have continued to see recovery in our end markets as the COVID-19 vaccine programmes across the world gain momentum against the pandemic, and strong performance particularly in our Advanced Nutrition business area, being the segment most impacted by COVID-19 because of its exposure to global shrimp markets, has given cause for optimism about any lasting impact. Even with this, the Directors remain cautious of any possibility of return of restrictions before market recovery is fully complete and available market analysis continues to be monitored to ensure appropriate mitigating actions can be taken where necessary.

The uncertainty relating to any lasting impact on the Group of the pandemic continues to be considered as part of the Directors' assessment of the going concern assumption, and positive preventative measures implemented by the Directors at an early stage in response to the pandemic continue to be in force where necessary. The Directors have reviewed forecasts and cash flow projections covering the period to September 2023 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 scenario analysis performed, the Directors considered severe but plausible impacts of COVID-19 on the Group's trading and cash flow forecasts, modelling reductions in the revenues and cash flows in Advanced Nutrition, alongside modelling slower ramp up of the commercialisation of Benchmark's new sea lice treatment in the Health business area. Other key downside sensitivities modelled included assumptions on slower than expected recovery in global shrimp markets (affecting demand for Advanced Nutrition products), and slower commercialisation of SPR shrimp. As noted in the Management Report, the Directors have continued to observe good recovery in the shrimp markets in the strong performance of the Advanced Nutrition business during the quarter. Nevertheless, mitigating measures within the control of management were implemented early in the pandemic and a number of these remain in place and have been factored into the downside analysis performed. These measures include reductions in areas of discretionary spend, deferral of capital projects and temporary hold on R&D for non-imminent products.

While it is difficult to predict the overall outcome and impact of the pandemic, the group ended the first quarter with strong cash balances of £52.7m after the £20.1 equity raise (net of costs) in November 2021 and the Group has sufficient liquidity and resources throughout the period under review under all of the above scenario analysis, whilst still maintaining adequate headroom against the borrowing covenants. However, it should be noted that the Group's main borrowing facilities are set to expire within the next 16 months – the undrawn \$15m RCF is set to expire in December 2022, and the NOK 850m bond is due to expire in June 2023. The cash flow forecasts reviewed rely on these borrowing facilities being in place.

The Directors have commenced a review of the capital structure including certain short-term actions and also longer-term financing options and are confident that these facilities can be renewed or replaced before they expire, with trading going well despite the headwinds of the pandemic, cash resources remaining strong and relationships with finance providers positive.

Based on their assessment, the Directors believe it remains appropriate to prepare the financial statements on a going concern basis. However, as disclosed in the last annual financial statements, while the Directors remain confident that the current facilities will be renewed or replaced in the next 16 months, the requirement to do this represents a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

1. Basis of preparation (continued)

These financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. The Group reports earnings before interest, depreciation and amortisation ('EBITDA') and EBITDA before exceptional and acquisition related items ('Adjusted EBITDA') to enable a better understanding of the investment being made in the Group's future growth and provide a better measure of our underlying performance.

The preparation of financial statements in compliance with adopted IFRSs requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in Note 2.

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 2021.

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 10). Furthermore, the Directors also refer to current period results using constant currency, which are derived by retranslating current period results using 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 2021.

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.

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

All figures in £000's	Q1 2022 (unaudited)	Q1 2021 (unaudited)	FY 2021 (audited)
Genetics	15,195	12,616	46,797
Advanced Nutrition	19,059	15,132	70,530
Health	5,777	1,293	7,832
Corporate	1,406	1,205	4,820
Inter-segment sales	(1,423)	(1,216)	(4,917)
Total	40,014	29,030	125,062

Segmental Adjusted EBITDA

All figures in £000's	Q1 2022 (unaudited)	Q1 2021 (unaudited)	FY 2021 (audited)
Genetics	3,263	3,879	11,528
Advanced Nutrition	4,320	993	13,802
Health	547	(1,117)	(2,685)
Corporate	(705)	(725)	(3,196)
Total	7,425	3,030	19,449

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

All figures in £000's	Q1 2022 (unaudited)	Q1 2021 (unaudited)	FY 2021 (audited)
Total reportable segment Adjusted EBITDA	8,130	3,755	22,645
Corporate Adjusted EBITDA	(705)	(725)	(3,196)
Adjusted EBITDA	7,425	3,030	19,449
Exceptional - restructuring, disposal and acquisition related items	-	(593)	(184)
Depreciation and impairment	(4,495)	(1,771)	(8,359)
Amortisation and impairment	(4,388)	(3,918)	(16,283)
Net finance costs	(2,224)	2,737	(3,802)
Loss before taxation	(3,682)	(515)	(9,179)

Unaudited notes to the quarterly financial statements for the period ended 31 December 2021

4. Revenue

The Group's operations and main revenue streams are those described in its financial statements to 30 September 2021. 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 31 December 2021 (unaudited)

All figures in £000's	Genetics	Advanced Nutrition	Health	Corporate	Inter-segment sales	Total
Sale of goods	14,509	19,048	3,251	-	-	36,808
Provision of services	680	-	2,526	-	-	3,206
Inter-segment sales	6	11	-	1,406	(1,423)	-
	15,195	19,059	5,777	1,406	(1,423)	40,014

3 months ended 31 December 2020 (unaudited)

All figures in £000's	Genetics	Advanced Nutrition	Health	Corporate	Inter-segment sales	Total
Sale of goods	11,489	15,127	1,278	-	-	27,894
Provision of services	1,121	-	15	-	-	1,136
Inter-segment sales	6	5	-	1,205	(1,216)	-
	12,616	15,132	1,293	1,205	(1,216)	29,030

12 months ended 30 September 2021 (unaudited)

All figures in £000's	Genetics	Advanced Nutrition	Health	Corporate	Inter-segment sales	Total
Sale of goods	41,947	70,458	6,135	-	-	118,540
Provision of services	4,825	-	1,697	-	-	6,522
Inter-segment sales	25	72	-	4,820	(4,917)	-
	46,797	70,530	7,832	4,820	(4,917)	125,062

4. Revenue (continued)

Sale of goods and provision of services (continued)

Primary geographical markets

3 months ended 31 December 2021 (unaudited)

All figures in £000's	Genetics	Advanced Nutrition	Health	Corporate	Inter-segment sales	Total
Norway	9,679	112	4,668	-	-	14,459
India	140	4,008	-	-	-	4,148
UK	1,957	14	88	-	-	2,059
Turkey	-	1,694	-	-	-	1,694
Greece	-	1,639	-	-	-	1,639
Singapore	-	1,138	-	-	-	1,138
Ecuador	-	1,064	-	-	-	1,064
Faroe Islands	892	1	130	-	-	1,023
Chile	116	-	403	-	-	519
Rest of Europe	1,771	1,303	-	-	-	3,074
Rest of World	634	8,075	488	-	-	9,197
Inter-segment sales	6	11	-	1,406	(1,423)	-
	15,195	19,059	5,777	1,406	(1,423)	40,014

3 months ended 31 December 2020 (unaudited)

All figures in £000's	Genetics	Advanced Nutrition	Health	Corporate	Inter-segment sales	Total
Norway	7,710	66	163	-	-	7,939
India	-	3,226	-	-	-	3,226
UK	1,430	26	235	-	-	1,691
Turkey	-	1,743	-	-	-	1,743
Greece	-	1,830	-	-	-	1,830
Singapore	-	941	-	-	-	941
Ecuador	-	959	-	-	-	959
Faroe Islands	1,808	4	-	-	-	1,812
Chile	6	-	837	-	-	843
Rest of Europe	1,160	1,438	2	-	-	2,600
Rest of World	496	4,894	56	-	-	5,446
Inter-segment sales	6	5	-	1,205	(1,216)	-
	12,616	15,132	1,293	1,205	(1,216)	29,030

4. Revenue (continued)

Primary geographical markets (continued)

12 months ended 30 September 2021 (unaudited)						
All figures in £000's	Genetics	Advanced Nutrition	Health	Corporate	Inter-segment sales	Total
Norway	27,129	570	3,689	-	-	31,388
India	-	12,166	3	-	-	12,169
UK	3,843	117	622	-	-	4,582
Turkey	-	5,977	-	-	-	5,977
Greece	25	6,108	-	-	-	6,133
Singapore	-	7,544	-	-	-	7,544
Ecuador	-	4,066	-	-	-	4,066
Faroe Islands	5,636	18	348	-	-	6,002
Chile	437	7	2,335	-	-	2,779
Rest of Europe	6,922	4,208	26	-	-	11,156
Rest of World	2,780	29,677	809	-	-	33,266
Inter-segment sales	25	72	-	4,820	(4,917)	-
	46,797	70,530	7,832	4,820	(4,917)	125,062

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	Q1 2022 (unaudited)	Q1 2021 (unaudited)	FY 2021 (audited)
Acquisition related items	-	-	(850)
Exceptional restructuring and disposal items	-	593	480
Cost in relation to disposals	-	-	554
Total exceptional items	-	593	184

There were no exceptional items in the quarter.

6. Taxation

All figures in £000's	Q1 2022 (unaudited)	Q1 2021 (unaudited)	FY 2021 (audited)
Analysis of charge in period			
Current tax:			
Current income tax expense on profits for the period	2,359	755	5,383
Adjustment in respect of prior periods	5	-	502
Total current tax charge	2,364	755	5,885
Deferred tax:			
Origination and reversal of temporary differences	(937)	(1,045)	(3,228)
Deferred tax movements in respect of prior periods	-	-	(260)
Total deferred tax credit	(937)	(1,045)	(3,488)
Total tax charge/(credit)	1,427	(290)	2,397

7. 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.

	Q1 2022 (unaudited)	Q1 2021 (unaudited)	FY 2021 (audited)
Loss attributable to equity holders of the parent (£000)	(5,357)	(717)	(12,891)
Weighted average number of shares in issue (thousands)	681,271	667,926	669,459
Basic loss per share (pence)	(0.79)	(0.11)	(1.93)

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.

At 31 December 2021, a total of 5,782,581 potential ordinary shares have not been included within the calculation of statutory diluted loss per share for the period as they are anti-dilutive (30 September 2021: 4,621,300 and 31 December 2020: 2,944,955). These potential ordinary shares could dilute earnings/loss per share in the future.

8. Loans and borrowings

The Group's borrowing facilities include a USD 15m RCF provided by DNB Bank ASA (50%) and HSBC UK Bank PLC (50%). At 31 December 2021 the whole facility (USD 15m) was undrawn.

9. 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 2021	670,374,484	670	400,682
Shares issued through placing and open offer	33,401,620	34	20,069
Exercise of share options	10,910	-	3
Balance at 31 December 2021	703,787,014	704	420,754

On 29 November 2021, the Company issued 33,401,620 new ordinary shares of 0.1 pence each by way of a placing and subscriptions at an issue price of 62.0 pence per share. Gross proceeds of £20.7m were received for the placing and subscription shares. Non-recurring costs of £0.6m were in relation to the share issues and this has been charged to the share premium account (presented within Additional paid-in share capital).

During the period ended 31 December 2021, the Group issued a total of 10,910 ordinary shares of 0.1 pence each to certain employees of the Group relating to share options, of which 3,000 were exercised at a price of 0.1 pence and 7,910 were exercised at a price of 42.5 pence.

10. 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 including acquisition related 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 including acquisition related 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 including acquisition related 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.

Reconciliation of Adjusted Operating Profit to Operating Loss

All figures in £000's	Q1 2022 (unaudited)	Q1 2021 (unaudited)	FY 2021 (audited)
Revenue	40,014	29,030	125,062
Cost of sales	(20,515)	(14,359)	(59,477)
Gross profit	19,499	14,671	65,585
Research and development costs	(1,647)	(1,745)	(7,010)
Other operating costs	(9,923)	(9,285)	(38,221)
Depreciation and impairment	(4,495)	(1,771)	(8,359)
Amortisation of capitalised development costs	(448)	-	(299)
Share of loss of equity accounted investees net of tax	(504)	(611)	(905)
Adjusted operating profit	2,482	1,259	10,791
Exceptional - restructuring, disposal and acquisition related items	-	(593)	(184)
Amortisation and impairment of intangible assets excluding development costs	(3,940)	(3,918)	(15,984)
Operating loss	(1,458)	(3,252)	(5,377)

10. Alternative performance measures and other metrics (continued)**Reconciliation of Loss Before Taxation to Adjusted Profit Before Tax**

All figures in £000's	Q1 2022 (unaudited)	Q1 2021 (unaudited)	FY 2021 (audited)
Loss before taxation	(3,682)	(515)	(9,179)
Exceptional - restructuring, disposal and acquisition related items	-	593	184
Amortisation and impairment of intangible assets excluding development costs	3,940	3,918	15,984
Adjusted profit before tax	258	3,996	6,989

Other Metrics

All figures in £000's	Q1 2022 (unaudited)	Q1 2021 (unaudited)	FY 2021 (audited)
Total R&D Investment			
Research and development costs	1,647	1,745	7,010
Internal capitalised development costs	627	1,060	4,813
Total R&D investment	2,274	2,805	11,823

All figures in £000's	Q1 2022 (unaudited)	Q1 2021 (unaudited)	FY 2021 (audited)
Adjusted EBITDA excluding fair value movement in biological assets			
Adjusted EBITDA	7,425	3,030	19,449
Exclude fair value movement	96	(1,276)	(3,323)
Adjusted EBITDA excluding fair value movement in biological assets	7,521	1,754	16,126

Liquidity

Following the refinancing in June 2019 a key financial covenant is a minimum liquidity of £10m, defined as cash plus undrawn facilities.

All figures in £000's	31 December 2021 (unaudited)
Cash and cash equivalents	52,705
Undrawn bank facility	11,082
	63,787

11. Net debt

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

All figures in £000's	31 December 2021 (unaudited)	31 December 2020 (unaudited)	30 September 2021 (audited)
Cash and cash equivalents	52,705	56,428	39,460
Loans and borrowings (excluding lease liabilities) – current	(1,592)	(1,620)	(1,612)
Loans and borrowings (excluding lease liabilities) – non-current	(94,170)	(95,244)	(94,792)
Net debt excluding lease liabilities	(43,057)	(40,436)	(56,944)
Lease liabilities – current	(5,280)	(2,589)	(9,042)
Lease liabilities – non-current	(15,949)	(8,833)	(14,945)
Net debt	(64,286)	(51,858)	(80,931)