

25 August 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")

Q3 Results
(Three months ended 30 June 2022)

Continued business momentum and growth in Adjusted EBITDA
Trading in-line with expectations for FY22
Transition to new strategic model for Ectosan® Vet and CleanTreat®

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 three months ended 30 June 2022 (the "Period"), which constitutes the third quarter for the fiscal year ("FY") 2022. All Q3 FY22, Q3 FY21, Q3 YTD FY22 and Q3 YTD FY21 figures quoted in this announcement are based on unaudited accounts.

Financial highlights – Fifth consecutive quarter of year-on-year and quarter-on-quarter growth in Adjusted EBITDA on a rolling twelve month basis

- Q3 FY22 revenues were £36.3m, 28% ahead of the prior year (+20% CER)
 - Genetics delivered an excellent performance with revenues 50% above Q3 FY21 driven primarily by higher sales of salmon eggs and harvest revenues. Q3 YTD FY22 revenues up 29%
 - Advanced Nutrition reported revenues 5% above the prior year in-line with anticipated seasonal pattern. Q3 YTD FY22 revenues up 15%
 - Health revenues were 213% above Q3 2021 driven by Ectosan® Vet and CleanTreat® revenues. Q3 YTD FY22 revenues up 308%
- Q3 FY22 Adjusted EBITDA excluding fair value movements from biological assets increased 26% (+18% CER) as a result of higher revenues, higher asset utilisation and cost discipline
 - Adjusted EBITDA margin of 14% (excluding fair value movements from biological assets) for the Period
- Q3 YTD FY22, Group revenues were 32% higher (+28% CER) and Adjusted EBITDA excluding fair value movements from biological assets was 99% higher (+92% CER) than the prior year
 - Increase in Adjusted EBITDA margin (excluding fair value movements from biological assets) to 17% (Q3 YTD FY21: 11%) – notable in a global inflationary environment
 - Increase in operating loss due to depreciation and amortisation from CleanTreat® units and leased vessels, and first amortisation of Ectosan® Vet and CleanTreat® development costs
 - Increase in statutory loss before tax due to significant £5.9m increase in net finance costs due to:
 - £3.1m forex loss (Q3 FY21: £0.7m gain) mainly driven by the translation of USD denominated loan balances; and
 - £2.3m loss in the fair value of financial instruments (Q3 FY21: £nil) related to hedging of the Company's NOK bond.
 - The YTD impact of these caused a negative movement of £10.7m increasing net finance costs to £10m YTD.

- Cash of £37.3m and liquidity of c.£50.3m (cash and available facility) as at 23 August 2022
- Net debt excluding lease liabilities of £59.3m (31 March 2022: £50.6m)

Operational highlights

- Advanced Nutrition - continued good performance
 - Driven by commercial focus and cost discipline with good resilience to inflationary environment through better productivity and asset utilisation
 - Positive market environment
- Genetics – recent investments delivering growth in core areas
 - Continued growth in salmon egg sales: 59.4m eggs sold in Q3 FY22 (Q3 FY21: 45.2m eggs) demonstrating success of investment in incubation unit in Iceland
 - Commercialisation of shrimp genetics (SPR shrimp) exceeding plan in Q3 FY22 and Q3 YTD FY22
- Health - Ectosan® Vet and CleanTreat®
 - Capacity utilisation was low in Q3 FY22 after spring delousing with less sea lice pressure faced by existing and potential customers
 - Post period end there has been significant and growing customer interest ahead of the peak sea lice treatment season
 - Progress in the development of a new configuration and business model for CleanTreat®
 - New CleanTreat® configuration based on the next generation of large wellboats which make it feasible to install CleanTreat® systems onboard customer wellboats
 - Enables a new sale and licencing business model, eliminates need for PSVs (platform supply vessels) and reduces capital investment
 - Commercial discussions are ongoing
 - Transition in FY23 will result in limited growth in Adjusted EBITDA for Health but will result in a less capital intensive solution thereafter.
 - Obtained variation to the Company's Marketing Authorisation from the Norwegian Medicines Agency ("NoMA") enabling a second use of treatment water
 - Obtained Marketing Authorisation in the Faroe Islands
- Group integration – enhanced customer-centric approach by combining the commercial function across Genetics and Health for salmon

Progress made towards the planned listing on Euronext Growth Oslo in Q4 calendar year 2022

- First step towards a listing on Oslo Børs, the leading seafood and aquaculture listing venue globally
- The Company plans to execute a limited share issue to satisfy the regulatory requirements of a listing on Euronext Growth Oslo
- Intention to uplist to the Oslo Børs in H1 of calendar year 2023 from Euronext Growth Oslo. In tandem, the Board intends to consult with shareholders on whether to maintain its admission of the Company's shares to trading on AIM
- The potential limited share issue and the timing of the Company's intended listings on the Euronext Growth and the Oslo Børs are subject to market conditions

Current trading and outlook

- Trading in-line with expectations for FY22:
 - Strong outlook for Genetics and Advanced Nutrition sales for remainder of the year
 - Continued effort to embed Ectosan® Vet and CleanTreat® into customers' sea lice strategies and infrastructure
- FY23 is expected to be a transitional year for the Health business area as the Company assumes transfer of some CleanTreat® capacity to the new business model, removing some supply from the market for a period of time
- Medium term targets for the Group and for Health remain unchanged

£m	Q3 YTD FY22	Q3 YTD FY21	% CER Q3 YTD FY22	Q3 FY22	Q3 FY21	% CER Q3 FY22
Revenue	115.5 +32%	87.8	+28%	36.3 +28%	28.3	+20%
Adjusted						
Adjusted EBITDA ¹	22.4 +82%	12.4	+76%	6.6 +48%	4.4	+41%
Adj. EBITDA excluding biological asset movements	20.0 +99%	10.0	+92%	5.1 +26%	4.1	+18%
Adjusted Operating Profit ²	5.6 -23%	7.3	-30%	0.8 -73%	2.9	-82%
Statutory						
Operating loss	(6.1)	(5.9)		(4.0)	(1.2)	
Loss before tax	(16.4)	(5.9)		(11.2)	(2.7)	
Basic loss per share (p)	(3.24)	(1.01)		(1.90)	(0.44)	
Net debt ³	(89.1)	(76.1)		(89.1)	(76.1)	
Net debt ³ excluding lease liabilities	(59.3)	(52.7)		(59.3)	(52.7)	

Business Area summary

£m	Q3 YTD FY22	Q3 YTD FY21	% CER Q3 YTD FY22	Q3 FY22	Q3 FY21	% CER Q3 FY22
Revenue						

Advanced Nutrition	61.4 +15%	53.4	+11%	19.4 +5%	18.4	-5%
Genetics	39.7 +29%	30.9	+26%	13.1 +50%	8.7	+47%
Animal Health	14.5 +308%	3.6	+309%	3.8 +213%	1.2	+214%
Adjusted EBITDA¹						
Advanced Nutrition	14.3 +41%	10.2	+36%	2.8 -28%	3.9	-35%
Genetics	10.5 28%	8.2	+26%	4.8 +116%	2.2	+115%
- Net of fair value movements in biological assets	8.0 +37%	5.9	+34%	3.4 81%	1.9	81%
Animal Health	(0.5)	(3.8)	n.m.	(0.6)	(1.2)	n.m.

*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

"Q3 represents a continuation of the operational and financial progress reported consistently by Benchmark over the quarters following the 2020 restructuring. We continue our dedicated work to realise the potential of the well invested and well positioned platform that Benchmark has become.

"We are excited about the development of a new configuration and business model for CleanTreat®, which although reducing our growth rate for next year, increases our confidence in the solution and enhances Benchmark's long term prospects.

"Overall, we expect to continue to deliver further underlying progress in the coming quarters, with the aim of becoming a profitable company supporting the global aquaculture industry with sustainable solutions."

Details of analyst / investor call today

There will be a call at 9.00am UK time today for analysts and investors. To attend the call, please register via Investor Meet Company: <https://www.investormeetcompany.com/benchmark-holdings-plc-analyst-meeting/register-investor>.

Enquiries

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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 YTD FY22 Commentary

The Group continued to perform well in Q3 translating into a 32% growth in revenue and 99% growth in Adjusted EBITDA excluding fair value movements from biological assets for the first nine months of the year. Performance was strong across all business areas, with each business area reporting improved revenues and Adjusted EBITDA when compared to the same period last year. On a constant exchange rate basis, Group revenue and Adjusted EBITDA excluding fair value movements were up 28% and 92% respectively.

Operating costs were £31.4m, a 12% increase from the prior year (Q3 YTD FY21: £28.0m) due to higher activity levels, cost inflation and the impact of forex movements, while R&D expenses of £4.7m were 10% lower than the comparative period in the previous year (Q3 YTD FY21: £5.2m). Total R&D investment including capitalised development costs was £6.3m, £2.3m below the prior year (Q3 YTD FY21: £8.6m) reflecting the transition to the commercial phase of Ectosan® Vet and CleanTreat®.

Adjusted EBITDA (excluding fair value movement from biological assets) was £20.0m (Q3 YTD FY21: £10.0m) 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 17% (Q3 YTD FY21: 11%). Depreciation and amortisation increased from the comparative period last year to £29.0m (Q3 YTD FY21: £17.2m) due to the depreciation of the CleanTreat® units and the leased vessels used in their operation, and the commencement of amortisation of the capitalised development costs relating to Ectosan® Vet and CleanTreat® following the commercial launch. These higher costs offset the improved Adjusted EBITDA leaving a slightly higher operating loss in the period of £6.1m (Q3 YTD FY21: operating loss of £5.9m).

There was a significant increase in net finance costs for the nine month period to £10.3m (Q3 YTD FY21: £0.1m), primarily due to forex movements which resulted in a forex loss of £2.6m in the first nine months compared to a £4.0m gain in the comparative period – a £6.6m year-on-year adverse movement. In addition, there has been a loss in the fair value of financial instruments taken in the income statement of £1.7m, a year-on-year adverse movement of £4.1m on last year's £2.4m gain. These increased charges were slightly offset by a £0.5m improvement in net interest charges following the listing of the NOK bond, leaving Q3 YTD FY22 loss before tax to be £10.5m higher than the previous year at £16.4m (Q3 YTD FY21: loss before tax £5.9m).

Although loss before tax is higher in the YTD period in FY22 than in FY21, the Group's tax charge has increased to £5.2m for YTD FY22 (YTD FY21: £0.1m credit) due to higher profits in the Advanced Nutrition and Genetics business areas in territories where there are no available losses to be utilised. The credit in the prior period was a result of the deferred tax credits on amortisation of acquired intangible assets arising on consolidation, more than offsetting lower income tax charges on lower profits. Loss after tax was £21.6m (Q3 YTD FY21: loss after tax £5.9m)

Year to date, the Group reported a net operating cash outflow of £2.2m after an increase in working capital of £22.1m related to the growth in sales in Advanced Nutrition and Genetics and increase of inventory levels in Health and Advanced Nutrition, and tax payments of £6.1m in the period. Net cash outflow from investing activities was £8.9m of which capex was £7.2m primarily in Genetics (£4.1m) and Health (£1.8m) and capitalised R&D was £1.7m (mainly in SPR Shrimp) both of which were offset by receipts of deferred consideration from earlier year disposals of divested businesses of £0.9m. Net cash inflow from financing activities of £6.5m, included an equity raise of (net) £20.1m, £6.9m of lease payments and the NOK bond coupon payments. Our cash position at the end of the period was £38.2m and liquidity of £50.5m.

Q3 FY22 commentary

The Group reported revenue of £36.3m, 28% above prior year of £28.3m. This was driven by revenue growth in all business areas with Advanced Nutrition reporting revenue +5%, Genetics +50% and Health +213% respectively, higher than the comparative period in the prior year. The Group's reported revenue performance was aided by forex tailwinds and, on a constant currency basis, Genetics and Health improved by 47% and 214% while Advanced Nutrition reported a small decrease of 5%, mainly due to the timing of orders.

Adjusted EBITDA (excluding fair value uplift from biological assets) was £5.1m, 26% ahead of the prior year (18% higher on a constant currency basis) (Q3 FY21: £4.1m), reflecting higher revenues, operational leverage and good cost control as well as forex movements. Operating costs of £11.5m were 24% above last year (Q3 FY21: £9.3m), primarily driven by an increase in operating costs in Health associated with the Ectosan® Vet and CleanTreat® operations and the impact of forex in Advanced Nutrition. R&D expenses of £1.4m were 13% below the prior year (Q3 FY21: £1.6m) and represented 4% of Group revenues (Q3 FY21: 6%). After an increase in depreciation and amortisation to £10.1m (Q3 YTD FY21: £5.5m), Group operating loss for the quarter increased to £4.0m (Q3 FY21: £1.2m).

Net finance costs of £7.3m were significantly higher than the comparative period (Q3 FY21: £1.4m). As with the YTD position, this is due to a combination of the movement in the fair value of the derivative instrument and forex movements. There was a loss in the fair value of the derivative in the period of £2.3m (Q3 YTD FY21: £nil) and the group incurred forex losses of £3.1m (Q3 FY21: gain £0.7m). As a result of these large adverse year-on-year movements, loss before tax in the quarter increase to £11.2m (Q3 FY21: £2.7m).

The tax charge of £1.6m was higher than last year (Q3 FY21: £0.1m) due to higher 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 £12.8m (Q3 FY21: loss £2.8m).

We continue our efforts to enhance our commercial focus and integrate the Group to drive synergies. In the period we combined our salmon commercial organisation across Health and Genetics.

Advanced Nutrition

Advanced Nutrition revenues were up 5% with all product areas aided by favourable forex rates in the period, with CER revenues decreasing 5% due to timing of orders. By product area, sales of Artemia were +8%, Diets +1% and Health +6% higher than Q3 2021. Timing differences in sales pattern, together with a change in product mix in the period compared to last year, and higher operating costs from increased activity resulted in a decrease in Adjusted EBITDA in Q3 FY22 to £2.8m (Q3 FY21 £3.9m). However, as noted earlier Q3YTD FY22 Adjusted EBITDA is up by 41% and the business area continues to perform strongly with good visibility to the end of the year. In the YTD, all sales regions were up on the prior year except China, and overall, conditions in the shrimp markets are positive.

Genetics

Genetics delivered an excellent performance in Q3 FY22 with revenues of £13.1m, 50% above the prior year (Q3 FY21: £8.7m) (+47% CER) driven by higher revenues across all products and genetics services. Sales of salmon eggs were +39% higher than the prior year while sales from shrimp were +164% and revenues from tilapia were 57% higher albeit shrimp and tilapia were from a small base. These results reflect the success of our recent investments in our new land-based incubation centre in Iceland, and in our shrimp and tilapia facilities in the US to expand capacity. Harvest income from our broodstock licence benefitted from a timing difference with income received earlier this year resulting in an increase to £2.1m in the quarter (Q3 FY21:

£0.7m). Commercialisation of our SPR shrimp is also progressing ahead of plan, with encouraging marketing synergies with Advanced Nutrition materialise.

Adjusted EBITDA for Q3 FY22 (excluding fair value movements of biological assets) was £3.4m, 81% ahead of the prior year (Q3 FY21: £1.9m). Including fair value movements Adjusted EBITDA for Q3 FY22 was £4.8m, 116% above the same period last year.

Revenue YTD at £39.7m was 29% better than the prior year (Q3 YTD FY21: £30.9m) and Adjusted EBITDA excluding fair value movements in biological assets was 37% higher than the prior year at £8.0m (Q3 YTD FY21: £5.9m).

Health

Revenues in Q3 FY22 increased to £3.8m (Q3 FY21: £1.2m) due to sales from Ectosan® Vet and CleanTreat® which were launched in Q4 FY21. Salmosan sales for the quarter were 38% up on the prior year despite a fall in the volumes sold as a result of a change in the mix of markets supplied. Adjusted EBITDA was a loss of £0.6m (Q3 FY21: loss of £1.2m) as a result of the higher revenues, albeit reflecting a low utilisation rate of the CleanTreat® assets in the quarter. £0.2m of the revenue in the period (Q3 FY21: £nil) was derived from recharging vessel and fuel costs associated with the Ectosan® Vet and CleanTreat® operations. YTD revenue was £14.5m (Q3 YTD FY21: £3.6m) due to the introduction of Ectosan® Vet and CleanTreat®, and £2.4m of the revenue was derived from recharging vessel and fuel costs.

Treatments performed with Ectosan® Vet and CleanTreat® reported efficacy above 99%. The end of Q3 was a slow period for sea lice treatments due to lower sea lice pressure, however going into Q4, we are entering a season with high sea lice challenges driving customer interest and increased operational activity. During the period we obtained Marketing Authorisation for Ectosan® Vet and CleanTreat® in the Faroe Islands. We are accelerating the development of a new configuration of the Group's CleanTreat® systems based on the next generation of large wellboats, which form a core part of our customers' infrastructure. This will also enable a new business model, with customers buying CleanTreat systems with the right to use and operate the systems under license. Benchmark will oversee the operation to ensure compliance with pharmacovigilance. In order to satisfy customers' different operating models, the Group plans to offer both configurations. This assumes transitioning some of the existing CleanTreat® capacity to the new wellboat model. While this will result in lower revenues in FY23 and will result in limited growth in Adjusted EBITDA for Health in FY23, it will be of strategic importance for the ongoing commercial roll-out of Ectosan® Vet and CleanTreat®.

Oslo Listing

As previously announced, the Company engaged DNB Markets and Pareto Securities as Joint Global Coordinators in connection with its assessment of a potential listing in Oslo. The Company is pursuing a listing on Euronext Growth Oslo (operated by the Oslo Stock Exchange) during the fourth quarter of the calendar year subject to market conditions. The Company plans to execute a limited share issue to satisfy the regulatory requirements of a listing on Euronext Growth Oslo.

The Board then intends to uplist the Company to the Oslo Stock Exchange (Oslo Børs) from Euronext Growth Oslo in H1 CY 2023. In tandem, the Board intends to consult with shareholders on whether to maintain its admission of the Company's shares to trading on AIM.

The potential limited share issue and the timing of the intended listings on Euronext Growth and the Oslo Børs are subject to market conditions.

Outlook

The Group has completed another quarter of financial and operational delivery post its restructuring. There is continued momentum in the business and the Group is trading in line with expectations for FY22. Conditions in our core markets remain favourable.

The outlook for Genetics and Advanced Nutrition is strong for the remainder of the year and beyond. In Health, we continue to make progress in the roll-out of Ectosan® Vet and CleanTreat® and are accelerating the development of a new configuration and business model adapted to our customers' infrastructure. This is a positive strategic development which will facilitate adoption while reducing capital investment for Benchmark and improving quality of earnings. The transition to a new business model will require transferring some capacity taking one CleanTreat® system off the market for a period of time in FY23 with a consequent impact on our sales and Adjusted EBITDA. However, our medium-term targets are unchanged for Health and for the Group, and this development increases our confidence in the potential of our solution.

Benchmark Holdings plc

Consolidated Income Statement for period ended 30 June 2022

All figures in £000's	Notes	Q3 2022 (unaudited)	Q3 2021 (unaudited)	YTD Q3 2022 (unaudited)	YTD Q3 2021 (unaudited)	FY 2021 (audited)
Revenue	4	36,272	28,336	115,519	87,801	125,062
Cost of sales		(16,799)	(13,024)	(56,524)	(41,646)	(59,477)
Gross profit		19,473	15,312	58,995	46,155	65,585
Research and development costs		(1,426)	(1,590)	(4,663)	(5,172)	(7,010)
Other operating costs		(11,464)	(9,329)	(31,371)	(28,026)	(38,221)
Share of loss of equity-accounted investees, net of tax		(10)	35	(538)	(606)	(905)
Adjusted EBITDA²		6,573	4,428	22,423	12,351	19,449
Exceptional - restructuring, disposal and acquisition related items	5	(469)	(187)	439	(1,055)	(184)
EBITDA¹		6,104	4,241	22,862	11,296	19,265
Depreciation and impairment		(5,206)	(1,555)	(15,258)	(5,050)	(8,359)
Amortisation and impairment		(4,849)	(3,931)	(13,721)	(12,109)	(16,283)
Operating loss		(3,951)	(1,245)	(6,117)	(5,863)	(5,377)
Finance cost		(7,409)	(2,110)	(10,674)	(6,495)	(7,987)
Finance income		122	674	409	6,424	4,185
Loss before taxation		(11,238)	(2,681)	(16,382)	(5,934)	(9,179)
Tax on loss	6	(1,584)	(128)	(5,200)	58	(2,397)
Loss for the period		(12,822)	(2,809)	(21,582)	(5,876)	(11,576)
Loss for the period attributable to:						
- Owners of the parent		(13,394)	(2,972)	(22,526)	(6,790)	(12,891)
- Non-controlling interest		572	163	944	914	1,315
		(12,822)	(2,809)	(21,582)	(5,876)	(11,576)
Earnings per share						
Basic loss per share (pence)	7	(1.90)	(0.44)	(3.24)	(1.01)	(1.93)
Diluted loss per share (pence)	7	(1.90)	(0.44)	(3.24)	(1.01)	(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 the period ended 30 June 2022

All figures in £000's	Q3 2022 (unaudited)	Q3 2021 (unaudited)	YTD Q3 2022 (unaudited)	YTD Q3 2021 (unaudited)	FY 2021 (audited)
Loss for the period	(12,822)	(2,809)	(21,582)	(5,876)	(11,576)
Other comprehensive income					
Items that are or may be reclassified					
subsequently to profit or loss					
Foreign exchange translation differences	17,180	(385)	24,381	(14,054)	(9,929)
Cash flow hedges - changes in fair value	(2,368)	(514)	580	2,306	3,054
Cash flow hedges - reclassified to profit or loss	(19)	257	159	544	709
Total comprehensive income for the period	1,971	(3,451)	3,538	(17,080)	(17,742)
Total comprehensive income for the period					
attributable to:					
- Owners of the parent	1,381	(3,645)	2,217	(18,304)	(19,329)
- Non-controlling interest	590	194	1,321	1,224	1,587
	1,971	(3,451)	3,538	(17,080)	(17,742)

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

Benchmark Holdings plc

Consolidated Balance Sheet as at 30 June 2022

		30 June 2022	30 June 2021	30 September 2021
All figures in £000's	Notes	(unaudited)	(unaudited)	(audited)
Assets				
Property, plant and equipment		81,478	74,995	78,780
Right-of-use assets		29,060	25,306	25,531
Intangible assets		235,175	228,156	229,040
Equity-accounted investees		3,086	3,289	3,354
Other investments		15	15	15
Biological and agricultural assets		20,927	17,119	21,244
Non-current assets		369,741	348,880	357,964
Inventories		27,228	20,260	20,947
Biological and agricultural assets		23,636	20,610	17,121
Trade and other receivables		51,105	34,462	46,498
Cash and cash equivalents		38,179	43,187	39,460
Current assets		140,148	118,519	124,026
Total assets		509,889	467,399	481,990
Liabilities				
Trade and other payables		(41,243)	(32,798)	(46,668)
Loans and borrowings	8	(14,226)	(10,481)	(10,654)
Corporation tax liability		(7,408)	(4,439)	(5,634)
Provisions		(543)	-	(563)
Current liabilities		(63,420)	(47,718)	(63,519)
Loans and borrowings	8	(113,094)	(108,829)	(109,737)
Other payables		(1,055)	(1,803)	(911)
Deferred tax		(28,116)	(28,582)	(28,224)
Non-current liabilities		(142,265)	(139,214)	(138,872)
Total liabilities		(205,685)	(186,932)	(202,391)
Net assets		304,204	280,467	279,599
Issued capital and reserves attributable to owners of the parent				
Share capital	9	704	670	670
Additional paid-in share capital	9	420,824	400,622	400,682
Capital redemption reserve		5	5	5
Retained earnings		(175,866)	(147,876)	(154,231)
Hedging reserve		(5,137)	(6,800)	(5,876)
Foreign exchange reserve		54,469	26,313	30,465
Equity attributable to owners of the parent		294,999	272,934	271,715
Non-controlling interest		9,205	7,533	7,884
Total equity and reserves		304,204	280,467	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 30 June 2022

	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	-	-	-	-	(22,526)	(22,526)	944	(21,582)
Other comprehensive income	-	-	24,004	739	-	24,743	377	25,120
Total comprehensive income 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
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 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	-	-	-	-	(6,790)	(6,790)	914	(5,876)
Other comprehensive income	-	-	(14,365)	2,851	-	(11,514)	310	(11,204)
Total comprehensive income for the period	-	-	(14,365)	2,851	(6,790)	(18,304)	1,224	(17,080)
Contributions by and distributions to owners								
Share issue	2	1,021	-	-	-	1,023	-	1,023
Share-based payment	-	-	-	-	1,084	1,084	-	1,084
Total contributions by and distributions to owners	2	1,021	-	-	1,084	2,107	-	2,107
Total transactions with owners of the Company	2	1,021	-	-	1,084	2,107	-	2,107
As at 30 June 2021 (unaudited)	670	400,622	26,318	(6,800)	(147,876)	272,934	7,533	280,467
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								
Acquisition of 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 30 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.

Consolidated Statement of Cash Flows for the period ended 30 June 2022

	Q3 2022 (unaudited) £000	Q3 2021 (unaudited) £000	FY 2021 (audited) £000
Cash flows from operating activities			
Loss for the period	(21,582)	(5,876)	(11,576)
Adjustments for:			
Depreciation and impairment of property, plant and equipment	6,324	3,545	5,017
Depreciation and impairment of right-of-use assets	8,934	1,505	3,342
Amortisation and impairment of intangible fixed assets	13,721	12,109	16,283
Loss on sale of property, plant and equipment	(43)	47	46
Gain on sale of other investments	-	(91)	-
Finance income	(238)	(2,460)	(1,442)
Finance costs	7,913	6,495	7,987
Increase in fair value of contingent consideration receivable	(1,203)	-	-
Share of loss of equity-accounted investees, net of tax	538	606	905
Foreign exchange losses	5,607	(4,237)	(1,800)
Share-based payment expense	891	1,084	830
Tax credit	5,200	(58)	2,397
	26,062	12,669	21,989
(Increase)/decrease in trade and other receivables	(4,456)	4,579	(8,178)
Increase in inventories	(7,314)	(2,559)	(3,554)
Increase in biological and agricultural assets	(4,144)	(4,418)	(5,427)
(Decrease)/increase in trade and other payables	(6,228)	(7,760)	5,547
Decrease in provisions	(21)	(29)	-
	3,899	2,482	10,377
Income taxes paid	(6,100)	(2,625)	(4,587)
Net cash flows (used in)/generated from operating activities	(2,201)	(143)	5,790
Investing activities			
Purchase of investments	(108)	(247)	(578)
Receipts from disposal of investments	919	99	9
Purchases of property, plant and equipment	(7,169)	(12,789)	(17,683)
Payments for initial costs of right-of-use assets	-	(586)	-
Purchase of intangibles	(1,757)	(3,629)	(5,038)
Proceeds from sale of fixed assets	194	88	112
Interest received	34	48	88
Net cash flows used in investing activities	(7,887)	(17,016)	(23,090)
Financing activities			
Proceeds of share issues	20,782	689	750
Share-issue costs recognised through equity	(607)	-	-
Acquisition of NCI	-	-	(12)
Repayment of bank or other borrowings	(1,333)	(2,696)	(3,106)
Interest and finance charges paid	(5,381)	(5,685)	(7,699)
Repayments of lease liabilities	(6,928)	(2,884)	(4,602)
Net cash inflow/(outflow) from financing activities	6,533	(10,576)	(14,669)
Net decrease in cash and cash equivalents	(3,555)	(27,735)	(31,969)
Cash and cash equivalents at beginning of period	39,460	71,605	71,605
Effect of movements in exchange rate	2,274	(683)	(176)
Cash and cash equivalents at end of period	38,179	43,187	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 nine months ended 30 June 2022 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 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 have been 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 30 June 2022 the Group had net assets of £304.2m (30 September 2021: £279.6m), including cash of £38.2m (30 September 2021: £39.5m) as set out in the consolidated balance sheet. The Group made a loss for the nine months of £21.6m (year ended 30 September 2021: loss £11.6m).

As noted in the Management Report, we have seen greater stability in our end markets after the varying, but advanced, degrees of recovery across the world from the COVID-19 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. This has given cause for optimism about any lasting impact, but the Directors have remained cautious throughout of any possibility of return of restrictions should there be any relapse in the recovery, 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 strong performance of the Advanced Nutrition business during the quarter as the market stabilises following recovery from the pandemic. Nevertheless, a number of mitigating measures within the control of management which were implemented early in the pandemic 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.

The group ended the quarter with strong cash balances of £38.2m after the £20.1m equity raise (net of costs) in Q1 and the Group continues to have 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 10 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 refinancing process is ongoing and the Directors 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 10 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 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

	Q3 2022	Q3 2021	YTD Q3	YTD Q3	FY 2021
All figures in £000's	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(audited)
Genetics	13,091	8,735	39,694	30,865	46,797
Advanced Nutrition	19,381	18,410	61,414	53,437	70,530
Health	3,840	1,226	14,533	3,563	7,832
Corporate	1,406	1,207	4,218	3,611	4,820
Inter-segment sales	(1,446)	(1,242)	(4,340)	(3,675)	(4,917)
Total	36,272	28,336	115,519	87,801	125,062

Segmental Adjusted EBITDA

	Q3 2022	Q3 2021	YTD Q3	YTD Q3	FY 2021
All figures in £000's	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(audited)
Genetics	4,816	2,232	10,507	8,219	11,528
Advanced Nutrition	2,837	3,919	14,311	10,158	13,802
Health	(610)	(1,226)	(517)	(3,789)	(2,685)
Corporate	(470)	(497)	(1,878)	(2,237)	(3,196)
Total	6,573	4,428	22,423	12,351	19,449

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

	Q3 2022	Q3 2021	YTD Q3	YTD Q3	FY 2021
All figures in £000's	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(audited)
Total reportable segment Adjusted EBITDA	7,043	4,925	24,301	14,588	22,645
Corporate Adjusted EBITDA	(470)	(497)	(1,878)	(2,237)	(3,196)
Adjusted EBITDA	6,573	4,428	22,423	12,351	19,449
Exceptional - restructuring, disposal and acquisition related items	(469)	(187)	439	(1,055)	(184)
Depreciation and impairment	(5,206)	(1,555)	(15,258)	(5,050)	(8,359)
Amortisation and impairment	(4,849)	(3,931)	(13,721)	(12,109)	(16,283)
Net finance costs	(7,287)	(1,436)	(10,265)	(71)	(3,802)
Loss before taxation	(11,238)	(2,681)	(16,382)	(5,934)	(9,179)

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 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

3 months ended 30 June 2021 (unaudited)

All figures in £000's	Genetics	Advanced Nutrition	Health	Corporate	Inter-segment sales	Total
Sale of goods	6,991	18,371	1,225	-	-	26,587
Provision of services	1,748	-	1	-	-	1,749
Inter-segment sales	(4)	39	-	1,207	(1,242)	-
	8,735	18,410	1,226	1,207	(1,242)	28,336

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

9 months ended 30 June 2021 (unaudited)

All figures in £000's	Genetics	Advanced Nutrition	Health	Corporate	Inter-segment sales	Total
Sale of goods	27,022	53,381	3,542	-	-	83,945
Provision of services	3,835	-	21	-	-	3,856
Inter-segment sales	8	56	-	3,611	(3,675)	-
	30,865	53,437	3,563	3,611	(3,675)	87,801

4. Revenue (continued)

Sale of goods and provision of services (continued)

Primary geographical markets

12 months ended 30 September 2021 (audited)						
All figures in £000's	Genetics	Advanced Nutrition	Health	Corporate	Inter-segment sales	Total
Norway	41,947	70,458	6,135	-	-	118,540
India	4,825	-	1,697	-	-	6,522
Singapore	25	72	-	4,820	(4,917)	-
	46,797	70,530	7,832	4,820	(4,917)	125,062

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
Singapore	-	2,772	-	-	-	2,772
Greece	2	1,795	-	-	-	1,797
Faroe Islands	1,325	1	101	-	-	1,427
Turkey	-	1,173	-	-	-	1,173
UK	363	39	48	-	-	450
Ecuador	18	1,575	-	-	-	1,593
Chile	429	2	96	-	-	527
Rest of Europe	1,591	631	-	-	-	2,222
Rest of World	1,456	7,822	1,184	-	-	10,462
Inter-segment sales	5	35	-	1,406	(1,446)	-
	13,091	19,381	3,840	1,406	(1,446)	36,272

3 months ended 30 June 2021 (unaudited)						
All figures in £000's	Genetics	Advanced Nutrition	Health	Corporate	Inter-segment sales	Total
Norway	4,340	178	356	-	-	4,874
India	-	2,870	3	-	-	2,873
Singapore	-	2,240	-	-	-	2,240
Greece	-	1,650	-	-	-	1,650
Faroe Islands	1,094	7	168	-	-	1,269
Turkey	-	1,423	-	-	-	1,423
UK	911	31	462	-	-	1,404
Ecuador	-	1,009	-	-	-	1,009
Chile	-	2	604	-	-	606
Rest of Europe	1,825	645	-	-	-	2,470
Rest of World	569	8,316	(367)	-	-	8,518
Inter-segment sales	(4)	39	-	1,207	(1,242)	-
	8,735	18,410	1,226	1,207	(1,242)	28,336

4. Revenue (continued)

Primary geographical markets (continued)

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
Singapore	-	6,923	-	-	-	6,923
Greece	2	5,266	-	-	-	5,268
Faroe Islands	3,926	7	378	-	-	4,311
Turkey	-	5,105	-	-	-	5,105
UK	3,219	67	166	-	-	3,452
Ecuador	18	3,866	-	-	-	3,884
Chile	769	7	649	-	-	1,425
Rest of Europe	4,952	3,212	-	-	-	8,164
Rest of World	2,665	25,308	1,973	-	-	29,946
Inter-segment sales	47	75	-	4,218	(4,340)	-
	39,694	61,414	14,533	4,218	(4,340)	115,519

9 months ended 30 June 2021 (unaudited)						
All figures in £000's	Genetics	Advanced Nutrition	Health	Corporate	Inter-segment sales	Total
Norway	16,603	435	791	-	-	17,829
India	-	9,137	3	-	-	9,140
Singapore	-	5,590	-	-	-	5,590
Greece	25	5,122	-	-	-	5,147
Faroe Islands	4,465	16	168	-	-	4,649
Turkey	-	4,868	-	-	-	4,868
UK	3,567	97	477	-	-	4,141
Ecuador	-	3,009	-	-	-	3,009
Chile	37	6	2,039	-	-	2,082
Rest of Europe	4,575	3,445	26	-	-	8,046
Rest of World	1,585	21,656	59	-	-	23,300
Inter-segment sales	8	56	-	3,611	(3,675)	-
	30,865	53,437	3,563	3,611	(3,675)	87,801

4. Revenue (continued)

Primary geographical markets (continued)

12 months ended 30 September 2021 (audited)						
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
Singapore	-	7,544	-	-	-	7,544
Greece	25	6,108	-	-	-	6,133
Faroe Islands	5,636	18	348	-	-	6,002
Turkey	-	5,977	-	-	-	5,977
UK	3,843	117	622	-	-	4,582
Ecuador	-	4,066	-	-	-	4,066
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	Q3 2022 (unaudited)	Q3 2021 (unaudited)	YTD Q3 2022 (unaudited)	YTD Q3 2021 (unaudited)	FY 2021 (audited)
Acquisition related items	-	-	-	-	(850)
Exceptional restructuring and disposal items	469	187	(439)	1,055	1,034
Total exceptional items	469	187	(439)	1,055	184

Exceptional restructuring and disposal items in Q3 2022 include: £570,000 of legal and professional costs relating to costs in connection with the Group's assessment of a potential listing in Oslo, costs relating to a legal dispute within a divested business, and other restructuring costs, together with £50,000 of staff costs and £143,000 of other costs relating to the closure of the Thai research centre in Advanced Nutrition. These costs were offset by a credit of £294,000 relating to additional contingent consideration received in the period following the disposal of Aquaculture UK on 7 February 2020.

6. Taxation

All figures in £000's	Q3 2022 (unaudited)	Q3 2021 (unaudited)	YTD Q3 2022 (unaudited)	YTD Q3 2021 (unaudited)	FY 2021 (audited)
Analysis of charge in period					
Current tax:					
Current income tax expense on profits for the period	2,596	1,037	7,603	2,667	5,383
Adjustment in respect of prior periods	-	-	-	-	502
Total current tax charge	2,596	1,037	7,603	2,667	5,885
Deferred tax:					
Origination and reversal of temporary differences	(1,012)	(909)	(2,403)	(2,460)	(3,228)
Deferred tax movements in respect of prior periods	-	-	-	(265)	(260)
Total deferred tax credit	(1,012)	(909)	(2,403)	(2,725)	(3,488)
Total tax charge/(credit)	1,584	128	5,200	(58)	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.

	Q3 2022 (unaudited)	Q3 2021 (unaudited)	YTD Q3 2022 (unaudited)	YTD Q3 2021 (unaudited)	FY 2021 (audited)
Loss attributable to equity holders of the parent (£000)	(13,394)	(2,972)	(22,526)	(6,790)	(12,891)
Weighted average number of shares in issue (thousands)	703,961	670,158	696,303	669,164	669,459
Basic loss per share (pence)	(1.90)	(0.44)	(3.24)	(1.01)	(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 30 June 2022, a total of 5,066,469 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 30 June 2021: 4,138,057). 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 30 June 2022 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	184,694	-	73
Balance at 30 June 2022	703,960,798	704	420,824

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).

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

	Q3 2022 (unaudited)	Q3 2021 (unaudited)	YTD Q3 2022 (unaudited)	YTD Q3 2021 (unaudited)	FY 2021 (audited)
All figures in £000's					
Revenue	36,272	28,336	115,519	87,801	125,062
Cost of sales	(16,799)	(13,024)	(56,524)	(41,646)	(59,477)
Gross profit	19,473	15,312	58,995	46,155	65,585
Research and development costs	(1,426)	(1,590)	(4,663)	(5,172)	(7,010)
Other operating costs	(11,464)	(9,329)	(31,371)	(28,026)	(38,221)
Depreciation and impairment	(5,206)	(1,555)	(15,258)	(5,050)	(8,359)
Amortisation of capitalised development costs	(605)	-	(1,550)	-	(299)
Share of loss of equity accounted investees net of tax	(10)	35	(538)	(606)	(905)
Adjusted operating profit	762	2,873	5,615	7,301	10,791
Exceptional - restructuring, disposal and acquisition related items	(469)	(187)	439	(1,055)	(184)
Amortisation and impairment of intangible assets excluding development costs	(4,244)	(3,931)	(12,171)	(12,109)	(15,984)
Operating loss	(3,951)	(1,245)	(6,117)	(5,863)	(5,377)

Benchmark Holdings plc

Unaudited notes to the quarterly financial statements for the period ended 30 June 2022

10. Alternative performance measures and other metrics (continued)

Reconciliation of Loss Before Taxation to Adjusted Profit Before Tax

All figures in £000's	Q3 2022 (unaudited)	Q3 2021 (unaudited)	YTD Q3 2022 (unaudited)	YTD Q3 2021 (unaudited)	FY 2021 (audited)
Loss before taxation	(11,238)	(2,681)	(16,382)	(5,934)	(9,179)
Exceptional - restructuring, disposal and acquisition related items	469	187	(439)	1,055	184
Amortisation and impairment of intangible assets excluding development costs	4,244	3,931	12,171	12,109	15,984
Adjusted profit before tax	(6,525)	1,437	(4,650)	7,230	6,989

Other Metrics

All figures in £000's	Q3 2022 (unaudited)	Q3 2021 (unaudited)	YTD Q3 2022 (unaudited)	YTD Q3 2021 (unaudited)	FY 2021 (audited)
Total R&D Investment					
Research and development costs	1,426	1,590	4,663	5,172	7,010
Internal capitalised development costs	192	1,281	1,596	3,462	4,813
Total R&D investment	1,618	2,871	6,259	8,634	11,823

All figures in £000's	Q3 2022 (unaudited)	Q3 2021 (unaudited)	YTD Q3 2022 (unaudited)	YTD Q3 2021 (unaudited)	FY 2021 (audited)
Adjusted EBITDA excluding fair value movement in biological assets					
Adjusted EBITDA	6,573	4,428	22,423	12,351	19,449
Exclude fair value movement	(1,437)	(368)	(2,442)	(2,327)	(3,323)
Adjusted EBITDA excluding fair value movement in biological assets	5,136	4,060	19,981	10,024	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	30 June 2022 (unaudited)
Cash and cash equivalents	38,179
Undrawn bank facility	12,335
	50,514

11. Net debt

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

	30 June 2022 (unaudited)	30 June 2021 (unaudited)	30 September 2021 (audited)
All figures in £000's			
Cash and cash equivalents	38,179	43,187	39,460
Loans and borrowings (excluding lease liabilities) – current	(1,583)	(1,595)	(1,612)
Loans and borrowings (excluding lease liabilities) – non-current	(95,943)	(94,278)	(94,792)
Net debt excluding lease liabilities	(59,347)	(52,686)	(56,944)
Lease liabilities – current	(12,643)	(8,886)	(9,042)
Lease liabilities – non-current	(17,151)	(14,551)	(14,945)
Net debt	(89,141)	(76,123)	(80,931)