

29 November 2023

Benchmark Holdings plc

**("Benchmark", the "Company" or the "Group")
Q4 Results
(3 months ended 30 September 2023)**

**Good operational performance and positive outlook in all business areas
Results affected by market factors in the period**

In compliance with the terms of the Company's unsecured green bond which requires it to publish quarterly financial information, Benchmark, the aquaculture biotechnology business, announces its unaudited results for the 3 months ended 30 September 2023 (the "period"). All Q4 FY23 and Q4 FY22 figures quoted in this announcement are based on unaudited accounts.

This morning the Company published its full year audited results for the 12 months ended 30 September 2023 which can be found on <https://www.benchmarkplc.com/investors>

Q4 FY23 Financial highlights

- Revenues from continuing operations of £36.6m, 14% below the prior year (-7% CER):
 - Genetics – strong performance in salmon egg sales against an exceptionally strong Q4 FY22 which benefitted from supply constraints in the market; revenues were 6% below Q4 FY22 (+2% CER)
 - Advanced Nutrition – strong performance against a backdrop of challenging conditions in the global shrimp markets; revenues were 9% below the prior year (-3% CER)
 - Health – revenues were 53% below Q4 FY22 (-50% CER) reflecting a delay in the peak season for sea lice treatments in Norway; the Company has experienced an increase in Ectosan® Vet and CleanTreat® sales post period-end
- Adjusted EBITDA from continuing operations excluding fair value movements from biological assets £9.2m (Q4 FY22: £10.2m)
- Adjusted EBITDA margin from continuing operations excluding fair value movements marginally increased to 25% (Q4 FY22: 24%)
- Cash and cash equivalents of £29.3m and available liquidity of £41.5m as at 27th November

Operational highlights

- Launch of first AI-enabled tool, Snapp-Art which enables customers to count and qualify Artemia accurately and efficiently, contributing to customer productivity
- Integration of salmon activities under the leadership of Geir Olav Menningen, Head of Genetics, and integration and reorganisation of shrimp activities under the leadership of Patrick Waty, Head of Advanced Nutrition. This is an important strategic step which creates significant opportunities for commercial synergies and efficiencies
- Obtained MSC (Marine Stewardship Council) certification for the Artemia harvested from the Great Salt Lakes
- Divestment of tilapia breeding business; maintaining our presence in tilapia genetics through Genetics Services

Current trading and outlook – positive momentum trading in-line with management expectations

- Good start to the year and positive momentum in all business areas
 - Good visibility of revenues in salmon genetics
 - Early indications of improvement in the shrimp markets
 - Increase in sea lice treatments post period end with good capacity utilisation of CleanTreat®; expect normal seasonality
 - Continue to strengthen our unique position in an industry that is structurally growing driven by megatrends

£m	Q4 FY23	Q4 FY22 restated*	% AER	% CER**	FY23 (full year)	FY22 restated*
Revenue from continuing operations	36.6	42.4	-14%	-7%	169.5	157.7
Adjusted						

Adjusted EBITDA ¹ from continuing operations	7.4	9.4	-21%	-15%	35.5	32.6
Adj. EBITDA excluding fair value movements from biological assets	9.2	10.2	-10%	-4%	35.6	31.0
Adjusted Operating Profit excluding fair value uplift from biological assets	3.9	5.0	-23%	-14%	14.7	9.2
Statutory						
Operating (loss)/profit from continuing operations	(2.3)	(1.1)			(5.3)	(6.2)
Loss before tax from continuing operations	(7.3)	(6.1)	19%	17%	(12.7)	(21.4)
Loss for the Period	(9.2)	(8.2)	-13%	-13%	(16.1)	(28.7)
Basic loss per share (p)	(1.87)	(1.36)			(3.16)	(4.60)
Net debt ³	(65.5)	(73.7)			(65.5)	(73.7)
Net debt excluding lease liabilities	(45.6)	(47.5)			(45.6)	(47.4)

* 2022 figures have been restated to reflect changes to the ongoing continuing business during the year following the disposal of the tilapia business

** 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 and disposal related expenditure.

(2) Adjusted Operating Profit is operating loss before exceptional items including acquisition and disposal 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 (continuing operations)*

£m	Q4 FY23	Q4 FY22 restated	% AER	% CER**	FY23 (full year)	FY22 restated
Revenue						
Advanced Nutrition	17.1	18.9	-9%	-3%	78.5	80.3
Genetics	16.9	18.0	-6%	2%	65.5	57.4
Health	2.6	5.6	-53%	-50%	25.5	20.1
Adjusted EBITDA¹						
Advanced Nutrition	3.5	4.7	-26%	-20%	18.4	19.0
Genetics	5.4	6.1	-11%	-5%	15.7	17.4
- Net of fair value movements in biological assets	7.2	6.9	4%	10%	15.8	15.8
Health	(0.9)	0.6			4.8	0.1

* 2022 figures have been restated to reflect changes to the ongoing continuing business during the year following the disposal of the tilapia business

**** 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 and disposal related expenditure.

Enquiries

For further information, please contact:

Benchmark Holdings plc

Trond Williksen, CEO

Septima Maguire, CFO

Ivonne Cantu, Investor Relations

Tel: 0114 240 9939

Deutsche Numis (Broker and NOMAD)

Freddie Barnfield, Duncan Monteith, Sher Shah

Tel: 020 7260 1000

MHP

Katie Hunt, Reg Hoare, Veronica Farah

Tel: 020 3128 8100

benchmark@mhpgroup.com

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

Q4 FY23 financial results were soft compared to the prior year but overall the Group performed well, maintaining momentum and commercial focus, and is well positioned for the year ahead. In Advanced Nutrition, prevailing conditions in the shrimp markets continued to impact demand for our products and revenues in the period. In Health we experienced low activity for Ectosan® Vet and CleanTreat® treatments with customers delaying use of our solution compared to last year, as they assessed the severity of sea lice in their farms. Post period-end we have seen increased use. Performance in Genetics was solid but comparatively behind Q4 FY22 which benefitted from bumper demand for our salmon eggs as a result of supply constraints in the market. Together, these factors led to Group revenues from continuing operations of £36.6m, 14% behind the prior year (-7% CER).

Despite high inflationary pressure, operating costs in Q4 FY23 were £10.9m, 17% below the prior year (Q4 FY22: £13.1m) due to the timing of some of the variable costs in the year and ongoing cost control. Furthermore, Q4 FY23 has seen the benefit of some of the restructuring of our cost base in Health and Advanced Nutrition. Further details are given in the business area narrative below. R&D expenses were £1.6m, 20% below the prior year driven by a reduction in Genetics R&D in the period.

Adjusted EBITDA from continuing operations for the quarter was £7.4m, 21% below the prior year (Q4 FY22: £9.4m) primarily as a result of lower sales, partially offset by a reduction in operating costs. Excluding fair value movements from biological assets, Adjusted EBITDA from continuing operations was £9.2m, 10% below the prior year. Our Adjusted EBITDA margin excluding fair value movements was 25%, marginally ahead of the prior year.

Advanced Nutrition

Q4 FY23 revenues in Advanced Nutrition were £17.1m, 9% behind the prior year (Q4 FY22: £18.9m) (-3% CER) due to weak shrimp markets as set out above. By product segment, revenue from Diets was £8.0m (Q4 FY22: £8.5m) followed by Artemia £7.0m (Q4 FY22: £8.2m) and Health £2.1m (Q4 FY22: £2.4m).

Adjusted EBITDA of £3.5m was 26% lower than the prior year (Q4 FY22: £4.7m) primarily due to lower sales, lower infringement fees and higher bad debt provisions. Operating costs of £5.9m were 5% down Q4 FY22 (up 2% CER). R&D expenses totalled £0.7m (Q4 FY22: £0.6m). The Adjusted EBITDA margin was 20% (Q4 FY22: 25%).

Despite the comparatively soft performance against last year, the continued commercial focus and efficiencies implemented in FY23 mean that our Advanced Nutrition business will emerge stronger from a period of weakness in the shrimp market. We have further strengthened our market position and continued to innovate as evidenced by the launch of our first AI-enabled tool. Our dedicated technical support team in our local markets which help our customers optimise the use of our products has been instrumental to our commercial effort and will help drive future growth.

Genetics

Revenues from continuing operations in the period were £16.9m, 6% behind prior year (Q4 FY22: £18.0m) (+2% CER). While salmon egg volume of 84 million was 8 million lower than the prior year, this represents a strong performance against an exceptional Q4 FY22 when we experienced very high demand due a supply shortage in the market. Harvest revenues were £1.8m higher than the prior year driven by higher volumes harvested in the quarter. Shrimp revenues at £0.3m were £0.4m behind prior year (Q4 FY22: £0.7m) as we continue to work on the development of the next generation of products.

Adjusted EBITDA from continuing operations was £5.4m, 11% lower than the prior year (Q4 FY22: £6.1m) primarily due to lower sales. However, adjusted EBITDA from continuing operations excluding the fair value movements from biological assets was £7.2m, 4% ahead of the prior year (Q4 FY22: £6.9m). As a result, the Adjusted EBITDA margin excluding biological asset movements increased to 43% (Q4 FY22: 38%).

By species, despite lower egg sales, salmon delivered an excellent performance with Adjusted EBITDA of £6.3m (Q4 FY22: £6.7m) and after fair value movements of £8.1m (Q4 FY22: 7.6m). In shrimp, lower revenues led to a higher Adjusted EBITDA loss of £0.9m (Q4 FY22: loss of £0.6m) and tilapia, now discontinued, delivered an Adjusted EBITDA loss before exceptional items of £0.3m (Q4 FY22: loss of £0.7m).

Health

Performance in Health was affected by low levels of sea lice treatments in the period which impacted revenues and resulted in low capacity utilisation of our CleanTreat® infrastructure. Revenues were £2.6m (Q4 FY22: £5.6m). Adjusted EBITDA in the period was a loss of £0.9m (Q4 FY22: £0.6m). Post period end we have experienced increased demand for Ectosan® Vet and CleanTreat® and we have good visibility for Q1 FY24. Beyond Q1 FY24 we expect normal seasonality. Operating costs were 23% below the prior year at £1.4m (Q4 FY22: £1.8m) partially as a result of efficiencies resulting from the integration of the salmon activities across Health and Genetics. R&D expenses were flat against the prior year at £0.1m. Costs associated with the leases of the vessels for the CleanTreat® units amounted to £1.9m.

Sales of Salmosan® Vet in the period were £1.0m, 34% behind prior year (Q4 FY22: £1.6m). The drop is driven by the timing of orders in one of our key markets while the rest of the regions reported growth in the period.

Finance costs, cashflow and net debt

Net finance cost for the quarter of £5.0m are in line with the prior year (Q4 FY22: £5.0m). Movements in the quarter in the fair value of our financial instruments taken out to hedge our external borrowings caused a charge of £1.6m, (Q4 FY22: £5.3m). Interest charges for the period of £3.0m (Q4 FY22: £4.2m) reflected higher interest charges being more than offset by lower amortisation of deferred financing costs and a one-off fee for early settlement upon refinancing in Q4 FY22. These lower finance costs were offset by foreign exchange movements which led to a foreign exchange loss of £0.2m compared to a gain of £5.4m in Q4 FY22.

Positive operating cashflows from strong trading in the quarter and tight cost control left the Group with cash balances of £36.5m at the end of the period (Q4 FY22: £36.4m). This left net debt at the quarter end at £65.5m (Q4 FY22: £73.7m). Net debt excluding lease liabilities was £45.6m (Q4 FY22: £47.5m).

Outlook

We have had a good start to the year and there is good momentum in the business. We have good visibility of sales in Genetics at normalised levels following the supply shortage experienced Q1 FY23. In Advanced Nutrition we are seeing early signs of recovery in the shrimp markets which we expect will contribute positively from Q2 FY24 onwards. Our CleanTreat® units are currently operating at a good capacity utilisation and we expect this to be reflected in Q1 FY24. We expect normal seasonality with low treatment volumes in the second half. We are considering actions to optimise our operations and cashflow during the transition to an integrated customer solution. The continued integration and streamlining of the Group will enable us to further leverage the Group capabilities and drive efficiencies contributing to a positive outlook for the year ahead.

Looking into the future, we are uniquely positioned in an industry that is structurally growing. With a clear strategy addressing the main aquaculture species, we have significant opportunity to deliver growth and shareholder returns. We will continue the development of the Group and ongoing consideration of our strategy to realise the value inherent in our business for the benefit of all our stakeholders.

Benchmark Holdings plc

Consolidated Income Statement for the period ended 30 September 2023

All figures in £000's	Notes	Q4 2023 (unaudited)	Q4 2022 Restated* (unaudited)	FY 2023 (unaudited)	FY 2022 Restated* (audited)
Revenue	4	36,591	42,448	169,476	157,707
Cost of sales		(16,674)	(17,895)	(82,726)	(73,777)
Gross profit		19,917	24,553	86,750	83,930
Research and development costs		(1,592)	(1,991)	(6,069)	(6,634)
Other operating costs		(10,865)	(13,124)	(45,157)	(44,095)
Share of (loss)/profit of equity-accounted investees, net of tax		(33)	(57)	(32)	(595)
Adjusted EBITDA²		7,427	9,381	35,492	32,606
Exceptional – restructuring, acquisition and disposal related items	6	(686)	(423)	(3,904)	16
EBITDA¹		6,741	8,958	31,588	32,622
Depreciation and impairment		(4,769)	(4,588)	(18,409)	(19,692)
Amortisation and impairment		(4,265)	(5,440)	(18,495)	(19,161)
Operating loss		(2,293)	(1,070)	(5,316)	(6,231)
Finance cost	7	(6,602)	(12,229)	(15,048)	(19,893)
Finance income	7	1,643	7,219	7,670	4,741
Loss before taxation		(7,252)	(6,080)	(12,694)	(21,383)
Tax on loss	8	(1,958)	(2,074)	(3,365)	(7,268)
Loss from continuing operations		(9,210)	(8,154)	(16,059)	(28,651)
Discontinued operations					
Loss from discontinued operations, net of tax	5	(4,333)	(715)	(5,505)	(1,800)
		(13,543)	(8,869)	(21,564)	(30,451)
Loss for the year attributable to:					
- Owners of the parent		(13,853)	(9,561)	(23,146)	(32,087)
- Non-controlling interest		310	692	1,582	1,636
		(13,543)	(8,869)	(21,564)	(30,451)
Earnings per share					
Basic loss per share (pence)	9	(1.87)	(1.36)	(3.16)	(4.60)
Diluted loss per share (pence)	9	(1.87)	(1.36)	(3.16)	(4.60)
Earnings per share - continuing operations					
Basic loss per share (pence)	9	(1.29)	(1.26)	(2.41)	(4.34)
Diluted loss per share (pence)	9	(1.29)	(1.26)	(2.41)	(4.34)
Adjusted EBITDA from continuing operations		7,427	9,381	35,492	32,606
Adjusted EBITDA from discontinued operations		(335)	(623)	(1,254)	(1,425)
Total Adjusted EBITDA		7,092	8,758	34,238	31,181

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

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

* 2022 numbers have been restated to reflect certain operations of the Group that have been classified as discontinued operations during the period in line with IFRS 5

Benchmark Holdings plc

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

All figures in £000's	Q4 2023 (unaudited)	Q4 2022 (unaudited)	FY 2023 (unaudited)	FY 2022 (audited)
Loss for the period	(13,543)	(8,869)	(21,564)	(30,451)
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss				
Foreign exchange translation differences	11,691	23,225	(23,475)	47,606
Cash flow hedges - changes in fair value	773	2,047	(2,123)	2,627
Cash flow hedges - reclassified to profit or loss	(1,501)	2,387	2,623	2,546
Total comprehensive income for the period	(2,580)	18,790	(44,539)	22,328
Total comprehensive income for the period attributable to:				
- Owners of the parent	(3,154)	18,109	(45,404)	20,326
- Non-controlling interest	574	681	865	2,002
	(2,580)	18,790	(44,539)	22,328
Total comprehensive income for the period attributable to owners of the parent:				
- Continuing operations	1,128	18,277	(39,777)	21,509
- Discontinued operations*	(4,282)	(168)	(5,627)	(1,183)
	(3,154)	18,109	(45,404)	20,326

* Total comprehensive income for the period relating to discontinued operations for Q4 2023 includes the loss of £4,333,000 (Q4 2022: £715,000) and foreign exchange gain of £51,000 (Q4 2022: £547,000). FY23 includes the loss of £5,505,000 (2022: £1,800,000) and foreign exchange loss of £122,000 (2022: gain of £617,000).

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

Benchmark Holdings plc

Consolidated Balance Sheet as at 30 September 2023

		30 September 2023	30 September 2022
All figures in £000's	Notes	(unaudited)	(audited)
Assets			
Property, plant and equipment		73,411	81,900
Right-of-use assets		19,804	27,034
Intangible assets		206,077	245,264
Equity-accounted investees		3,558	3,113
Other investments		14	15
Biological and agricultural assets		18,406	20,878
Non-current assets		321,270	378,204
Inventories		25,269	29,813
Biological and agricultural assets		27,586	25,780
Trade and other receivables		59,795	56,377
Cash and cash equivalents		36,525	36,399
		149,175	148,369
Assets held for sale	10	850	-
Current assets		150,025	148,369
Total assets		471,295	526,573
Liabilities			
Trade and other payables		(47,329)	(44,324)
Loans and borrowings	11	(20,045)	(17,091)
Corporation tax liability		(6,422)	(10,211)
Provisions		(1,280)	(1,631)
Current liabilities		(75,076)	(73,257)
Loans and borrowings	11	(81,954)	(93,045)
Other payables		(6,842)	(8,996)
Deferred tax		(24,106)	(27,990)
Provisions		(700)	-
Non-current liabilities		(113,602)	(130,031)
Total liabilities		(188,678)	(203,288)
Net assets		282,617	323,285
Issued capital and reserves attributable to owners of the parent			
Share capital	12	739	704
Additional paid-in share capital	12	37,428	420,824
Capital redemption reserve		5	5
Retained earnings		183,489	(185,136)
Hedging reserve		(203)	(703)
Foreign exchange reserve		54,947	77,705
Equity attributable to owners of the parent		276,405	313,399
Non-controlling interest		6,212	9,886
Total equity and reserves		282,617	323,285

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

Benchmark Holdings plc

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

	Share capital	Additional paid-in share capital	Other reserves*	Hedging reserve	Retained earnings	Total attributable to equity holders of parent	Non-controlling interest	Total equity
	£000	£000	£000	£000	£000	£000	£000	£000
As at 1 October 2022 (audited)	704	420,824	77,710	(703)	(185,136)	313,399	9,886	323,285
Comprehensive income/(loss) for the period								
Profit/(loss) for the period	-	-	-	-	(23,146)	(23,146)	1,582	(21,564)
Other comprehensive income/(loss)	-	-	(22,758)	500	-	(22,258)	(717)	(22,975)
Total comprehensive income/(loss) for the period	-	-	(22,758)	500	(23,146)	(45,404)	865	(44,539)
Contributions by and distributions to owners								
Share issue	35	12,985	-	-	-	13,020	-	13,020
Share issue costs recognised through equity	-	(2,146)	-	-	-	(2,146)	-	(2,146)
Cancellation of part of share premium account (note 10)	-	(394,235)	-	-	394,235	-	-	-
Share-based payment	-	-	-	-	1,006	1,006	-	1,006
Total contributions by and distributions to owners	35	(383,396)	-	-	395,241	11,880	-	11,880
Changes in ownership								
Acquisition of NCI	-	-	-	-	(3,470)	(3,470)	(4,539)	(8,009)
Total changes in ownership interests	-	-	-	-	(3,470)	(3,470)	(4,539)	(8,009)
Total transactions with owners of the Company	35	(383,396)	-	-	391,771	8,410	(4,539)	3,871
As at 30 September 2023 (unaudited)	739	37,428	54,952	(203)	183,489	276,405	6,212	282,617
As at 1 October 2021 (audited)	670	400,682	30,470	(5,876)	(154,231)	271,715	7,884	279,599
Comprehensive income/(loss) for the period								
Profit/(loss) for the period	-	-	-	-	(32,087)	(32,087)	1,636	(30,451)
Other comprehensive income/(loss)	-	-	47,240	5,173	-	52,413	366	52,779
Total comprehensive income/(loss) for the period	-	-	47,240	5,173	(32,087)	20,326	2,002	22,328
Contributions by and distributions to owners								
Share issue	34	20,704	-	-	-	20,738	-	20,738
Share issue costs recognised through equity	-	(562)	-	-	-	(562)	-	(562)
Share-based payment	-	-	-	-	1,182	1,182	-	1,182
Total contributions by and distributions to owners	34	20,142	-	-	1,182	21,358	-	21,358
Changes in ownership								
Total changes in ownership interests	-	-	-	-	-	-	-	-
Total transactions with owners of the Company	34	20,142	-	-	1,182	21,358	-	21,358
As at 30 September 2022 (audited)	704	420,824	77,710	(703)	(185,136)	313,399	9,886	323,285

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

Consolidated Statement of Cash Flows as at 30 September 2023

	Notes	30 September 2023 (unaudited)	30 September 2022 (audited)
Cash flows from operating activities			
Loss for the period		(21,564)	(30,451)
Adjustments for:			
Depreciation and impairment of property, plant and equipment		8,453	8,602
Depreciation and impairment of right-of-use assets		10,260	11,293
Other adjustments for non-cash items		-	(276)
Amortisation and impairment of intangible fixed assets		18,495	19,161
Profit on sale of property, plant and equipment		(121)	(43)
Loss on sale of discontinued operation		3,774	-
Finance income		(2,802)	(319)
Finance costs		10,535	18,437
Increase in fair value of contingent consideration receivable		-	(1,203)
Share of loss of equity-accounted investees, net of tax		32	595
Foreign exchange gains		(1,814)	(3,985)
Share-based payment expense		1,006	1,182
Tax expense		3,365	7,274
Increase in trade and other receivables		(6,570)	(8,511)
Decrease/(increase) in inventories		2,876	(5,406)
Increase in biological and agricultural assets		(1,659)	(6,099)
Increase in trade and other payables		3,909	6,948
Increase in provisions		386	1,058
		28,561	18,257
Income taxes paid		(8,556)	(7,447)
Net cash flows generated from operating activities		20,005	10,810
Investing activities			
Acquisition of subsidiaries	15	(48)	-
Purchase of investments in associates		(558)	(378)
Receipts from disposal of subsidiaries		1,250	1,544
Purchases of property, plant and equipment		(5,953)	(10,808)
Purchase of intangibles		(196)	(205)
Capitalised research and development costs		(632)	(1,708)
Proceeds from sale of fixed assets		227	220
Cash receipts from swap contracts		11	-
Interest received		627	119
Net cash flows used in investing activities		(5,272)	(11,216)
Financing activities			
Proceeds of share issues		13,020	20,737
Share-issue costs recognised through equity		(2,146)	(562)
Acquisition of minority interests in subsidiaries	15	(8,009)	-
Proceeds from bank or other borrowings		21,847	67,939
Repayment of bank or other borrowings		(18,470)	(74,874)
Interest and finance charges paid		(9,131)	(9,629)
Repayments of lease liabilities		(9,438)	(10,533)
Net cash used in financing activities		(12,327)	(6,922)
Net increase/(decrease) in cash and cash equivalents		2,406	(7,328)
Cash and cash equivalents at beginning of period		36,399	39,460
Effect of movements in exchange rate		(2,280)	4,267
Cash and cash equivalents at end of period		36,525	36,399

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

1. Basis of preparation

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

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

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

Statement of Compliance

These consolidated quarterly financial statements have been prepared in accordance with UK and EU adopted IAS 34 'Interim Financial Reporting'. These financial statements do not include all of the information required for the full annual financial statements and should be read in conjunction with the Group's latest annual consolidated financial statements as at and for the year ended 30 September 2023. These consolidated quarterly financial statements were approved by the Board of Directors on 29 November 2023.

Going concern

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

As at 30 September 2023 the Group had net assets of £282.6m (30 September 2022: £323.3m), including cash of £36.5m (30 September 2022: £36.4m) as set out in the consolidated balance sheet. The Group made a loss for the year from continuing operations of £16.1m (year ended 30 September 2022: loss £28.7m), and a loss for the year from discontinued operations of £5.5m (year ended 30 September 2022: loss £1.8m).

As noted in the Management Report, the business has performed steadily during the year, showing resilience to some tough market conditions towards the end of the year. The Directors have reviewed forecasts and cash flow projections for a period of at least 12 months including downside sensitivity assumptions in relation to trading performance across the Group to assess the impact on the Group's trading and cash flow forecasts and on the forecast compliance with the covenants included within the Group's financing arrangements.

In the downside analysis performed, the Directors considered severe but plausible scenarios on the Group's trading and cash flow forecasts, firstly in relation to continued roll out of the Ectosan®Vet and CleanTreat offering. Sensitivities considered included modelling slower ramp up of the commercialisation of Ectosan® Vet and CleanTreat® through delayed roll-out of the revised operating model for the service, together with reductions in expected biomass treated and reduction in short-term treatment capacity. Key downside sensitivities modelled in other areas included assumptions on slower commercialisation of SPR shrimp, slower salmon egg sales growth in Chile and removal of an additional financing opportunity within Genetics, along with sensitivities on sales growth in revenues and pressure on pricing on CIS artemia in Advanced Nutrition. Mitigating measures within the control of management have been identified should they be required in response to these sensitivities, including reductions in areas of discretionary spend, tight control over new hires, deferral of capital projects and temporary hold on R&D for non-imminent products.

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

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

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 2023.

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 13). Furthermore, the Directors also refer to current period results using constant currency, which are derived by retranslating current period results using the prior year's foreign exchange rates.

Use of estimates and judgements

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

In preparing these quarterly financial statements the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 30 September 2023.

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.

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.

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

3. Segment information (continued)

Reconciliations of segmental information to IFRS measures

Segmental Revenue				
	Q4 2023	Q4 2022	FY 2023	FY 2022
	(unaudited)	(unaudited)	(unaudited)	(audited)
All figures in £000's				
Genetics	16,884	18,314	65,791	58,008
Advanced Nutrition	17,111	18,872	78,503	80,286
Health	2,643	5,602	25,514	20,135
Corporate	1,448	902	5,747	5,120
Inter-segment sales	(1,472)	(932)	(5,811)	(5,272)
Total	36,614	42,758	169,744	158,277

Segmental Adjusted EBITDA				
	Q4 2023	Q4 2022	FY 2023	FY 2022
	(unaudited)	(unaudited)	(unaudited)	(audited)
All figures in £000's				
Genetics	5,073	5,473	14,409	15,980
Advanced Nutrition	3,485	4,706	18,374	19,017
Health	(853)	625	4,772	108
Corporate	(613)	(2,046)	(3,317)	(3,924)
Total	7,092	8,758	34,238	31,181

Reconciliation of Reportable Segments Adjusted EBITDA to Loss before taxation				
	Q4 2023	Q4 2022	FY 2023	FY 2022
	(unaudited)	(unaudited)	(unaudited)	(audited)
All figures in £000's				
Total reportable segment Adjusted EBITDA	7,705	10,804	37,555	35,105
Corporate Adjusted EBITDA	(613)	(2,046)	(3,317)	(3,924)
Adjusted EBITDA	7,092	8,758	34,238	31,181
Exceptional - restructuring, acquisition and disposal related items	(4,599)	(423)	(7,817)	16
Depreciation and impairment	(4,845)	(4,639)	(18,713)	(19,897)
Amortisation and impairment	(4,265)	(5,440)	(18,495)	(19,161)
Net finance costs	(4,968)	(5,051)	(7,412)	(15,316)
Loss before taxation	(11,585)	(6,795)	(18,199)	(23,177)

Reconciliation of segmental information to IFRS measures – Revenue and Loss before tax				
Revenue				
	Q4 2023	Q4 2022	FY 2023	FY 2022
	(unaudited)	(unaudited)	(unaudited)	(audited)
Total revenue per segmental information	36,614	42,758	169,744	158,277
Less: revenue from discontinued operations	(23)	(310)	(268)	(570)
Consolidated revenue	36,591	42,448	169,476	157,707
Loss before tax				
	Q4 2023	Q4 2022	FY 2023	FY 2022
	(unaudited)	(unaudited)	(unaudited)	(audited)
Loss before tax per segmental information	(11,585)	(6,795)	(18,199)	(23,177)
Less: loss before tax from discontinued operations	4,333	715	5,505	1,794
Consolidated loss before tax	(7,252)	(6,080)	(12,694)	(21,383)

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

4. Revenue

The Group's operations and main revenue streams are those described in its financial statements to 30 September 2023. 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 September 2023 (unaudited)

All figures in £000's	Genetics	Advanced Nutrition	Health	Corporate	Inter-segment sales	Total	Discontinued	Continuing
Sale of goods	15,645	17,091	1,885	-	-	34,621	23	34,598
Provision of services	1,235	-	758	-	-	1,993	-	1,993
Inter-segment sales	4	20	-	1,448	(1,472)	-	-	-
	16,884	17,111	2,643	1,448	(1,472)	36,614	23	36,591

3 months ended 30 September 2022 (unaudited)

All figures in £000's	Genetics	Advanced Nutrition	Health	Corporate	Inter-segment sales	Total	Discontinued	Continuing
Sale of goods	17,449	18,852	4,085	-	-	40,386	310	40,076
Provision of services	855	-	1,517	-	-	2,372	-	2,372
Inter-segment sales	10	20	-	902	(932)	-	-	-
	18,314	18,872	5,602	902	(932)	42,758	310	42,448

12 months ended 30 September 2023 (unaudited)

All figures in £000's	Genetics	Advanced Nutrition	Health	Corporate	Inter-segment sales	Total	Discontinued	Continuing
Sale of goods	61,372	78,449	17,707	-	-	157,528	268	157,260
Provision of services	4,409	-	7,807	-	-	12,216	-	12,216
Inter-segment sales	10	54	-	5,747	(5,811)	-	-	-
	65,791	78,503	25,514	5,747	(5,811)	169,744	268	169,476

12 months ended 30 September 2022 (audited)

All figures in £000's	Genetics	Advanced Nutrition	Health	Corporate	Inter-segment sales	Total	Discontinued	Continuing
Sale of goods	53,978	80,191	13,528	-	-	147,697	570	147,127
Provision of services	3,973	-	6,607	-	-	10,580	-	10,580
Inter-segment sales	57	95	-	5,120	(5,272)	-	-	-
	58,008	80,286	20,135	5,120	(5,272)	158,277	570	157,707

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

4. Revenue (continued)

Primary geographical markets

3 months ended 30 September 2023 (unaudited)

All figures in £000's	Genetics	Advanced Nutrition	Health	Corporate	Inter-segment sales	Total	Discontinued	Continuing
Norway	8,756	206	1,990	-	-	10,952	-	10,952
Vietnam	-	3,740	-	-	-	3,740	-	3,740
India	-	2,047	-	-	-	2,047	-	2,047
Iceland	3,205	-	-	-	-	3,205	-	3,205
Ecuador	-	1,749	-	-	-	1,749	-	1,749
Canada	879	23	-	-	-	902	-	902
Turkey	37	1,068	-	-	-	1,105	-	1,105
Faroe Islands	1,172	-	254	-	-	1,426	-	1,426
Greece	-	790	-	-	-	790	-	790
China	106	477	-	-	-	583	-	583
UK	1,623	32	42	-	-	1,697	-	1,697
Chile	359	-	357	-	-	716	-	716
Rest of Europe	321	749	-	-	-	1,070	-	1,070
Rest of World	422	6,210	-	-	-	6,632	23	6,609
Inter-segment sales	4	20	-	1,448	(1,472)	-	-	-
	16,884	17,111	2,643	1,448	(1,472)	36,614	23	36,591

3 months ended 30 September 2022 (unaudited)

All figures in £000's	Genetics	Advanced Nutrition	Health	Corporate	Inter-segment sales	Total	Discontinued	Continuing
Norway	11,151	313	4,204	-	-	15,668	-	15,669
Vietnam	-	360	-	-	-	360	-	360
India	38	1,074	-	-	-	1,112	-	1,112
Iceland	1,975	1	-	-	-	1,976	-	1,976
Ecuador	-	2,606	-	-	-	2,606	-	2,606
Canada	542	-	933	-	-	1,475	-	1,475
Turkey	-	1,314	-	-	-	1,314	-	1,314
Faroe Islands	1,539	2	209	-	-	1,750	-	1,750
Greece	-	931	-	-	-	931	-	931
China	158	1,199	-	-	-	1,357	-	1,357
UK	1,099	26	33	-	-	1,158	8	1,150
Chile	237	8	222	-	-	467	-	467
Rest of Europe	184	844	-	-	-	1,028	-	1,028
Rest of World	1,381	10,174	1	-	-	11,556	302	11,253
Inter-segment sales	10	20	(0)	902	(932)	-	-	-
	18,314	18,872	5,602	902	(932)	42,758	310	42,448

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

4. Revenue (continued)

Primary geographical markets (continued)

12 months ended 30 September 2023 (unaudited)

All figures in £000's	Genetics	Advanced Nutrition	Health	Corporate	Inter-segment sales	Total	Discontinued	Continuing
Norway	39,008	899	19,596	-	-	59,503	-	59,503
Vietnam	-	11,087	-	-	-	11,087	-	11,087
India	-	9,743	-	-	-	9,743	-	9,743
Iceland	7,343	-	-	-	-	7,343	-	7,343
Ecuador	38	7,257	-	-	-	7,295	-	7,295
Canada	3,071	96	4,032	-	-	7,199	-	7,199
Turkey	93	7,009	-	-	-	7,102	-	7,102
Faroe Islands	6,160	-	718	-	-	6,878	-	6,878
Greece	-	6,759	-	-	-	6,759	-	6,759
China	327	4,502	-	-	-	4,829	-	4,829
UK	3,957	85	177	-	-	4,219	-	4,219
Chile	1,824	12	991	-	-	2,827	-	2,827
Rest of Europe	1,470	4,879	-	-	-	6,349	-	6,349
Rest of World	2,490	26,121	-	-	-	28,611	268	28,343
Inter-segment sales	10	54	-	5,747	(5,811)	-	-	-
	65,791	78,503	25,514	5,747	(5,811)	169,744	268	169,476

12 months ended 30 September 2022 (audited)

All figures in £000's	Genetics	Advanced Nutrition	Health	Corporate	Inter-segment sales	Total	Discontinued	Continuing
Norway	34,666	967	15,571	-	-	51,204	-	51,204
Vietnam	32	10,512	-	-	-	10,544	-	10,544
India	619	12,001	-	-	-	12,620	-	12,620
Iceland	6,215	-	-	-	-	6,215	-	6,215
Ecuador	18	6,472	-	-	-	6,490	-	6,490
Canada	1,348	65	2,907	-	-	4,320	-	4,320
Turkey	-	6,419	-	-	-	6,419	-	6,419
Faroe Islands	5,465	9	587	-	-	6,061	-	6,061
Greece	2	6,197	-	-	-	6,199	-	6,199
China	313	4,329	-	-	-	4,642	-	4,642
UK	4,318	93	199	-	-	4,610	54	4,556
Chile	1,006	15	871	-	-	1,892	-	1,892
Rest of Europe	895	4,056	-	-	-	4,951	-	4,951
Rest of World	3,054	29,056	-	-	-	32,110	516	31,594
Inter-segment sales	57	95	-	5,120	(5,272)	-	-	-
	58,008	80,286	20,135	5,120	(5,272)	158,277	570	157,707

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

5. Discontinued operations

During the year, the group divested its Tilapia business for consideration of USD 1 in a management buy out. Consequently, these operations have been classified as discontinued in the current year with a corresponding restatement of the consolidated income statement and OCI for the year ended 30 September 2022 to reflect these changes.

Summary of restatement of FY 2022 results as reported in FY 2022 financial statements

All figures in £000's	Continuing operations		Discontinued operations	
	Revenue	Adjusted EBITDA	Loss from continuing operations	Loss from discontinued operations
As stated in financial year 2022 financial statements	158,277	31,181	(30,451)	-
Reclassified in Q1	(81)	269	361	(361)
As stated in Q1 2023 financial statements	158,196	31,450	(30,090)	(361)
Reclassified in Q2	(106)	267	359	(359)
As stated in Q2 2023 financial statements	158,089	31,717	(29,730)	(721)
Reclassified in Q3	(72)	266	359	(359)
As stated in Q3 2023 financial statements	158,017	31,984	(29,372)	(1,079)
Reclassified in Q4	(310)	622	721	(721)
As stated in Q4 2023 financial statements	157,707	32,606	(28,651)	(1,800)

Results from discontinued operations

	Q4 FY23	Q4 FY22	FY23	FY22
	£000	Restated £000	£000	Restated £000
Revenue	23	310	268	570
Cost of sales	(217)	(730)	(973)	(1,372)
Gross profit	(194)	(420)	(705)	(802)
Research and development costs	(42)	(37)	(59)	(57)
Other operating costs	(99)	(166)	(490)	(566)
Adjusted EBITDA	(335)	(623)	(1,254)	(1,425)
Exceptional loss on disposal	(3,913)	-	(3,913)	-
EBITDA	(4,248)	(623)	(5,167)	(1,425)
Depreciation and impairment	(76)	(51)	(304)	(205)
Operating loss / Loss before taxation	(4,324)	(674)	(5,471)	(1,630)
Net finance costs	(9)	(41)	(34)	(164)
Loss before taxation	(4,333)	(715)	(5,505)	(1,794)
Tax on loss	-	-	-	(6)
Loss from discontinued operations	(4,333)	(715)	(5,505)	(1,800)

Exceptional items within discontinued operations

	Q4 FY23	Q4 FY22	FY23	FY22
	£000	Restated £000	£000	Restated £000
Loss on disposal of trade and assets	3,774	-	3,774	-
Other costs relating to disposals	139	-	139	-
Total exceptional loss on disposal	3,913	-	3,913	-

Results from discontinued operations by segment

The results from discontinued operations relate solely to the Genetics operating segment.

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

6. Exceptional items from continuing operations – restructuring, acquisition and disposal 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	Q4 2023 (unaudited)	Q4 2022 Restated (unaudited)	FY 2023 (unaudited)	FY 2022 Restated (audited)
Acquisition related items	73	-	652	-
Exceptional restructuring costs	645	1,668	3,470	1,229
Disposal related items	(32)	(1,245)	(218)	(1,245)
Total exceptional items	686	423	3,904	(16)

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

Exceptional costs include: £2,598,000 (2022: £843,000) of legal and professional costs in relation to preparing for listing the Group on the Oslo stock exchange, and £872,000 (2022: £276,000) relating to restructuring costs.

Disposal related items include a credit of £235,000 (2022: £1,203,000) in relation to additional contingent consideration received and receivable from disposals in previous years (£294,000 relating to the disposal of Aquaculture UK on 7 February 2020, and £909,000 relating to the disposal of Improve International Limited and its subsidiaries on 23 June 2020) together with legal fees, lease costs and disposal items (net of proceeds received) totalling £17,000 relating to additional costs and disposals proceeds relating to disposals that occurred in 2020.

7. Net finance costs

All figures in £000's	Q4 2023 (unaudited)	Q4 2022 Restated (unaudited)	FY 2023 (unaudited)	FY 2022 Restated (audited)
Interest received on bank deposits	155	86	627	319
Foreign exchange gains on financing activities	-	7,133	158	4,422
Foreign exchange gains on operating activities	1,488	-	4,709	-
Cash flow hedges - ineffective portion of changes in fair value	-	-	2,176	-
Finance income	1,643	7,219	7,670	4,741
Leases (interest portion)	(383)	(988)	(1,620)	(1,580)
Cash flow hedges - reclassified from OCI	-	(2,546)	-	(2,546)
Cash flow hedges - ineffective portion of changes in fair value	(1,547)	(2,753)	-	(4,475)
Foreign exchange losses on operating activities	(1,701)	(843)	(4,547)	(1,620)
Foreign exchange losses on financing activities	-	(898)	-	-
Interest expense on financial liabilities measured at amortised cost	(2,971)	(4,201)	(8,881)	(9,672)
Finance costs	(6,602)	(12,229)	(15,048)	(19,893)
Net finance costs recognised in profit or loss	(4,959)	(5,010)	(7,378)	(15,152)

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

8. Taxation

All figures in £000's	Q4 2023 (unaudited)	Q4 2022 Restated (unaudited)	FY 2023 (unaudited)	FY 2022 Restated (audited)
Analysis of charge in period				
Current tax:				
Current income tax expense on profits for the period	2,519	4,124	6,178	11,721
Adjustment in respect of prior periods	(880)	(39)	(880)	(39)
Total current tax charge	1,639	4,085	5,298	11,682
Deferred tax:				
Origination and reversal of temporary differences	319	(2,011)	(1,933)	(4,414)
Deferred tax movements in respect of prior periods	-	-	-	-
Total deferred tax charge/(credit)	319	(2,011)	(1,933)	(4,414)
				-
Total tax charge on continuing operations	1,958	2,074	3,365	7,268

9. 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.

	Q4 2023 (unaudited)	Q4 2022 Restated (unaudited)	FY 2023 (unaudited)	FY 2022 (audited)
Loss attributable to equity holders of the parent (£000)				
Continuing operations	(9,520)	(8,846)	(17,641)	(30,287)
Discontinued operations	(4,333)	(715)	(5,505)	(1,800)
Total	(13,853)	(9,561)	(23,146)	(32,087)
Weighted average number of shares in issue (thousands)	739,300	703,961	731,935	698,233
Basic loss per share (pence)				
Continuing operations	(1.29)	(1.26)	(2.41)	(4.34)
Discontinued operations	(0.59)	(0.10)	(0.75)	(0.26)
Total	(1.87)	(1.36)	(3.16)	(4.60)

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

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

A total of 8,948,132 (2022: 6,240,304) potential ordinary shares have not been included within the calculation of statutory diluted loss per share for the period as they are anti-dilutive and reduce the loss per share. However, these potential ordinary shares could dilute earnings per share in the future. The diluted and basic loss per share are the same for both continuing and discontinued.

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

10. Assets held for sale

During the year, management committed to sell certain property, plant and equipment with a market value of £850,000 which is held within the Health business area.

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

11. Loans and borrowings

All figures in £000's	FY 2023 (unaudited)	FY 2022 (audited)
Non-Current		
2025 750m NOK Loan notes	57,604	61,976
Bank borrowings	16,799	17,226
Unamortised debt issue costs	(742)	(922)
Lease liabilities	8,293	14,765
	81,954	93,045
Current		
Bank borrowings	9,320	5,569
Unamortised debt issue costs	(842)	-
Lease liabilities	11,567	11,522
	20,045	17,091
Total loans and borrowings	101,999	110,136

The holders of ordinary shares are entitled to one vote per share at meetings of the company, and to receive dividends from time to time as declared.

At 30 September 2023 the fair value of the unsecured floating rate listed green bond of NOK 750m was NOK 791m.

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

Benchmark Genetics Salten AS had the following loans (which are ring-fenced debt without recourse to the remainder of the Group) at 30 September 2023:

- Term loan with a balance of NOK 171.9m provided by Nordea Bank Norge Abp. The loan is a five-year term loan maturing no later than January 2028 at an interest rate of 2.5% above three-month NIBOR. This loan refinanced the previous term loan from the same bank when the outstanding balance of NOK 162 million was repaid in February 2023.
- NOK 20.0m 12-month working capital facility provided by Nordea Bank Norge Abp. This was undrawn at 30 September 2023 (2022: undrawn).
- Term loan with a balance of NOK 35.5m (2022: NOK 40.1m) provided by Innovasjon Norge. The loan is a 12-and-a-half-year term loan maturing in March 2031. The interest rate on this loan at 30 September 2023 was 7.45%. The interest rate on this loan is variable.
- A new term loan with a balance of NOK 10.0m provided by Innovasjon Norge. The loan is a 15-year term loan maturing in July 2038. The interest rate on this loan at 30 September 2023 was 7.45%. The interest rate on this loan is variable.
- NOK 21.75m loan provided by Salten Stamfisk AS (the minority shareholder). The loan attracts interest at 2.5% above three month NIBOR and is repayable on maturity of the Nordea term loan above.

The lease liabilities are secured on the assets to which they relate.

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

12. Share capital and additional paid-in share capital

Allotted, called up and fully paid	Number	Share Capital £000	Additional paid-in share capital £000
Ordinary shares of 0.1 pence each			
Balance at 30 September 2022	703,960,798	704	420,824
Exercise of share options	202,242	-	-
Shares issued through placing and open offer	35,189,350	35	10,839
Cancellation of part of the share premium account	-	-	(394,235)
Balance at 30 September 2023	739,352,390	739	37,428

The holders of ordinary shares are entitled to one vote per share at meetings of the company, and to receive dividends from time to time as declared.

During the year ended 30 September 2023, the Group issued a total 202,242 ordinary shares of 0.1p each to certain employees of the Group relating to share options, all of which were exercised at a price of 0.1pence.

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

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

During the year ended 30 September 2022, the Group issued a total of 184,694 ordinary shares of 0.1p each to certain employees of the Group relating to share options, of which 12,509 were exercised at a price of 0.1 pence, 172,185 were exercised at a price of 42.5 pence.

13. Alternative performance measures and other metrics

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

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

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

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

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

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

13. Alternative performance measures and other metrics (continued)

Reconciliation of Adjusted Operating Profit to Operating Loss

All figures in £000's	Q4 2023 (unaudited)	Q4 2022 Restated (unaudited)	FY 2023 (unaudited)	FY 2022 Restated (audited)
Revenue	36,591	42,448	169,476	157,707
Cost of sales	(16,674)	(17,895)	(82,726)	(73,777)
Gross profit	19,917	24,553	86,750	83,930
Research and development costs	(1,592)	(1,991)	(6,069)	(6,634)
Other operating costs	(10,865)	(13,124)	(45,157)	(44,095)
Depreciation and impairment	(4,769)	(4,588)	(18,409)	(19,692)
Amortisation of capitalised development costs	(604)	(615)	(2,437)	(2,165)
Share of loss of equity accounted investees net of tax	(33)	(57)	(32)	(595)
Adjusted operating profit	2,054	4,178	14,646	10,749
Exceptional - restructuring, acquisition and disposal related items	(686)	(423)	(3,904)	16
Amortisation and impairment of intangible assets excluding development costs	(3,661)	(4,825)	(16,058)	(16,996)
Operating loss	(2,293)	(1,070)	(5,316)	(6,231)

Reconciliation of Loss Before Taxation to Adjusted Profit Before Tax

All figures in £000's	Q4 2023 (unaudited)	Q4 2022 Restated (unaudited)	FY 2023 (unaudited)	FY 2022 Restated (audited)
Loss before taxation	(7,252)	(6,080)	(12,694)	(21,383)
Exceptional - restructuring, acquisition and disposal related items	686	423	3,904	(16)
Amortisation and impairment of intangible assets excluding development costs	3,661	4,825	16,058	16,996
Adjusted (loss)/profit before tax	(2,905)	(832)	7,268	(4,403)

Other Metrics

All figures in £000's	Q4 2023 (unaudited)	Q4 2022 Restated (unaudited)	FY 2023 (unaudited)	FY 2022 Restated (audited)
Total R&D Investment				
Research and development costs				
- Continuing operations	1,592	1,991	6,069	6,634
- Discontinued operations	42	37	59	57
Internal capitalised development costs	252	112	632	1,708
Total R&D investment	1,886	2,140	6,760	8,399

All figures in £000's	Q4 2023 (unaudited)	Q4 2022 Restated (unaudited)	FY 2023 (unaudited)	FY 2022 Restated (audited)
Adjusted EBITDA excluding fair value movement in biological assets				
Adjusted EBITDA	7,427	9,381	35,492	32,606
Exclude fair value movement	1,807	848	103	(1,595)
Adjusted EBITDA excluding fair value movement in biological assets	9,234	10,229	35,595	31,011

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

13. Alternative performance measures and other metrics (continued)

Liquidity

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

	30 September 2023 (unaudited)	30 September 2022 (audited)
All figures in £000's		
Cash and cash equivalents	36,525	36,399
Undrawn bank facility	12,250	9,398
Liquidity	48,775	45,797

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

14. Net debt

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

	30 September 2023 (unaudited)	30 September 2022 (audited)
All figures in £000's		
Cash and cash equivalents	36,525	36,399
Loans and borrowings (excluding lease liabilities) – current	(8,478)	(5,569)
Loans and borrowings (excluding lease liabilities) – non-current	(73,661)	(78,280)
Net debt excluding lease liabilities	(45,614)	(47,450)
Lease liabilities – current	(11,567)	(11,522)
Lease liabilities – non-current	(8,293)	(14,765)
Net debt	(65,474)	(73,737)

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

15. Business combinations and transactions in subsidiary companies

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

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

On 15 February 2023, the Group purchased the minority interest's shareholding of 14,981,272 shares in Benchmark Genetics Iceland HF for €9,000k (£8,009k). Following this acquisition, Benchmark Genetics Limited, a subsidiary of Benchmark Holdings plc, now owns 100% of the share capital of Benchmark Genetics Iceland HF.

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

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