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23 May 2023

Benchmark Holdings plc

(“Benchmark”, the “Company” or the “Group”)

Second Quarter and Interim results for the six months ended 31 March 2023

Strong Q2 and H1 results continuing track record of quarterly growth and strategic delivery

Benchmark (LSE: BMK), the aquaculture biotechnology company, announces its unaudited interim results for the six months ended 31 March 2023 (the “Period” or “H1 FY23”). The Company also announces its unaudited results for the three months ended 31 March 2023 (“Q2 FY23”) in compliance with the terms of its unsecured Green bond.

Financial highlights

- **Excellent H1 FY23 results driven by good performance in all business areas:**
 - 25% growth in revenues to £98.9m (H1 FY22: £79.2m)
 - 39% increase in Adj. EBITDA to £22.1m (H1 FY22: £15.9m)
 - 47% increase in Adj. EBITDA excluding fair value (“FV”) movement in biological assets to £21.8m (H1 FY22: £14.8m):
 - Adj. EBITDA margin excluding FV movement in biological assets increased to 22% (H1 FY22: 19%)
 - 193% increase in Adj. Operating profit excluding FV movement in biological assets to £11.4m (H1 FY22: £3.9m)
 - Further reduction in loss before tax
 - Operating cash inflow £9.5m (H1 FY22: cash inflow of £2.0m)
- **Strong Q2 FY23 performance building on track record of continuous quarterly improvement:**
 - Revenues +13% to £44.4m (Q2 FY22: £39.2m)
 - Adj. EBITDA +32% to £11.1m (Q2 FY22: £8.4m); Adj. EBITDA margin of 25% in line with medium term target set in May 2022
 - Adj. EBITDA excluding FV movement in biological assets +32% to £9.7m (Q2 FY22: £7.3m); Adj. EBITDA margin excluding FV movement in biological assets of 22% (Q2 2022: 19%)
 - Adj. Operating profit excluding fair value movement in biological assets +244% to £4.5m (Q2 FY22: £1.3m)
- Net debt (excluding lease liabilities) continues to reduce to £44.5m (30 September 2022: £47.5m; 31 March 2022: £50.6m):
 - Cash of £41.9m and liquidity (cash and available facility) of £53.9m at 22 May 2023

Business Area highlights

- **Genetics – strong performance in core salmon business and strategic progress in growth areas:**

- H1 FY23 Revenues +30% driven by higher salmon sales from Norway and Iceland; 181m salmon eggs sold (H1 FY22: 134m)
- Continued commercial progress in Chile with new customer wins
- Obtained “disease free compartment status” from the Chilean regulator, an important biosecurity endorsement which will enable the Company to export salmon eggs from Chile
- Completed configuration at Salten, Norway facility to reach 150m salmon eggs production capacity from FY24 (currently 140m), ahead of plan
- Total salmon egg capacity now 400m eggs, comprising 150m in Norway, 200m in Iceland and 50m in Chile
- Strengthened scientific team to progress positioning on new technologies; enhanced genotyping capabilities
- **Advanced Nutrition – strong performance despite soft shrimp markets demonstrates success of commercial focus and agile operation:**
 - Marginally lower revenues in Q2 FY23 albeit 8% higher revenues for H1 FY23 as a whole
 - Strong performance in marine fish species which represent c.25% of revenues
 - Uplift in shrimp market expected as inventory levels normalise along the global supply chain and consumer confidence improves
- **Health – strong result from combined sea lice product portfolio and integrated commercial team:**
 - Continuing adoption of Ectosan® Vet and CleanTreat® supported by excellent efficacy resulting in H1 FY23 sales of £12.9m, up 50% on last year
 - Progress on development of streamlined integrated CleanTreat® infrastructure with partners MMC and Salt Ship Design
 - Strong sales of Salmosan® Vet driven by success of new marketing label

Current trading and outlook

- **On track to deliver strong growth for the year in line with market expectations:**
 - Good visibility of salmon egg sales from Norway and Iceland
 - Market conditions in shrimp are expected to remain unchanged in the short term; well positioned for resilience and market share wins. Positive backdrop in the Mediterranean marine fish market
 - Expect Q3 FY23 sales from Ectosan® Vet and CleanTreat® to reflect low sea lice treatment season, thereafter increasing in Q4 FY23
- **Update on Oslo Børs uplisting:**
 - Consultation with shareholders regarding a potential delisting from AIM and uplisting to Oslo Børs completed
 - Plan to maintain a dual listing on Euronext Growth Oslo and on AIM for the foreseeable future. Uplisting to Oslo Børs will be reviewed as part of ongoing strategy to enhance Group positioning and share performance

£m	H1 FY23	H1 FY22	% CER H1 FY23	Q2 FY23	Q2 FY22	% CER Q2 FY23
Revenue	98.9 +25%	79.2	+19%	44.4 +13%	39.2	+9%
Adjusted						

Adjusted EBITDA ¹	22.1 +39%	15.9	+36%	11.1 +32%	8.4	+28%
Adj. EBITDA excluding biological asset fair value movements	21.8 +47%	14.8	+42%	9.7 +32%	7.3	+28%
Adjusted Operating profit ²	11.7 +138%	4.9	+130%	5.9 +145%	2.4	+134%
Adj. Operating profit excluding biological asset fair value movements	11.4 +193%	3.9	180%	4.5 +244%	1.3	220%
Statutory						
Operating profit/(loss)	0.3 +114%	(2.2)	+97%	0.4 +159%	(0.7)	+122%
Loss before tax	(1.9) +63%	(5.1)	+65%	(2.0) -38%	(1.5)	-56%
Basic loss per share (p)	(0.57)	(1.32)		(0.40)	(0.54)	
Net debt ³	(66.3)	(81.4)		(66.3)	(81.4)	
Net debt ³ excluding lease liabilities	(44.5)	(50.6)		(44.5)	(50.6)	

Business Area summary

£m	H1 FY23	H1 FY22	%CER* H1 FY23	Q2 FY23	Q2 FY22	% CER* Q2 FY23
Revenue						
Advanced Nutrition	45.3 +8%	42.0	-4%	22.6 -1%	23.0	-10%
Genetics	34.5 +30%	26.6	+31%	13.0 +14%	11.4	+16%
Health	19.1 +78%	10.7	+79%	8.7 +77%	4.9	+78%
Adjusted EBITDA¹						
Advanced Nutrition	11.5 0%	11.5	-9%	6.2 -14%	7.2	-21%
Genetics	6.0 5%	5.7	+16%	3.4 +41%	2.4	+51%
- Net of fair value movements in biological assets	5.7 +22%	4.7	+32%	2.0 +52%	1.3	+67%
Health	6.6 +7,034%	0.1	+6,957%	2.6 +669%	(0.5)	+663%

*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:

“Benchmark had an excellent first half, delivering double digit growth. We continue to focus on achieving profitability and cash generation whilst making good progress towards our medium-term objectives; we remain on track to deliver strong growth for the year in line with market expectations.

“Our fundamentals are strong and we have significant opportunities to continue building our track record of consistent growth. Aquaculture is a growth industry, supported by robust megatrends. Benchmark is well positioned to play an important role in helping the aquaculture industry deliver sustainable growth and meet the needs of a rising population.”

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

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

The presentation will be held in person at Pareto Securities offices in Oslo at Dronning Mauds gate 3, N-0250 Oslo, Norway. If you would like to attend in person, please contact Thea Naess at thea.naess@paretosec.com.

A live webcast of the presentation will be available for analysts and investors to join remotely at the following link: https://channel.royalcast.com/hegnarmedia/#!/hegnarmedia/20230523_3

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

Equity Development webcast at 12.00 UK time

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

To register please visit: <https://www.equitydevelopment.co.uk/news-and-events/benchmark-2qresults-presentation-23may2023>

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

Enquiries

For further information, please contact:

Benchmark Holdings plc

Trond Williksen, CEO

Septima Maguire, CFO

Ivonne Cantu, Investor Relations

benchmark@mphgroup.com

Numis (Broker and NOMAD)

Freddie Barnfield, Duncan Monteith, Sher Shah

Tel: 020 7260 1000

MHP

Katie Hunt, Reg Hoare, Veronica Farah

Tel: 020 3128 8990

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, animal health and welfare.

Through a global footprint in 26 countries and a broad portfolio of products and solutions, Benchmark addresses the major aquaculture species in all the major aquaculture regions around the world. Find out more at www.benchmarkplc.com

Management Report

Benchmark delivered an excellent performance in the first half of the year continuing to build on its track record of consistent quarterly increase in revenues and underlying profitability. Revenues were up 25% (19% at constant currency) reaching £98.9m, and Adjusted EBITDA excluding fair value movements from biological assets at £21.8m was up 47% (42% at constant currency) against H1 FY22, translating into an Adjusted EBITDA margin excluding fair value movements of 22% (H1 FY22: 19%). Adjusted EBITDA increased by 39% (36% at constant currency) in the six-month period. The increase in Adjusted EBITDA excluding fair value movements from biological assets derives primarily from higher revenues, supported by ongoing cost control and operational leverage.

Higher revenues were reported across all business areas with Genetics revenues increasing by 30%, Advanced Nutrition 8% and Health 78%. In Health and Genetics, the impact from foreign currencies was not material, with revenue growth at constant currency broadly in line with actual revenue growth. Advanced Nutrition sales were aided by forex tailwinds, and revenue fell slightly (-4%) in constant currency terms. Operating costs in H1 FY23 were £24.0m, a 21% increase from the prior year. The increase reflects higher activity levels and inflationary pressure. R&D expenses at £3.0m, were 7% below H1 FY22 and total R&D investment including capitalised development costs was £3.2m, 30% below the prior year (H1 FY22: £4.6m).

Depreciation and amortisation were marginally above the prior year at £19.1m (H1 FY22: £18.9m). Together with the increase in EBITDA, this led to an improvement at Operating Profit level to £0.3m (H1 FY22: -£2.2m loss). Adjusted Operating Profit excluding fair value movements from biological assets increased by 193% to £11.4m. Taking into consideration conditions in the end markets, performance was strong across all business areas.

Net finance costs for H1 FY23 were £2.2m (H1 FY22: £3.0m). The reduction arises due to a credit of £2.7m arising in H1 relating to the ineffective portion of the movement in the fair value of derivative financial instruments, offset by higher forex losses in the period.

Loss before tax in H1 FY23 was £1.9m (H1 FY22: £5.1m). This included the impact of significant exceptional costs in the period of £2.7m, largely incurred in legal and professional costs in relation to the preparations for listing the Group on the Oslo Børs. The figure contrasted with a £0.9m net credit in H1 FY22 which included a credit of £1.2m for additional contingent consideration received from disposals in previous years.

Total tax charge in H1 FY23 was £1.5m (H1 FY22: £3.6m) reflecting a change in the mix in the territories in which the profits have been made, with losses available to shelter profits in some territories. Loss after tax was £3.4m (H1 FY22: £8.8m loss).

The Group reported a net operating cash inflow of £9.5m after an increase in working capital of £4.2m (H1 FY22: £13.5m) and tax payments of £4.1m (H1 FY22: £3.0m). The increase in working capital is somewhat seasonal, but the much lower increase year on year, in the context of increased activity, results from our strong focus on managing our working capital closely towards our goal of achieving positive cash generation.

Net cash outflow from investing activities was £11.5m (H1 FY22: £6.6m) of which £8.0m related to the acquisition of the remaining minority stake in Benchmark Genetics Iceland completed in February 2023. PPE capex was £3.3m (H1 FY22: £5.1m).

Net cash inflow from financing activities of £6.8m (H1 FY22: £10.7m), includes an equity raise of (net) £13.0m, net proceeds from debt refinancing of £4.2m, and £4.7m of lease payments (H1 FY22: £4.8m). Interest charges in the period were £4.0m (H1 FY22: £3.8m), as the higher cost of borrowing offset the lower level of borrowings outstanding in the period. Our cash position at the end of the period was £38.6m (H1 FY22: £46.3m), and net debt including lease liabilities was £66.3m (H1 FY22: £81.4m).

Advanced Nutrition

Advanced Nutrition delivered a strong result despite soft shrimp markets in the first half of the year demonstrating the success of a renewed commercial focus and agile operation. Revenues for the first half were up 8% at £45.3m while Adjusted EBITDA was flat against the same period in the previous year at £11.5m.

Softness in the shrimp markets resulted from subdued demand from key import markets, inventory levels across the supply chain and higher input costs, primarily in South East Asia, while Ecuador was more robust. We expect an uplift in shrimp production as consumer confidence picks up and inventory levels normalise. Conditions in the marine fish sector were positive partially offsetting softness in the shrimp market.

In transactional currency, by product area, Artemia sales were up 3% and Health sales were up by 22% while Diets saw a 14% decrease. On the same basis by region, Asia Pacific and South East Asia were most affected by conditions in the shrimp market leading to a reduction in sales of 13% and 19% respectively. Conversely, the Americas reported growth of 8% while sales in Europe increased 6%.

With a leading position in the market, deep customer relations, operational agility and commercial focus our Advanced Nutrition business is well placed to mitigate the temporary weakness and take every opportunity to strengthen our position in the market.

Genetics

Genetics delivered strong performance in the first half of the year with revenues of £34.5m, 30% above the prior year (H1 FY22: £26.6m) driven by higher salmon egg sales and harvest revenues. Adjusted EBITDA for H1 FY23 excluding fair value movements of biological assets was £5.7m, 22% ahead of the prior year (H1 FY22: £4.7m). Including fair value movements Adjusted EBITDA for the first half was £6.0m, 5% ahead of the same period last year.

Revenues from salmon eggs increased by 45% driven by Norway and Iceland, while harvest revenues grew by 9%. We made commercial progress in Chile with new customer wins. In addition, we obtained “disease free compartment status” from the Chilean regulator, Senapesca. This is an important biosecurity endorsement which will enable the Company to export salmon eggs from Chile thereby opening new avenues to utilise our installed capacity.

In Q2 we completed the configuration of the Salten facility, to reach 150m salmon egg capacity (currently 140m eggs) which will be in place from FY24 onwards. This marks the end of an investment journey where the Company has increased its total salmon egg capacity to 400m eggs, comprising 150m in Salten, Norway, 200m in Iceland and 50m in Chile.

In shrimp we continued our efforts to enhance and tailor genetic traits to local markets and trials in local markets are underway. We have decreased the intensity of our commercial efforts while the trials are ongoing. Shrimp sales were £0.7m in the period (H1 FY22: £0.8m).

Innovation is a core component of our Genetics strategy and we continue to strengthen our capability in the team. We have also enhanced our capacity for genotyping, reducing the costs for our own programmes and enabling us to offer genotyping as part of our offering in genetics services.

During the period the Company acquired the remaining 10.52% minority interest in its subsidiary Benchmark Genetics Iceland ensuring Benchmark receives the full benefit from its successful salmon genetics business in Iceland. Benchmark Genetics Iceland represents c.50% of the Group's 400m salmon egg capacity.

Health

Revenues in H1 FY23 increased to £19.1m (H1 FY22: £10.7m) with higher sales from both Ectosan[®] Vet and CleanTreat[®] and Salmosan[®] Vet. Ectosan[®] Vet and CleanTreat[®] sales were £12.9m (H1 FY22: £8.6m) of which £4.5m (H1 FY22: £2.2m) related to recharging of vessel and fuel costs. There is growing adoption of our highly efficacious sea lice solution and we continue to work with our partners MMC and Salt Ship Design to develop a streamlined infrastructure for CleanTreat[®] which will further facilitate adoption in the market.

Salmosan[®] Vet sales were £6.2m, 192% ahead of the prior year supported by the success of a new marketing label.

Adjusted EBITDA for the business area was £6.6m (H1 FY22: £0.1m).

Q2 FY23 commentary

The Group reported revenue of £44.4m, 13% above prior year of £39.2m. This was driven by revenue growth in Health and Genetics which reported revenue +77% and +14% higher than Q2 FY22 respectively. Revenues in Advanced Nutrition were marginally down -1% driven by low current demand in the shrimp markets as mentioned above.

Adjusted EBITDA excluding fair value uplift from biological assets was £9.7m, 32% ahead of the prior year and 28% higher on a constant currency basis (Q2 FY22: £7.3m), reflecting higher revenues, operational leverage and good cost control. By business area, Health was up more than sixfold, Genetics was up 52% while Advanced Nutrition reported a decrease in Adjusted EBITDA of 14%, despite forex tailwinds mitigating the reduction.

Operating costs of £12.3m were 23% above last year (Q2 FY22: £10.0m) driven by increased activity and inflationary pressure. R&D expenses of £1.4m were 10% below the prior year (Q2 FY22: £1.6m) and represented 3% of Group revenues (Q2 FY22: 4%). Depreciation and amortisation was £9.0m (Q2 FY22: £10.0m), leading to a Group operating profit of £0.4m (Q2 FY22: £0.7m loss).

Net finance costs of £2.4m for the quarter were £1.6m higher than the same period last year (Q2 FY22: £0.8m), mainly due to forex losses of £0.7m (Q3 FY22: gain of £0.6m) in the period.

The tax charge of £0.7m (Q2 FY22: £2.2m) reflects a change in the mix of territories in which taxable profits were made, leading loss after tax for the quarter at £2.7m (Q2 FY22: loss of £3.7m).

Update on Oslo Børs listing

As previously announced, the Company conducted a consultation with shareholders regarding a potential delisting from AIM and uplisting to the Oslo Børs. Based on the feedback received the Board has decided to maintain its current listings on Euronext Growth Oslo and on AIM for the foreseeable future.

The Board continues to believe that in the medium term the company could benefit from uplisting to the Oslo Børs as the leading venue for seafood and aquaculture companies. An uplisting will be reviewed as part of the Group's ongoing strategy to enhance the Group's positioning and shareholder value.

Outlook and current trading

The Group had an excellent first half, delivering 25% growth in revenues and trading in line with market expectations. We continued to focus on achieving profitability and cash generation whilst making good progress towards our medium-term objectives.

The Group communicated its medium term (3-5 year) financial objectives in May 2022 and since then has reported significant progress as shown in the table below:

	Medium term objective	FY21	FY22	H123
Revenue Growth per annum	15-18%	18%	27%	25%
Adj. EBITDA Margin	25-30% (period end)	16%	20%	22%
Cashflow conversion ratio ¹	70-80%	30%	35%	43%
Free cashflow as % of sales ²	10-15%	(17%)	(8%)	1%

1. Cash generated from operations after working capital and taxes as percentage of Adj. EBITDA

2. Free cash flow: Net cash from operating activities less capex and lease payments (excluding cash interest)

Looking forward to the second half of the year there is good visibility of salmon egg sales in Genetics and we will continue to progress our growth vectors of salmon in Chile and shrimp genetics, which will be key areas of focus in the coming periods. In Advanced Nutrition we expect conditions in the shrimp market to remain unchanged in the short term and while this poses a challenge to growth, we are confident that we have a leading and dynamic organisation capable of mitigating the impact from market conditions whilst taking advantage to increase our market share where possible. In Health, we expect Q3 sales to reflect the seasonally low sea lice treatment season, thereafter increasing in Q4.

Our fundamentals are strong and we have significant opportunities to continue building our track record of consistent growth. Since completing the Group's restructuring in 2020 we have delivered a 62% increase in revenue and 117% increase in Adj. EBITDA, whilst steadily reducing net debt. Aquaculture is a growth industry, supported by robust megatrends. As a leading aquaculture biotechnology company, Benchmark is well positioned to play an important role in helping the aquaculture industry deliver sustainable growth and meet the needs of a rising population.

Benchmark Holdings plc

Consolidated Income Statement for the period ended 31 March 2023

All figures in £000's	Notes	Q2 2023 (unaudited)	Q2 2022 (unaudited)	YTD Q2 2023 (unaudited)	YTD Q2 2022 (unaudited)	FY 2022 (audited)
Revenue	4	44,367	39,233	98,862	79,247	158,277
Cost of sales		(19,549)	(19,210)	(49,817)	(39,725)	(75,149)
Gross profit		24,818	20,023	49,045	39,522	83,128
Research and development costs		(1,435)	(1,590)	(2,998)	(3,237)	(6,691)
Other operating costs		(12,290)	(9,984)	(24,043)	(19,907)	(44,661)
Share of (loss)/profit of equity-accounted investees, net of tax		-	(24)	56	(528)	(595)
Adjusted EBITDA²		11,093	8,425	22,060	15,850	31,181
Exceptional - restructuring, disposal and acquisition related items	5	(1,716)	908	(2,688)	908	16
EBITDA¹		9,377	9,333	19,372	16,758	31,197
Depreciation and impairment		(4,551)	(5,557)	(9,166)	(10,052)	(19,897)
Amortisation and impairment		(4,410)	(4,484)	(9,912)	(8,872)	(19,161)
Operating profit/(loss)		416	(708)	294	(2,166)	(7,861)
Finance cost		(3,223)	(2,684)	(10,353)	(4,747)	(20,057)
Finance income		791	1,930	8,143	1,769	4,741
Loss before taxation		(2,016)	(1,462)	(1,916)	(5,144)	(23,177)
Tax on loss	6	(704)	(2,189)	(1,483)	(3,616)	(7,274)
Loss for the period		(2,720)	(3,651)	(3,399)	(8,760)	(30,451)
Loss for the period attributable to:						
- Owners of the parent		(2,858)	(3,775)	(4,141)	(9,132)	(32,087)
- Non-controlling interest		138	124	742	372	1,636
		(2,720)	(3,651)	(3,399)	(8,760)	(30,451)
Earnings per share						
Basic loss per share (pence)	7	(0.40)	(0.54)	(0.57)	(1.32)	(4.60)
Diluted loss per share (pence)	7	(0.40)	(0.54)	(0.57)	(1.32)	(4.60)

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

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

Benchmark Holdings plc**Consolidated Statement of Comprehensive Income for the period ended 31 March 2023**

All figures in £000's	Q2 2023 (unaudited)	Q2 2022 (unaudited)	YTD Q2 2023 (unaudited)	YTD Q2 2022 (unaudited)	FY 2022 (audited)
Loss for the period	(2,720)	(3,651)	(3,399)	(8,760)	(30,451)
Other comprehensive income					
Items that are or may be reclassified					
subsequently to profit or loss					
Foreign exchange translation differences	(5,973)	9,812	(24,013)	7,201	47,606
Cash flow hedges - changes in fair value	217	3,082	(299)	2,948	2,627
Cash flow hedges - reclassified to profit or loss	(179)	63	(292)	178	2,546
Total comprehensive income for the period	(8,655)	9,306	(28,003)	1,567	22,328
Total comprehensive income for the period					
attributable to:					
- Owners of the parent	(8,295)	8,784	(28,046)	836	20,326
- Non-controlling interest	(360)	522	43	731	2,002
	(8,655)	9,306	(28,003)	1,567	22,328

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

Benchmark Holdings plc

Consolidated Balance Sheet as at 31 March 2023

All figures in £000's	Notes	31 March 2023 (unaudited)	31 March 2022 (unaudited)	30 September 2022 (audited)
Assets				
Property, plant and equipment		76,414	81,568	81,900
Right-of-use assets		22,365	31,360	27,034
Intangible assets		215,077	226,912	245,264
Equity-accounted investees		3,136	2,821	3,113
Other investments		14	15	15
Biological and agricultural assets		20,605	17,089	20,878
Non-current assets		337,611	359,765	378,204
Inventories		27,129	22,140	29,813
Biological and agricultural assets		22,550	24,294	25,780
Trade and other receivables		48,433	47,275	56,377
Cash and cash equivalents		38,647	46,294	36,399
Current assets		136,759	140,003	148,369
Total assets		474,370	499,768	526,573
Liabilities				
Trade and other payables		(29,723)	(33,284)	(44,324)
Loans and borrowings	8	(22,115)	(13,546)	(17,091)
Corporation tax liability		(8,413)	(7,733)	(10,211)
Provisions		(1,574)	(551)	(1,631)
Current liabilities		(61,825)	(55,114)	(73,257)
Loans and borrowings	8	(82,878)	(114,185)	(93,045)
Other payables		(6,257)	(936)	(8,996)
Deferred tax		(24,293)	(27,524)	(27,990)
Non-current liabilities		(113,428)	(142,645)	(130,031)
Total liabilities		(175,253)	(197,759)	(203,288)
Net assets		299,117	302,009	323,285
Issued capital and reserves attributable to owners of the parent				
Share capital	9	739	704	704
Additional paid-in share capital	9	37,924	420,824	420,824
Capital redemption reserve		5	5	5
Retained earnings		201,962	(162,696)	(185,136)
Hedging reserve		(1,294)	(2,750)	(703)
Foreign exchange reserve		54,391	37,307	77,705
Equity attributable to owners of the parent		293,727	293,394	313,399
Non-controlling interest		5,390	8,615	9,886
Total equity and reserves		299,117	302,009	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 31 March 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	-	-	-	-	(4,141)	(4,141)	742	(3,399)
Other comprehensive income/(loss)	-	-	(23,314)	(591)	-	(23,905)	(699)	(24,604)
Total comprehensive income/(loss) for the period	-	-	(23,314)	(591)	(4,141)	(28,046)	43	(28,003)
Contributions by and distributions to owners								
Share issue	35	12,985	-	-	-	13,020	-	13,020
Share issue costs recognised through equity	-	(1,650)	-	-	-	(1,650)	-	(1,650)
Cancellation of part of share premium account (note 9)	-	(394,235)	-	-	394,235	-	-	-
Share-based payment	-	-	-	-	475	475	-	475
Total contributions by and distributions to owners	35	(382,900)	-	-	394,710	11,845	-	11,845
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	(382,900)	-	-	391,240	8,375	(4,539)	3,836
As at 31 March 2023 (unaudited)	739	37,924	54,396	(1,294)	201,963	293,728	5,390	299,118
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	-	-	-	-	(9,132)	(9,132)	372	(8,760)
Other comprehensive income/(loss)	-	-	6,842	3,126	-	9,968	359	10,327
Total comprehensive income/(loss) for the period	-	-	6,842	3,126	(9,132)	836	731	1,567
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	-	-	-	-	667	667	-	667
Total contributions by and distributions to owners	34	20,142	-	-	667	20,843	-	20,843
Changes in ownership								
Total changes in ownership interests	-	-	-	-	-	-	-	-
Total transactions with owners of the Company	34	20,142	-	-	667	20,843	-	20,843
As at 31 March 2022 (unaudited)	704	420,824	37,312	(2,750)	(162,696)	293,394	8,615	302,009
As at 1 October 2021 (audited)	670	400,682	30,470	(5,876)	(154,231)	271,715	7,884	279,599
Comprehensive income/(loss) for the period								
Profit/(loss) for the period	-	-	-	-	(32,087)	(32,087)	1,636	(30,451)
Other comprehensive income/(loss)	-	-	47,240	5,173	-	52,413	366	52,779
Total comprehensive income/(loss) for the period	-	-	47,240	5,173	(32,087)	20,326	2,002	22,328
Contributions by and distributions to owners								
Share issue	34	20,704	-	-	-	20,738	-	20,738
Share issue costs recognised through equity	-	(562)	-	-	-	(562)	-	(562)
Share-based payment	-	-	-	-	1,182	1,182	-	1,182
Total contributions by and distributions to owners	34	20,142	-	-	1,182	21,358	-	21,358
Changes in ownership								
Total changes in ownership interests	-	-	-	-	-	-	-	-
Total transactions with owners of the Company	34	20,142	-	-	1,182	21,358	-	21,358
As at 30 September 2022 (audited)	704	420,824	77,710	(703)	(185,136)	313,399	9,886	323,285

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

Benchmark Holdings plc

Consolidated Statement of Cashflows for the period ended 31 March 2023

	Notes	31 March 2023 (unaudited)	31 March 2022 (unaudited)	30 September 2022 (audited)
Cash flows from operating activities				
Loss for the period		(3,399)	(8,760)	(30,451)
Adjustments for:				
Depreciation and impairment of property, plant and equipment		4,248	4,187	8,602
Depreciation and impairment of right-of-use assets		4,918	5,865	11,295
Amortisation and impairment of intangible fixed assets		9,912	8,872	19,161
Loss on sale of property, plant and equipment		(36)	-	(43)
Finance income		(320)	(225)	(319)
Finance costs		1,715	3,714	18,437
Increase in fair value of contingent consideration receivable		-	(909)	(1,203)
Share of profit/(loss) of equity-accounted investees, net of tax		(55)	528	595
Foreign exchange losses		(1,104)	841	(3,985)
Share-based payment expense		475	667	1,182
Other adjustments for non-cash items		-	-	(276)
Tax charge		1,482	3,616	7,274
Decrease/(increase) in trade and other receivables		6,071	108	(8,511)
Decrease/(increase) in inventories		2,517	(1,610)	(5,406)
Decrease/(increase) in biological and agricultural assets		893	(1,635)	(6,099)
(Decrease)/increase in trade and other payables		(13,673)	(10,317)	6,946
(Decrease)/increase in provisions		(13)	(12)	1,058
		13,631	4,930	18,257
Income taxes paid		(4,141)	(2,975)	(7,447)
Net cash flows generated from operating activities		9,490	1,955	10,810
Investing activities				
Acquisition of minority interests in subsidiaries, net of cash acquired	12	(8,009)	-	-
Purchase of investments		(307)	(48)	(378)
Receipts from disposal of investments		-	-	1,544
Purchases of property, plant and equipment		(3,254)	(5,084)	(10,808)
Purchase of intangibles		(77)	(1,523)	(205)
Capitalised research and development costs		(197)	-	(1,708)
Proceeds from sale of fixed assets		77	3	220
Interest received		319	25	119
Net cash flows used in investing activities		(11,448)	(6,627)	(11,216)
Financing activities				
Proceeds of share issues		13,020	20,782	20,737
Share-issue costs recognised through equity		(1,650)	(607)	(562)
Proceeds from bank or other borrowings		21,393	-	67,939
Repayment of bank or other borrowings		(16,560)	(939)	(74,874)
Capitalised borrowing costs		(591)	-	-
Interest and finance charges paid		(4,082)	(3,757)	(9,629)
Repayments of lease liabilities		(4,689)	(4,769)	(10,533)
Net cash inflow/(outflow) from financing activities		6,841	10,710	(6,922)
Net increase/(decrease) in cash and cash equivalents		4,883	6,038	(7,328)
Cash and cash equivalents at beginning of period		36,399	39,460	39,460
Effect of movements in exchange rate		(2,634)	796	4,267
Cash and cash equivalents at end of period		38,648	46,294	36,399

1. Basis of preparation

Benchmark Holdings plc (the 'Company') is a company incorporated and domiciled in the United Kingdom. These consolidated quarterly financial statements as at and for the six months ended 31 March 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 six months ended 31 March 2022. The comparative figures for the financial year ended 30 September 2022 are not the Company's statutory accounts for that financial year. Those accounts were approved by the Directors on 30 November 2022 and have been delivered to the Registrar of Companies. The audit report received on those accounts was (i) unqualified and (ii) did not include a reference to any matters to which the external auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

Statement of Compliance

These consolidated quarterly financial statements have been prepared in accordance with UK and EU adopted IAS 34 'Interim Financial Reporting'. These financial statements do not include all of the information required for the full annual financial statements and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 30 September 2022. These consolidated quarterly financial statements were approved by the Board of Directors on 23 May 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 31 March 2023 the Group had net assets of £299.1m (30 September 2022: £323.3m), including cash of £38.6m (30 September 2022: £36.4m) as set out in the consolidated balance sheet. The Group made a loss for the six months of £3.4m (year ended 30 September 2022: loss £30.5m).

As noted in the Management Report, the business has continued to perform well on the back of a good year in FY22. All of the business areas have performed in line with or ahead of management expectations. The Directors have reviewed forecasts and cash flow projections for a period of at least 12 months including downside sensitivity assumptions in relation to trading performance across the Group to assess the impact on the Group's trading and cash flow forecasts and on the forecast compliance with the covenants included within the Group's financing arrangements.

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

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

2. Accounting policies

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

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

Alternative performance measures ('APMs')

The Directors measure the performance of the Group based on a range of financial measures, including measures not recognised by EU or UK-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 the prior year's foreign exchange rates.

Use of estimates and judgements

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

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

3. Segment information

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

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

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

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					
	Q2 2023	Q2 2022	YTD Q2	YTD Q2	FY 2022
All figures in £000's	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(audited)
Genetics	13,042	11,408	34,481	26,603	58,008
Advanced Nutrition	22,644	22,974	45,324	42,033	80,286
Health	8,692	4,916	19,077	10,693	20,135
Corporate	1,436	1,406	2,873	2,812	5,120
Inter-segment sales	(1,447)	(1,471)	(2,893)	(2,894)	(5,272)
Total	44,367	39,233	98,862	79,247	158,277

Segmental Adjusted EBITDA					
	Q2 2023	Q2 2022	YTD Q2	YTD Q2	FY 2022
All figures in £000's	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(audited)
Genetics	3,420	2,428	5,983	5,691	15,980
Advanced Nutrition	6,169	7,154	11,466	11,474	19,017
Health	2,583	(454)	6,650	93	108
Corporate	(1,079)	(703)	(2,039)	(1,408)	(3,924)
Total	11,093	8,425	22,060	15,850	31,181

Reconciliations of segmental information to IFRS measures

Reconciliation of Reportable Segments Adjusted EBITDA to Loss before taxation					
	Q2 2023	Q2 2022	YTD Q2 2023	YTD Q2	FY 2022
All figures in £000's	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(audited)
Total reportable segment Adjusted EBITDA	12,172	9,128	24,099	17,258	35,105
Corporate Adjusted EBITDA	(1,079)	(703)	(2,039)	(1,408)	(3,924)
Adjusted EBITDA	11,093	8,425	22,060	15,850	31,181
Exceptional - restructuring, disposal and acquisition related items	(1,716)	908	(2,688)	908	16
Depreciation and impairment	(4,551)	(5,557)	(9,166)	(10,052)	(19,897)
Amortisation and impairment	(4,410)	(4,484)	(9,912)	(8,872)	(19,161)
Net finance costs	(2,432)	(754)	(2,210)	(2,978)	(15,316)
Loss before taxation	(2,016)	(1,462)	(1,916)	(5,144)	(23,177)

Unaudited notes to the quarterly financial statements for the period ended 31 March 2023

4. Revenue

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

Disaggregation of revenue

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

Sale of goods and provision of services

3 months ended 31 March 2023 (unaudited)

All figures in £000's	Genetics	Advanced Nutrition	Health	Corporate	Inter-segment sales	Total
Sale of goods	11,083	22,635	6,115	-	-	39,833
Provision of services	1,957	-	2,577	-	-	4,534
Inter-segment sales	2	9	-	1,436	(1,447)	-
	13,042	22,644	8,692	1,436	(1,447)	44,367

3 months ended 31 March 2022 (unaudited)

All figures in £000's	Genetics	Advanced Nutrition	Health	Corporate	Inter-segment sales	Total
Sale of goods	9,872	22,945	2,594	-	-	35,411
Provision of services	1,500	-	2,322	-	-	3,822
Inter-segment sales	36	29	-	1,406	(1,471)	-
	11,408	22,974	4,916	1,406	(1,471)	39,233

6 months ended 31 March 2023 (unaudited)

All figures in £000's	Genetics	Advanced Nutrition	Health	Corporate	Inter-segment sales	Total
Sale of goods	32,204	45,307	13,564	-	-	91,075
Provision of services	2,274	-	5,513	-	-	7,787
Inter-segment sales	3	17	-	2,873	(2,893)	-
	34,481	45,324	19,077	2,873	(2,893)	98,862

6 months ended 31 March 2022 (unaudited)

All figures in £000's	Genetics	Advanced Nutrition	Health	Corporate	Inter-segment sales	Total
Sale of goods	24,381	41,993	5,845	-	-	72,219
Provision of services	2,180	-	4,848	-	-	7,028
Inter-segment sales	42	40	-	2,812	(2,894)	-
	26,603	42,033	10,693	2,812	(2,894)	79,247

4. Revenue (continued)

Sale of goods and provision of services (continued)

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

Primary geographical markets

3 months ended 31 March 2023 (unaudited)						
All figures in £000's	Genetics	Advanced Nutrition	Health	Corporate	Inter-segment sales	Total
Norway	6,177	252	6,157	-	-	12,586
India	-	2,822	-	-	-	2,822
Turkey	-	2,528	-	-	-	2,528
Greece	-	2,002	-	-	-	2,002
Faroe Islands	2,224	-	119	-	-	2,343
Ecuador	9	1,832	-	-	-	1,841
United Kingdom	814	8	-	-	-	822
Chile	1,121	9	88	-	-	1,218
Vietnam	-	2,330	-	-	-	2,330
Rest of Europe	1,680	1,716	-	-	-	3,396
Rest of World	1,015	9,136	2,328	-	-	12,479
Inter-segment sales	2	9	-	1,436	(1,447)	-
	13,042	22,644	8,692	1,436	(1,447)	44,367

3 months ended 31 March 2022 (unaudited)						
All figures in £000's	Genetics	Advanced Nutrition	Health	Corporate	Inter-segment sales	Total
Norway	6,115	211	4,288	-	-	10,614
India	260	3,711	-	-	-	3,971
Turkey	-	2,238	-	-	-	2,238
Greece	-	1,832	-	-	-	1,832
Faroe Islands	1,709	5	147	-	-	1,861
Ecuador	-	1,227	-	-	-	1,227
United Kingdom	899	14	30	-	-	943
Chile	224	5	150	-	-	379
Vietnam	-	3,014	-	-	-	3,014
Rest of Europe	1,590	1,278	-	-	-	2,868
Rest of World	575	9,410	301	-	-	10,286
Inter-segment sales	36	29	-	1,406	(1,471)	-
	11,408	22,974	4,916	1,406	(1,471)	39,233

4. Revenue (continued)

Primary geographical markets (continued)

6 months ended 31 March 2023 (unaudited)

All figures in £000's	Genetics	Advanced Nutrition	Health	Corporate	Inter-segment sales	Total
Norway	23,061	342	14,452	-	-	37,855
India	-	7,025	-	-	-	7,025
Turkey	2	4,732	-	-	-	4,734
Greece	-	4,271	-	-	-	4,271
Faroe Islands	3,319	-	348	-	-	3,667
Ecuador	29	3,572	-	-	-	3,601
United Kingdom	1,551	27	42	-	-	1,620
Chile	1,133	11	342	-	-	1,486
Vietnam	-	5,025	-	-	-	5,025
Rest of Europe	3,742	3,338	-	-	-	7,080
Rest of World	1,641	16,964	3,893	-	-	22,498
Inter-segment sales	3	17	-	2,873	(2,893)	-
	34,481	45,324	19,077	2,873	(2,893)	98,862

6 months ended 31 March 2022 (unaudited)

All figures in £000's	Genetics	Advanced Nutrition	Health	Corporate	Inter-segment sales	Total
Norway	15,794	323	8,956	-	-	25,073
India	400	7,719	-	-	-	8,119
Turkey	-	3,932	-	-	-	3,932
Greece	-	3,471	-	-	-	3,471
Faroe Islands	2,856	28	118	-	-	3,002
Ecuador	-	2,291	-	-	-	2,291
United Kingdom	2,601	6	277	-	-	2,884
Chile	340	5	553	-	-	898
Vietnam	-	6,009	-	-	-	6,009
Rest of Europe	3,361	2,581	-	-	-	5,942
Rest of World	1,209	15,628	789	-	-	17,626
Inter-segment sales	42	40	-	2,812	(2,894)	-
	26,603	42,033	10,693	2,812	(2,894)	79,247

4. Revenue (continued)

Primary geographical markets (continued)

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

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

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

All figures in £000's	Q2 2023 (unaudited)	Q2 2022 (unaudited)	YTD Q2 2023 (unaudited)	YTD Q2 2022 (unaudited)	FY 2022 (audited)
Exceptional restructuring costs	1,716	-	2,688	-	1,229
Income in relation to disposals	-	(908)	-	(908)	(1,245)
Total exceptional items	1,716	(908)	2,688	(908)	(16)

Exceptional restructuring costs for the quarter include £1,666,000 (YTD 2023: £2,553,000; FY 2022: £843,000) of legal and professional costs in relation to preparing for listing the Group on the Oslo stock exchange, and £50,000 (YTD 2023: £135,000; FY 2022: £276,000) relating to other restructuring costs.

Income in relation to disposals for Q2 2022 and YTD Q2 2022 of £908,000 relate to an increase in the fair value of contingent consideration receivable following the disposal of Improve International Limited in 2020. Further to this, the balance in FY 2022 includes £294,000 of additional contingent consideration received relating to the disposal of Aquaculture UK in 2020.

Benchmark Holdings plc

Unaudited notes to the quarterly financial statements for the period ended 31 March 2023

6. Taxation

All figures in £000's	Q2 2023 (unaudited)	Q2 2022 (unaudited)	YTD Q2 2023 (unaudited)	YTD Q2 2022 (unaudited)	FY 2022 (audited)
Analysis of charge in period					
Current tax:					
Current income tax expense on profits for the period	997	2,642	2,835	5,007	11,727
Adjustment in respect of prior periods	-	-	-	-	(39)
Total current tax charge	997	2,642	2,835	5,007	11,688
Deferred tax:					
Origination and reversal of temporary differences	(293)	(453)	(1,352)	(1,391)	(4,414)
Deferred tax movements in respect of prior periods	-	-	-	-	-
Total deferred tax credit	(293)	(453)	(1,352)	(1,391)	(4,414)
				-	-
Total tax charge	704	2,189	1,483	3,616	7,274

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.

	Q2 2023 (unaudited)	Q2 2022 (unaudited)	YTD Q2 2023 (unaudited)	YTD Q2 2022 (unaudited)	FY 2022 (audited)
Loss attributable to equity holders of the parent (£000)	(2,858)	(3,775)	(4,141)	(9,132)	(32,087)
Weighted average number of shares in issue (thousands)	723,173	703,926	724,505	692,474	698,233
Basic loss per share (pence)	(0.40)	(0.54)	(0.57)	(1.32)	(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 4,312,880 potential ordinary shares have not been included within the calculation of statutory diluted loss per share for the year (30 September 2022: 6,240,304 and 31 March 2022: 5,184,054). These potential ordinary shares could dilute earnings/loss per share in the future.

8. Loans and borrowings

All figures in £000's	YTD Q2 2023 (unaudited)	YTD Q2 2022 (unaudited)	FY 2022 (audited)
Non-Current			
2025 750m NOK Loan notes	56,756	-	61,054
2023 850m NOK Loan notes	-	76,353	-
Bank borrowings	16,974	18,917	17,226
Lease liabilities	9,148	18,915	14,765
	82,878	114,185	93,045
Current			
Bank borrowings	9,421	1,648	5,569
Lease liabilities	12,694	11,899	11,522
	22,115	13,546	17,091
Total loans and borrowings	104,993	127,732	110,136

On 27 September 2022, the Group successfully issued a new unsecured floating rate listed green bond of NOK 750m. The bond which matures in September 2025, has a coupon of three-month NIBOR + 6.50% p.a. with quarterly interest payments. The proceeds were used to repay its existing NOK 850m floating rate listed bond, originally raised in June 2019. The bond was listed on the Oslo Stock Exchange during the current period on 12 April 2023.

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

On 15 February 2023, the Group drew down €9,000,000 on the GBP20,000 RCF leaving £12,110,000 undrawn as at 31 March 2023.

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

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 2022	703,960,798	704	420,824
Shares issued through placing and open offer	35,189,350	35	11,335
Cancellation of part of the share premium account	-	-	(394,235)
Exercise of share options	127,321	-	-
Balance at 31 March 2023	739,277,469	739	37,924

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 £1.7m were in relation to the share issues 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.

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 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/loss before exceptional items and amortisation and impairment of intangible assets excluding development costs as reconciled below.

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

10. Alternative performance measures and other metrics (continued)

Reconciliation of Adjusted Operating Profit to Operating Loss

All figures in £000's	Q2 2023 (unaudited)	Q2 2022 (unaudited)	YTD Q2 2023 (unaudited)	YTD Q2 2022 (unaudited)	FY 2022 (audited)
Revenue	44,367	39,233	98,862	79,247	158,277
Cost of sales	(19,549)	(19,210)	(49,817)	(39,725)	(75,149)
Gross profit	24,818	20,023	49,045	39,522	83,128
Research and development costs	(1,435)	(1,590)	(2,998)	(3,237)	(6,691)
Other operating costs	(12,290)	(9,984)	(24,043)	(19,907)	(44,661)
Depreciation and impairment	(4,551)	(5,557)	(9,166)	(10,052)	(19,897)
Amortisation of capitalised development costs	(610)	(448)	(1,227)	(896)	(2,165)
Share of loss of equity accounted investees net of tax	-	(24)	56	(528)	(595)
Adjusted operating profit	5,932	2,420	11,667	4,902	9,119
Exceptional - restructuring, disposal and acquisition related items	(1,716)	908	(2,688)	908	16
Amortisation and impairment of intangible assets excluding development costs	(3,800)	(4,036)	(8,685)	(7,976)	(16,996)
Operating profit/(loss)	416	(708)	294	(2,166)	(7,861)

Reconciliation of Loss Before Taxation to Adjusted Profit Before Tax

All figures in £000's	Q2 2023 (unaudited)	Q2 2022 (unaudited)	YTD Q2 2023 (unaudited)	YTD Q2 2022 (unaudited)	FY 2022 (audited)
Loss before taxation	(2,016)	(1,462)	(1,916)	(5,144)	(23,177)
Exceptional - restructuring, disposal and acquisition related items	1,716	(908)	2,688	(908)	(16)
Amortisation and impairment of intangible assets excluding development costs	3,800	4,036	8,685	7,976	16,996
Adjusted profit before tax	3,500	1,666	9,457	1,924	(6,197)

Other Metrics

All figures in £000's	Q2 2023 (unaudited)	Q2 2022 (unaudited)	YTD Q2 2023 (unaudited)	YTD Q2 2022 (unaudited)	FY 2022 (audited)
Total R&D Investment					
Research and development costs	1,435	1,590	2,998	3,237	6,691
Internal capitalised development costs	144	777	198	1,404	1,708
Total R&D investment	1,579	2,367	3,196	4,641	8,399

All figures in £000's	Q2 2023 (unaudited)	Q2 2022 (unaudited)	YTD Q2 2023 (unaudited)	YTD Q2 2022 (unaudited)	FY 2022 (audited)
Adjusted EBITDA excluding fair value movement in biological assets					
Adjusted EBITDA	11,093	8,425	22,060	15,850	31,181
Exclude fair value movement	(1,401)	(1,101)	(247)	(1,005)	(1,595)
Adjusted EBITDA excluding fair value movement in biological assets	9,692	7,324	21,813	14,845	29,586

10. Alternative performance measures and other metrics (continued)

Liquidity

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

All figures in £000's	31 March 2023 (unaudited)
Cash and cash equivalents	38,647
Undrawn bank facility	12,110
	50,757

The undrawn bank facility relates to the RCF facility. At 31 March 2023, £7.9m of the RCF was drawn (30 September 2022: £4.0m and 31 March 2022: £nil), leaving £12.1m undrawn (30 September 2022: £9.4m and 31 March 2022: £nil).

11. Net debt

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

All figures in £000's	31 March 2023 (unaudited)	31 March 2022 (unaudited)	30 September 2022 (audited)
Cash and cash equivalents	38,647	46,294	36,399
Loans and borrowings (excluding lease liabilities) – current	(9,421)	(1,647)	(5,569)
Loans and borrowings (excluding lease liabilities) – non-current	(73,730)	(95,270)	(78,280)
Net debt excluding lease liabilities	(44,504)	(50,623)	(47,450)
Lease liabilities – current	(12,694)	(11,899)	(11,522)
Lease liabilities – non-current	(9,148)	(18,915)	(14,765)
Net debt	(66,346)	(81,437)	(73,737)

12. Purchase of minority interests in subsidiary companies

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

On 6 February 2023, the Group exercised the put/call option in place to purchase the final 20% of Benchmark Genetics USA Inc for 1 NOK. Following this acquisition, Benchmark Genetics Limited, a subsidiary of Benchmark Holdings PLC, now owns 100% of the share capital of Benchmark Genetics USA Inc.