



29 May 2020

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Benchmark Holdings plc

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

Second Quarter and Interim results for the six months ended 31 March 2020

Benchmark (LSE: BMK), the aquaculture health, genetics and advanced nutrition business, announces its unaudited interim results for the six months ended 31 March 2020 (the “Period”). The Company also announces its unaudited results for the three months ended 31 March 2020 in compliance with the terms of its senior secured bond.

- **H1 results reflect good performance in Genetics driven by successful ramp-up of Salten facility and continued impact of weak shrimp markets and Artemia oversupply in Advanced Nutrition**
- **Strong liquidity (cash and available facility) of c.£67.6m as at 27 May 2020 having raised £42m in February 2020 and action taken to conserve cash**
- **Group restructuring well advanced, refocusing the business on core areas:**
 - **Completed four disposals (including two post period end), exited loss-making areas and closed trial facilities;**
 - **Disposals underway expected to generate £27m-£30m;**
 - **Initiated review of vaccine strategy;**
 - **Restructuring and cost saving plan aiming to deliver a minimum of £10m annual savings;**
- **Trond Williksen appointed as CEO with effect 1 June, bringing extensive experience in the international aquaculture and seafood industries**
- **Progress towards commercialisation of BMK08 and CleanTreat® in Q2 2021CY: regulatory process continuing and commissioning of infrastructure commenced**
- **Continuity of supply and customer service through Covid-19. Salmon markets resilient; shrimp markets impacted – some evidence of recovery in countries emerging from lockdown.**

£m	H1 2020	Restated* H1 2019	Q2 2020	Q2 2019
Revenue from continuing operations	57.0	67.4	32.0	37.7
Adjusted				
Adjusted EBITDA ¹ from continuing operations	2.8	7.3	4.6	5.2
Adjusted Operating (Loss)/Profit ²	(0.8)	4.3	2.7	3.5
Statutory				

Loss before tax	(18.9)	(6.2)	(13.2)	(0.2)
Loss for the Period from continuing operations	(19.3)	(7.0)	(14.2)	(0.7)
Loss for the Period - total incl. discontinued operations	(18.8)	(9.1)	(13.4)	(1.4)
Basic loss per share (p)	(3.25)	(1.71)	(2.18)	(0.29)
Net debt ³	(55.8)	(65.5)		

* H1 2019 numbers have been restated to reflect changes to the ongoing continuing business since the previous reporting date (note 5). Q2 2019 figures have not been previously reported and so are not restated.

(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. Net debt includes £9.0m (H1 2019: £nil) relating to operating lease obligations which are now held on balance sheet following the adoption of IFRS 16.

Divisional summary (Continuing and discontinued operations)

£m	H1 2020	Restated* H1 2019	Q2 2020	Q2 2019
Revenue				
Advanced Nutrition	31.3	40.9	19.9	25.0
Genetics	22.5	22.6	10.4	10.8
Animal Health	6.7	7.2	3.3	3.6
Adjusted EBITDA¹				
Advanced Nutrition	3.3	9.6	3.7	6.9
Genetics	8.6	4.9	5.2	1.7
Animal Health	(7.7)	(6.1)	(3.7)	(2.7)

- **Advanced Nutrition**

- Drop in revenues and Adjusted EBITDA driven by weak shrimp markets, and oversupply and price competition in Artemia
- Implementing plan to reduce cost base; benefit from cost savings to come through in FY21
- Continued supply and customer support through Covid-19

- **Genetics**

- Significant increase in margin from successful ramp-up of Salten facility, moving previously outsourced production in-house, and from strong sales into Scotland from biosecure facility in Iceland

- Revenue in line with prior year reflects lower egg volumes as a result of shift from third party production and adverse forex movements, compensated by higher prices achieved from specialist genetic traits and year round supply of eggs from Salten
- **Animal Health**
 - Revenues (including discontinued operations of veterinary and diagnostics) down on prior year as a result of lower toll manufacturing revenues
 - Continued progress towards commercialisation of new sea lice treatment BMK08 and CleanTreat®

Impact from Covid-19 on our end markets and actions taken

- The salmon industry has proven resilient with limited exposure to the food services sector (30%) a longer production cycle and a robust industry structure
- The shrimp industry is being significantly impacted by lower demand with c.60% exposure to food services, a significant drop in prices and disruption to production. There are early signs of recovery in countries where lockdown is easing
- The sea bass/bream market has significant exposure to food services in line with shrimp but a longer production cycle than shrimp and has suffered modest impact
- The Company implemented a business continuity and cash conservation plan to ensure employee safety whilst continuing to supply and service customers
- Actions taken to conserve cash and maintain adequate financial headroom have included reducing variable costs, R&D and capex spend; working capital management; and temporary salary cuts, furloughing, and temporary redundancies for more than 20% of staff

Update on disposal of non-core assets and restructuring

- During the Period, the Company completed two disposals and closed its marketing services business. Post Period-end, the Company completed two further disposals
- The Company has achieved c.£2.4m in cash proceeds from completed disposals and expects to generate c.£27m-£30m from the remaining planned disposals
- In addition to the previously planned disposals, the Company has initiated a review of its vaccine strategy to identify the best route to realise value from its assets and pipeline and reduce the cash burn in this area; discussions with third parties are underway
- The Company's restructuring and cost savings plan aims to deliver a minimum of £10m in annual savings

Progress towards commercialisation of near-term pipeline

- **BMK08 sea lice treatment** – progress in regulatory process and commissioning of initial infrastructure to support launch in Q2 2021 CY
- **SPR shrimp** – achieved test market sales into China and commenced construction of facility in Thailand with local partner. Commercial launch pushed back by 12 months to benefit from expected market recovery post Covid-19

Liquidity and net debt

- £42m net proceeds raised in February 2020 through a placing and open offer to fund the scale-up of CleanTreat®, necessary for the commercialisation of BMK08 and for working capital purposes
- Liquidity (defined as cash and undrawn facility) as at 27 May 2020 was c.£67.6m (31 March 2020: £63.2m) against a liquidity covenant of £10m
- Net debt at the half year end was £55.8m (30 September 2019: £87.1m; 31 March 2019: £65.5m). Net debt includes operating lease obligations of £9.0m (30 September 2019: £nil, 31 March 2019: £nil) following the adoption of IFRS 16 in the Period

Current Trading and Outlook – new CEO appointed

- Appointment of Trond Williksen as CEO with effect from 1 June 2020
- Good visibility of order book in Genetics and resilience in the salmon market
- Weakness in shrimp markets expected to continue through the end of the financial year. Early evidence of recovery in countries emerging from lockdown
- Solid financial position supported by existing liquidity and cash conservation plan
- Programme of disposals and restructuring ongoing
- Continued focus on commercial launch of BMK08 and CleanTreat®

Peter George, Executive Chairman, commented:

“Our results for the first half of the year were disappointing reflecting the weakness in the shrimp markets and oversupply of Artemia, and the additional challenges of Covid-19 in the latter part of the Period. Our salmon business has been more robust in the face of the global lockdown with good visibility, and this, together with a solid cash position after our fundraising in February and our cash conservation plan, gives us confidence in managing Benchmark through this crisis.

“Our priority continues to be on completing the restructuring of the Group to focus on our core aquaculture disciplines, reducing our cost base, increasing efficiency and transitioning from R&D investment into profitability. Longer term the fundamentals of our business are very attractive with an increasing need for products and solutions that enable sustainable food production.

“I am delighted to welcome Trond Williksen as CEO of Benchmark who brings deep, relevant aquaculture expertise and has proven operational, strategic, M&A, and managerial experience spanning both producers and technology providers in the industry.”

Details of analyst / investor call today

There will be a call at 9:30am UK time today for analysts and investors. To register for the call please contact MHP Communications on +44 (0)20 3128 8591 or 8742, or by email on benchmark@mhpc.com

Enquiries

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About Benchmark

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

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

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

Management Report

Overview

The Group reported revenues from continuing operations of £57.0m and an Adjusted EBITDA from continuing operations of £2.8m in H12020 as a result of continued weakness in the shrimp markets, oversupply of Artemia, and the early impact of the Covid-19 pandemic which overshadowed a robust performance in the Genetics business.

An estimated 60% of demand for shrimp derives from the food services sector which has been critically affected by the global lockdown; the sea bass/bream sectors have a similar exposure but the longer production cycle reduces volatility and impact has been modest. In salmon, by contrast, 70% of demand is represented by retail, which has tended to benefit from the lockdown measures with an increase in home consumption of salmon in certain markets including the US. In addition, the two and a half to three year production cycle in salmon means that demand for salmon eggs is less affected by the short term impact from Covid-19.

The Company began to experience the impact from Covid-19 in the Advanced Nutrition business in Asia towards the end of the Period. In addition to the fall in demand for shrimp, which drove down the shrimp price and resulted in reduced production, curfews and regional quarantines in major producing countries affected production volumes. At the same time, the sector experienced transportation lockdowns across the supply chain from hatchery to nursery, grow-out and end markets which increased economic pressure across the value chain, impacting farm gate prices and stocking decisions.

Covid-19 measures

The Group took early action to protect the health and wellbeing of its staff, to ensure continuity of supply and service for its customers and to conserve cash and maintain headroom. We have implemented remote working for office-based employees, adapted shift patterns at manufacturing sites worldwide to reduce employee exposure and enhanced safety procedures.

We continue to serve our customers with limited interruption to date. We have built an inventory of product and key ingredients in response to the risk from border closure and freight and logistical challenges, and are conducting regular customer support webinars and generating online content which will remain a positive addition to our service offering post Covid-19.

From a financial perspective, actions taken by the Company to date to conserve cash include reducing variable costs where possible, cuts and delays to R&D and capex spend; and working capital management. We have initiated a review of our vaccine strategy and pushed back the launch of our SPR shrimp and of our 100% Artemia replacement to align the timing to a market recovery. We have furloughed, reduced working hours or applied temporary salary cuts or temporary redundancy to c.20% of our workforce, with the implementation of these measures corresponding with the areas of our business that are being most impacted. Our Board and our Operations Board have voluntarily taken a temporary 20% salary cut.

Update on programme of disposals and restructuring

Despite the challenges raised by the Covid-19 pandemic, we remain firmly focused on completing the planned disposals and restructuring of the Group to focus on our core aquaculture disciplines and on reducing our cost base in order to transition from R&D investment into profitability.

To-date, we have completed four disposals raising a total of £2.4m and expect to generate £27m-£30m from planned disposals which are underway. In addition to the previously announced disposals, the Company has

initiated a review of its vaccines strategy to define the best route to realise value from its technology and assets. The Company aims to deliver a minimum of £10m in annual savings from its restructuring and cost savings plan.

Board changes

Following the Period-end, the Group announced on 7 April 2020 the appointment of Trond Williksen as Chief Executive Officer and Director of the Company, with effect from 1 June 2020. Following Trond Williksen's appointment, Peter George will revert to his former position as Non-Executive Chairman.

Trond Williksen is highly experienced in the international aquaculture and seafood industries, having held senior executive positions and a number of advisory and non-executive director roles in the sector for over 20 years, most recently as CEO of SalMar ASA, the Norwegian fish farm company and one of the world's largest producers of farmed salmon. Prior to this, he was CEO of AKVA group ASA, the leading global aquaculture technology and service provider for six years. He previously held a number of senior roles in Aker ASA's Seafoods, Ocean Harvest and BioMarine divisions.

On 21 April 2020, the Group announced that Alex Raeber is stepping down as Chief Scientific Officer (CSO) and a Director of the Company with effect from 31 July 2020. Alex has played an instrumental role in the execution of the Company's new strategy, leading the review and streamlining of the product pipeline, the integration of Benchmark's innovation teams and the reorganisation of the Group's in-house trial facilities.

Outlook

We expect market conditions in shrimp and the operational and economic effects from the Covid-19 pandemic to continue to impact our Advanced Nutrition business for the rest of the financial year. Encouragingly, Genetics continues to perform robustly reflecting more stable demand for salmon and we have good visibility of the order book for the rest of the year. Our commercialisation plan for BMK08 is progressing and whilst timing is reliant on any potential impact from Covid-19 on the regulatory approval process we remain on track to launch in Q22021 CY.

It is too early to fully assess the level of impact of the Covid-19 pandemic on the current financial year ending 30 September 2020. We recognise the uncertainty regarding the possibility of a second wave of infection and it is too early to assess the speed of economic recovery as markets reopen. In line with the market we expect an average three-month lockdown phased in territories across the globe, followed by a gradual six to twelve month recovery period. In territories coming out of lockdown we are starting to see cautious signs of recovery.

We are in a solid financial position following the net £42m fundraising earlier this year and expect that the measures we are taking to maintain our production and commercial functions, and to conserve cash, will enable us to remain resilient during this period. Longer term the fundamentals of our business are very attractive with an increasing need for products and solutions that enable sustainable food production.

Divisional Commentary

Advanced Nutrition

Advanced Nutrition reported H1 revenues of £31.3m, 23.5% below the prior year (H1 2019: £40.9m) and Q2 revenues of £19.9m, 20.5% below the prior year (Q2 2019: £25.0m). This reflected an ongoing weak shrimp market with low shrimp prices, continued competition in Artemia leading to significantly lower Artemia volumes and prices. The impact from Covid-19 was initially evident in China and Vietnam later extending into India and Indonesia and more recently into Latin America as the pandemic spread across the globe.

Adjusted EBITDA in H1 was £3.3m (H1 2019: £9.6m) and Adjusted EBITDA in Q2 was £3.7m (Q2 2019: £6.9m). By product area in H1, Artemia revenues were down 32% versus prior year as a result of volume and price erosion while Diets were down 23% and Health up 25%. In Q2 by product area Artemia revenues were down 22% versus prior year as a result of volume and price erosion while Diets was down 29% and Health up 21%.

Genetics

Genetics revenues in H1 2020 were £22.5m, in line with the prior year (H1 2019: £22.6m) and £10.4m in Q2, 3.6% below the prior year. Revenues were affected by the shift of volume from third party producers to our own facilities and adverse forex movements compensated for by higher prices achieved from our specialist genetic traits and year round supply of biosecure eggs. Adjusted EBITDA in H1 was £8.6m, 75% above the prior year (H1 2020: £4.9m) and in Q2 was £5.2m, 200.5% above the prior year (Q2 2019: £1.7m). The increase in margin and Adjusted EBITDA is mainly due to in-house egg production at our new Salten facility replacing more expensive outsourced production, higher egg prices noted above and higher royalties from salmon farmers using our genetics in their own production. R&D investment (expensed and capitalised) in the division increased to £3.6m (H1 2019: £1.9m) as a result of higher investment in our breeding programmes in Chile and SPR shrimp.

Production and distribution of salmon eggs has been uninterrupted through the Covid-19 pandemic and we have a good order book for the remainder of the year with 100% of our Salten capacity for off-season eggs sold-out. The longer two and a half to three year production cycle for salmon means that despite short term uncertainty producers continue to stock and plan for the medium term. We continue to benefit from higher demand from Scotland for our highly biosecure and genetically advanced salmon eggs produced at our secure land-based facility in Iceland.

Operationally, in H1 2020 the Company signed a lease on a new grow-out facility in Curacalco, Chile which completes the infrastructure required for local production of salmon eggs. This site is now fully operational and local production of salmon eggs is expected to commence in 2021 when the first-year class of broodstock matures.

During the period, we achieved the first test market sales of SPR shrimp in China and Indonesia. Trials continue in China, Thailand, Vietnam and Peru. In light of Covid-19 we have decided to push back the commercial launch of the SPR shrimp to benefit from a recovery in the shrimp market, delaying capex and opex spend which conserves cash in the short term. Construction of the multiplication centre with our local partner in Thailand is ongoing albeit with some delays and we expect it to be operational by the end of this calendar year.

Animal Health

Revenues in Animal Health in H1 2020 and in Q2 2020 (including Discontinued Operations of veterinary and diagnostics) were £6.7m (H1 2019: £7.2m) and £3.3m (Q2 2019: £3.6m) respectively, with the drop a result of lower revenues from toll manufacturing.

Adjusted EBITDA in H1 including Discontinued Operations was a loss of £7.7m (H1 2019: loss £6.1m) and in Q2 was a loss of £3.7m (Q2 2019: loss £2.7m). Adjusted EBITDA from discontinued operations within these figures for H1 was a loss of £0.1m (H1 2019: loss £0.2m) and in Q2 was a loss of £0.1m (Q2 2019: loss £nil). The performance against the prior year reflects a reduction in revenues from toll manufacturing, an increase in vaccine R&D and related production capability, and activities to prepare for the launch of CleanTreat® and BMK08.

Operationally there was significant progress in the commercial launch plan for BMK08 including the development of the operating model for CleanTreat® and submission of the regulatory dossier for BMK08. Procurement for the next CleanTreat® system also commenced.

We have initiated a review of our vaccine strategy to define the best route to realise value from our technology and assets. As a result of Covid-19 we have furloughed the majority of staff at our vaccine manufacturing facility in Braintree.

Financial Review

H1 2020

Group revenue from continuing operations was £57.0m (H1 2019: £67.4m) and Adjusted EBITDA from continuing operations which is used by management as the primary measure of financial performance was £2.8m (H1 2019: £7.3m) driven by the factors outlined above.

Overall investment in R&D (expensed and capitalised) remained broadly in line with the prior year at £8.7m (H1 2019: £8.5m) with an increase in expensed R&D of £1.2m offset by a reduction in capitalised development costs – the latter despite capitalised development costs of £0.8m in Genetics division for SPR shrimp.

The Group's operating loss was £9.3m (H1 2019: loss of £4.2m) after depreciation and amortisation during the Period of £12.0m (H1 2019: £11.5m). Loss before taxation was £18.9m (H1 2019: £6.2m) after a significant increase in net finance costs to £9.6m (H1 2019: £2.1m). The increase in finance costs was a result of the higher interest charges following the refinancing exercise concluded towards the end of the prior year (up by £1.6m), forex losses (up by £1.9m) and movement in the fair value of the instrument taken out to hedge currency and interest volatility in the bond financing for which hedge accounting has not been adopted (£3.7m).

The loss for the Period was £18.8m (H1 2019: £9.1m). Loss per share was 3.25p (H1 2019: 1.71p).

Net debt at the half year was £55.8m (FY 2019: £87.1m; H1 2019: £65.5m). Following the adoption of IFRS 16 from 1 October 2019, operating lease obligations of £9.0m (FY 2019: £nil; H1 2019: £nil) have been included in net debt. The movement in the half year arose as cash outflow from operations of £1.8m and capex of £6.1m was offset by the final receipt of £6.9m from the dissolution of the joint venture in Chile and the net proceeds from the equity raise of £42m received in February 2020. Capital additions included £2.1m of capitalised development costs mainly relating to BMK08 and CleanTreat® and SPR shrimp.

Q2 2020

The Group reported revenues of £32.0m and an Adjusted EBITDA from Continuing Operations of £4.6m, 15.2% and 11.2% below the prior year respectively as a result of the previously stated trends in the Company's underlying markets of shrimp and salmon and increased competition and oversupply in Artemia.

Operating costs from Continuing Operations of £12.5m decreased 2.1% against the same period last year. Expensed research and development costs were £2.8m in the quarter (Q2 2019: £2.5m). The Adjusted EBITDA margin was 14.3% against 13.8% in Q2 2019 driven by the higher margin in Genetics.

Net finance costs for the quarter was £11.9m (Q2 2019: net finance income £0.4m). Interest expense increased to £1.7m (Q2 2019: £1.2m) as a result of the higher level of borrowings and increased borrowing rate following the refinancing in June 2019. Other movements relate to forex losses of £5.1m in the Period (Q2 2019: forex gain £1.5m) and a £4.6m loss on the fair value of the instrument taken out to hedge currency and interest volatility in the bond financing for the portion for which hedge accounting has not been adopted.

Benchmark Holdings plc

Consolidated Income Statement for the period ended 31 March 2020

All figures in £000's	Notes	Q2 2020 (unaudited)	Q2 2019* (unaudited)	YTD Q2 2020 (unaudited)	YTD Q2 2019 Restated* (unaudited)	FY 2019 Restated* (audited)
Revenue	4	32,005	37,740	57,024	67,356	126,776
Cost of sales		(15,061)	(19,796)	(27,927)	(34,043)	(60,303)
Gross profit		16,944	17,944	29,097	33,313	66,473
Research and development costs		(2,763)	(2,552)	(6,679)	(5,527)	(12,587)
Other operating costs		(9,776)	(10,260)	(19,973)	(20,191)	(39,939)
Share of profit/(loss) of equity-accounted investees, net of tax		180	33	391	(265)	(414)
Adjusted EBITDA²		4,585	5,165	2,836	7,330	13,533
Exceptional - restructuring/acquisition related items	6	(34)	-	(168)	-	(581)
EBITDA¹		4,551	5,165	2,668	7,330	12,952
Depreciation and impairment		(1,836)	(1,662)	(3,616)	(3,054)	(8,080)
Amortisation and impairment		(4,011)	(4,076)	(8,401)	(8,476)	(62,045)
Operating loss		(1,296)	(573)	(9,349)	(4,200)	(57,173)
Finance cost		(11,917)	(1,296)	(9,635)	(2,451)	(12,422)
Finance income		3	1,664	79	409	368
Loss before taxation		(13,210)	(205)	(18,905)	(6,242)	(69,227)
Tax on loss	7	(958)	(480)	(357)	(747)	(640)
Loss from continuing operations		(14,168)	(685)	(19,262)	(6,989)	(69,867)
Discontinued operations						
Profit/(loss) from discontinued operations, net of tax	5	811	(739)	462	(2,093)	(13,213)
		(13,357)	(1,424)	(18,800)	(9,082)	(83,080)
Loss for the year attributable to:						
- Owners of the parent		(13,253)	(1,624)	(18,970)	(9,528)	(83,857)
- Non-controlling interest		(104)	200	170	446	777
		(13,357)	(1,424)	(18,800)	(9,082)	(83,080)
Earnings per share						
Basic loss per share (pence)		(2.18)	(0.29)	(3.25)	(1.71)	(15.03)
Diluted loss per share (pence)		(2.18)	(0.29)	(3.25)	(1.71)	(15.03)
Earnings per share - continuing operations						
Basic loss per share (pence)		(2.31)	(0.16)	(3.33)	(1.33)	(12.66)
Diluted loss per share (pence)		(2.31)	(0.16)	(3.33)	(1.33)	(12.66)
Adjusted EBITDA from continuing operations		4,585	5,165	2,836	7,330	13,533
Adjusted EBITDA from discontinued operations		265	777	425	163	192
Total Adjusted EBITDA		4,850	5,942	3,261	7,493	13,725

1 EBITDA – Earnings/loss before interest, tax, depreciation and amortisation

2 Adjusted EBITDA – EBITDA before exceptional and acquisition related items

*FY 2019 and YTD Q2 2019 numbers have been restated to reflect changes to the ongoing continuing business since the previous reporting date (note 5). Q2 2019 figures have not been previously reported and so are not restated.

Benchmark Holdings plc

Consolidated Statement of Comprehensive Income for the period ended 31 March 2020

All figures in £000's	Q2 2020 (unaudited)	Q2 2019* (unaudited)	YTD Q2 2020 (unaudited)	YTD Q2 2019 Restated* (unaudited)	FY 2019 Restated* (audited)
Loss for the period	(13,357)	(1,424)	(18,800)	(9,082)	(83,080)
Other comprehensive income					
Items that are or may be reclassified subsequently to profit or loss					
Foreign exchange translation differences	6,210	(10,709)	(17,324)	(7,472)	13,919
Cash flow hedges - changes in fair value	(8,226)	-	(9,886)	(159)	(3,549)
Cash flow hedges - reclassified to profit or loss	(87)	-	(162)	12	(17)
Total comprehensive income for the period	(15,460)	(12,133)	(46,172)	(16,701)	(72,727)
Total comprehensive income for the period attributable to:					
- Owners of the parent	(16,137)	(12,192)	(46,922)	(16,732)	(73,174)
- Non-controlling interest	677	59	750	31	447
	(15,460)	(12,133)	(46,172)	(16,701)	(72,727)
Total comprehensive income for the period attributable to owners of the parent:					
- Continuing operations	(17,365)	(11,535)	(47,924)	(14,506)	(60,348)
- Discontinued operations	1,228	(657)	1,002	(2,226)	(12,826)
	(16,137)	(12,192)	(46,922)	(16,732)	(73,174)

*FY 2019 and YTD Q2 2019 numbers have been restated to reflect changes to the ongoing continuing business since the previous reporting date (note 5). Q2 2019 figures have not been previously reported separately and so are not restated.

Benchmark Holdings plc

Consolidated Balance Sheet as at 31 March 2020

All figures in £000's		31 March 2020 (unaudited)	31 March 2019 (unaudited)	30 September 2019 (audited)
	Notes			
Assets				
Property, plant and equipment		81,420	94,392	88,900
Right of use assets		8,968	-	-
Intangible assets		259,552	315,563	275,744
Equity-accounted investees		3,742	17,022	3,453
Other investments		22	34	25
Biological and agricultural assets		7,485	4,483	12,469
Trade and other receivables		-	4,140	-
Non-current assets		361,189	435,634	380,591
Inventories		22,369	21,630	22,609
Biological and agricultural assets		20,746	17,709	16,024
Trade and other receivables		34,559	36,960	52,136
Cash and cash equivalents		51,563	23,832	16,051
		129,237	100,131	106,820
Assets held for sale	9	17,258	-	15,970
Current assets		146,495	100,131	122,790
Total assets		507,684	535,765	503,381
Liabilities				
Trade and other payables		(39,379)	(36,081)	(35,235)
Loans and borrowings		(3,786)	(1,685)	(3,231)
Corporation tax liability		(3,430)	(4,408)	(2,703)
Provisions		(386)	(70)	(404)
		(46,981)	(42,244)	(41,573)
Liabilities directly associated with the assets held for sale	9	(13,432)	-	(10,634)
Current liabilities		(60,413)	(42,244)	(52,207)
Loans and borrowings	10	(103,535)	(87,677)	(99,961)
Other payables		(1,851)	(1,202)	(2,004)
Deferred tax		(35,303)	(38,522)	(38,743)
Non-current liabilities		(140,689)	(127,401)	(140,708)
Total liabilities		(201,102)	(169,645)	(192,915)
Net assets		306,582	366,120	310,466
Issued capital and reserves attributable to owners of the parent				
Share capital	11	667	558	559
Additional paid-in share capital		399,601	358,044	358,044
Capital redemption reserve		5	5	5
Retained earnings		(129,263)	(36,958)	(110,916)
Hedging reserve		(13,614)	(147)	(3,566)
Foreign exchange reserve		43,798	38,896	60,202
Equity attributable to owners of the parent		301,194	360,398	304,328
Non-controlling interest		5,388	5,722	6,138
Total equity and reserves		306,582	366,120	310,466

The notes on pages 15 to 30 are an integral part of this interim consolidated financial information

Benchmark Holdings plc

Consolidated Statement of Changes in Equity for the period ended 31 March 2020

All figures in £000's	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
As at 1 October 2019 (unaudited)	559	358,044	60,207	(3,566)	(110,916)	304,328	6,138	310,466
Comprehensive income for the period								
(Loss)/profit for the period	-	-	-	-	(18,970)	(18,970)	170	(18,800)
Other comprehensive income	-	-	(16,404)	(10,048)	-	(26,452)	(920)	(27,372)
Total comprehensive income for the period	-	-	(16,404)	(10,048)	(18,970)	(45,422)	(750)	(46,172)
Contributions by and distributions to owners								
Share issue	108	40,245	-	-	-	40,353	-	40,353
Share issue costs recognised through equity	-	1,312	-	-	-	1,312	-	1,312
Share based payment	-	-	-	-	623	623	-	623
Total contributions by and distributions to owners	108	41,557	-	-	623	42,288	-	42,288
Total transactions with owners of the Company	108	41,557	-	-	623	42,288	-	42,288
As at 31 March 2020 (unaudited)	667	399,601	43,803	(13,614)	(129,263)	301,194	5,388	306,582
As at 1 October 2018 (unaudited)	557	357,894	45,958	-	(28,240)	376,169	5,678	381,847
Comprehensive income for the year								
(Loss)/profit for the year	-	-	-	-	(9,528)	(9,528)	446	(9,082)
Other comprehensive income	-	-	(7,057)	(147)	-	(7,204)	(415)	(7,619)
Total comprehensive income for the year	-	-	(7,057)	(147)	(9,528)	(16,732)	31	(16,701)
Contributions by and distributions to owners								
Share issue	1	150	-	-	-	151	-	151
Share based payment	-	-	-	-	810	810	-	810
Total contributions by and distributions to owners	1	150	-	-	810	961	-	961
Changes in ownership								
Disposal of subsidiary with NCI	-	-	-	-	-	-	13	13
Total changes in ownership interests	-	-	-	-	-	-	13	13
Total transactions with owners of the Company	1	150	-	-	810	961	13	974
As at 31 March 2019 (unaudited)	558	358,044	38,901	(147)	(36,958)	360,398	5,722	366,120
As at 1 October 2018 (audited)	557	357,894	45,958	-	(28,240)	376,169	5,678	381,847
Comprehensive income for the year								
(Loss)/profit for the year	-	-	-	-	(83,857)	(83,857)	777	(83,080)
Other comprehensive income	-	-	14,249	(3,566)	-	10,683	(330)	10,353
Total comprehensive income for the year	-	-	14,249	(3,566)	(83,857)	(73,174)	447	(72,727)
Contributions by and distributions to owners								
Share issue	2	150	-	-	-	152	-	152
Share based payment	-	-	-	-	1,181	1,181	-	1,181
Total contributions by and distributions to owners	2	150	-	-	1,181	1,333	-	1,333
Changes in ownership								
Disposal of subsidiary with NCI	-	-	-	-	-	-	13	13
Total changes in ownership interests	-	-	-	-	-	-	13	13
Total transactions with owners of the Company	2	150	-	-	1,181	1,333	13	1,346
As at 30 September 2019 (audited)	559	358,044	60,207	(3,566)	(110,916)	304,328	6,138	310,466

Other reserves in this statement is an aggregation of Capital redemption reserve and Foreign exchange reserve.

Benchmark Holdings plc

Consolidated Statement of Cash Flows for the period ended 31 March 2020

	YTD Q2 2020 (unaudited)	31 March 2019 (unaudited)	30 September 2019 (audited)
All figures in £000's			
Cash flows from operating activities			
Loss for the period	(18,800)	(9,082)	(83,080)
Adjustments for:			
Depreciation and impairment of property, plant and equipment	3,835	4,778	17,227
Amortisation and impairment of intangible fixed assets	8,401	9,003	66,087
Gain on sale of property, plant and equipment	(1,349)	(27)	(838)
Finance income	(79)	(409)	(368)
Finance costs	4,180	2,451	7,773
Other adjustments for non-cash items	-	68	68
Share of profit of equity-accounted investees, net of tax	(391)	265	414
Foreign exchange losses	5,516	1,016	5,620
Share based payment expense	623	810	1,181
Tax charge	440	752	111
	2,376	9,625	14,195
Decrease/(increase) in trade and other receivables	8,338	2,481	(12,516)
Increase in inventories	(657)	(1,548)	(2,273)
Increase in biological assets	(3,304)	(3,635)	(8,593)
(Decrease)/increase in trade and other payables	(7,240)	(1,543)	3,968
(Decrease)/increase in provisions	(18)	-	261
	(505)	5,380	(4,958)
Income taxes paid	(1,307)	(1,245)	(4,253)
Net cash flows (used)/from in operating activities	(1,812)	4,135	(9,211)
Investing activities			
Acquisition of subsidiaries, net of cash acquired	-	-	(7)
Purchase of investments	(228)	(6,833)	(7,020)
Receipts from disposal of investments	6,932	-	5,942
Purchase of property, plant and equipment	(4,005)	(3,734)	(7,850)
Proceeds from sales of intangible assets	59	-	-
Purchase of intangibles	(2,116)	(3,113)	(7,964)
Proceeds from disposals of discontinued operations	1,347	-	-
Proceeds from sale of fixed assets	117	250	1,131
Interest received	79	178	447
Net cash flows from/(used) in investing activities	2,185	(13,252)	(15,321)
Financing activities			
Proceeds of share issues	42,977	1	2
Proceeds from bank or other borrowings	8,083	11,035	92,578
Share-issue costs recognised through equity	(1,312)	-	-
Repayment of bank borrowings	(9,265)	-	(71,224)
Interest and finance charges paid	(3,444)	(2,002)	(5,366)
Repayments of lease liabilities	(1,224)	(4)	(5)
Net cash inflow from financing activities	35,815	9,030	15,985
Net increase/(decrease) in cash and cash equivalents	36,188	(87)	(8,547)
Cash and cash equivalents at beginning of year	16,051	24,090	24,090
Effects of movements in exchange rate on cash held	(676)	(171)	508
Cash and cash equivalents at end of year	51,563	23,832	16,051

The Consolidated Statement of Cash Flows presents cash flows from both Continuing and Discontinued operations
Of the cash balance at 31 March 2020 of £51,563,000, £nil has been classified as held for sale (note 9).

1. Basis of preparation

Benchmark Holdings plc (the 'Company') is a company incorporated domiciled in the United Kingdom. These consolidated interim financial statements as at and for the six months ended 31 March 2020 represents that of the Company and its subsidiaries (together referred to as the 'Group').

These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 30 September 2019 ('last annual financial statements'). They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements. Statutory accounts for the year ended 30 September 2019 were approved by the Directors on 20 December 2019 and have been delivered to the Registrar of Companies. The audit report received on those accounts was unqualified and did not make a statement under section 498 of the Companies Act 2006 but did contain an emphasis of matter paragraph in relation to going concern.

Going concern

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

As at 31 March 2020 the Group had net assets of £306.6m (30 September 2019: £310.5m), including cash of £51.6m (30 September 2019: £16.1m) as set out in the consolidated balance sheet. The Group made a loss for the year to date of £18.8m (12 months ending 30 September 2019: £83.1m). Drawings against the Group's USD 15m revolving credit facility were £nil at 31 March 2020 (30 September 2019: £nil).

As noted in the Management Report, Covid-19 has impacted the Benchmark group's businesses to varying degrees. The ultimate impact of the pandemic on industry, the economy, Benchmark's markets and its businesses is to some extent uncertain, but the Directors have reviewed available market analysis and believe the balance of Benchmark's businesses leave the group well placed to deal with the uncertain future ahead.

The directors have reviewed forecasts covering the period to June 2021 including downside sensitivity assumptions in relation to trading performance across the Group including supply, demand and pricing of key raw materials and products and the timing of trials relating to future products to assess the impact on the Group's trading and cashflow forecasts and on the forecast compliance with the covenants included within the Group's financing arrangements. The ongoing board approved initiatives ("Structural Efficiencies programme") relating to structural and operational efficiencies to reallocate capital, reduce costs, grow margins, prioritise R&D spend, and exit from non-core activities were also sensitised out of the base forecasts in the assessment of the going concern basis of preparation.

The uncertainty relating to the future impact on the Group of the virus outbreak has been separately considered as part of the directors' assessment of the going concern assumption. The directors put in place many positive preventative measures at an early stage in the outbreak in response to the pandemic, including mobilisation of inventories and workforce to ensure safe and continued supply of labour and product and the measures have proven to be effective. In the downside scenario analysis performed, the directors have additionally considered the reasonably plausible impact of Covid-19 on the Group's trading and cashflow forecasts, significant reductions in the revenues in the Advanced Nutrition and Animal Health divisions in the period to June 2021. These assumptions include a potential delay in launch of BMK08, temporary hold on toll manufacturing, delay in the expansion of SPR shrimp and a short-term further reduction in the demand for nutrition products. In mitigation, measures within the control of management have been modelled and subsequently implemented, including reductions in areas of discretionary spend, temporary furlough of certain staff or reduced working hours, deferral of capital projects and temporary hold on R&D for non-imminent products. Furthermore, the Board and Operating Board have voluntarily taken a 20% reduction in salary.

It is difficult to predict the overall outcome and impact of the pandemic, but under all of the above scenario analysis, the Group has sufficient liquidity and resources throughout the period under review whilst still maintaining adequate headroom against the borrowing covenants. The directors 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 interim financial statements. Accordingly, the interim financial statements have been prepared on a going concern basis.

In the last annual financial statements it was disclosed that although the Directors believed it remained appropriate to prepare the financial statements on a going concern basis, a material uncertainty existed that may have cast significant doubt on the Group's and Company's ability to continue as a going concern and therefore to continue realising their assets and discharging its liabilities in the normal course of business. The last annual financial statements did not include any adjustments that would result

1. Basis of preparation (continued)

from the basis of preparation being inappropriate. Based on the review and financing activities described above, and the cash reserves now available, the Directors no longer believe this material uncertainty exists.

Accounting policies

The accounting policies adopted are consistent with those used in preparing the consolidated financial statements for the financial year ended 30 September 2019.

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

Adoption of new and revised standards

Since 1 October 2019, IFRS 16 Leases has been applied. The effects of this are set out in note 2 – Changes in significant accounting policies.

The Group does not consider that any other standards, amendments or interpretations issued by the IASB, but not yet applicable, will have a significant impact on the financial statements.

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 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 (see note 13).

Use of estimates and judgements

The preparation of interim 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 interim 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 2019.

2. Changes in significant accounting policies

The Group has adopted IFRS 16 Leases from 1 October 2019.

IFRS 16 superseded the previous lease guidance including IAS 17: "Leases" and related interpretations. It requires all leases to be recognised on the Balance Sheet, with certain exceptions for low-value leases and leases with a term of less than 12 months.

The impact of IFRS 16 on the Group has been to recognise a lease liability representing its obligation to make lease payments and a corresponding right-of-use asset representing its right to use the underlying asset in the Balance Sheet for leases currently classified as operating leases, except for short-term leases and leases of low value assets. The nature of expenses related to these leases has now changed because the Group now recognises a depreciation charge for right of use assets and interest expense on lease liabilities.

IFRS 16 has been adopted for the year ending 30 September 2020 using the modified retrospective approach. The right-of-use asset recognised on transition has been measured at an amount materially equal to the lease liability, which has been measured at the present value of the future lease payments discounted using the discount rate implicit in the lease (or if that rate could not be readily determined, the lessee's incremental borrowing rate). Therefore, no adjustment to the opening balance of retained earnings at 1 October 2019 has been necessary along with no restatement of comparative information.

The impact of IFRS 16 on the Income Statement for the 6-month period ended 31 March 2020 for continuing operations has been an increase to operating profit of £0.9m, an increase in finance costs of £0.2m, an increase in depreciation of £0.7m and no change in loss on discontinued operations.

2. Changes in significant accounting policies (continued)

For arrangements previously classified as finance leases, where the Group is a lessee, as the Group had already recognised an asset and a related finance lease liability for the lease arrangement, there has been no impact on the amounts recognised in the Group's Consolidated Financial Statements, at 1 October 2019.

When measuring lease liabilities that were previously classified as operating leases, the Group discounted lease payments using relevant incremental borrowing rates at 1 October 2019. The weighted average applied is 5.6%.

Changes in significant accounting policies

Reconciliation of right of use assets and liabilities

All figures in £000's

Operating lease commitments disclosed at 30 September 2019	9,528
Recognition exemption for leases of low-value assets	(3)
Recognition exemption for leases with less than 12 months of lease term remaining at transition	(914)
Discounted using the incremental borrowing rate at 1 October 2019	(2,473)
Finance lease liabilities recognised at 30 September 2019	590
Recognised within assets held for sale	(2,069)
Lease liabilities recognised at 1 October 2019	4,659

The Group presents lease liabilities within Loans and Borrowings. The carrying amount included within these at 31 March 2020 is as follows:

All figures in £000's

Current	1,529
Non-current	7,862
Total	9,391

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 as follows:

- *Animal Health Division* – provides veterinary services, environmental services diagnostics and animal health products to global aquaculture, and manufactures licenced veterinary vaccines and vaccine components;
- *Benchmark Genetics Division* - 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 Animal Nutrition Division* - manufactures and provides technically advanced nutrition and health products to the global aquaculture industry.

In addition to the above, reported as “all other segments” is the Knowledge Services division. The division provides sustainable food production consultancy, technical consultancy and assurance services and promotes sustainable food production and ethics through online news and technical publications for the international agriculture and food processing sectors and through delivery of training courses to the industries.

In order to reconcile the segmental analysis to the Consolidated Income Statement, Corporate and Inter-segment sales are also shown. Corporate represents revenues earned from recharging certain central costs to the operating divisions, together with unallocated central costs.

3. Segment information (continued)*Measurement of operating segment profit or loss*

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

Segmental Revenue					
All figures in £000's	Q2 2020 (unaudited)	Q2 2019 (unaudited)	YTD Q2 2020 (unaudited)	YTD Q2 2019 (unaudited)	YTD 2019 (audited)
Animal Health	3,302	3,608	6,722	7,150	17,742
Genetics	10,384	10,767	22,504	22,602	39,696
Advanced Animal Nutrition	19,899	25,033	31,295	40,900	76,776
All other segments	3,548	4,730	6,921	8,264	15,881
Corporate	1,246	2,191	2,784	3,590	6,534
Inter-segment sales	(1,476)	(2,445)	(3,269)	(4,255)	(7,890)
Total	36,903	43,884	66,957	78,251	148,739

Segmental Adjusted EBITDA					
All figures in £000's	Q2 2020 (unaudited)	Q2 2019 (unaudited)	YTD Q2 2020 (unaudited)	YTD Q2 2019 (unaudited)	YTD 2019 (audited)
Animal Health	(3,666)	(2,684)	(7,688)	(6,138)	(10,197)
Genetics	5,154	1,715	8,609	4,929	10,075
Advanced Animal Nutrition	3,705	6,902	3,299	9,567	15,406
All other segments	244	845	439	737	1,264
Corporate	(587)	(836)	(1,398)	(1,602)	(2,823)
Total	4,850	5,942	3,261	7,493	13,725

Reconciliations of segmental information to IFRS measures

Revenue					
All figures in £000's	Q2 2020 (unaudited)	Q2 2019 (unaudited)	YTD Q2 2020 (unaudited)	YTD Q2 2019 Restated* (unaudited)	YTD 2019 Restated* (audited)
Total revenue per segmental information	36,903	43,884	66,957	78,251	148,739
Less: revenue from discontinued operations	(4,898)	(6,144)	(9,933)	(10,895)	(21,963)
Consolidated revenue	32,005	37,740	57,024	67,356	126,776

Reconciliation of Reportable Segments Adjusted EBITDA to Loss before taxation from continuing operations					
All figures in £000's	Q2 2020 (unaudited)	Q2 2019 (unaudited)	YTD Q2 2020 (unaudited)	YTD Q2 2019 Restated* (unaudited)	YTD 2019 Restated* (audited)
Total reportable segment Adjusted EBITDA	5,193	5,933	4,220	8,358	15,284
Other Segment and Corporate Adjusted EBITDA	(343)	9	(959)	(865)	(1,559)
	4,850	5,942	3,261	7,493	13,725
Less: Adjusted EBITDA from discontinued operations	(265)	(777)	(425)	(163)	(192)
Adjusted EBITDA from continuing operations	4,585	5,165	2,836	7,330	13,533
Exceptional including acquisition related items	(34)	-	(168)	-	(581)
Depreciation and impairment	(1,836)	(1,662)	(3,616)	(3,054)	(8,080)
Amortisation and impairment	(4,011)	(4,076)	(8,401)	(8,476)	(62,045)
Net finance costs	(11,914)	368	(9,556)	(2,042)	(12,054)
Loss before taxation from continuing operations	(13,210)	(205)	(18,905)	(6,242)	(69,227)

*See note 5.

Unaudited notes to the interim financial statements for period ended 31 March 2020

4. Revenue

The Group's operations and main revenue streams are those described in its financial statements to 30 September 2019. 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 2020 (unaudited)

All figures in £000's	Animal Health	Genetics	Advanced Animal Nutrition	All other segments	Corporate	Inter-segment sales	Total	Discontinued	Continued
Sale of goods	1,612	9,011	19,875	57	-	-	30,555	-	30,555
Provision of services	1,545	1,317	-	3,481	5	-	6,348	4,898	1,450
Inter-segment sales	145	56	24	10	1,241	(1,476)	-	-	-
	3,302	10,384	19,899	3,548	1,246	(1,476)	36,903	4,898	32,005

3 months ended 31 March 2019 (unaudited)

All figures in £000's	Animal Health	Genetics	Advanced Animal Nutrition	All other segments	Corporate	Inter-segment sales	Total	Discontinued	Continued
Sale of goods	2,097	9,717	25,016	359	-	-	37,189	564	36,625
Provision of services	1,430	1,025	-	4,199	41	-	6,695	5,580	1,115
Inter-segment sales	81	25	17	172	2,150	(2,445)	-	-	-
	3,608	10,767	25,033	4,730	2,191	(2,445)	43,884	6,144	37,740

6 months ended 31 March 2020 (unaudited)

All figures in £000's	Animal Health	Genetics	Advanced Animal Nutrition	All other segments	Corporate	Inter-segment sales	Total	Discontinued	Continued
Sale of goods	3,224	19,950	31,263	254	-	-	54,691	320	54,371
Provision of services	3,155	2,442	-	6,647	22	-	12,266	9,613	2,653
Inter-segment sales	343	112	32	20	2,762	(3,269)	-	-	-
	6,722	22,504	31,295	6,921	2,784	(3,269)	66,957	9,933	57,024

6 months ended 31 March 2019 (unaudited)

All figures in £000's	Animal Health	Genetics	Advanced Animal Nutrition	All other segments	Corporate	Inter-segment sales	Total	Discontinued Restated*	Continued Restated*
Sale of goods	4,120	20,692	40,871	642	-	-	66,325	924	65,401
Provision of services	2,787	1,807	-	7,259	73	-	11,926	9,971	1,955
Inter-segment sales	243	103	29	363	3,517	(4,255)	-	-	-
	7,150	22,602	40,900	8,264	3,590	(4,255)	78,251	10,895	67,356

4. Revenue (continued)

Sale of goods and provision of services (continued)

12 months ended 30 September 2019 (audited)

All figures in £000's	Animal Health	Genetics	Advanced Animal Nutrition	All other segments	Corporate	Inter-segment sales	Total	Discontinued Restated*	Continued Restated*
Sale of goods	10,582	36,270	76,707	1,168	-	-	124,727	2,202	122,525
Provision of services	6,582	3,285	-	13,978	167	-	24,012	19,761	4,251
Inter-segment sales	578	141	69	735	6,367	(7,890)	-	-	-
	17,742	39,696	76,776	15,881	6,534	(7,890)	148,739	21,963	126,776

*See note 5.

Primary geographical markets

3 months ended 31 March 2020 (unaudited)

All figures in £000's	Animal Health	Genetics	Advanced Animal Nutrition	All other segments	Corporate	Inter-segment sales	Total	Discontinued	Continued
Faroe Islands	9	1,406	1	-	-	-	1,416	-	1,416
Greece	-	41	2,499	-	-	-	2,540	-	2,540
Norway	564	5,062	129	-	-	-	5,755	405	5,350
India	3	-	1,601	-	-	-	1,604	3	1,601
UK	560	2,014	35	2,348	5	-	4,962	2,735	2,227
Singapore	7	-	1,186	-	-	-	1,193	7	1,186
Ecuador	-	-	1,877	-	-	-	1,877	-	1,877
Chile	983	10	16	-	-	-	1,009	410	599
Rest of Europe	474	1,224	1,608	1,041	-	-	4,347	1,150	3,197
Rest of World	557	571	10,923	149	-	-	12,200	188	12,012
Inter-segment sales	145	56	24	10	1,241	(1,476)	-	-	-
	3,302	10,384	19,899	3,548	1,246	(1,476)	36,903	4,898	32,005

3 months ended 31 March 2019 (unaudited)

All figures in £000's	Animal Health	Genetics	Advanced Animal Nutrition	All other segments	Corporate	Inter-segment sales	Total	Discontinued	Continued
Faroe Islands	-	2,075	-	-	-	-	2,075	-	2,075
Greece	-	22	2,175	-	-	-	2,197	-	2,197
Norway	527	5,243	130	-	-	-	5,900	370	5,530
India	-	-	6,374	-	-	-	6,374	-	6,374
UK	710	1,110	59	3,019	41	-	4,939	3,568	1,371
Singapore	-	-	4,054	-	-	-	4,054	-	4,054
Ecuador	-	-	1,898	-	-	-	1,898	-	1,898
Chile	1,069	878	-	-	-	-	1,947	369	1,578
Rest of Europe	974	942	1,592	1,266	-	-	4,774	1,514	3,260
Rest of World	247	472	8,734	273	-	-	9,726	323	9,403
Inter-segment sales	81	25	17	172	2,150	(2,445)	-	-	-
	3,608	10,767	25,033	4,730	2,191	(2,445)	43,884	6,144	37,740

4. Revenue (continued)

Primary geographical markets (continued)

6 months ended 31 March 2020 (unaudited)									
All figures in £000's	Animal Health	Genetics	Advanced Animal Nutrition	All other segments	Corporate	Inter-segment sales	Total	Discontinued	Continued
Faroe Islands	34	3,566	1	-	-	-	3,601	-	3,601
Greece	-	41	3,994	-	-	-	4,035	-	4,035
Norway	1,107	10,876	241	-	-	-	12,224	828	11,396
India	3	-	2,557	-	-	-	2,560	3	2,557
UK	1,253	4,356	54	4,454	22	-	10,139	5,429	4,710
Singapore	7	-	1,865	-	-	-	1,872	7	1,865
Ecuador	-	-	3,862	-	-	-	3,862	-	3,862
Chile	2,172	24	16	-	-	-	2,212	675	1,537
Rest of Europe	998	2,434	3,095	2,037	-	-	8,564	2,514	6,050
Rest of World	805	1,095	15,578	410	-	-	17,888	477	17,411
Inter-segment sales	343	112	32	20	2,762	(3,269)	-	-	-
	6,722	22,504	31,295	6,921	2,784	(3,269)	66,957	9,933	57,024

6 months ended 31 March 2019 (unaudited)									
All figures in £000's	Animal Health	Genetics	Advanced Animal Nutrition	All other segments	Corporate	Inter-segment sales	Total	Discontinued Restated*	Continued Restated*
Faroe Islands	126	4,416	1	-	-	-	4,543	-	4,543
Greece	17	44	4,132	-	-	-	4,193	-	4,193
Norway	961	11,439	205	-	-	-	12,605	764	11,841
India	-	-	9,645	-	-	-	9,645	-	9,645
UK	1,328	2,426	129	4,731	73	-	8,687	5,826	2,861
Singapore	17	-	5,449	-	-	-	5,466	17	5,449
Ecuador	-	-	4,342	-	-	-	4,342	-	4,342
Chile	2,285	1,665	17	-	-	-	3,967	621	3,346
Rest of Europe	1,466	1,839	5,047	2,437	-	-	10,789	2,874	7,915
Rest of World	707	669	11,904	734	-	-	14,014	793	13,221
Inter-segment sales	243	104	29	362	3,517	(4,255)	-	-	-
	7,150	22,602	40,900	8,264	3,590	(4,255)	78,251	10,895	67,356

* See note 5.

4. Revenue (continued)

Primary geographical markets (continued)

12 months ended 30 September 2019 (audited)									
All figures in £000's	Animal Health	Genetics	Advanced Animal Nutrition	All other segments	Corporate	Inter-segment sales	Total	Discontinued Restated*	Continued Restated*
Faroe Islands	126	8,248	2	-	-	-	8,376	-	8,376
Greece	20	114	7,214	4	-	-	7,352	3	7,349
Norway	2,656	19,074	466	8	-	-	22,204	1,548	20,656
India	-	-	12,798	-	-	-	12,798	-	12,798
UK	2,831	3,397	255	8,544	167	-	15,194	10,718	4,476
Singapore	17	-	9,062	-	-	-	9,079	17	9,062
Ecuador	-	-	9,555	-	-	-	9,555	-	9,555
Chile	5,392	1,969	33	-	-	-	7,394	1,619	5,775
Rest of Europe	3,024	4,943	3,946	4,733	-	-	16,646	5,689	10,957
Rest of World	3,098	1,810	33,376	1,857	-	-	40,141	2,369	37,772
Inter-segment sales	578	141	69	735	6,367	(7,890)	-	-	-
	17,742	39,696	76,776	15,881	6,534	(7,890)	148,739	21,963	126,776

* See note 5.

5. Discontinued activities

In June 2019 the Group announced a programme of structural efficiencies which focused on the disposal and discontinuation of non-core activities. This programme primarily includes the businesses of Knowledge Services Division and the veterinary services business within Animal Health Division.

During Q1, a small non-core business within Advanced Animal Nutrition was put up for sale and a business within the Corporate category was closed. During Q2 research and development operations at two sites in the Animal Health division were closed. FY 2019 and Q2 YTD 2019 numbers have been restated to reflect these changes to the continuing business since they were previously reported. Q2 2019 figures have not been previously reported separately and so are not restated.

Consequently, these operations have been classified as discontinued and part of the disposal group is presented as held for sale (See note 9). The disposal group includes assets and liabilities within the Knowledge Services, Animal Health and Advanced Animal Nutrition segments. The comparative consolidated statement of profit or loss and OCI has been represented to show the discontinued operations separately from continuing operations.

Summary of restatement of FY 2019 results as reported at Q1 and at Q2

All figures in £000's	Continuing operations			Discontinued operations
	Revenue	Adjusted EBITDA	Loss from continuing operations	Loss from discontinued operations
As stated in FY 2019 financial statements	127,343	12,051	(73,291)	(9,789)
Reclassified in Q1	(567)	899	2,841	(2,841)
As restated in Q1 2020 financial statements	126,776	12,950	(70,450)	(12,630)
Reclassified in Q2	-	2	583	(583)
As restated in Q1 2020 financial statements	126,776	12,952	(69,867)	(13,213)

5. Discontinued activities (continued)

The disposals, together with the cost reduction/cost containment plan and enhanced working capital management will allow the Company to reallocate resources to priority revenue generating strategic projects and to maintain adequate headroom. The timing and proceeds from these actions remain part of the plan to maintain sufficient liquidity to execute the Group's product development programme and to support its Continuing Operations.

Significant progress in selling the disposal group has been made. On 1 January, the Group divested its TomAlgae business for nominal proceeds. The business was in the R&D phase and required significant further investment to bring a commercial product to market. On 7 February, the Group disposed of Aquaculture UK, its conferencing business, for initial consideration of £1.5m which could rise to £2.0m depending on the revenue outcome of the next event. Furthermore, post quarter-end sales of certain of the Group's Online News Publications, for a total cash consideration of £0.6m, cash have completed.

Results from discontinued operations

All figures in £000's	Q2 2020 (unaudited)	Q2 2019 (unaudited)	YTD Q2 2020 (unaudited)	YTD Q2 2019 Restated (unaudited)	FY 2019 Restated (audited)
Revenue	4,898	6,144	9,933	10,895	21,963
Cost of sales	(2,514)	(3,079)	(5,347)	(6,307)	(12,625)
Gross profit	2,384	3,065	4,586	4,588	9,338
Research and development costs	(21)	(87)	(125)	(92)	(263)
Other operating costs	(2,098)	(2,201)	(4,036)	(4,333)	(8,883)
Adjusted EBITDA	265	777	425	163	192
Exceptional - restructuring/acquisition related items	710	-	398	-	(745)
EBITDA	975	777	823	163	(553)
Depreciation and impairment	(91)	(1,178)	(219)	(1,724)	(9,147)
Amortisation and impairment	-	(336)	-	(527)	(4,042)
Operating loss	884	(737)	604	(2,088)	(13,742)
Finance costs	(20)	-	(59)	-	-
Loss before taxation	864	(737)	545	(2,088)	(13,742)
Tax on loss	(53)	(2)	(83)	(5)	529
Loss from discontinued operations	811	(739)	462	(2,093)	(13,213)

Exceptional - restructuring/acquisition related items – discontinued operations

All figures in £000's	Q2 2020 (unaudited)	Q2 2019 (unaudited)	YTD Q2 2020 (unaudited)	YTD Q2 2019 Restated (unaudited)	FY 2019 Restated (audited)
Profit on disposal of business	1,347	-	1,347	-	-
Provisions for onerous leases	-	-	-	-	(349)
Salary costs	(214)	-	(294)	-	(99)
Cost of sales	(22)	-	(22)	-	(297)
Legal and professional fees	(280)	-	(280)	-	-
Other	(121)	-	(353)	-	-
Total exceptional items recognised on discontinued operations	710	-	398	-	(745)

5. Discontinued activities (continued)

Results from discontinued operations by segment

	Animal Health	Knowledge Services	Advanced Animal Nutrition	Corporate	Total Discontinued
All figures in £000's	Q2 2020 (unaudited)	Q2 2020 (unaudited)	Q2 2020 (unaudited)	Q2 2020 (unaudited)	Q2 2020 (unaudited)
Revenue	1,355	3,538	-	5	4,898
Adjusted EBITDA	(114)	436	-	(57)	265
Operating profit/(loss)	(389)	1,402	-	(129)	884

	Animal Health	Knowledge Services	Advanced Animal Nutrition	Corporate	Total Discontinued
All figures in £000's	Q2 2019 (unaudited)	Q2 2019 (unaudited)	Q2 2019 (unaudited)	Q2 2019 (unaudited)	Q2 2019 (unaudited)
Revenue	1,533	4,558	12	41	6,144
Adjusted EBITDA	(37)	972	(104)	(54)	777
Operating loss	(221)	(333)	(129)	(54)	(737)

	Animal Health	Knowledge Services	Advanced Animal Nutrition	Corporate	Total Discontinued
All figures in £000's	YTD Q2 2020 (unaudited)				
Revenue	3,007	6,901	2	23	9,933
Adjusted EBITDA	(141)	825	(118)	(141)	425
Operating profit/(loss)	(477)	1,691	(381)	(229)	604

	Animal Health	Knowledge Services	Advanced Animal Nutrition	Corporate	Total Discontinued
All figures in £000's	YTD Q2 2019 Restated (unaudited)				
Revenue	2,906	7,901	15	73	10,895
Adjusted EBITDA	(209)	839	(329)	(138)	163
Operating loss	(578)	(993)	(378)	(138)	(2,088)

	Animal Health	Knowledge Services	Advanced Animal Nutrition	Corporate	Total Discontinued
All figures in £000's	FY 2019 Restated (audited)				
Revenue	6,255	15,141	400	167	21,963
Adjusted EBITDA	(294)	1,386	(609)	(291)	192
Operating loss	(1,030)	(9,218)	(3,201)	(293)	(13,742)

6. Exceptional - restructuring/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 2020 (unaudited)	Q2 2019 (unaudited)	YTD Q2 2020 (unaudited)	YTD Q2 2019 Restated* (unaudited)	FY 2019 Restated* (audited)
Acquisition related items	-	-	-	-	(82)
Exceptional restructuring costs	34	-	168	-	663
Total exceptional items	34	-	168	-	581

* See note 5.

Exceptional expenses in Q2 2020 include £34,000 (YTD Q2 2020: £162,000) of staff costs and £nil (YTD Q2 2020: £6,000) of legal and professional costs relating to the ongoing restructuring of the group.

7. Taxation

All figures in £000's	Q2 2020 (unaudited)	Q2 2019 (unaudited)	Q2 YTD 2020 (unaudited)	Q2 YTD 2019 Restated* (unaudited)	FY 2019 Restated* (audited)
Current tax expense					
Analysis of charge in period					
Current tax:					
Current income tax expense on profits for the period	(1,443)	(1,692)	(2,306)	(3,174)	(4,258)
Adjustment in respect of prior periods	-	-	-	-	(76)
Total current tax	(1,443)	(1,692)	(2,306)	(3,174)	(4,334)
Deferred tax expense					
Origination and reversal of temporary differences	485	1,212	1,949	2,427	4,499
Deferred tax movements in respect of prior periods	-	-	-	-	(805)
Total deferred tax	485	1,212	1,949	2,427	3,694
Total tax credit on continuing operations	(958)	(480)	(357)	(747)	(640)

* see note 5

8. Earnings/loss per share

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

	Q2 2020 (unaudited)	Q2 2019 (unaudited)	Q2 YTD 2020 (unaudited)	Q2 YTD Restated* 2019 (unaudited)	FY 2019 Restated* (audited)
Loss attributable to equity holders of the parent (£000)					
Continuing operations	(14,064)	(885)	(19,432)	(7,435)	(70,644)
Discontinued operations	811	(739)	462	(2,093)	(13,213)
Total	(13,253)	(1,624)	(18,970)	(9,528)	(83,857)
Weighted average number of shares in issue (thousands)					
	607,993	557,576	583,308	557,522	557,887
Basic loss per share (pence)					
Continuing operations	(2.31)	(0.16)	(3.33)	(1.33)	(12.66)
Discontinued operations	0.13	(0.13)	0.08	(0.38)	(2.37)
Total	(2.18)	(0.29)	(3.25)	(1.71)	(15.03)

* see note 5.

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

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

At 31 March 2020, a total of 2,382,885 potential ordinary shares have not been included within the calculation of statutory diluted loss per share for the period (30 September 2019: 2,962,168) as they are anti-dilutive. These potential ordinary shares could dilute earnings/loss per share in the future.

9. Assets and liabilities held for sale

As stated in note 5, during the previous financial year, management committed to a plan to sell or close certain businesses. Where, for the businesses concerned, the applicable criteria for inclusion as held for sale have been met the assets and liabilities of these businesses have been presented as held for sale.

Assets held for sale

All figures in £000's

Property, plant and equipment	3,254
Right of use assets	2,309
Intangible assets	5,033
Deferred tax asset	254
Inventories	640
Biological and agricultural assets	166
Trade and other receivables	5,602
Cash and cash equivalents	-
Total Assets held for sale	17,258

Liabilities directly associated with the assets held for sale

All figures in £000's

Trade and other payables	(10,885)
Loans and borrowings	(2,291)
Corporation tax liability	(63)
Deferred tax liability	(178)
Provisions	(15)
Total liabilities directly associated with the assets held for sale	(13,432)

Measurement of fair values

Fair value hierarchy - The fair value measurement for the disposal group has been categorized as a Level 3 fair value based on the inputs to the valuation technique used.

Valuation technique and significant unobservable inputs - A market approach valuation technique was applied in measuring the fair value of the assets and liabilities held for sale as adjusted for intercompany and cash balances.

10. Loans and borrowings

The Group's borrowing facilities includes a USD 15m RCF provided by DNB Bank ASA (50%) and HSBC UK Bank PLC (50%). At 31 March 2020 the whole facility (USD 15m) was undrawn.

11. Share capital and share premium

Allotted, called up and fully paid	Number	Share Capital £000	Additional paid-in share capital £000
Ordinary shares of 0.1 penny each			
Balance at 30 September 2019	558,741,439	559	358,044
Shares issued through placing and open offer	107,440,766	107	41,557
Exercise of share options	1,284,846	1	-
Balance at 31 March 2020	667,467,051	667	399,601

On 19 February 2020, the Company issued 91,000,000 new Ordinary Shares by way of a placing and 16,440,766 new Ordinary Shares by way of an open offer to qualifying shareholders, both at an issue price of 40p. Gross proceeds of £36.4m for the placing shares and £6.6m for the open offer shares were received 19 and 20 February 2020 respectively. Non-recurring costs of £1.3m were incurred in relation to the share issues and this has been charged to the share premium account.

12. Subsequent event

During May 2020, in two separate transactions the Group disposed of certain parts of its agriculture and aquaculture news website business for a total cash consideration of £0.6m.

13. Alternative profit measures and other metrics

Management has presented the performance measures Adjusted EBITDA, 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, exceptional items and acquisition related expenditure and is shown on the Income Statement.

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

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

Reconciliation of Adjusted Operating Profit to Operating Loss**Continuing operations**

All figures in £000's	Q2 2020 (unaudited)	Q2 2019 (unaudited)	Q2 YTD 2020 (unaudited)	Q2 YTD 2019 Restated* (unaudited)	FY 2019 Restated* (audited)
Revenue	32,005	37,740	57,024	67,356	126,776
Cost of sales	(15,061)	(19,796)	(27,927)	(34,043)	(60,303)
Gross profit	16,944	17,944	29,097	33,313	66,473
Research and development costs	(2,763)	(2,552)	(6,679)	(5,527)	(12,587)
Other operating costs	(9,776)	(10,260)	(19,973)	(20,191)	(39,939)
Depreciation and impairment	(1,836)	(1,662)	(3,616)	(3,054)	(8,080)
Amortisation of capitalised development costs	-	-	-	-	-
Share of profit of equity accounted investees net of tax	180	33	391	(265)	(414)
Adjusted Operating Profit	2,749	3,503	(780)	4,276	5,453
Exceptional - restructuring acquisition related items	(34)	-	(168)	-	(581)
Amortisation and impairment of intangible assets excluding development costs	(4,011)	(4,076)	(8,401)	(8,476)	(62,045)
Operating loss	(1,296)	(573)	(9,349)	(4,200)	(57,173)

Reconciliation of Loss Before Taxation to Adjusted Profit Before Tax**Continuing operations**

All figures in £000's	Q2 2020 (unaudited)	Q2 2019 (unaudited)	Q2 YTD 2020 (unaudited)	Q2 YTD 2019 Restated* (unaudited)	FY 2019 Restated* (audited)
Loss before taxation	(13,210)	(205)	(18,905)	(6,242)	(69,227)
Exceptional - restructuring/acquisition related items	34	-	168	-	581
Amortisation and impairment of intangible assets excluding development costs	4,011	4,076	8,401	8,476	62,045
Adjusted Profit Before Tax	(9,165)	3,871	(10,336)	2,234	(6,601)

* See note 5.

14. Alternative profit measures and other metrics (continued)

Liquidity

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

	31 March 2020
All figures in £000's	(unaudited)
Cash and cash equivalents	51,563
Undrawn bank facility	11,701
	63,264

15. Net debt

Net debt is cash and cash equivalents less loans and borrowings excluding balances held for sale.

	31 March 2020	31 March 2019	30 September 2019
All figures in £000's	(unaudited)	(unaudited)	(audited)
Cash and cash equivalents	51,563	23,832	16,051
Loans and borrowings – current	(3,786)	(1,685)	(3,231)
Loans and borrowings – non-current	(103,535)	(87,677)	(99,961)
	(55,758)	(65,530)	(87,141)

Following the adoption of IFRS 16 from 1 October 2019, lease obligations of £9.0m (31 March 2019: £nil; 30 September 2019: £nil) have been included in loans and borrowings above relating to operating lease arrangements.