

27 November 2020

Information within this announcement is deemed by the Company to constitute inside information under the Market Abuse Regulations (EU) No. 596/2014.

**Benchmark Holdings plc**  
**(“Benchmark”, the “Company” or the “Group”)**  
**Q4 Results**  
**(3 months ended 30 September 2020)**

In compliance with the terms of the Company’s senior secured bond which requires it to publish quarterly financial information, Benchmark, the aquaculture biotechnology business, announces its unaudited results for the 3 months ended 30 September 2020 (the “period”). All Q4FY20 and Q4FY19 figures quoted in this announcement are based on unaudited accounts.

This morning the Company published its full year audited results for the 12 months ended 30 September 2020 which can be found on <https://www.benchmarkplc.com/investors>

<b>£m</b>	<b>Q4 FY20</b>	<b>Q4 FY19 Restated*</b>	<b>FY 2020</b>	<b>FY2019 Restated*</b>
<b>Statutory</b>				
Revenue from continuing operations	25.2	35.6	105.6	124.0
Exceptional items	(1.4)	(0.5)	(2.1)	(0.6)
Loss before tax from continuing operations	(2.9)	(46.9)	(22.6)	(58.5)
Loss from continuing operations	(3.4)	(47.1)	(22.8)	(59.1)
Loss - total incl. discontinued operations	(8.8)	(61.5)	(31.9)	(83.1)
Basic loss per share (p)	(1.43)	(11.07)	(5.26)	(15.03)
Net debt <sup>4</sup>	(37.6)	(87.1)	(37.6)	(87.1)
<b>Adjusted</b>				
Adjusted EBITDA <sup>2</sup> from continuing operations	4.6	9.7	14.5	21.3
Adjusted operating profit <sup>3</sup>	2.7	8.3	7.9	16.3
EBITDA <sup>1</sup> from continuing operations	3.3	9.2	12.4	20.8

(1) EBITDA is earnings/(loss) before interest, tax, depreciation and amortisation and impairment.

(2) Adjusted EBITDA is EBITDA<sup>1</sup>, before exceptional items and acquisition related expenditure.

(3) Adjusted Operating Profit is operating loss before exceptional items including acquisition related items and amortisation of intangible assets excluding amortisation of development costs

(4) Net debt is cash and cash equivalents less loans, borrowings and lease obligations excluding balances held for sale. Net debt includes £9.6m (Q4 2019: £nil; FY2019: £nil) relating to lease obligations (formerly treated as operating leases within operating expenses) which are now held on balance sheet following the adoption of IFRS 16

\* FY2019 and Q4 2019 numbers have been restated to reflect changes to the ongoing continuing business during the year (note 5).

**Divisional summary (Continuing operations)**

£m	Q4 FY20	Q4 FY19 Restated*	Full year 2020	Full year 2019 Restated*
<b>Revenue</b>				
Advanced Nutrition	12.1	22.0	59.4	76.4
Genetics	11.8	10.0	41.5	39.7
Health	1.4	3.8	5.2	8.7
<b>Adjusted EBITDA<sup>2</sup></b>				
Advanced Nutrition	0.2	4.7	6.4	16.0
Genetics	4.6	4.3	14.4	10.1
Animal Health	0.2	1.4	(3.7)	(2.1)

(1) EBITDA is earnings/(loss) before interest, tax, depreciation and amortisation and impairment.

(2) Adjusted EBITDA is EBITDA<sup>1</sup>, before exceptional items and acquisition related expenditure.

\* FY2019 and Q4 2019 numbers have been restated to reflect changes to the ongoing continuing business during the year (note 5).

**Q4 Overview**

- Restructuring complete with programme of disposals of non-core assets raising up to £44m in the year; five divestments in the period
- Significantly stronger financial position at period end - Liquidity (cash and available facility) of £83.2m (Q32020: £67m). Net debt at year end of £37.6m (Q32020: £54.7m)
- Performance in the period reflects continuing good performance in Genetics supported by relatively stable salmon markets offset by the impact of ongoing weak shrimp markets in Advanced Nutrition.

**Financial Performance**

- Revenues from continuing operations for the quarter were below the prior year resulting from:
  - Continued good performance in Genetics with revenues 18% ahead of the prior year
  - Advanced Nutrition impacted by weak shrimp markets as a result of Covid-19 and price competition in Artemia due to a supply imbalance, which compare unfavourably against a strong result in Q42019 due to timing of sales
  - Lower revenues in Health due to lower Salmosan sales, whilst comparing unfavourably against a stronger result in Q42019 which had benefitted from trial income from BMK08 and CleanTreat®
- Adjusted EBITDA from continuing operations was down reflecting lower Group revenues and margins in Advanced Nutrition which offset higher revenues and margins in Genetics and a reduction in operating costs and R&D expenses from measures taken during the Covid-19 pandemic

- Full year Group revenues and Adjusted EBITDA from continuing operations were below the prior year reflecting lower Group revenues and margins as a result of the impact of weak shrimp markets which offset a strong performance in Genetics and a reduction in operating costs across the Group

### **Market environment**

- The salmon industry continues to be resilient and the sea bass / bream market is relatively stable
- The shrimp market continues to be challenging as a result of Covid-19 with low demand and prices, and major producing countries significantly affected
- BMK08/CleanTreat® on track for commercial launch in Q2 of calendar year 2021

### **Operational Highlights**

- Adoption of MRL opinion by the Committee for Medicinal Products for Veterinary Use ("CVMP") regarding BMK08's active pharmaceutical ingredient. The MRL opinion is an important step towards the launch of BMK08 and CleanTreat® on schedule for Q2 CY 2021
- Disposal programme complete raising up to £44m in the year; five divestments in the period:
  - FishVet to Zoetis in July 2020 for c. £14.5m
  - Vaccine manufacturing facility to Catapult Gene and Cell Therapy in July 2020 for net proceeds of £12m
  - Agreement to exit equine vaccine joint development programme in August 2020 for a £1m upfront consideration and up to £1m deferred
  - MBO of FAI Farms in August 2020 for a nominal sum
  - Exited remaining companion animal portfolio in September through the transfer of rights to a third party in exchange for potential milestone payments leading to a successful market authorisation

### **Enquiries**

For further information, please contact:

#### **Benchmark Holdings plc**

Trond Williksen, CEO  
Septima Maguire, CFO  
Ivonne Cantu, Investor Relations

Tel: 020 3696 0630

#### **Numis (Broker and NOMAD)**

James Black, Freddie Barnfield, Duncan Monteith

Tel: 020 7260 1000

#### **MHP Communications**

Katie Hunt, Reg Hoare, Alistair de Kare-Silver

Tel: 020 3128 8742  
benchmark@mphc.com



## About Benchmark

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

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

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

## Management Report

During Q4 2020 the Group completed five disposals and exits, substantially concluding its disposal programme which may raise up to £44m in total. In July 2020 the Group announced the sale of FishVet to Zoetis for c. £14.5m and the sale of its vaccine manufacturing facilities to Cell and Gene Therapy Catapult for net proceeds of £12m. In August 2020 the Group exited its consulting business FAI Farms through an MBO and its joint development equine vaccine programme which generated a £1m upfront payment and up to £1m potential deferred payment. On 30<sup>th</sup> September 2020 the Group exited its remaining companion animal vaccine portfolio through the transfer of rights to all future development benefits to a third party in exchange for up to £4.9m in potential payments subject to development and performance milestones. The Group made a £0.7m payment to its joint development partner which entitled it to transfer the rights.

In September 2020 we announced that the Committee for Medicinal Products for Veterinary Use ("CVMP"), a committee of the European Medicine Agency, adopted an opinion recommending the inclusion of BMK08's active pharmaceutical ingredient in fin fish as an allowed substance regarding maximum residue limits in foodstuffs of animal origin (the "MRL opinion"). The MRL opinion is an important step towards the launch of BMK08 together with the Group's water purification system CleanTreat® in Q2 CY 2021. The MRL opinion is without prejudice to the European Commission's decision and ratification into EU law, which represents the next milestone for BMK08 together with CleanTreat®, and is a condition for obtaining Marketing Authorisation (MA) in Norway. Also, in Q4, we continued to prepare for the launch of BMK08 and CleanTreat® in Q2 calendar year 2021, developing our commercial plan and advancing the construction of a second CleanTreat® system.

Trading in Q4 saw a 29% reduction in revenues and an Adjusted EBITDA profit of £4.7m, against £9.7m in Q4 last year. Operating costs of £6.9m in Q4 were 29% below the prior period (Q4 2019: £9.7m) and R&D expenses of £1.3m were 50% down (Q3 2019: £2.6m). This reflects the positive impact of a Group-wide effort to reduce operating costs and R&D, and a natural reduction in marketing and travel expenses in the period as a result of the Covid-19 pandemic.

Full year revenues were £105.6m, 15% below the prior year (2019: £124.0m). Adjusted EBITDA for the year was £14.5m (2019: £21.3m) reflecting challenging markets in Advanced Nutrition, partially offset by a continued strong performance and improved margins in Genetics.

Overall, our main end markets saw a continuation of the trends reported in our Q3 announcement with weak shrimp markets, resilience in Genetics to fluctuations in the salmon industry and the sea bass/bream markets experiencing only modest impact from Covid-19.

### **Advanced Nutrition**

Advanced Nutrition reported revenues of £12.1m in Q4, 45% below the prior year (Q4 2019: £22.0m) which had been a strong period for the business as a result of timing of sales exacerbated by ongoing weak markets in shrimp during what is traditionally a period of pond stocking. Adjusted EBITDA in Q4 was £0.2m (Q4 2019: £4.7m). Full year Adjusted EBITDA was £6.4m (2019: £16.0m).

The performance in the year reflects weak shrimp markets through the year coupled with increased competition in Artemia as a result of a supply imbalance in the market leading to significantly lower Artemia volumes and prices. Revenues in Q4 were below prior year on a product-by-product basis, with Artemia down by 48%, Diets down by 33% and Health down by 33%.

### **Genetics**

Genetics revenues in Q4 2020 at £11.8m were 18% above the prior year (Q4 2019: £10.0m) reflecting higher egg volumes and higher revenues from genetic services partially offset by lower harvest income. Full year revenues at £41.5m were also up on prior year (2019: £39.7m).

Adjusted EBITDA for Q4 2020 of £4.6m was slightly higher than the prior year (Q4 2019: £4.3m). Adjusted EBITDA for the year of £14.4m was 42% higher than prior year (2019: £10.1m). The increase in margin and Adjusted EBITDA is due to the benefit of in-house egg production at the Group's new Salten facility replacing more expensive outsourced production and higher egg prices combined with a reduction in operating costs as part of the Group wide cost containment plan.

### **Animal Health**

Revenues for the continuing operations in Q4 2020 were £1.4m (Q4 2019: £3.8m). The reduction in revenues reflects the fact that Q4 2019 benefitted from income associated with BMK08/CleanTreat<sup>®</sup> trials, as well as lower Salmosan revenues in Q4 2020. Revenues for the full year were £5.2m (2019: £8.7m).

Adjusted EBITDA in Q4 2020 was a profit of £0.2m (Q4 2020: £1.4m) following from the trend and revenue mix in the period along with higher opex costs for the ramp up of BMK08/Cleantreat. Full year Adjusted EBITDA on the continuing operations was a loss of £3.7m (2019: loss £2.1m).

### *Finance costs, cashflow and net debt*

Net finance cost for the quarter was £(0.2)m (Q4 2019:£5.4m).The forex gain in the quarter was £1.8m (Q4 2019: charge £2.4m), and amortisation of capitalised borrowing fees was £0.2m (Q4 2019: £0.2m).

Net finance cost for the year at £11.7m is £0.3m lower than the prior year (2019: £12.1m).

Net debt at the quarter end was £37.6m (Q4 2019: £87.1m) after an increase in cash of £56.5m in the year to date. This is a result of tight control over cash during the Covid-19 pandemic together with the share raise concluded in February 2020 (£42m net), receipts from the dissolution of the joint venture in Chile (£6.9m) and net receipts from the disposals programme of £38.5m. The reduction in net debt is

after cash outflow from operations of £7.2m (YTD 2019: inflow of £14.2m) and capex of £11.8m (2019: £15.8m). Liquidity at the end of the period was £83.2m providing £73.2m of headroom against our minimum liquidity covenant.

### Consolidated Income Statement for the period ended 30 September 2020

All figures in £000's	Notes	Q4 2020 (unaudited)	Q4 2019 Restated* (unaudited)	FY 2020 (audited)	FY 2019 Restated* (audited)
<b>Revenue</b>	4	<b>25,239</b>	35,586	105,565	124,006
Cost of sales		<b>(12,317)</b>	(13,591)	(50,603)	(55,064)
<b>Gross profit</b>		<b>12,922</b>	21,995	54,962	68,942
Research and development costs		<b>(1,307)</b>	(2,612)	(7,282)	(9,481)
Other operating costs		<b>(6,909)</b>	(9,691)	(33,337)	(37,706)
Share of (loss)/profit of equity-accounted investees, net of tax		<b>(55)</b>	18	150	(414)
<b>Adjusted EBITDA<sup>2</sup></b>		<b>4,651</b>	9,710	14,493	21,341
Exceptional - restructuring/acquisition related items	6	<b>(1,356)</b>	(516)	(2,114)	(581)
<b>EBITDA<sup>1</sup></b>		<b>3,295</b>	9,194	12,379	20,760
Depreciation and impairment		<b>(1,984)</b>	(1,388)	(6,640)	(5,054)
Amortisation and impairment		<b>(4,108)</b>	(49,299)	(16,613)	(62,133)
<b>Operating loss</b>		<b>(2,797)</b>	(41,493)	(10,874)	(46,427)
Finance cost		<b>(1,934)</b>	(6,326)	(12,779)	(12,422)
Finance income		<b>1,782</b>	927	1,082	368
<b>Loss before taxation</b>		<b>(2,949)</b>	(46,892)	(22,571)	(58,481)
Tax on loss	7	<b>(426)</b>	(197)	(204)	(640)
<b>Loss from continuing operations</b>		<b>(3,375)</b>	(47,089)	(22,775)	(59,121)
<b>Discontinued operations</b>					
Loss from discontinued operations, net of tax	5	<b>(5,379)</b>	(14,410)	(9,174)	(23,959)
		<b>(8,754)</b>	(61,499)	(31,949)	(83,080)
<b>Loss for the year attributable to:</b>					
- Owners of the parent		<b>(9,541)</b>	(61,809)	(32,923)	(83,857)
- Non-controlling interest		<b>787</b>	310	974	777
		<b>(8,754)</b>	(61,499)	(31,949)	(83,080)
<b>Earnings per share</b>					
Basic loss per share (pence)	8	<b>(1.43)</b>	(11.07)	(5.26)	(15.03)
Diluted loss per share (pence)	8	<b>(1.43)</b>	(11.07)	(5.26)	(15.03)
<b>Earnings per share - continuing operations</b>					
Basic loss per share (pence)	8	<b>(0.62)</b>	(8.49)	(3.80)	(10.74)
Diluted loss per share (pence)	8	<b>(0.62)</b>	(8.49)	(3.80)	(10.74)
		<b>£000</b>	£000	£000	£000
Adjusted EBITDA from continuing operations		<b>4,651</b>	9,710	14,493	21,341
Adjusted EBITDA from discontinued operations	5	<b>(2,452)</b>	(2,336)	(8,726)	(7,616)
<b>Total Adjusted EBITDA</b>		<b>2,199</b>	7,374	5,767	13,725

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

(2) Adjusted EBITDA – EBITDA before exceptional and acquisition related items

\*FY 2019 and Q4 2019 numbers have been restated to reflect changes to the ongoing continuing business since the year end (note 5)

### Consolidated Statement of Comprehensive Income for the period ended 30 September 2020

All figures in £000's	Q4 2020 (unaudited)	Q4 2019 Restated* (unaudited)	FY 2020 (audited)	FY 2019 Restated* (audited)
<b>Loss for the period</b>	<b>(8,754)</b>	(61,499)	(31,949)	(83,080)
<b>Other comprehensive income</b>				
<b>Items that are or may be reclassified subsequently to profit or loss</b>				
Foreign exchange translation differences	<b>(11,858)</b>	9,437	(20,327)	13,919
Cash flow hedges - changes in fair value	<b>(1,029)</b>	(2,620)	(5,932)	(3,549)
Cash flow hedges - reclassified to profit or loss	<b>10</b>	(10)	(153)	(17)
<b>Total comprehensive income for the period</b>	<b>(21,631)</b>	(54,692)	(58,361)	(72,727)
<b>Total comprehensive income for the period attributable to:</b>				
- Owners of the parent	<b>(22,250)</b>	(54,928)	(58,532)	(73,174)
- Non-controlling interest	<b>619</b>	236	171	447
	<b>(21,631)</b>	(54,692)	(58,361)	(72,727)
<b>Total comprehensive income for the period attributable to owners of the parent:</b>				
- Continuing operations	<b>(17,099)</b>	(40,526)	(50,604)	(49,017)
- Discontinued operations	<b>(5,151)</b>	(14,402)	(7,928)	(24,157)
	<b>(22,250)</b>	(54,928)	(58,532)	(73,174)

\*FY 2019 and Q4 2019 numbers have been restated to reflect changes to the ongoing continuing business since the year end (note 5)

### Consolidated Balance Sheet for the period ended 30 September 2020

All figures in £000's	Notes	30 September 2020 (audited)	30 September 2019 (audited)
<b>Assets</b>			
Property, plant and equipment		<b>65,601</b>	88,900
Right-of-use assets		<b>10,347</b>	-
Intangible assets		<b>247,003</b>	275,744
Equity-accounted investees		<b>3,690</b>	3,453
Other investments		<b>23</b>	25
Biological and agricultural assets		<b>16,621</b>	12,469

<b>Non-current assets</b>		<b>343,285</b>	380,591
Inventories		18,926	22,609
Biological and agricultural assets		15,848	16,024
Trade and other receivables		39,371	52,136
Cash and cash equivalents		71,605	16,051
		<b>145,750</b>	106,820
Assets held for sale		-	15,970
<b>Current assets</b>		<b>145,750</b>	122,790
<b>Total assets</b>		<b>489,035</b>	503,381
<b>Liabilities</b>			
Trade and other payables		(45,692)	(35,235)
Loans and borrowings	9	(5,339)	(3,231)
Corporation tax liability		(4,344)	(2,703)
Provisions		-	(404)
		<b>(55,375)</b>	(41,573)
Liabilities directly associated with the assets held for sale		-	(10,634)
<b>Current liabilities</b>		<b>(55,375)</b>	(52,207)
Loans and borrowings	9	(103,819)	(99,961)
Other payables		(1,754)	(2,004)
Deferred tax		(32,647)	(38,743)
<b>Non-current liabilities</b>		<b>(138,220)</b>	(140,708)
<b>Total liabilities</b>		<b>(193,595)</b>	(192,915)
<b>Net assets</b>		<b>295,440</b>	310,466
<b>Issued capital and reserves attributable to owners of the parent</b>			
Share capital	10	668	559
Additional paid-in share capital		399,601	358,044
Capital redemption reserve		5	5
Retained earnings		(142,170)	(110,916)
Hedging reserve		(9,651)	(3,566)
Foreign exchange reserve		40,678	60,202
<b>Equity attributable to owners of the parent</b>		<b>289,131</b>	304,328
Non-controlling interest		6,309	6,138
<b>Total equity and reserves</b>		<b>295,440</b>	310,466

The notes to these financial statements are an integral part of this consolidated financial information



**Consolidated Statement of Changes in Equity for the period ended 30 September 2020**

	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
<b>As at 1 October 2018</b>	557	357,894	45,958	-	(28,240)	376,169	5,678	381,847
<b>Comprehensive income for the period</b>								
(Loss)/profit for the period	-	-	-	-	(83,857)	(83,857)	777	(83,080)
Other comprehensive income	-	-	14,249	(3,566)	-	10,683	(330)	10,353
<b>Total comprehensive income for the period</b>	-	-	14,249	(3,566)	(83,857)	(73,174)	447	(72,727)
<b>Contributions by and distributions to owners</b>								
Share issue	2	150	-	-	-	152	-	152
Share based payment	-	-	-	-	1,181	1,181	-	1,181
<b>Total contributions by and distributions to owners</b>	2	150	-	-	1,181	1,333	-	1,333
<b>Changes in ownership</b>								
Disposal of subsidiary with NCI	-	-	-	-	-	-	13	13
<b>Total changes in ownership interests</b>	-	-	-	-	-	-	13	13
<b>Total transactions with owners of the Company</b>	2	150	-	-	1,181	1,333	13	1,346
<b>As at 30 September 2019</b>	559	358,044	60,207	(3,566)	(110,916)	304,328	6,138	310,466
<b>Comprehensive income for the period</b>								
(Loss)/profit for the period	-	-	-	-	(32,923)	(32,923)	974	(31,949)
Other comprehensive income	-	-	(19,524)	(6,085)	-	(25,609)	(803)	(26,412)
<b>Total comprehensive income for the period</b>	-	-	(19,524)	(6,085)	(32,923)	(58,532)	171	(58,361)
<b>Contributions by and distributions to owners</b>								
Share issue	109	42,869	-	-	-	42,978	-	42,978
Share issue costs recognised through equity	-	(1,312)	-	-	-	(1,312)	-	(1,312)
Share based payment	-	-	-	-	1,669	1,669	-	1,669
<b>Total contributions by and distributions to owners</b>	109	41,557	-	-	1,669	43,335	-	43,335
<b>Total transactions with owners of the Company</b>	109	41,557	-	-	1,669	43,335	-	43,335
<b>As at 30 September 2020</b>	668	399,601	40,683	(9,651)	(142,170)	289,131	6,309	295,440

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

**Consolidated Statement of Cash Flows for the period ended 30 September 2020**

Notes	2020 £000	2019 £000
<b>Cash flows from operating activities</b>		
<b>Loss for the year</b>	<b>(31,949)</b>	(83,080)
<b>Adjustments for:</b>		
Depreciation and impairment of property, plant and equipment	9,138	17,227
Amortisation and impairment of intangible fixed assets	19,402	66,087
Gain on sale of property, plant and equipment	(1,140)	(838)
Gain on sale of subsidiaries	(14,120)	-
Finance income	(111)	(368)
Finance costs	9,695	7,773
Other adjustments for non-cash items	200	68
Share of (profit)/loss of equity-accounted investees, net of tax	(150)	414
Foreign exchange (gains)/losses	(132)	5,620
Share based payment expense	1,669	1,181
Tax credit	314	111
	<b>(7,184)</b>	14,195
Decrease/(increase) in trade and other receivables	4,202	(12,516)
Decrease/(increase) in inventories	3,741	(2,273)
Increase in biological and agricultural assets	(7,474)	(8,593)
Increase in trade and other payables	5,006	3,968
(Decrease)/increase in provisions	(260)	261
	<b>(1,969)</b>	(4,958)
Income taxes paid	<b>(2,087)</b>	(4,253)
<b>Net cash flows used in operating activities</b>	<b>(4,056)</b>	(9,211)
<b>Investing activities</b>		
Proceeds from sale of subsidiaries, net of cash disposed of	17,487	-
Acquisition of subsidiaries, net of cash acquired	-	(7)
Purchase of investments	(522)	(7,020)
Receipts from disposal of investments	6,932	5,942
Purchases of property, plant and equipment	(5,851)	(7,850)
Proceeds from sales of intangible assets	261	-
Purchase of intangibles	(5,563)	(7,964)
Purchase of held for sale assets	(402)	-
Proceeds from sale of fixed assets	16,147	1,131
Proceeds from sales of other long-term assets	1,776	-
Interest received	111	447
<b>Net cash flows used in investing activities</b>	<b>30,376</b>	(15,321)
<b>Financing activities</b>		
Proceeds of share issues	42,978	2
Share-issue costs recognised through equity	(1,312)	-
Proceeds from bank or other borrowings	8,387	92,578
Repayment of bank or other borrowings	(10,141)	(71,224)
Interest and finance charges paid	(7,659)	(5,366)
Repayments of lease liabilities	(2,120)	(5)

<b>Net cash inflow from financing activities</b>	<b>30,133</b>	15,985
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>56,453</b>	(8,547)
Cash and cash equivalents at beginning of year	<b>16,051</b>	24,090
Effect of movements in exchange rate	<b>(899)</b>	508
<b>Cash and cash equivalents at end of year</b>	<b>71,605</b>	16,051

The Consolidated Statement of Cash Flows presents cash flows from both Continuing and Discontinued operations.

## Unaudited notes to the quarterly financial statements for period ended 30 September 2020

### 1. Basis of preparation

Benchmark Holdings plc (the 'Company') is a company incorporated domiciled in the United Kingdom. These consolidated quarterly financial statements as at and for the twelve months ended 30 September 2020 represents that of the Company and its subsidiaries (together referred to as the 'Group').

These quarterly financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, and should be read in conjunction with the Group's consolidated financial statements as at and for the year ended 30 September 2020. 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 2020 were approved by the Directors on 27 November 2020 and will be delivered to the Registrar of Companies after the AGM on [XX February 2021]. The audit report received on those accounts was unqualified and did not make a statement under section 498 of the Companies Act 2006.

### Going concern

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

As at 30 September 2020 the Group had net assets of £295.4m (2019: £310.5m), including cash of £71.6m (2019: £16.1m) as set out in the consolidated balance sheet. The Group made a loss for the year to date of £31.9m (2019: £83.1m).

As noted in the Management Report, the impact of the Covid-19 pandemic has affected parts of the Group's businesses to varying degrees. The ultimate impact of the pandemic on industry, the economy, Benchmark's markets and its businesses remains to some extent uncertain. Our main markets have experienced mixed fortunes, with weak shrimp markets, resilient salmon markets and sea bass/bream markets which have experienced modest impact from Covid-19. The Directors monitor available market analysis and believe this situation will continue into 2021. Whilst the outlook for the shrimp market retains some uncertainty, the outlook for the salmon sector (underpinning the Genetics and Health businesses) remains positive and the Directors therefore believe that large parts of the Group are well placed to deal with the uncertain global economic future ahead.

The Directors have prepared cash flow projections covering the period to September 2022 to assess the Group's trading and cash flow forecasts and the forecast compliance with the covenants included within the Group's financing arrangements. Cash resources have been boosted by a number of non-core business disposals during the year, including the successful disposal of the Improve International group, the FVG group, the vaccines manufacturing business and FAI Farms Limited during the period, and the ongoing cost base following these transactions has been significantly reduced.

The uncertainty relating to the future impact on the Group of the virus outbreak has been considered as part of the Directors' assessment of the going concern assumption. The positive preventative measures implemented by the Directors at an early stage in response to the pandemic continue to be in force where necessary. In the downside scenario analysis performed, the Directors have considered the severe but plausible impacts of Covid-19 on the Group's trading and cash flow forecasts, modelling reductions in the revenues and cash flows in Advanced Nutrition, being the segment most impacted by Covid-19 because of its exposure to global shrimp markets, alongside modelling delays to new product launches in the Health business area. Key downside sensitivities modelled include assumptions that there is no recovery in global shrimp markets until quarter three of FY21, affecting demand for Advanced Nutrition products and a three-month potential delay in the launch of BMK08, pushing commercial launch back to September 2021. Mitigating measures within the control of management were implemented early in the pandemic and remain in place and have been factored into the downside analysis performed. These measures include 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.

It is difficult to predict the overall outcome and impact of the pandemic, but under the severe but plausible downside scenarios modelled, 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 and the Company have 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. Accordingly, the financial statements have been prepared 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 2020.

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

### **Alternative performance measures ('APMs')**

The Directors measure the performance of the Group based on a range of financial measures, including measures not recognised by EU-adopted IFRS. These APMs may not be directly comparable with other companies' APMs and the Directors do not intend these as a substitute for, or superior to, IFRS measures.

Directors have presented the performance measures Adjusted EBITDA, Adjusted Operating Profit 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 11).

### **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 2020.

### 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* - provided veterinary services, environmental services diagnostics and health products to the global aquaculture market, and manufactures licenced veterinary vaccines and vaccine components; following the divestment programme the segment now focusses on providing health products to the global aquaculture market.

In addition to the above, reported as “all other segments” is the Knowledge Services Business Area, the operations of which were disposed of or discontinued in the current and previous years. The Business Area provided 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.

#### *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	Q4 2020 (unaudited)	Q4 2019 (unaudited)	FY 2020 (audited)	FY 2019 (audited)
Genetics	11,833	9,978	41,504	39,696
Advanced Nutrition	12,094	22,288	59,362	76,776
Health	1,371	6,618	10,799	17,742
All other segments	382	3,262	9,257	15,881
Corporate	947	1,505	4,939	6,534
Inter-segment sales	(989)	(1,822)	(5,469)	(7,890)
<b>Total</b>	<b>25,638</b>	<b>41,829</b>	<b>120,392</b>	<b>148,739</b>

#### **Segmental Adjusted EBITDA**

All figures in £000's	Q4 2020 (unaudited)	Q4 2019 (unaudited)	FY 2020 (audited)	FY 2019 (audited)
Genetics	4,648	4,335	14,442	10,075

Advanced Nutrition	181	4,479	6,266	15,406
Health	(2,353)	(848)	(12,886)	(10,197)
All other segments	103	301	244	1,264
Corporate	(380)	(893)	(2,299)	(2,823)
<b>Total</b>	<b>2,199</b>	<b>7,374</b>	<b>5,767</b>	<b>13,725</b>

#### Reconciliations of segmental information to IFRS measures

##### Revenue

All figures in £000's	Q4 2020	Q4 2019	FY 2020	FY 2019
	(unaudited)	Restated* (unaudited)	(audited)	Restated* (audited)
Total revenue per segmental information	25,638	41,829	120,392	148,739
Less: revenue from discontinued operations	(399)	(6,243)	(14,827)	(24,733)
<b>Consolidated revenue</b>	<b>25,239</b>	<b>35,586</b>	<b>105,565</b>	<b>124,006</b>

##### Reconciliation of Reportable Segments Adjusted EBITDA to Loss before taxation from continuing operations

All figures in £000's	Q4 2020	Q4 2019	FY 2020	FY 2019
	(unaudited)	Restated* (unaudited)	(audited)	Restated* (audited)
Total reportable segment Adjusted EBITDA	2,476	7,966	7,822	15,284
Other Segment and Corporate Adjusted EBITDA	(277)	(592)	(2,055)	(1,559)
	2,199	7,374	5,767	13,725
Less: Adjusted EBITDA from discontinued operations	2,452	2,336	8,726	7,616
Adjusted EBITDA from continuing operations	4,651	9,710	14,493	21,341
Exceptional including acquisition related items	(1,356)	(516)	(2,114)	(581)
Depreciation and impairment	(1,984)	(1,388)	(6,640)	(5,054)
Amortisation and impairment	(4,108)	(49,299)	(16,613)	(62,133)
Net finance costs	(152)	(5,399)	(11,697)	(12,054)
Loss before taxation from continuing operations	(2,949)	(46,892)	(22,571)	(58,481)

\*See note 5.

#### 4. Revenue

The Group's operations and main revenue streams are those described in its financial statements to 30 September 2020. The Group's revenue is derived from contracts with customers.

##### Disaggregation of revenue

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

**Sale of goods and provision of services**
**3 months ended 30 September 2020 (unaudited)**

All figures in £000's	Genetics	Advanced Nutrition	Health	All other segments	Corporate	Inter-segment sales	Total	Discontinued	Continued
Sale of goods	11,150	12,084	1,319	116	-	-	24,669	123	24,546
Provision of services	645	-	48	276	-	-	969	276	693
Inter-segment sales	40	13	1	(11)	946	(989)	-	-	-
	11,835	12,097	1,368	381	946	(989)	25,638	399	25,239

**3 months ended 30 September 2019 (unaudited)**

All figures in £000's	Genetics	Advanced Nutrition	Health	All other segments	Corporate	Inter-segment sales	Total	Discontinued Restated*	Continued Restated*
Sale of goods	9,230	22,256	4,341	204	-	-	36,031	1,271	34,760
Provision of services	729	1	2,112	2,911	45	-	5,798	4,972	826
Inter-segment sales	19	31	166	147	1,459	(1,822)	-	-	-
	9,978	22,288	6,619	3,262	1,504	(1,822)	41,829	6,243	35,586

**12 months ended 30 September 2020 (audited)**

All figures in £000's	Genetics	Advanced Nutrition	Health	All other segments	Corporate	Inter-segment sales	Total	Discontinued	Continued
Sale of goods	37,555	59,301	6,529	547	-	-	103,932	2,551	101,381
Provision of services	3,909	-	3,846	8,683	22	-	16,460	12,276	4,184
Inter-segment sales	40	61	424	27	4,917	(5,469)	-	-	-
	41,504	59,362	10,799	9,257	4,939	(5,469)	120,392	14,827	105,565

**12 months ended 30 September 2019 (audited)**

All figures in £000's	Genetics	Advanced Nutrition	Health	All other segments	Corporate	Inter-segment sales	Total	Discontinued Restated*	Continued Restated*
Sale of goods	36,270	76,707	10,582	1,168	-	-	124,727	4,154	120,573
Provision of services	3,285	0	6,582	13,978	167	-	24,012	20,579	3,433
Inter-segment sales	141	69	578	735	6,367	(7,890)	-	-	-
	39,696	76,776	17,742	15,881	6,534	(7,890)	148,739	24,733	124,006

**Primary geographical markets**
**3 months ended 30 September 2020 (unaudited)**

All figures in £000's	Genetics	Advanced Nutrition	Health	All other segments	Corporate	Inter-segment sales	Total	Discontinued	Continued
Norway	5,735	186	180	-	-	-	6,101	-	6,101
UK	820	49	41	354	-	-	1,264	354	910
Faroe Islands	1,797	-	79	-	-	-	1,876	-	1,876
Ecuador	-	1,410	-	-	-	-	1,410	-	1,410
India	-	1,811	-	-	-	-	1,811	-	1,811
Greece	-	642	1	-	-	-	643	-	643
Singapore	-	1,099	-	-	-	-	1,099	-	1,099

Chile	95	4	827	-	-	-	926	-	926
Rest of Europe	2,098	684	17	-	-	-	2,799	-	2,799
Rest of World	1,250	6,199	222	38	-	-	7,709	45	7,664
Inter-segment sales	40	13	1	(11)	946	(989)	-	-	-
	<b>11,835</b>	<b>12,097</b>	<b>1,368</b>	<b>381</b>	<b>946</b>	<b>(989)</b>	<b>25,638</b>	<b>399</b>	<b>25,239</b>

**3 months ended 30 September 2019 (unaudited)**

All figures in €000's	Genetics	Advanced Nutrition	Health	All other segments	Corporate	Inter-segment sales	Total	Discontinued Restated	Continued Restated
Norway	4,916	85	733	7	-	-	5,741	379	5,362
UK	640	80	701	1,463	45	-	2,929	2,017	912
Faroe Islands	1,924	-	-	-	-	-	1,924	-	1,924
Ecuador	-	3,098	-	-	-	-	3,098	-	3,098
India	-	1,540	-	-	-	-	1,540	-	1,540
Greece	48	1,191	-	4	-	-	1,243	3	1,240
Singapore	-	2,339	-	-	-	-	2,339	-	2,339
Chile	3	-	1,628	-	-	-	1,631	437	1,194
Rest of Europe	1,667	488	1,168	969	-	-	4,292	2,134	2,158
Rest of World	761	13,436	2,223	672	-	-	17,092	1,273	15,819
Inter-segment sales	19	31	166	147	1,459	(1,822)	-	-	-
	<b>9,978</b>	<b>22,288</b>	<b>6,619</b>	<b>3,262</b>	<b>1,504</b>	<b>(1,822)</b>	<b>41,829</b>	<b>6,243</b>	<b>35,586</b>

**Primary geographical markets (continued)**
**12 months ended 30 September 2020 (audited)**

All figures in €000's	Genetics	Advanced Nutrition	Health	All other segments	Corporate	Inter-segment sales	Total	Discontinued	Continued
Norway	19,709	633	1,608	-	-	-	21,950	1,145	20,805
UK	6,402	124	1,951	6,149	22	-	14,648	7,506	7,142
Faroe Islands	6,961	3	114	-	-	-	7,078	-	7,078
Ecuador	-	6,822	-	-	-	-	6,822	-	6,822
India	-	6,452	6	-	-	-	6,458	3	6,455
Greece	61	5,666	-	-	-	-	5,727	-	5,727
Singapore	-	5,356	7	-	-	-	5,363	7	5,356
Chile	119	21	4,083	-	-	-	4,223	1,159	3,064
Rest of Europe	5,421	4,554	1,566	2,549	-	-	14,090	4,071	10,019
Rest of World	2,791	29,670	1,040	532	-	-	34,033	936	33,097
Inter-segment sales	40	61	424	27	4,917	(5,469)	-	-	-
	<b>41,504</b>	<b>59,362</b>	<b>10,799</b>	<b>9,257</b>	<b>4,939</b>	<b>(5,469)</b>	<b>120,392</b>	<b>14,827</b>	<b>105,565</b>

**12 months ended 30 September 2019 (audited)**

All figures in €000's	Genetics	Advanced Nutrition	Health	All other segments	Corporate	Inter-segment sales	Total	Discontinued Restated	Continued Restated
Norway	19,074	466	2,656	8	-	-	22,204	1,548	20,656
UK	3,397	255	2,831	8,544	167	-	15,194	10,735	4,459
Faroe Islands	8,248	2	126	-	-	-	8,376	-	8,376
Ecuador	-	9,555	-	-	-	-	9,555	-	9,555



India	-	12,798	-	-	-	-	12,798	-	12,798
Greece	114	7,214	20	4	-	-	7,352	3	7,349
Singapore	-	9,062	17	-	-	-	9,079	17	9,062
Chile	1,969	33	5,392	-	-	-	7,394	1,619	5,775
Rest of Europe	4,943	3,946	3,024	4,733	-	-	16,646	7,757	8,889
Rest of World	1,810	33,376	3,098	1,857	-	-	40,141	3,054	37,087
Inter-segment sales	141	69	578	735	6,367	(7,890)	-	-	-
	39,696	76,776	17,742	15,881	6,534	(7,890)	148,739	24,733	124,006

## 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 included the businesses within Knowledge Services (reported within 'all other segments') and the veterinary services business within Health. These operations were presented as discontinued in the prior year and the sales of the disposal group were completed during the current year (see below) and therefore continue to be shown as discontinued.

During the year, as a continuation of the above programme, a small non-core business within Advanced Nutrition was put up for sale and sold and a business within the Corporate category was closed. A restructuring of the Health business area saw the closure of the research and development operations at two sites, and the sale of the Group's vaccine manufacturing facility and exit from non-core vaccine development collaborations. Consequently, these operations have been classified as discontinued in the current year with a corresponding restatement of the consolidated income statement and consolidated statement of comprehensive income for the year ended 30 September 2019 to reflect these changes.

### Summary of restatement of FY 2019 results as reported in FY 2019 financial statements

All figures in £000's	Continuing operations			Discontinued operations
	Revenue	Adjusted EBITDA	Loss from continuing operations	Loss from discontinued operations
<b>As stated in FY 2019 financial statements</b>	127,343	12,051	(73,291)	(9,789)
Reclassified in Q1	(567)	899	2,841	(2,841)
<b>As stated in Q1 2020 financial statements</b>	126,776	12,950	(70,450)	(12,630)
Reclassified in Q2	-	583	583	(583)
<b>As stated in Q2 2020 financial statements</b>	126,776	13,533	(69,867)	(13,213)
Reclassified in Q3	-	-	-	-
<b>As stated in Q3 2020 financial statements</b>	126,776	13,533	(69,867)	(13,213)
Reclassified in Q4	(2,770)	7,808	10,746	(10,746)

---

<b>As stated in Q4 2020 financial statements</b>	124,006	21,341	(59,121)	(23,959)
--	---------	--------	----------	----------

---

### **Disposals of subsidiaries**

On 1 January 2020, the Group divested its TomAlgae BV subsidiary for nominal proceeds. The business was in the R&D phase and required significant further investment to bring a commercial product to market.

On 23 June 2020, the Group divested its global provider of continuing professional development training for veterinary professionals, Improve International Limited and its subsidiaries ('Improve'). Total consideration for Improve could be up to £12.8m of which £11.8m has been recognised at fair value (see table below). This included contingent consideration with a fair value of £1.8m relating to the successful renewal of a contract (£0.8m) and the delivery of certain future revenues in financial years ended 30 September 2021 and 30 September 2022 (£1.0m). The renewal of the contract has since occurred and the £0.8m contingent consideration was received on 31 July 2020.

On 1 July 2020, the Group completed the sale of Fish Vet Group Limited and its subsidiaries ('FVG') to Pharmaq, part of the global animal health company Zoetis, for a total cash consideration of £14.5m. The sale comprises Benchmark's veterinary and diagnostic services activities in the UK, Ireland, Norway and Chile.

On 10 August 2020, the Group completed the sale of its subsidiary FAI Farms Limited ('FAI') whose activities include consultancy in the food and farming sectors, research and development in sustainable food production, and commercial farming. The business was sold to members of its management team for cash consideration of £0.1m.

### **Trade and asset disposals**

During the year, the businesses of a Group's subsidiary 5M Enterprises Limited were disposed of as follows:

- On 7 February 2020, the Group disposed of Aquaculture UK, its conferencing business, for initial consideration of £1.5m with up to an additional £0.5m depending on the revenue outcome of the next event (this contingent consideration has been valued at £nil at 30 September 2020 based on the uncertainty of the conference revenue particularly due to the potential impact of Covid-19).
- Sales of the Group's various online news publications, for a combined total cash consideration of £0.6m have completed in the period.
- On 31 July 2020 its publishing business was sold for cash consideration of £0.1m.
- On 23 June 2020 its veterinary practice magazine and conferences business was sold for £0.1m.

On 31 July 2020, the Group completed the sale of its vaccine manufacturing facility and certain other assets to Cell and Gene Therapy Catapult for total cash consideration of £16.0m. This is part of a £100m investment by the UK Government to develop the Cell and Gene Therapy Catapult Manufacturing Innovation Centre to manufacture millions of doses of Covid-19 vaccines per month.

### **Other asset disposals**

On 24 July 2020, the Group exited one of its vaccine development collaboration agreements with its partner through a mutual and amicable agreement. A settlement payment of £1.0m was received on 21 August, with a potential further £1.0m to be received contingent on certain future conditions being met. Reflecting the level of the uncertainty in meeting these conditions, the contingent consideration has been deemed to have a fair value of £nil.

A similar arrangement was reached to exit some other vaccine collaboration agreements on 30 September 2020, in which a settlement of CHF 0.8m (£0.7m) was paid to the collaboration partner in October 2020 and the rights to any future benefits of a successful vaccine were transferred to a third party in return for the receipt of potential future development and performance milestone payments of up to USD 6.0m (£4.9m) contingent on certain approvals and performance criteria, and subsequent royalty payments contingent on sales of successfully launched products. Reflecting the level of uncertainty in meeting of these conditions, the contingent consideration has been deemed to have a fair value of £nil.

### Results from discontinued operations

All figures in £000's	Q4 2020	Q4 2019	FY 2020	FY 2019
	(unaudited)	Restated* (unaudited)	(audited)	Restated* (audited)
<b>Revenue</b>	<b>399</b>	6,243	14,827	24,733
Cost of sales	<b>(1,918)</b>	(4,641)	(13,000)	(17,864)
<b>Gross profit</b>	<b>(1,519)</b>	1,602	1,827	6,869
Research and development costs	<b>(263)</b>	(995)	(2,725)	(3,369)
Other operating costs	<b>(670)</b>	(2,943)	(7,828)	(11,116)
<b>Adjusted EBITDA</b>	<b>(2,452)</b>	(2,336)	(8,726)	(7,616)
Exceptional items	<b>(34)</b>	(448)	5,086	(745)
<b>EBITDA</b>	<b>(2,486)</b>	(2,784)	(3,640)	(8,361)
Depreciation and impairment	<b>(803)</b>	(8,898)	(2,498)	(12,173)
Amortisation and impairment	<b>(2,035)</b>	(3,272)	(2,789)	(3,954)
<b>Operating loss</b>	<b>(5,324)</b>	(14,954)	(8,927)	(24,488)
Finance costs	<b>(55)</b>	(9)	(137)	-
<b>Loss before taxation</b>	<b>(5,379)</b>	(14,963)	(9,064)	(24,488)
Tax on loss	-	553	(110)	529
<b>Loss from discontinued operations</b>	<b>(5,379)</b>	(14,410)	(9,174)	(23,959)

\*See note 5.

### Exceptional items – discontinued operations

All figures in £000's	Q4 2020	Q4 2019	FY 2020	FY 2019
	(unaudited)	(unaudited)	(audited)	(audited)
Profit on disposal of subsidiaries	<b>8,748</b>	-	14,120	-
Loss on disposal of trade and assets	<b>(3,703)</b>	-	(1,874)	-
Profit on other asset disposals	<b>271</b>	-	271	-
Other costs relating to disposals	<b>(370)</b>	-	(484)	-
Provision for onerous lease	-	(349)	-	(349)
Staff costs	<b>(958)</b>	-	(1,603)	(99)
Cost of sales (including inventory write downs)	<b>(1,325)</b>	(99)	(1,666)	(297)
Legal & professional fees	<b>(2,462)</b>	-	(3,513)	-
Other	<b>(235)</b>	-	(165)	-
<b>Total exceptional items recognised on discontinued operations</b>	<b>(34)</b>	(448)	5,086	(745)

**Results from discontinued operations by segment**

	<b>Advanced Nutrition Q4 2020 (unaudited)</b>	<b>Health Q4 2020 (unaudited)</b>	<b>All other segments Q4 2020 (unaudited)</b>	<b>Corporate Q4 2020 (unaudited)</b>	<b>Total Discontinued Q4 2020 (unaudited)</b>
All figures in £000's					
Revenue	-	8	391	-	399
Adjusted EBITDA	(25)	(2,516)	120	(31)	(2,452)
Operating profit/(loss)	(25)	(4,379)	(889)	(31)	(5,324)

	<b>Advanced Nutrition Q4 2019 Restated* (unaudited)</b>	<b>Health Q4 2019 Restated* (unaudited)</b>	<b>All other segments Q4 2019 Restated* (unaudited)</b>	<b>Corporate Q4 2019 Restated* (unaudited)</b>	<b>Total Discontinued Q4 2019 Restated* (unaudited)</b>
All figures in £000's					
Revenue	271	2,815	3,110	47	6,243
Adjusted EBITDA	(194)	(2,247)	192	(87)	(2,336)
Operating loss	(2,714)	(4,431)	(7,722)	(87)	(14,954)

	<b>Advanced Nutrition FY 2020 (audited)</b>	<b>Health FY 2020 (audited)</b>	<b>All other segments FY 2020 (audited)</b>	<b>Corporate FY 2020 (audited)</b>	<b>Total Discontinued FY 2020 (audited)</b>
All figures in £000's					
Revenue	2	5,573	9,230	22	14,827
Adjusted EBITDA	(143)	(9,151)	749	(181)	(8,726)
Operating profit/(loss)	(394)	(11,914)	3,818	(437)	(8,927)

	<b>Advanced Nutrition FY 2019 Restated* (audited)</b>	<b>Health FY 2019 Restated* (audited)</b>	<b>All other segments FY 2019 Restated* (audited)</b>	<b>Corporate FY 2019 Restated* (audited)</b>	<b>Total Discontinued FY 2019 Restated* (audited)</b>
All figures in £000's					
Revenue	400	9,025	15,141	167	24,733
Adjusted EBITDA	(609)	(8,102)	1,386	(291)	(7,616)
Operating loss	(3,201)	(11,776)	(9,218)	(293)	(24,488)

\*See note 5.

**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.

	<b>Q4 2020 (unaudited)</b>	<b>Q4 2019 (unaudited)</b>	<b>FY 2020 (audited)</b>	<b>FY 2019 (audited)</b>
All figures in £000's				
Acquisition related items	(586)	75	(586)	82
Exceptional restructuring costs	(770)	(591)	(1,528)	(663)
<b>Total exceptional items</b>	<b>(1,356)</b>	<b>(516)</b>	<b>(2,114)</b>	<b>(581)</b>

Acquisition related items in Q4 2020 and FY 2020 include £233,000 in relation to a loan provided to a company that was a potential acquisition target and which has now been provided for, £353,000 was in fees in relation to investigating a potential partnership in the Health business area which was not pursued.

Exceptional restructuring expenses in Q4 2020 include £568,000 (FY 2020: £1,244,000) of staff costs relating to the Board's decision to make significant changes to the Group's management team and bring in new management, £202,000 of other costs (FY 2020: £232,000) and £nil (FY 2020: £52,000) of legal and professional costs relating to the ongoing restructuring of the group.

## 7. Taxation

All figures in £000's	Q4 2020 (unaudited)	Q4 2019 Restated* (unaudited)	FY 2020 (audited)	FY 2019 Restated* (audited)
<b>Current tax expense</b>				
Analysis of charge in period				
<b>Current tax:</b>				
Current income tax expense on profits for the period	(506)	(204)	(3,141)	(4,258)
Adjustment in respect of prior periods	(836)	(76)	(836)	(76)
<b>Total current tax charge</b>	<b>(1,342)</b>	<b>(280)</b>	<b>(3,977)</b>	<b>(4,334)</b>
<b>Deferred tax expense</b>				
Origination and reversal of temporary differences	634	888	3,490	4,499
Deferred tax movements in respect of prior periods	282	(805)	283	(805)
<b>Total deferred tax credit</b>	<b>916</b>	<b>83</b>	<b>3,773</b>	<b>3,694</b>
<b>Total tax charge on continuing operations</b>	<b>(426)</b>	<b>(197)</b>	<b>(204)</b>	<b>(640)</b>

\*See note 5.

## 8. 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.

	Q4 2020 (unaudited)	Q4 2019 Restated* (unaudited)	FY 2020 (audited)	FY 2019 Restated* (audited)
<b>Loss attributable to equity holders of the parent (£000)</b>				
Continuing operations	(4,162)	(47,399)	(23,749)	(59,898)
Discontinued operations	(5,379)	(14,410)	(9,174)	(23,959)
<b>Total</b>	<b>(9,541)</b>	<b>(61,809)</b>	<b>(32,923)</b>	<b>(83,857)</b>
<b>Weighted average number of shares in issue (thousands)</b>	<b>667,654</b>	<b>558,381</b>	<b>625,466</b>	<b>557,851</b>

**Basic loss per share (pence)**

Continuing operations	<b>(0.62)</b>	(8.49)	(3.80)	(10.74)
Discontinued operations	<b>(0.82)</b>	(2.58)	(1.46)	(4.29)
<b>Total</b>	<b>(1.43)</b>	(11.07)	(5.26)	(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 30 September 2020, a total of 1,426,663 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. 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 30 September 2020 the whole facility (USD 15m) was undrawn.

## 10. Share capital and share premium

	Number	Share Capital £000	Additional paid-in share capital £000
<b>Allotted, called up and fully paid</b>			
<b>Ordinary shares of 0.1p each</b>			
Balance at 30 September 2019	558,741,439	559	358,044
Exercise of share options	1,503,407	2	-
Shares issued through placing and open offer	107,440,766	107	41,557
<b>Balance at 30 September 2020</b>	<b>667,685,612</b>	<b>668</b>	<b>399,601</b>

During the year ended 30 September 2020, the Company issued a total of 1,503,407 shares of 0.1p each to certain employees of the Group relating to share options.

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.

## 11. 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/Loss 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/Loss 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 measures in IFRS. The Group's definition of these measures may not be comparable with similarly titled performance measures and disclosures by other entities.

### Reconciliation of Adjusted Operating Profit/(Loss) to Operating Loss

#### Continuing operations

All figures in £000's	Q4 2020 (unaudited)	Q4 2019 Restated* (unaudited)	FY 2020 (audited)	FY 2019 Restated* (audited)
<b>Revenue</b>	<b>25,239</b>	35,586	105,565	124,006
Cost of sales	<b>(12,317)</b>	(13,591)	(50,603)	(55,064)
<b>Gross profit</b>	<b>12,922</b>	21,995	54,962	68,942
Research and development costs	<b>(1,307)</b>	(2,612)	(7,282)	(9,481)
Other operating costs	<b>(6,909)</b>	(9,691)	(33,337)	(37,706)
Depreciation and impairment	<b>(1,984)</b>	(1,388)	(6,640)	(5,054)
Amortisation of capitalised development costs	-	-	-	-
Share of profit of equity accounted investees net of tax	<b>(55)</b>	18	150	(414)
<b>Adjusted Operating (Loss)/Profit</b>	<b>2,667</b>	8,322	7,853	16,287
Exceptional - restructuring acquisition related items	<b>(1,356)</b>	(516)	(2,114)	(581)
Amortisation and impairment of intangible assets excluding development costs	<b>(4,108)</b>	(49,299)	(16,613)	(62,133)
<b>Operating loss</b>	<b>(2,797)</b>	(41,493)	(10,874)	(46,427)

\*See note 5.

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

All figures in £000's	Q4 2020 (unaudited)	Q4 2019 Restated* (unaudited)	FY 2020 (audited)	FY 2019 Restated* (audited)
<b>Loss before taxation</b>	<b>(2,949)</b>	(46,892)	(22,571)	(58,481)
Exceptional - restructuring/acquisition related items	<b>1,356</b>	516	2,114	581
Amortisation and impairment of intangible assets excluding development costs	<b>4,108</b>	49,299	16,613	62,133
<b>Adjusted Loss Before Tax</b>	<b>2,515</b>	2,923	(3,844)	4,233

\* See note 5.

Other metrics	Q4 2020 (unaudited) £000	Q4 2019 Restated* (unaudited) £001	FY 2020 (audited) £000	FY 2019 Restated* (audited) £000
<b>Total R&amp;D Investment</b>				
Research and development costs				
- Continuing operations	<b>1,307</b>	2,612	7,282	9,481
- Discontinued operations	<b>263</b>	995	2,725	3,369
	<b>1,570</b>	3,607	10,007	12,850
Internal capitalised development costs	<b>1,624</b>	2,158	4,583	7,673
<b>Total R&amp;D investment</b>	<b>3,194</b>	5,765	14,590	20,523

**Liquidity**

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

All figures in £000's	30 September 2020 (audited)
Cash and cash equivalents	<b>71,605</b>
Undrawn bank facility	<b>11,612</b>
	<b>83,217</b>



## 12. Net debt

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

	<b>30</b>	<b>30</b>
	<b>September</b>	<b>September</b>
	<b>2020</b>	<b>2019</b>
All figures in £000's	<b>(audited)</b>	<b>(audited)</b>
Cash and cash equivalents	<b>71,605</b>	16,051
Loans and borrowings – current	<b>(5,339)</b>	(3,231)
Loans and borrowings – non-current	<b>(103,819)</b>	(99,961)
	<b>(37,553)</b>	(87,141)

Following the adoption of IFRS 16 from 1 October 2019, an additional amount of lease liabilities of £9.2m (30 September 2019: £nil) have been included in loans and borrowings above relating to arrangements that would previously accounted for as operating leases.