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Genus PLC
22 November 2023

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Genus plc

AGM Trading Update

("Genus" or the "Group")

Genus (LSE: GNS), a leading global animal genetics company, publishes the following trading update for the period from 1 July 2023 to 21 November 2023, to coincide with its AGM at 11:00am GMT this morning.

The Board remains confident that Genus will continue delivering against its strategic growth drivers despite trading in the period under review being mixed. Group adjusted profit before tax is currently expected to be in-line with market expectations[1] for the financial year 2024, with phasing expected to be second-half weighted.

PIC trading in the period has been robust with year-on-year growth in both volumes and royalty revenues. In North America, PIC's high proportion of royalty revenue has meant the business has been relatively insulated from producer losses caused by low pig prices. Latin America and Europe have also performed well with adjusted operating profit[2] up on the prior year. Pig prices in China continue to be depressed and the majority of producers in China are loss-making. This compares with a relatively strong period for Chinese pork prices in the equivalent period last year. Against this strong comparator, PIC Asia's adjusted operating profit[2] was lower than the prior year. However, we are making good strategic progress in demonstrating the value of PIC's genetics to major producers via trials, in a market that is becoming more technified.

ABS has had a challenging start to the year with lower year-on-year volumes being partially offset by improvements in prices and mix. Weaker global milk prices, particularly in China, have resulted in a reduction in the national dairy herd and contributed to lower producer demand for genetics. Beef demand in Brazil has also continued to be weak, driven by macroeconomic pressures on consumer demand. The tough market backdrop has meant that ABS's adjusted operating profit[2] in the period was lower than the prior year. There are significant operational improvements underway within ABS which we expect to drive improved adjusted operating profit[2] performance for the full year.

As anticipated, R&D costs[2] in the period were higher year-on-year, reflecting the annualised operating cost impact of Atlas, PIC's new nucleus farm, and expenditure in relation to PRRS* Resistant Pig ("PRP") commercialisation. A capital markets event on 1 November 2023 also provided a further update on the Group's pioneering PRP programme and its path to commercialisation[3]. Progress continues in-line with the pathway discussed during the event with anticipated receipt of US FDA approval in the first half of 2024. On 5 October 2023, the Group was also pleased to announce that the government of Colombia gave a favourable regulatory determination for PRP, enabling the future sale of such pigs in Colombia.

Genus will announce its interim results for the six month period 1 July 2023 to 31 December 2023 on 22 February 2024.

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About Genus

Genus is a world-leading animal genetics company. Genus creates advances to animal breeding and genetic improvement by applying biotechnology and sells added value products for livestock farming and food

producers. Its technology is applicable across livestock species and is currently commercialised by Genus in the dairy, beef and pork food production sectors.

Genus's worldwide sales are made in over seventy-five countries under the trademarks 'ABS' (dairy and beef cattle) and 'PIC' (pigs) and comprise semen, embryos and breeding animals with superior genetics to those animals currently in farms. Genus's customers' animals produce offspring with greater production efficiency, and quality, and use these to supply the global dairy and meat supply chains.

The Group's competitive edge has been created from the ownership and control of proprietary lines of breeding animals, the biotechnology used to improve them and its global supply chain, technical service and sales and distribution network.

With headquarters in Basingstoke, United Kingdom, Genus companies operate in over twenty-five countries on six continents, with research laboratories located in Madison, Wisconsin, USA.

* Porcine Reproductive and Respiratory Syndrome virus

1 Group compiled consensus estimate for FY24 actual adjusted profit before tax is £73.0m and is based upon the average of 6 analyst estimates that were collated on or around 3 November 2023

2 Adjusted operating profit / costs in constant currency

3 Event slides and a webcast recording are available at https://www.genusplc.com/investors/results-reports-and-presentations/

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