Information Document

Benchmark Holdings plc

(A public limited liability company incorporated under the laws of England and Wales)

Admission to trading of shares on Euronext Growth Oslo

This information document (the "**Information Document**") has been prepared by Benchmark Holdings plc, a public limited liability company incorporated and domiciled in England and Wales with registered number 04115910, (the "**Company**" and together with its subsidiaries the "**Group**" or "**Benchmark**"), solely for use in connection with the admission to trading (the "**Admission**") of all issued shares of the Company on Euronext Growth Oslo ("**Euronext Growth Oslo**"), a multilateral trading facility ("**MTF**") operated by Oslo Børs ASA ("**Oslo Børs**").

As of the date of this Information Document, the Company's issued share capital is GBP 739,153.148 divided into 739,153,148 shares, each with a nominal value of GBP 0.001 (the "**Shares**"). The Shares have been approved for admission to trading on Euronext Growth Oslo and it is expected that the Shares will start trading on or about 15 December 2022 under the ticker symbol "BMK".

The Company's Shares are admitted to trading on AIM ("**AIM**"), a market operated by London Stock Exchange plc and the Company complies and shall continue to comply with the AIM Rules for Companies published by the London Stock Exchange (the "**AIM Rules**").

Euronext Growth Oslo is a market operated by Euronext. Companies on Euronext Growth Oslo, a multilateral trading facility (MTF), are not subject to the same rules as companies on a Regulated Market (a main market). Instead they are subject to a less extensive set of rules and regulations adjusted to small growth companies. The risk in investing in a company on Euronext Growth Oslo may therefore be higher than investing in a company on a Regulated Market. Investors should take this into account when making investment decisions.

This Information Document does not constitute a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71 (the "**Prospectus Regulation**"). This Information Document has been prepared under the responsibility of the Company. It has been reviewed by the Euronext Growth Advisor and by Oslo Børs.

This Information Document also does not constitute a prospectus for the purposes of the UK version of Regulation (EU) 2017/1129, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 together with the Prospectus Regulation Rules made by the Financial Conduct Authority of the United Kingdom ("**FCA**") pursuant to sections 73A(1) and (4) of the Financial Services and Markets Act 2000, as amended ("**FSMA**") nor an admission document for the purposes of the AIM Rules and has not been reviewed or approved by the FCA, London Stock Exchange plc or AIM Regulation.

THIS INFORMATION DOCUMENT SERVES AS AN INFORMATION DOCUMENT ONLY, AS REQUIRED BY THE EURONEXT GROWTH MARKETS RULE BOOK AND NOTICES ISSUED BY OSLO BØRS. THIS INFORMATION DOCUMENT DOES NOT CONSTITUTE AN OFFER TO BUY, SUBSCRIBE OR SELL ANY OF THE SECURITIES DESCRIBED HEREIN, AND NO SECURITIES ARE BEING OFFERED OR SOLD PURSUANT HERETO.

Investing in the Shares involves a high degree of risk. Prospective investors should read the entire document and in particular Section 1 "Risk Factors" and Section 3.3 "Cautionary note regarding forward-looking statements" when considering an investment in the Company and its Shares.

Euronext Growth Advisors

DNB Markets, a part of DNB Bank ASA

DNB Markets

Pareto Securities AS

Pareto Securities

The date of this Information Document is 15 December 2022

IMPORTANT INFORMATION

This Information Document has been prepared solely by the Company in connection with the admission to trading of the Shares on Euronext Growth Oslo. This Information Document has been prepared solely in the English language. For definitions of terms used throughout this Information Document, see Section 11 “Definitions and Glossary Terms”.

The Company has engaged DNB Markets, a part of DNB Bank ASA and Pareto Securities AS as its advisors and Euronext Growth advisors in connection with the admission to trading on Euronext Growth Oslo (the “**Euronext Growth Advisors**”). This Information Document has been prepared to comply with the Euronext Growth Market Rule Book as applicable to Euronext Growth Oslo (the “**Euronext Growth Rules**”). Oslo Børs ASA has not approved this Information Document or verified its content.

This Information Document does not constitute a prospectus for the purposes of the UK version of Regulation (EU) 2017/1129, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 together with the Prospectus Regulation Rules made by the FCA pursuant to sections 73A(1) and (4) of FSMA nor an admission document for the purposes of the AIM Rules and has not been reviewed or approved by the FCA, London Stock Exchange plc or AIM Regulation.

This Information Document also does not constitute a prospectus under the Norwegian Securities Trading Act of 29 June 2007, No. 75 (Nw. *verdipapirhandelloven*) (the “**Norwegian Securities Trading Act**”) and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and has not been reviewed or approved by any governmental authority.

All inquiries relating to this Information Document should be directed to the Company or the Euronext Growth Advisors. No other person has been authorised to give any information, or make any representation, on behalf of the Company and/or the Euronext Growth Advisors in connection with the admission to trading, if given or made, such other information or representation must not be relied upon as having been authorised by the Company and/or the Euronext Growth Advisors.

The information contained herein is current as of the date hereof and subject to change, completion or amendment without notice. There may have been changes affecting the Company subsequent to the date of this Information Document. Any new material information and any material inaccuracy that might have an effect on the assessment of the Shares arising after the publication of this Information Document and before the admission to trading on Euronext Growth Oslo will be published and announced promptly in accordance with the Euronext Growth Rules. Neither the delivery of this Information Document nor the completion of the admission to trading on Euronext Growth Oslo at any time after the date hereof will, under any circumstances, create any implication that there has been no change in the Company's affairs since the date hereof or that the information set forth in this Information Document is correct as of any time since its date.

The contents of this Information Document shall not be construed as legal, business or tax advice. Each reader of this Information Document should consult with its own legal, business or tax advisor as to legal, business or tax advice. If you are in any doubt about the contents of this Information Document, you should consult with your stockbroker, bank manager, lawyer, accountant or other professional advisor authorised under the UK Financial Services and Markets Act 2000 if you are in the United Kingdom, or if outside the United Kingdom, another appropriately authorised independent advisor.

The information, statements and opinions contained in this Information Document do not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction, and are not for publication or distribution in the United States of America (including its territories and possessions, any state of the United States of America and the District of Columbia) (the “**United States**” or “**U.S.**”), or to persons in the United States, Canada, Japan, Australia, New Zealand, South Africa or any other jurisdiction where such distribution or offer is unlawful. Any securities referred to in this Information Document and herein have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in or into the United States except pursuant to an exemption from, or in transactions not subject to, the registration requirements of the Securities Act. The Shares are being offered and sold solely outside the United States in “offshore transactions” within the meaning of and pursuant to Regulation S under the Securities Act. There will be no public offering of the Shares in the United States.

Any securities referred to in this Information Document have not been and will not be registered under the applicable securities law of Canada, Australia, Japan, New Zealand or South Africa and, subject to certain exceptions, may not be offered or sold within Canada, Australia, Japan, New Zealand or South Africa or to any national, resident or citizen of Canada, Australia, Japan, New Zealand or South Africa. Any failure to comply with the foregoing restrictions may constitute a violation of securities laws.

The distribution of this Information Document may in certain jurisdictions be restricted by law. Persons in possession of this Information Document are required to inform themselves about, and to observe, any such restrictions. No action has been taken or will be taken in any jurisdiction by the Company that would permit the possession or distribution of this Information Document in any country or jurisdiction where specific action for that purpose is required.

The Shares may be subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

This Information Document shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo District Court as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Information Document.

Investing in the Company's Shares involves a high degree of risk. Please refer to Section 1 "Risk Factors" of this Information Document.

INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK Product Governance Rules**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the UK Product Governance Rules) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that the Shares are: (i) compatible with an end target market of investors who meet the criteria of professional clients and eligible counterparties each as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"); and (ii) eligible for distribution through all distribution channels as are permitted by the UK Product Governance Rules (the "**UK Target Market Assessment**").

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II (the "**Positive Target Market**"); and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Appropriate Channels for Distribution**").

Notwithstanding the UK Target Market Assessment and the EU Target Market Assessment (as defined below), distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other advisor) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Conversely, an investment in the Shares is not compatible with investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile (the "**Negative Target Market**", and, together with the Positive Target Market, the "**EU Target Market Assessment**").

For the avoidance of doubt, each of the UK Target Market Assessment and the EU Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapters 9A or 10A respectively of COBS or MiFID II, as applicable; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Shares and determining appropriate distribution channels.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a public limited liability company incorporated under the laws of England and Wales. As a result, the rights of holders of the Shares will be governed by the laws of England and Wales and the Company's articles of association (the "**Articles of Association**"). The rights of shareholders under the laws of England and Wales may differ from the rights of shareholders of companies incorporated in other jurisdictions.

The members of the Company's board of directors (the "**Board Members**" and the "**Board of Directors**" or the "**Board**", respectively) and the members of the Company's executive management team (the "**Management**") are not residents of the United States, and a majority of the Company's material assets are located outside the United States. As a result, it may be very difficult for investors in the United States to effect service of process on the Company, the Board Members and members of the Management in the United States or to enforce judgments obtained in U.S. courts against the Company or those persons, whether predicated upon civil liability provisions of federal securities laws or other laws of the United States (including any state or territory within the United States).

The United States do not currently have a treaty with Norway or the United Kingdom providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters. Uncertainty exists as to whether courts in Norway or the United Kingdom will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its Board Members or members of Management under the securities laws of those jurisdictions or entertain actions in Norway or the United Kingdom against the Company or its Board Members or members of Management under the securities laws of other jurisdictions.

In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway or the United Kingdom.

Similar restrictions may apply in other jurisdictions.

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1. RISK FACTORS

An investment in the Shares involves significant risks. Before making an investment decision with respect to the Shares, investors should carefully consider the risk factors set forth below and all information contained in this Information Document, including the financial information and related notes. The risks and uncertainties described in this Section 1 are the principal known risks and uncertainties faced by the Group as of the date hereof that the Company believes are relevant to an investment in the Shares. An investment in the Shares is suitable only for investors who understand the risks associated with this type of investment, the Euronext Growth Oslo market, and who can afford to lose all or part of their investment. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties described herein should not be considered prior to making an investment decision.

The risk factors included in this Section 1 are not exhaustive with respect to all risks relating to the Group and the Shares. Additional risks and uncertainties that the Company currently believes are immaterial, or that are currently not known to the Company, may also have a material adverse effect on its business, financial condition, results of operations and cash flow. The risk factors are presented in a limited number of categories, where each risk factor is placed in the most appropriate category based on the nature of the risk it represents. Within each category, the risk factors deemed most material for the Group, taking into account their potential negative effect for the Company and its subsidiaries and the probability of their occurrence, are set out first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, nor based on a probability of their occurrence.

If any of the risks were to materialise, individually or together with other circumstances, it could have a material and adverse effect on the Group and/or its business, financial condition, results of operations, cash flows and/or prospects, which may cause a decline in the value of the Shares that could result in a loss of all or part of any investment in the Shares. The risks mentioned herein could materialise individually or cumulatively. The information in this Section 1 is as of the date of this document.

1.1 Risks relating to the Group's operations

1.1.1 Risks relating to volatility of end markets

The nature of the Group's business and its customer base means that the Group is particularly vulnerable to the volatility of its end market, i.e. salmon, sea bass/sea bream and shrimp markets. For example, market fluctuations in shrimp production volumes and pricing, which are often influenced by disease, drive customer demand for advanced nutrition products. Moreover, market and regulatory developments and trends for animal welfare and tackling sea lice may significantly influence customer demand for the Group's sea lice related products.

1.1.2 Risks relating to biological and climatic factors affecting the Group's business

The Group is particularly vulnerable to biological and climatic factors in all business areas, including risk of disease within the Group's own operations, as well diseases in the market that result in closure of borders and, potentially, restrictions on export of the Group's products. Furthermore, sales of the Group's sea lice solutions and medicines, such as CleanTreat® and Ectosan® Vet, are affected by the level of sea lice challenge in the environment, which is driven by sea temperature and other biological factors, which is outside the Group's control. If such biological or climatic factors limits the Group's ability to sell products, it could have a material adverse effect on the Group's income and financial results.

1.1.3 The loss of any key customers could have a material adverse effect on the Group's business

In the 12 months ended 30 September 2022, the top five customers by order value accounted for approximately 22 per cent of the Group's revenue. Any significant deterioration in the Group's relationships with its key customers, which include distributors, whether as a result of inability to agree terms on renewal of the relevant contract(s), a key customer ceasing to require a product, a change of management of a customer, gains made by the Group's competitors or otherwise, could have a material adverse effect on the Group's business, results of operations, financial position and/or prospects.

In addition to the above, future mergers or consolidations among the Group's customers could reduce the number of existing customers and potential customers, which could adversely affect the Group's revenue even if these events do not reduce the activities of the consolidated entities. If the Group's customers merge with, or are acquired by, other entities that are not customers of the Group, or entities that use fewer products or services of the Group, such customers may discontinue or reduce their use of the Group's products and services which could have a material adverse impact on the Group's business, results of operations and financial position.

1.1.4 Threats to the supply chain could have a material adverse effect on the Group's business

The Group is reliant on a small number of key raw materials for important products, including in relation to the active ingredients required for its recently launched sea lice treatment product Ectosan® Vet and CleanTreat®. In particular, the Group has key long-term contracts for the supply of artemia with the Great Salt Lake Brine Shrimp Cooperative Inc. (the "**COOP**"), certain of which are (i) due for renewal in 2027 for up to two additional terms until 2042, and (ii) are subject to certain limited performance criteria and termination rights, including in relation to breach by the Group of the agreements. If such limited circumstances occur and the COOP terminates some or all of its arrangements with the Group, or the Group ceases to be a member of the COOP, the Group's ability to source its annual artemia needs and retain its licenses to harvest artemia may be adversely affected.

The Group also sources artemia from other suppliers based on long standing relationships without term contracts. Moreover, there are risks of volatility in the supply of artemia related to climate and environmental factors as it is a naturally occurring product. Examples of other important third party reliances in the Group's supply chain include vessels to carry the CleanTreat® system, and manufacturers of the finished products for Ectosan® Vet and Salmosan® Vet. In addition, the Group has R&D and production sites which are important to its current revenues and future success, and the Group is dependent on obtaining key raw materials and efficient utilisation of key facilities.

Accordingly, the Group's business could be adversely affected by non-deliveries within the Group's supply chain, or if raw materials, products or services are delivered with low quality or defects by suppliers. If such circumstances were to materialise, the Group could face risk of, inter alia, halt of operations, loss of revenue, customer claims and lawsuits, which in turn could have a material adverse impact on the Group's business, results of operations and financial position.

1.1.5 Risks related to concentration of revenue streams

The Group is exposed to risks in relation to a concentration of revenue streams (at present, the Group generates the majority of its revenue contribution from the sale of live feed and diet products and salmon eggs) and in the event that any such revenue stream is adversely affected that could have a material adverse effect on the Group's results of operations and financial position. There are numerous factors that can affect the revenue streams of the Group's existing products, which include maintaining existing licenses, accreditations and regulatory approvals. Moreover, if the Group is not able to gain additional permitted uses as part of the marketing authorisation for pharmaceutical products on its existing labels for certain of the Group's health products, it could result in reduced potential revenue from such products.

1.1.6 Risks related to new product development and commercialisation

The Group is exposed to risks in relation to development of new products, and pipeline products that may be delayed or fail technically before launch and commercialisation of such new products. Failure and/or delays to launch and/or commercialise new products could have a material adverse effect on the Group's ability to remain competitive, and on its business, results of operations, financial condition and/or prospects. In particular, the Ectosan® Vet and CleanTreat® sealice solution is (i) in the early phases of commercialisation and building of a customer base and business model, and (ii) has not yet been approved for use in jurisdictions other than Norway and Faroe Islands, and there is a risk that regulatory approval may be limited, delayed or not granted.

1.1.7 The loss of a key IT system could have a material adverse effect on the Group's business

The Group's IT systems facilitate daily work, collaboration and hold Group IP and trade secrets and is subject to several risks in terms of systems failure or cyber-attacks. The Group is exposed to external threats associated with data security. There is a risk of virus attacks, attempts at hacking, social manipulation and phishing scams. Further, the Company electronically maintains sensitive data, including proprietary business information, critical intellectual property and that of its customers, and some personally identifiable information of customers and employees, on the Group's networks. Loss of access to the IT system, data leaks of critical intellectual property or key information within the IT system would be disruptive to the Group and could have a material adverse effect on the Group's business and results of operations.

1.1.8 The market for some of the Group's products and services can experience volatility and seasonal fluctuations

Demand for the Group's products is affected by seasonality and market conditions in aquaculture markets around the world. The aquaculture industry has historically faced periods of volatility as a result of disease, climate conditions and demand supply dynamics which if repeated can affect the Group's sales and margins, results, financial conditions and prospects.

Certain of the Group's key products and services including, but not limited to, – artemia, salmon eggs, Salmosan® Vet (the Group's mature sea lice product) and CleanTreat® and Ectosan® Vet – are subject to seasonal fluctuations in production and in sales. The effects of seasonal fluctuations in the demand for the Group's products and services may lead to lower revenues, low utilisation of employees, plant and equipment during periods of low demand, increased working capital requirements and/or volatility in operating results.

1.1.9 Loss of key manufacturing facilities may materially impact the Group's operations, financial position and/or prospects

The Group's sales are dependent, inter alia, on its global production facilities and warehouses. The Group has manufacturing facilities around the world including in Thailand, Norway, Iceland and the U.S. The Group has an active insurance policy, covering property and business interruptions, and risks to property damage (including machinery breakdown) where considered appropriate. Based on the Company's assessment, such insurance coverage is adequate and consistent with that of other companies operating in the same industry and appropriate for the operations of the Group. The Group could incur losses that exceed the scope of the insurance coverage. Disruption in any of its facilities including as a result of fire, contamination, political events, or other natural disasters or operational disruptions could have a material adverse effect on the Group's sales, financial results and prospects.

1.1.10 Risk relating to biosecurity and disease

Diseases, viruses, biological contamination, and regulators' or market fears about the same, may impact the performance of the Group. The Group itself, its suppliers and its customers are exposed to the impact of diseases, viruses and biological contamination, which may result in the destruction of stock, suspension of exports/imports, delays or decreases in sales, and increased costs associated with compliance, testing, compensation, remedial action or restocking. Where products are transferred cross-border, regulators may suspend exports/imports to control disease or as a precautionary measure.

1.1.11 The Group's operations may be restricted by applicable economic sanctions

The Group's operations may be affected by applicable rules and regulations relating to economic sanctions in various countries, including, but not limited to, trade sanctions imposed by the U.S., the EU, the UK and Norway, prohibiting certain transactions, potentially including financial transactions and the transfer of products, to sanctioned governments, entities and persons. Specifically, the war in Ukraine and the resulting significant expansion in the sanctions imposed by, inter alia, the EU, the U.S., the UK and Norway against Russia and certain Russian entities and individuals, as well as Belarus, have had, and may continue to have, adverse impacts on the global economy, the global capital markets, international trade, supply chains, energy prices and supplies and the price and availability of raw materials, any of which could negatively impact the Group's operations in general, and specifically its ability to source CIS Artemia from certain suppliers. In July 2022 following a thorough review of potential applicable sanctions and available exemptions supported by external expert advice, the Group resumed its contract with a Russian supplier of CIS Artemia which had been suspended since February 2022 pending said review. The Group will continue to carry out thorough reviews ahead of any future orders being placed. Despite these assessments and steps, these activities could cause the Group reputational damage and have a material adverse effect on the Group's business, financial conditions, and future prospects. Further, with the Group's global operations, sanction restrictions could cause a shortage in raw materials, such as CIS Artemia, and the Group may have to find alternative sources of supply, which may not be available at all or on the same terms, and which may also be delayed because of sanctions assessments and investigation for alternative supply. The Group's international operating activities result in an increased risk that its operations are affected by further sanctions or new interpretations of existing sanctions, including changes or expansions to sanction regulations in the territories in which the Group or its business relations operate, and the unpredictable nature of geopolitical situations in several regions of the world including Russia and Ukraine means that such further sanctions, and further regulatory actions by sanctioned countries against the imposing countries, may be forthcoming.

1.1.12 Risks related to operations including sales in multiple jurisdictions

The Group has large-scale production facilities in four countries and a network of research and development and commercial operations in an additional 20 countries. In addition, the Group provides products to customers in more than 70 jurisdictions. Operations in multiple jurisdictions are subject to risks inherent in international business activities, including, in particular, general economic conditions in each such market, unexpected changes in regulatory requirements, including tax burden on the Group's customers, compliance with a variety of foreign laws and regulations and the general risk associated with non-compliance with appropriate standards of governance which in each case could lead to potential fines, penalties, loss of revenues and damage to reputation. The Group's operations includes sites in Brazil, Chile, China, Indonesia, Mexico, Thailand and Turkey and business relationships with entities or persons in countries subject to sanctions and/or with citizens or residents subject to sanctions, and is thus subject to risks associated with operations conducted in emerging markets and high-risk jurisdictions, including general compliance risk. Inadequate sanctions screenings, including in relation to due diligence, monitoring and internal controls, may lead to increased risk of violation. Political and diplomatic developments may cause uncertainties relating to unstable state administrations, e.g. as seen in the military coup in Thailand in 2014, which in turn could have a material adverse impact on the Group's business, results of operations and financial position.

The Group operates within Europe with the Management located in the United Kingdom, which currently faces political and economic uncertainty as a continuing result of, among other things, the United Kingdom's exit from the European Union (“**Brexit**”). The Group's Health business area supply chain where R&D and manufacturing operations are based in the United Kingdom and products are largely sold outside the United Kingdom, has been affected by Brexit. Because of Brexit, the Group may be subject to additional tariffs on UK cross-border supply of products and ongoing changes to the regulatory framework, and there is a requirement for manufacturing import authorities to be obtained for certain health products to be imported by the Group into the Group's target jurisdictions.

In the financial year ended 30 September 2022, approximately 32% of the Group's revenue derived from customers based in Norway. In September 2022, the Norwegian government proposed the implementation of a new, additional 40% resource rent tax on salmon aquaculture and trout farmers, to enter into force in January 2023. The suggested resource rent tax, if implemented, may reduce the profit and/or growth in production volumes of salmon and trout of the Group's customers in Norway in the short and/or medium to long term, which may in turn negatively affect the Group's sales volume and demand for the Group's products in Norway.

1.1.13 Insurance coverage may not protect against all damages or business disruptions

The Group's insurance policies, which consist of customary coverage related to production and manufacturing facilities, maritime insurance, inventory of salmon broodstock and salmon eggs and other material which the Group may conduct, may not adequately cover losses and there can be no assurance that all risks are covered by the Group's insurance policies. There is also a risk that the insurance coverage available to the Group may be insufficient to cover some or all losses associated loss of income or other costs. As a result, the Group retains the risk of having to pay directly for any losses which may arise in excess of these limits. Further, there can be no assurance that the Group will be able to maintain its insurance at reasonable costs or sufficient amounts in order to protect its business from every risk of disruption. If any of these risks materialise, it may have a material adverse effect on the Group's business, results of operations, financial position and/or prospects.

1.1.14 Risk relating to product liability and warranty claims

In common with many companies in the pharmaceutical and biotechnology sector, the Group is exposed to the risk of product liability and warranty claims, should its or relevant third party products not fulfil the terms of the contracts under which they are sold or otherwise cause loss or damage. A defective product could have significant consequences for the customer and the environment and have a material adverse impact on the Group's business, results of operations and financial position.

1.1.15 Development of resistance to some animal health products

Some pharmaceutical products have a product life that can be affected by the early onset of resistance to the product in the target organism, and whilst a significant proportion of the Group's product portfolio and pipeline comprises vaccines and biocides to which resistance is not a significant factor in product life, this can be a problem in some ectoparasiticides which are also a part of the Group's portfolio. The development of resistance to parasiticides can be affected by the particular active chemical in the product and/or by the way it is used in treatments, either singly or in rotation with other treatments.

Whilst the Group has an active programme of technical servicing in each of its markets to help its customers adopt treatment practices which reduce and manage the risk of resistance, and whilst the exact use of these products in the future and therefore the potential for early onset of resistance cannot be fully predicted, the Group's business, results of operations and financial position could be materially adversely affected by the onset of early resistance to some of its products or products in development at some point in the future.

1.1.16 Dependence of key personnel and risks relating to employment contracts with key employees

Attracting, training, retaining and motivating technical and managerial personnel, is an important component of the future success of the Group's business. The departure of any of the Group's executive officers or other key employees could have a negative impact on its operations. In the event that future departures of employees occur, the Group's ability to execute its business strategy successfully, or to continue to provide services to its customers and users or attract new customers and users, could be adversely affected.

Certain of the Group's employment agreements with key employees lack non-compete clauses, non-solicitation clauses and/or have insufficient intellectual property rights clauses. Should such a key employee leave the Group, there is a risk that the relevant employee may take employment with a competitor with knowledge from the Group and thereby strengthen the competitor's competitive position towards the Group, and there is also a risk that disputes may arise with respect to usage and ownership of intellectual property rights, both of which can have a material adverse effect on the Company's financial position and operations.

1.1.17 Risks related to climate change and environmental, social and governance factors

Climate change and the evolving regulatory environment may expose the Group to regulatory breaches, significant disruption, reputational risk or a reduction in supply of biological raw materials and demand for products or services. The Company's stakeholders are increasingly requiring reassurance that the Group is overseeing and responding to ethical and environmental issues across the Group's business. If the Group suffer a downgrade of its environmental, social and governance ("**ESG**") ratings, this may have a detrimental impact on the market value of the Shares, as some investors may decide to stop investing as a result of any ESG rating downgrade. If the Group fails to accurately interpret and apply new regulatory standards or fails to conduct its operations in accordance with its ESG-guidelines, it may have a material adverse effect on the Group's business, results of operations, financial position and/or prospects.

1.1.18 Risk related to Covid-19

The Covid-19 pandemic has presented challenges to the Group's operations, including regional lockdowns, significant supply chain disruptions and increase in costs of logistics. For the Group, Advance Nutrition was the business area that was most impacted by the pandemic because of its exposure to the global shrimp markets (which was significantly affected by the pandemic due to its reliance on the hospitality sector). The pandemic also entailed a slower ramp up of the commercialisation of the Group's new sea lice treatment in the Health business area.

Although the Group has observed a recovery in the shrimp market and experienced better performance in the Advance Nutrition business during the last year, there are still significant uncertainties relating to the Covid-19 pandemic and whether new pandemic-related restrictions will be imposed in the markets and jurisdictions in which the Group operates. Any future epidemics or pandemics, and related restrictions, negative market impacts and consequences are outside the Group's control and there are no assurances that any such events will not seriously interrupt the Group's business, and, thus, adversely affect the financial condition and results, going forward.

1.2 Risks relating to strategic, regulatory and legal matters

1.2.1 Competition could have a material adverse effect on the Group's operations

The Group operates in a competitive market in which large well-established competitors and smaller unconsolidated competitors operate. Such large competitors have significant resources and capital which may be in excess of those of the Group, which may result in the Group falling behind competitors with the development and commercialisation of new, innovative products. Additionally, the Group's competitors may offer more competitive pricing. The sales tactics and activities of such competitors and their pricing policies or the successful introduction of new competing products or brands could cause a reduction in the Group's sales and margins, results of operations, financial condition and/or prospects.

1.2.2 Environmental, health and safety and chemical laws, regulations and standards

The Group is, and the Group will be, subject to a broad range of laws, regulations and standards, particularly as a result of its involvement in production environments in its Health, Advanced Nutrition and Genetics business areas, including those relating to medicinal products, pollution, health and safety of employees, protection of the public, protection of the environment and the storage, handling and use of hazardous substances and chemicals and waste management. These regulations and standards, and their application and enforcement, are becoming increasingly stringent and complex. For example, the Group's product Ectosan® Vet contains active ingredients that is subject to disposal restrictions on the label of the medicine and the Group may, in its operations, cause spillages in breach of such laws. Violations of such laws, regulations and standards and/or related claims, could result in restrictions on the operations of the Group's sites, placing in the market of the Group's products and/or the level of product sales, as well as damages, fines or other sanctions and increased costs of compliance with potential reputational damage.

1.2.3 Regulations and political risks in relation to the Group's business and new products

The Group operates in a highly regulated industry with respect to both its established and developing products and in particular with respect to its medicinal and animal health product offerings. For example, in relation to CleanTreat® and Ectosan® Vet in Norway, the import, sale and use of these products are subject to the following regulations and laws, amongst others: the Aquaculture Act, the Medicine Act, the Pollution Control Act, the Animal Welfare Act, the Animal Health Personnel Act and the Food Safety Act in Norway. The Group's business is subject to substantial regulation which may affect the Group's ability to derive long-term revenues from some of its products or products in development. The Group is not able to market, import, manufacture or offer certain new products until all the necessary regulatory approvals have been obtained in each jurisdiction where it is intending to market, import, manufacture or offer each relevant product. For example, the Group's products CleanTreat® and Ectosan® Vet are only authorised to be sold in Norway and the Faroe Islands, and any launch outside Norway or Faroe Islands is dependent on local regulatory approvals. Even after a product has reached market it can still be subject to various kinds of re-review and could lose its approval.

The multiple jurisdictions in which the Group operates in have differing political and regulatory risks relating to medicinal and animal health products. For instance, certain of the Group's medicinal products (including their active ingredients) are subject to a somewhat unpredictable regulatory situation, particularly in light of the recent years' increased focus on environmental aspects in the fish farming industry.

In addition, it is not always possible to predict the future changes to laws and regulations as they may relate to the Group's products and services and any changes could have a material effect on the Group's results of operations.

1.2.4 The Group is reliant on permits to conduct certain parts of its business

For the Group to carry out its business as intended, it will – in addition to maintaining its existing regulatory permits – need to obtain new permits, depending on evolving regulatory requirements and the nature of its new product and service offerings. In addition, certain existing key permits are time-limited, and there is a risk that these may not be renewed upon their expiry. A failure to maintain existing permits or obtain new required permits could have an effect on the Group's ability to provide its existing and/or intended products and services.

1.2.5 Generic products may be viewed as more cost effective than the Group's products

The Group will continue to face competition from products produced by other companies possibly including generic alternatives to the Group's products. As a result, the Group may in the future face competition from lower priced generic alternatives to some of its products. Generic competitors can be more aggressive in terms of pricing and generic products are a part of some of the Group's markets. If customers increase their use of new or existing generic products, the Group's results of operations and financial position could be adversely affected.

1.2.6 Contracting structure with certain customers and suppliers could have a material adverse effect on the Group

The Group contracts with certain key customers and suppliers on an unwritten (not formalised) basis, and although in some instances these are long-term relationships, these customers and suppliers could seek to end their relationship with the Group or vary the terms of the relationship in a way that is disadvantageous to the Group at any time. Such a change could have a material adverse effect on the Group's business, results of operations and financial position.

Lack of formalised agreements entails a risk of uncertainty with respect to the agreed and applicable terms and conditions, lack of predictability regarding future revenue from customers, and visibility regarding future supplier capacity. It can also lead to a higher compliance risk.

1.2.7 The Group is dependent on successfully securing licensing arrangements in respect of certain pipeline products

The Group develops and/or plans to develop some of its pipeline products in collaboration with research institutes or other third parties in the relevant sector. Many of its products are (or are expected to be) developed under a collaboration agreement, the terms of which envisage the Group and the relevant research institute or other third parties agreeing licensing arrangements and ownership of intellectual property once a product achieves proof of concept or nears commercialisation. These collaboration agreements typically do not, at the outset, regulate the parties' economic rights resulting from the collaboration or include a license to commercialise the results. There can be no certainty that the Group will be able to secure a licensing arrangement in respect of its pipeline products with the relevant research institute or other third parties, nor that any such arrangement will be on terms which allow the Group successfully to commercialise the product and generate revenues and profits at the levels which are anticipated. In addition, the Group has not yet entered into collaboration agreements with certain of the research institutes or other third parties with which it conducts research and development.

1.2.8 Failure to realise synergies in the Group could have a material adverse effect on the Group's financial performance

Realisation of cross-divisional synergies within the Group is important to the future growth of the business. Some of the Group's largest areas of opportunity, including shrimp genetics, rely on leveraging market presence, skills and expertise across its business areas. There can be no guarantee that any synergy benefits will be realised, which may have a material adverse effect on the Group's financial prospects.

1.2.9 The Group may not be successful in its growth strategy

The Group's growth strategy includes organic growth and development in existing and new areas and growth through complementary partnerships and add-on acquisitions. The focus and goal of the Group is to become the leading aquaculture biotechnology company driving sustainability and deliver any profitable growth for its shareholders. However, there are no assurances that the Group will be successful in executing its strategic plans, which depends on numerous factors, including, without limitation, market conditions within the business areas that the Group operates, achieving cross Group synergies, successful introduction of new products and regulatory trends. If the Group fails to achieve targets and expectations stipulated by its growth strategy, or if implementation of the Group's growth strategy is delayed for any reason, it could lead to loss or reduction of anticipated future revenue streams and have an adverse effect on the Group's ability to secure future equity funding. The Group also face significant reputational risk if it does not deliver on communicated growth targets and expectations. Should any of these risks materialise, it could have a material adverse effect on the Group's business, results of operations and financial position.

1.2.10 The Group's revenues derive from products with varying levels of intellectual property protection

Although the Group considers its intellectual property portfolio and strategy to be robust and providing some competitive advantage, it does not provide the Group with market exclusivity. Benchmark's products are largely protected as trade secrets, with strong brands supported by a large and market-relevant trademark portfolio and certain key existing and emerging products and processes (including but not limited to Ectosan® Vet and land-based salmon egg production) protected through a strategic patent portfolio that aligns with the Group's commercial priorities, including 15 patent families and 56 pending and 130 granted patents worldwide. Although the Group intends to bring new patented products to market in the future, there can be no guarantee that patents will be granted. Even if patents are granted, they may face competition from generic products over time. Patents and other forms of product protection may not provide sufficient protection for the Group's products.

1.2.11 Infringement of intellectual property rights; limited ability to protect IP

Certain of the Group's products depend, and certain of its pipeline products will depend, on patents (whether owned by the Group or licensed from others), intellectual property in the form of knowledge or expertise, trademarks and other forms of protection. Protection for these products extend for varying periods of time in accordance with the filing or grant of, and the legal life of, patents in countries in which patents are granted. The protection afforded, which can vary from one country to another, is limited by the terms and the scope of the relevant patents or licensed in patent, trademark or licensed-in trademark and the availability of legal remedies in the relevant country. Investors cannot be assured that any efforts the Group makes to develop or protect its intellectual property rights will be successful. In addition, policing against unauthorised uses is difficult and the Group may not be able to identify all unauthorised uses, the Group may fail to take appropriate steps to enforce its proprietary rights, or it may find that such rights are unenforceable.

Please refer to risk factor 1.1.16 “Dependence of key personnel and risks relating to employment contracts with key employees” with respect to employment agreements and missing regulation of intellectual property rights.

1.2.12 Infringement of others' intellectual property rights

Inadvertent actions may expose the Group to the risk of infringing third party intellectual property rights. Potential claims can be submitted many years after a product has been deployed. The Group is therefore exposed to the risk that it has been, or will in future be, subject to claims relating to infringement of third party intellectual property rights, notwithstanding the measures put in place to mitigate this exposure. In the absence of agreement, unforeseen royalty claims could have a material adverse effect on the Group's business, results of operations and financial position.

1.2.13 The Group is subject to risks from legal and arbitration proceedings

The Group is, and may in the future become, involved in disputes as well as legal and arbitration proceedings, with public authorities or private entities, which involve claims for damages or other sanctions, for instance arising out of intellectual property enforcement or infringement, acquisitions or other material contracts entered into by it or any member of the Group.

In the event of a negative outcome of any material proceedings, whether based on a judgment or a settlement agreement, the Group could also be forced to make substantial payments or accept other sanctions, which could adversely affect its business, reputation, prospects, results of operations and financial position. In addition, the costs related to litigation and arbitration proceedings may be significant.

1.2.14 The Group's business is exposed to certain risks to the environment, which may adversely affect the Group's business activities and reputation

The nature of certain of the Group's operating activities exposes the Group to certain significant risks to the environment, such as incidents associated with releases of chemicals or hazardous substances when conducting operations, which could result in liability, fines, risk to the Group's product permissions and reputational damage. There is a risk that natural disasters could lead to damage to infrastructure, loss of resources, products or containment of hazardous substances.

The Group's business activities could be materially disrupted for a significant period of time if the Group is not able to respond, or is perceived not to respond, in an appropriate manner to any environmental incident or crisis. Any delay in restoring or replacing critical operational capacity following such incidents could have a material adverse effect on the Group's production capabilities and income streams. Moreover, any damage to the Group's reputation caused by environmental incidents could adversely affect the Group's sales to existing customers and ability to attract new customers, which may have a material adverse effect on the Group's business, results of operations and financial position.

1.3 Risks relating to financial matters

1.3.1 Currency exchange rate risk

The Group as a whole is exposed to fluctuations in currency exchange rates. These impact sales volumes where products are priced by reference to U.S. Dollars but sold in local currencies. Foreign exchange risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency (principally Sterling, Norwegian Krone, Icelandic Krona, Euro, U.S. Dollars and Danish Krone). Movements in foreign currency exchange rates impacts, inter alia, revenues and margins where products are priced and paid in local currencies and reported results when local results, assets and liabilities are converted to GBP for reporting purposes. There is a risk that currency fluctuations will have an adverse effect on the Group's business, results of operations and financial position.

1.3.2 The Company may amend or replace its current hedging arrangement

The Company has hedged its exposure to cross-currency fluctuations and interest rates to offset its risk, particularly with respect to NOK/USD and NOK/GBP fluctuations. The Company may seek to amend or replace its current hedging arrangements with new hedging arrangements, however, there can be no assurance that such amendment or replacement will take place on commercially reasonable terms. Failure to replace its hedging arrangements or inability to do so on commercially reasonable terms could materially adversely affect the Group's business, results of operations, value of assets, reserves, cash flows, financial condition, access to capital and/or prospects and could cause the Company to fail to meet its obligations under the bond terms.

1.3.3 Risk relating to current geopolitical instability

The current geopolitical instability arising out of the situation with Russia and Ukraine could result in disruption that might affect the Group, including but not limited to inflation, higher interest rates, negative interest rates, declining access to credit, changes in government regulatory, fiscal or tax policies, including changes in applicable tax rates and the modification of existing or adoption of new tax legislation with or without retrospective effect, sanctions regimes, removal of subsidies, reduced public spending, unexpected alterations to policies designed to address climate change or credit crises affecting disposable incomes, increases in fuel prices, supply chain difficulties, weakness in energy markets or a loss of consumer confidence. Such effects can be expected to include a broad range of jurisdictions and markets which are not necessarily directly involved in the Ukraine conflict or associated sanctions. Further, as governments take steps to address inflationary pressures, there may be significant changes in the availability of credit, interest rates, limitations on loans, restrictions on currency conversions and foreign investment. If prices for the Group's products and/or services rise at a rate that is insufficient to compensate for the rise in the costs of supplies, it may have an adverse effect on the Group's profitability.

1.3.4 Risk relating to maintaining liquidity and managing leverage

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments, and is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group has arrangements in place with key suppliers requiring minimum purchase orders and this can affect working capital availability to the Group.

Any top line growth through new products and markets can drive changing patterns of working capital for the Group. Growth in some markets may also entail increased risk of slow paying customers or bad debts. If the Group is not successful in timely identifying or managing increased working capital needs and other measures required by new payment patterns, this may have a material adverse impact on the Group's financial condition.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, the Group seeks to maintain cash balances (or agreed facilities) sufficient to meet expected requirements detailed in rolling three month cash flow forecasts, and in longer term cash flow forecasts. Failure to comply with covenants contained in debt facilities or arrangements could in some cases trigger a right to require repayment of some of the Group's debt, and may restrict the Group's ability to draw upon its facilities or access the capital markets. Additionally, financial markets can be subject to periods of volatility and shortages of liquidity. If the Group were unable to access the capital markets or other sources of finance for a prolonged period, the Group's cost of financing may increase and there is no guarantee that alternative financing would be achieved on satisfactory terms, which may have a material adverse effect on the Group's business, results of operations, financial position and/or prospects.

1.3.5 Restrictive covenants may lead to inability to finance operations, capital needs and to pursue business opportunities

The terms and financial covenants under the Group's financial arrangements, may restrict the Group's ability to distribute dividends, incur additional indebtedness and make certain disposals. The Group is also subject to certain specific covenant testing. Even though these restrictions are subject to certain carve-outs and limitations, some of the covenants could affect the Group's business and financial planning, or limit the Group's ability to finance future operations and capital needs. The Group's ability to pursue new activities in accordance with the Group's strategy or explore potential growth opportunities that otherwise may be in the Group's interest may also be subject to restrictions. Should the Group be prevented from making beneficial business decisions because of the terms of its financing agreements, this could have a material adverse effect on, inter alia, the Group's operational activities, its financial position and future operational and financial prospects and targets. For further information regarding the Company's covenants, see Section 6.8 “Material borrowings”.

1.3.6 Change of control clauses in the Group's financing arrangements

The bond loan and the RCF entered into by the Company on 23 September 2022 and 21 November 2022, respectively, include change of control clauses that will, inter alia, be triggered if the Company (or the parent if applicable) is delisted from AIM, Euronext Growth or another specified exchange or if a person gains a decisive influence (as such term as defined therein). The term loan facility entered into by Benchmark Genetics Salten AS (BGS) includes a change of control clause which will be triggered if the Company ceases to own more than 50.1%, indirectly or directly, of the shares of BGS with corresponding voting rights. The Company currently indirectly owns 74.97% of the shares in BGS.

If a change of control event should occur under any of the said financing arrangements, the Group could be required to repay the relevant loan. No assurance can be made the Company will be able to make such payment or be able to refinance the debt in time, which could have a material adverse effect on the Company's financial position, and in worst case result in insolvency proceedings.

Please refer to section 6.8 “Material borrowings” for further description of the Group's borrowing arrangements.

1.4 Risks relating to the Shares and the admission to trading on Euronext Growth Oslo

1.4.1 The Company's intended transfer to the main list on the Oslo Stock Exchange may involve changes to the Group structure and its shareholders, and may not happen within the intended time or at all

The Company intends, subject to (amongst other) market conditions, to apply for a transfer to the main list on the Oslo Stock Exchange ("**Uplisting**") during the first half of 2023. The Uplisting will be subject to market conditions and there is a risk that the Company is not able to complete the Uplisting within the intended time or at all. The Uplisting will involve fulfilment of the listing requirements applicable on the Oslo Stock Exchange, including minimum 500 shareholders and 25% free float, and such steps as the Company considers appropriate or are otherwise required in order to implement the Uplisting (including but not limited to the expected installation of a Norwegian holding company which will become the listed entity and will be subject to shareholder approval, and any regulatory and/or shareholder approvals which may not be forthcoming). An active trading market may not develop and the Shares may be difficult to sell in the secondary market.

At the date of Admission, only a smaller portion of the Company's shareholder base will be issued in the VPS for trading on Euronext Growth Oslo, which may affect liquidity in the Shares on Euronext Growth Oslo. Further, the Company's existing shareholders in the UK may not be able or willing to move their Shares to the VPS for trading on Euronext Growth Oslo in connection with or after the Admission, thus potentially maintaining the lower liquidity.

Although the Shares in the Company are freely transferable and will be admitted to trading on Euronext Growth Oslo, investors must expect that it may be difficult to sell the Shares in the secondary market. Prior to the expected admission to trading on Euronext Growth Oslo, the Shares have been traded on the AIM market of the London Stock Exchange (AIM), which at times have experienced low liquidity levels. If an active public market does not develop or is not maintained, shareholders may have difficulty with selling their Shares. There can be no assurance that an active trading market will develop or, if developed, that such a market will be sustained at a certain price level. The Company cannot predict at what price the Shares will trade upon following the admission to trading on Euronext Growth Oslo, and the market value of the Shares can be substantially affected by the extent to which a secondary market develops for the Shares following the admission to trading on Euronext Growth Oslo.

The market price and liquidity of the Shares listed on Euronext Growth Oslo may differ from the market price and liquidity of the Shares listed on AIM, and the market price and liquidity may fluctuate considerably. Benchmark cannot predict the extent to which liquidity or functioning price formation will develop on Euronext Growth Oslo. This could reduce the value of the Shares, and impair the ability, price or timing, for those shareholders holding their Shares in VPS and wishing to sell their Shares.

1.4.2 The Company will incur increased costs as being a publicly traded company admitted to trading on Euronext Growth Oslo

As a publicly traded company with Shares admitted to trading on Euronext Growth Oslo, the Company will be required to comply with Euronext Growth Oslo's reporting and disclosure requirements in addition to the reporting and disclosure requirements associated with the Company's AIM listing. The Company will incur additional legal, accounting and other expenses to comply with these and other applicable rules and regulations. The Company anticipates that its incremental general and administrative expenses as a company with shares admitted to trading on Euronext Growth Oslo will include, among other things, increased compliance costs in order to comply with the requirements on Euronext Growth Oslo, increased administrative costs related to shareholders' meetings and investor relations. Any such increased costs, individually or in the aggregate, could become significant.

1.4.3 The price of the Shares may fluctuate significantly on Euronext Growth Oslo

The trading price of the Shares on Euronext Growth Oslo could fluctuate significantly in response to a number of factors beyond the Company's control, including interim variations in operating results, adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, share price fluctuations affecting Benchmark, significant contracts, acquisitions or strategic relationships, publicity about the Company, its products and services or its competitors, lawsuits against the Company, unforeseen liabilities, changes to the regulatory environment in which it operates or general market conditions. Euronext Growth Oslo has a history of having a lower trading volume and liquidity compared to Oslo Børs, and the volatility in trading is also significantly higher. In recent years, the global stock market has, at times, experienced extreme price and volume fluctuations. This volatility has had a significant impact on the market price of securities issued by many companies. These changes may occur without regard to the operating performance of these companies. The price of the Shares may therefore fluctuate based upon factors that have little or nothing to do with the Company, and these fluctuations may materially affect the price of its Shares.

1.4.4 Future issuances of Shares or other securities could dilute the holdings of shareholders and could materially affect the trading price of the Shares

The Company may in the future decide to offer additional Shares or other securities in order to finance new capital-intensive projects, to pursue M&A opportunities, in connection with unanticipated liabilities or expenses or for any other purposes. The Company cannot predict what effect, if any, future issuances and sales of Shares will have on the price of the Shares (particularly following the admission to trading on Euronext Growth Oslo). Furthermore, depending on the structure of any future offering, existing shareholders may not have the ability to subscribe for or purchase additional equity securities. If the Company raises additional funds by issuing additional equity securities, this may result in a significant dilution of the existing shareholders, including in relation to dividends, shareholding percentages and voting rights.

1.4.5 Financial reporting and other company law requirements

The Company will, as a result of the Admission, become subject to reporting and other obligations under applicable Norwegian law and the rules that apply to Euronext Growth Oslo. These reporting and other obligations will place certain additional demands on the Company's management, administrative, operational and accounting resources compared to what they already have as a company listed on AIM.

Any failure of the Company to maintain effective internal controls could cause the inability of the Company to meet its reporting obligations or result in material misstatements in its financial statements. If the Company cannot provide reliable financial reports or prevent fraud, its reputation and operating results could be materially harmed which could also cause investors to lose confidence in the Company's reported financial information, which could result in a reduction in the trading price of the Shares.

Management does not expect that the Company's disclosure controls and procedures and internal controls over financial reporting will prevent all error and all fraud. A control system, no matter how well-designed and implemented, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in any control systems, no evaluation of these controls can provide absolute assurance that all control issues within an organization are detected. The inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of certain persons, by collusion of two or more people or by management override of the controls. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected in a timely manner or at all.

1.4.6 The value of the Shares could for foreign investors be adversely affected by exchange rate fluctuations

The Shares on Euronext Growth Oslo will be priced in NOK, and any future payments of dividends to shareholders on the Shares will be paid in GBP by the Company and exchanged to NOK before payment to shareholders by the VPS Registrar. Investors registered in the VPS who have not supplied the VPS with details of their bank account, will not receive payment of dividends unless they register their bank account details with the VPS Registrar. The exchange rate(s) that is applied when denominating any future payments of dividends to the relevant investor's currency will be the VPS Registrar's exchange rate on the payment date. Exchange rate movements of GBP and NOK will therefore affect the value of these dividends and distributions for investors holding their shares in the VPS.

1.4.7 The Company's shares are secondary recorded in the VPS under a VPS registrar agreement, and the holders of Shares in the VPS will not have direct shareholder rights towards the Company

The Company has entered into a registrar agreement (the "**Registrar Agreement**") with DNB Bank ASA, DNB Markets Registrars department (the "**VPS Registrar**") to facilitate registration of the Shares in connection with the admission to trading of Shares on Euronext Growth Oslo. As further described in Section 8.9 "VPS registration of the New Shares", the New Shares and a certain portion of the Company's shares are secondary recorded in the VPS in book-entry form, meaning that VPS record dematerialized book entry interests. The dematerialized book entry interests recorded in the VPS and to be listed on Euronext Growth Oslo are regarded as the "Shares" in accordance with applicable EU regulations.

The Registrar Agreement may be terminated by the VPS Registrar prior to a three months' written notice. Further, the VPS Registrar may terminate the Registrar Agreement if the Company does not perform its payment obligations to the VPS Registrar (and such non-payment has not been remedied by the Company within ten business days following receipt of notice regarding this from the VPS Registrar) or commit any other material breach of the Registrar Agreement. As there are limited providers of VPS registrar services in Norway for non-Norwegian companies and there can be no assurance that the Company successfully enters into a new agreement (with the VPS Registrar or another provider of registrar services) on substantially the same terms or at all. A termination of the Registrar Agreement may ultimately imply that the CSD link to the Company's share register in CREST is cancelled, which may in turn imply that shares cannot be issued in the VPS for trading on Euronext Growth Oslo.

As described in Section 8.13.2 "Voting rights", the holders of Shares in VPS will not have direct shareholder rights towards the Company. Consequently, there is no assurance that holders of Shares in VPS will receive the notice of shareholder meetings, receive the required information in time to maintain shareholder rights or be able to exercise shareholder rights towards the Company.

1.4.8 The Company is subject to the Euronext Growth Rule Book which may deviate from the regulations for securities trading on AIM or on the Oslo Stock Exchange, and which may imply a risk of a lower degree of transparency and minority protection

The Company is subject to the rules of the Market Abuse Regulation ((EU) No. 596/2014, MAR), certain parts of the Norwegian Securities Trading Act applicable to securities admitted to trading on a multilateral trading facility, and the Euronext Growth Rule Book. Such obligations may differ from the obligations imposed on companies whose securities are listed on AIM.

For example, compared to a Company listed on the Oslo stock exchange, as a Company on Euronext Growth Oslo, the Company is not subject to any takeover regulations meaning that an acquirer may purchase a stake in the Shares exceeding the applicable thresholds for a mandatory offer for a company listed on Oslo Børs or Euronext Expand without triggering a mandatory offer for the remaining Shares. In accordance with Euronext Growth Rule Book Part I, section 4.3, and without prejudice to national regulations, the Company shall make public within five (5) trading days of becoming aware, any situation where a person, acting alone or in concert, reaches, exceeds or falls below a major holding threshold of fifty percent (50%) or ninety percent (90%) of the capital or voting rights. Furthermore, there is no other requirement to disclose large shareholdings in the Company (Nw. *flaggeplikt*). These deviations from the regulations applicable to securities trading on AIM, Oslo Børs or Euronext Expand may, alone or together, impose a risk to transparency and the protection of minority shareholders. An investment in the Shares is suitable only for investors who understand the risk factors associated with an investment in a company admitted to trading on Euronext Growth Oslo. However, the Company is still subject to the UK takeover code, please see Section 8.14.1 "Mandatory bid" for further information.

1.4.9 Shareholders may not be able to exercise their voting rights for Shares registered on a nominee account

Beneficial owners of the Shares that are registered on a nominee account or otherwise through a nominee arrangement (such as brokers, dealers or other third parties) may not be able to exercise voting rights and other shareholders rights as readily as shareholders whose Shares are registered in their own names with CREST prior to the Company's general meetings. The Company cannot guarantee that beneficial owners of the Shares will receive the notice for the Company's general meeting in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners. Any persons that hold their Shares through a nominee arrangement should consult the nominee to ensure that any Shares beneficially held are voted for in the manner desired by such beneficial owner.

1.4.10 The laws of England and Wales may impose certain restrictions on shares and shareholders

The rights of shareholders of the Company are governed by the laws of England and Wales and by the Company's Articles of Association. The rights of the Company's shareholders and the responsibilities of the Board Members of the Company under the laws of England and Wales may not be as clearly established, or known for Norwegian shareholders, as under the laws of other jurisdictions. In addition, the rights of shareholders as they relate to, for example, the exercise of shareholder rights, are governed by the laws of England and Wales and the Company's Articles of Association could differ from the rights of shareholders under other jurisdictions, including Norway. Consequently, it may be challenging for holders of the Shares in the VPS to protect their interests in the face of actions by the Board of Directors than if it were incorporated in Norway or another jurisdiction.

2. STATEMENT OF RESPONSIBILITY

The Board of Directors of Benchmark Holdings plc accepts responsibility for the information contained in this Information Document. The Board of Directors confirm that, having taken all reasonable care to ensure that such is the case, the information contained in this Information Document is, to the best of their knowledge, in accordance with the facts and contains no omissions likely to affect its import.

15 December 2022

The Board of Directors of Benchmark Holdings plc

Peter George *Non-Executive Chairperson*	Trond Williksen *Director and* *Chief Executive Officer*	Septima Maguire *Director and* *Chief Financial Officer*
Susan Searle *Non-Executive Director*	Kevin Quinn *Non-Executive Director*	Yngve Myhre *Non-Executive Director*
Kristian Eikre *Non-Executive Director*		Atle Eide *Non-Executive Director*

3. GENERAL INFORMATION

3.1 Other important investor information

The Company has furnished the information in this Information Document. The responsibility for the accuracy and completeness of the information set forth herein lies with the Company. In connection with the Company's application for Admission, the Euronext Growth Advisors have engaged legal and financial advisors who have conducted customary limited due diligence investigations related to certain legal, financial and tax matters pertaining to the Group for the purpose of the Admission.

The Information Document has been reviewed by the Euronext Growth Advisors, but the Euronext Growth Advisors cannot guarantee that the information in this Information Document is correct and/or complete in all respects and accordingly disclaims liability, to the fullest extent permitted, for the accuracy or completeness of the information in this Information Document.

Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of an investment in the Shares.

Investing in the Shares involves a high degree of risk, please see Section 1 "Risk Factors".

3.2 Presentation of financial and other information

3.2.1 Financial information

The Company was incorporated on 28 November 2000 and registered with Companies House, England and Wales, United Kingdom, with registration number 04115910. The Company has prepared financial statements for the Group for the financial years ended 30 September 2022 and 2021 (the "**Consolidated Financial Statements**").

The Company's statutory auditor is KPMG LLP ("**KPMG**"), with business registration number OC0301540 and business address at Sovereign Square Sovereign Street, Leeds, LS1 4DA, United Kingdom. KPMG is a member of the Institute of Chartered Accountants in England and Wales.

The Consolidated Financial Statements for the years ended 30 September 2022 and 2021 have been audited by KPMG. The Consolidated Financial Statements and the audit reports from KPMG are included as Appendix B and Appendix C to this Information Document. The auditor's report to the Consolidated Financial Statements for the year ended 30 September 2021 includes an emphasis of matter relating to going concern. The emphasis of matter related to going concern was made in relation to the Group's and the Parent Company's dependency on the refinancing of debt facilities expiring in December 2022 and June 2023. For further information, see Section 6.7 "Auditor's emphasis of matter related to going concern". KPMG has not audited, reviewed or produced any report on any other information provided in this Information Document.

3.2.2 Alternative performance measures

Alternative performance measures ("**APMs**") are used by the Group to provide a better understanding of the Group's underlying financial performance for the period. Management has presented the performance measures EBITDA, Adjusted EBITDA, Adjusted EBITDA before fair value movement in biological assets, Adjusted Operating Profit and Adjusted Profit Before Tax to monitor performance at a consolidated level using these and believes that these measures are relevant to an understanding of the Group's financial performance.

Each of the following APMs have been defined by the Group as follows:

- **EBITDA** is defined as earnings before interest, tax, depreciation, amortisation and impairment.
- **Adjusted EBITDA** which reflects underlying profitability, is earnings before interest, tax, depreciation, amortisation, impairment, exceptional items and acquisition related items.
- **Adjusted Operating Profit** is operating loss before exceptional items including acquisition related items and amortisation and impairment of intangible assets excluding development costs.
- **Adjusted Profit Before Tax** is earnings before tax, amortisation and impairment of intangible assets excluding amortisation of development costs, exceptional items and acquisition related expenditure.

- **Adjusted EBITDA before fair value movements in biological assets,** which is Adjusted EBITDA excluding the fair value movements in biological assets arising from their revaluation in line with International Accounting Standards ("**IAS**").

Reconciliation of Adjusted Operating Profit to Operating Loss

	Year ended 30 September	
In GBP '000	**2022** *(audited)*	**2021** *(audited)*
Revenue	**158,277**	**125,062**
Cost of sales	(75,149)	(59,477)
Gross profit	**83,128**	**65,585**
Research and development costs	(6,691)	(7,010)
Other operating costs	(44,661)	(38,221)
Depreciation and impairment	(19,897)	(8,359)
Amortisation of capitalised development costs	(2,165)	(299)
Share of loss of equity accounted investees net of tax	(595)	(905)
Adjusted operating profit	**9,119**	**10,791**
Exceptional - restructuring, disposal and acquisition related items	16	(184)
Amortisation and impairment of intangible assets excluding development costs	(16,996)	(15,984)
Operating loss	**(7,861)**	**(5,377)**

Reconciliation of Profit Before Taxation to Adjusted Profit Before Tax

	Year ended 30 September	
In GBP '000	**2022** *(audited)*	**2021** *(audited)*
Loss before taxation	**(23,177)**	**(9,179)**
Exceptional - restructuring, disposal and acquisition related items	(16)	184
Amortisation and impairment of intangible assets excluding development costs	16,996	15,984
Adjusted (loss)/profit before tax	**(6,197)**	**6,989**

Other Metrics

	Year ended 30 September	
In GBP '000	**2022** *(audited)*	**2021** *(audited)*
Total R&D Investment		
Research and development costs		
Research and development costs	6,691	7,010
Internal capitalised development costs	1,708	4,813
Total R&D investment	**8,399**	**11,823**

	Year ended 30 September	
In GBP '000	**2022** *(audited)*	**2021** *(audited)*
Adjusted EBITDA excluding fair value movement in biological assets		
Adjusted EBITDA	31,181	19,449
Exclude fair value movement	(1,595)	(3,323)
Adjusted EBITDA excluding fair value movement in biological assets	**29,586**	**16,126**

Liquidity

Following the refinancing in September 2022 (of the NOK bond) and November 2022 (of the RCF) a key financial covenant is a minimum liquidity of GBP 10.0 million as cash plus undrawn facilities.

In GBP '000	**Year ended 30 September 2022** *(audited)*
Cash and cash equivalents	36,399
Undrawn bank facility	9,398
Liquidity	**45,797**

The undrawn bank facility relates to the RCF facility. At 30 September 2022, GBP 4,000,000 (2021: GBP nil) of the RCF was drawn, leaving GBP 9.4 million undrawn.

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.

3.2.3 Industry and market data

In this Information Document, the Company has used industry and market data obtained from independent industry publications, own market research and other publicly available information. Although the industry and market data is inherently imprecise, the Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Information Document that was extracted from industry publications or reports and reproduced herein.

Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such data and statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Information Document (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Company's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 1 "Risk Factors" and elsewhere in this Information Document.

Unless otherwise indicated in the Information Document, the basis for any statements regarding the Group's competitive position is based on the Company's own assessment and knowledge of the market in which it operates.

The Company has used the following third party sources in the preparation of this Information Document:

Source applied:	**Available at:**
Bartley, D.M. 2022. World Aquaculture 2020 – A brief overview. FAO Fisheries and Aquaculture Circular No. 1233. Rome, FAO.	https://www.fao.org/3/cb7669en/cb7669en.pdf
Hannah Ritchie and Max Roser (2021) – "Biodiversity"	https://ourworldindata.org/fish-and-overfishing
Seafood Source (2022) "Global Shrimp production to surpass 5 million MT in 2022, CP Food's Robin McIntosh predicts"	https://www.seafoodsource.com/news/supply-trade/expert-predicts-global-shrimp-production-will-exceed-5-million-metric-tons-for-first-time-in-2022
Mowi Salmon Farming Industry Handbook 2022	https://mowi.com/wp-content/uploads/2022/07/2022-Salmon-Industry-Handbook-1.pdf
Norwegian Fish Health Report 2021, Norwegian Veterinary Institute (2021)	https://www.vetinst.no/rapporter-og-publikasjoner/rapporter/2022/fish-health-report-2021
The cost of lice, Iversen, Audun, Hermansen, Øystein, Nofima 2021, not publically available	https://nofima.no/

Source applied:	Available at:
Direct sea lice costs per kilo of salmon produced in Norway (Nofima, 2021) multiplied with annual harvest volumes from Norwegian farmers (Kontali, 2021)	https://www.kontali.com/b/the-salmon-farming-industry-in-norway-2022-report (pay-wall)

3.3 Cautionary note regarding forward-looking statements

This Information Document includes forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms “anticipates”, “assumes”, “believes”, “can”, “could”, “estimates”, “expects”, “forecasts”, “intends”, “may”, “might”, “plans”, “projects”, “should”, “will”, “would” or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic facts. Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Company's actual financial position, operating results and liquidity, and the development of the industry in which the Company operates, may differ materially from those made in, or suggested, by the forward-looking statements contained in this Information Document. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

By their nature, forward-looking statements involve, and are subject to, known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements.

For a non-exhaustive overview of important factors that could cause those differences, please refer to Section 1 “Risk Factors”. These forward-looking statements speak only as at the date on which they are made. The Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Information Document.

4. BUSINESS OVERVIEW

4.1 Introduction

The Company's legal and commercial name is Benchmark Holdings plc. The Company is a public limited liability company incorporated under the laws of England and Wales and registered with Companies House, England and Wales, with registration number 04115910. Benchmark's website is www.benchmarkplc.com. The Company's Legal Entity Identifier ("**LEI-code**") is 2138001UQHM4VZGXUJ19 and the Company was incorporated on 28 November 2000.

The Company is the holding company of a aquaculture biotechnology group delivering mission critical solutions to major farmed aquaculture species. Founded in 2000, the Group has been built through organic development and strategic acquisitions. Benchmark's mission is to drive sustainability in aquaculture by delivering products and solutions that improve yield, quality, and animal health and welfare for aquaculture producers. The Group delivers products and solutions in three main business areas: (i) Genetics, (ii) Advanced Nutrition and (iii) Health. The Group's main products include salmon eggs with specialist genetic traits, live feed (Artemia) and artemia technologies, early-stage specialist diets, probiotics and sea lice treatments. The Company was admitted to trading on AIM, London Stock Exchange's market for smaller and medium size growth companies, in 2013.

The Group operates in 26 countries with a global distribution network serving major aquaculture producing markets for salmon, shrimp, Mediterranean sea bass and sea bream and tilapia. The Group has a customer base with more than 750 customers in over 70 countries, such as SalMar, VietUc and Acramar.

4.1.1 Driving sustainability in aquaculture

Benchmark's mission is to drive sustainability in aquaculture by delivering products and solutions that improve yield, quality, and animal health and welfare for aquaculture producers, and by managing its own operations responsibly in alignment with high ESG standards and the UN Sustainable Development Goals. Aquaculture plays an increasingly important role in safeguarding the world's food supply in a way that contributes to sustainable development. Aquaculture has surpassed wild fishing as the main provider of seafood globally. Aquaculture represents over 50% of global seafood production[1]. Fish accounts for about 17% of animal protein consumed by the global population and is a growing share of protein consumption. The carbon footprint of farmed fish is around 20% that of beef, while farmed shrimp is about one-third.[2] Benchmark's three business areas – Genetics, Advanced Nutrition and Health – can have a significant impact on the sustainability of aquaculture production by improving resource efficiency and animal health and welfare throughout the production cycle.

ESG and sustainability considerations are embedded in Benchmark's strategy and decision-making, and in its governance structure. Benchmark has a sustainability governance framework which originates at the Board level through a sustainability committee (the "**Sustainability Committee**") and runs across the organisation through a sustainability working group (the "**Sustainability Working Group**") and a network of environmental representatives around the world. In addition, an animal welfare committee has been established to work across the business.

Benchmark has conducted a materiality assessment using Global Reporting Initiative ("**GRI**") materiality analysis recommendations and Sustainability Accounting Standards Board's ("**SASB**") materiality map and obtaining feedback from internal and external stakeholders. This assessment informs the Group's sustainability programme which comprises three pillars: Environment, Animal Welfare and People and Communities. The Company reports in compliance with the Streamlined Energy and Carbon Reporting ("**SECR**") where calculations are aligned with the Greenhouse Gas Protocol ("**Greenhouse Gas Protocol**") and the GRI Standards. The Company has undertaken a climate risk assessment to align with the recommendations of the Task Force on Climate-related Financial Disclosures ("**TCFD**"). The Company screens raw material supplies based on environmental criteria and uses certification for its sourcing of soy (which is linked to high deforestation risk).

In September 2022 the Company issued its first Green Bond and obtained a second party opinion from Cicero Shades of Green receiving a Medium Green rating.

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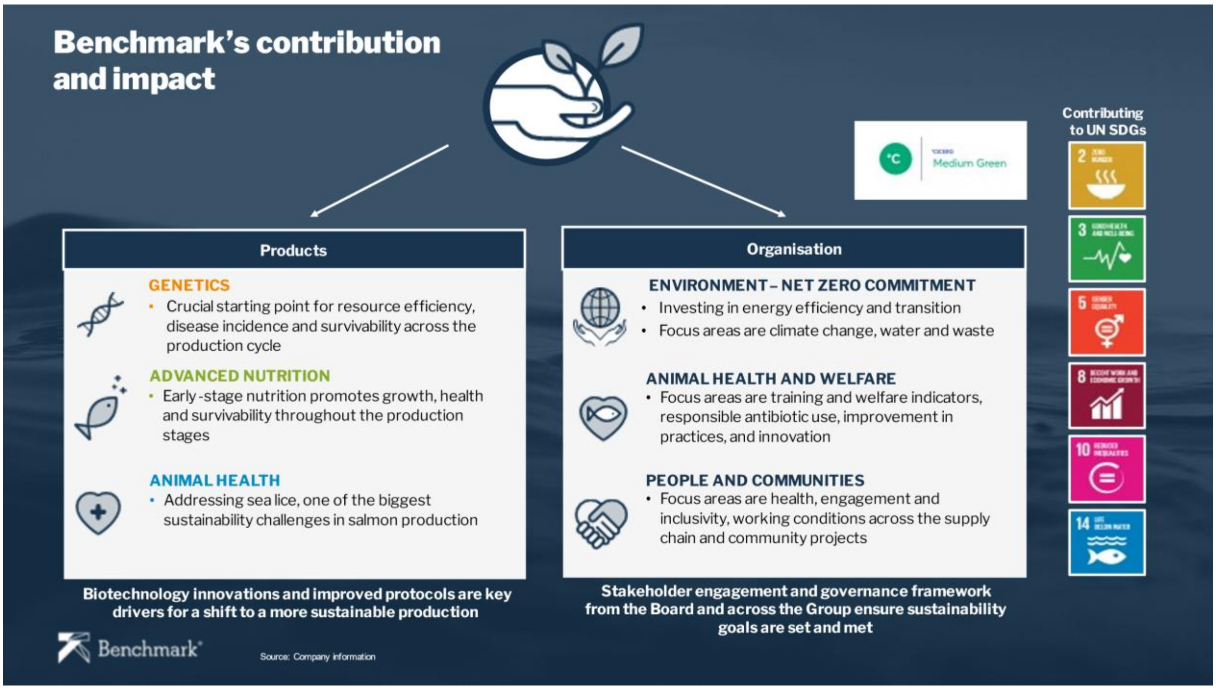
[1] Bartley, D.M. 2022. World Aquaculture 2020 – A brief overview. FAO Fisheries and Aquaculture Circular No. 1233. Rome, FAO. https://doi.org/10.4060/cb7669en.

[2] https://ourworldindata.org/fish-and-overfishing.

Benchmark is a business with a purpose guided by its values – innovative, passionate, collaborative and commercial. This translates into a high employee engagement scores achieved in the Group's 2022 employee engagement survey.



4.1.2 Strategy and objectives

Benchmark's strategic ambition is to be the leading aquaculture biotechnology company driving sustainability serving the main aquaculture markets. These include, but are not limited to, Norway, the Faroe Islands, UK, Canada, Chile, Ecuador, Greece, Turkey, Thailand, Vietnam and India. The Group's strategy is to grow its business organically and through elected add-on acquisitions in its core business areas, while maintaining adequate cost-control and investment discipline aiming to achieve profitability and cash generation, and deliver shareholder value. As the only aquaculture biotechnology player with a complementary offering across major farmed species and global capabilities, Benchmark is well positioned to achieve its ambition.

The Company continues to pursue add-on acquisitions within core areas, adhering to strict criteria and making optimal use of its capital structure.

Benchmark has four strategic principles which guide the setting of its strategic priorities and decision making. These are: True to Core, Financial Discipline, Execution and Profitable Growth.

Benchmark's strategic priorities are defined annually and seek to address the Company's main opportunities and challenges. In FY22, the Group's main strategic priorities included:

- Rolling out its sealice solution Ectosan® Vet and CleanTreat® in Norway;
- Launching its shrimp genetics offering commercially to take advantage of the opportunity for professional genetics in the shrimp market;
- Maintaining its market share in Artemia;
- Delivering an ESG agenda aligned to the Company's mission; and
- Delivering a People agenda which makes Benchmark "A Great Place to Work".

Strategic priorities enable the management team to direct resources and management focus. They are set annually through a process which involves all the business areas and the Board.

4.2 Important events

Below is a brief overview of the Group's history:

Year	Important events
2000	The Group was established
2013	Benchmark was admitted to trading on the AIM market of the London Stock Exchange
2014	Acquired the salmon genetics businesses SalmoBreed and StofnFiskur
2015	Acquired the specialist nutrition provider INVE Aquaculture
2016	Added shrimp and tilapia genetics through the acquisition of shrimp and tilapia breeding programmes
2018	Launched Benchmark Genetics in Chile
2019-2020	Substantial restructuring programme with divestment or discontinuation of non-core assets and activities, cost savings programme and Management changes – GBP 10 million annualised savings
2021	Launch of Ectosan® Vet and CleanTreat® in Norway
2021	First production of salmon eggs in Chile
2022	Launch of specific pathogen resistant (SPR) shrimp
2022	Completion of incubation centre in Iceland

4.3 Principal activities and operations of the Group

4.3.1 Overview

Benchmark is a provider of products and solutions in aquaculture genetics, advanced nutrition and health. These three areas play a critical role in the aquaculture value chain and represent attractive growing markets.

The Genetics business area provides salmon eggs, shrimp breeders and tilapia breeders and fingerlings to its customers, as well as genetic improvement services for a broad range of aquatic species. Advanced Nutrition provides live feed (Artemia), Artemia technologies, specialist diets, probiotics and environmental water treatments for shrimp and marine fish. Benchmark's Health business area provides sea lice treatments for salmon farming.

The Group's three business areas provide a diversified and global revenue base.

4.3.2 Genetics

Professional genetics provide a crucial starting point in aquaculture. Good genetics can have a material impact on efficiency, disease resistance and survivability across the whole production cycle. Benchmark is a provider of aquaculture genetics and genetics services with an offering across major farmed species such as salmon, shrimp and tilapia.

Benchmark is a market leading provider of salmon genetics.[3] Salmon eggs with specialist genetics is the core product constituting 66% of the Genetics business area revenue for LTM Q3 2022. The Group's offering within Salmon genetics includes SalmoProtect®, SalmoSelect®, SalmoTotal®, SamoRAS® and SalmoRAS®4+, allowing salmon farmers to choose traits based on their specific needs, inter alia with regards to production system and location, water temperature, disease pressure, organic growth and efficiency.

The Group's other revenue sources within its Genetics business area include shrimp and tilapia genetics, harvest revenues from salmon farming licenses, lumpfish fingerlings and genetic services such as design, implementation and operation of selective breeding programmes for aquaculture species.

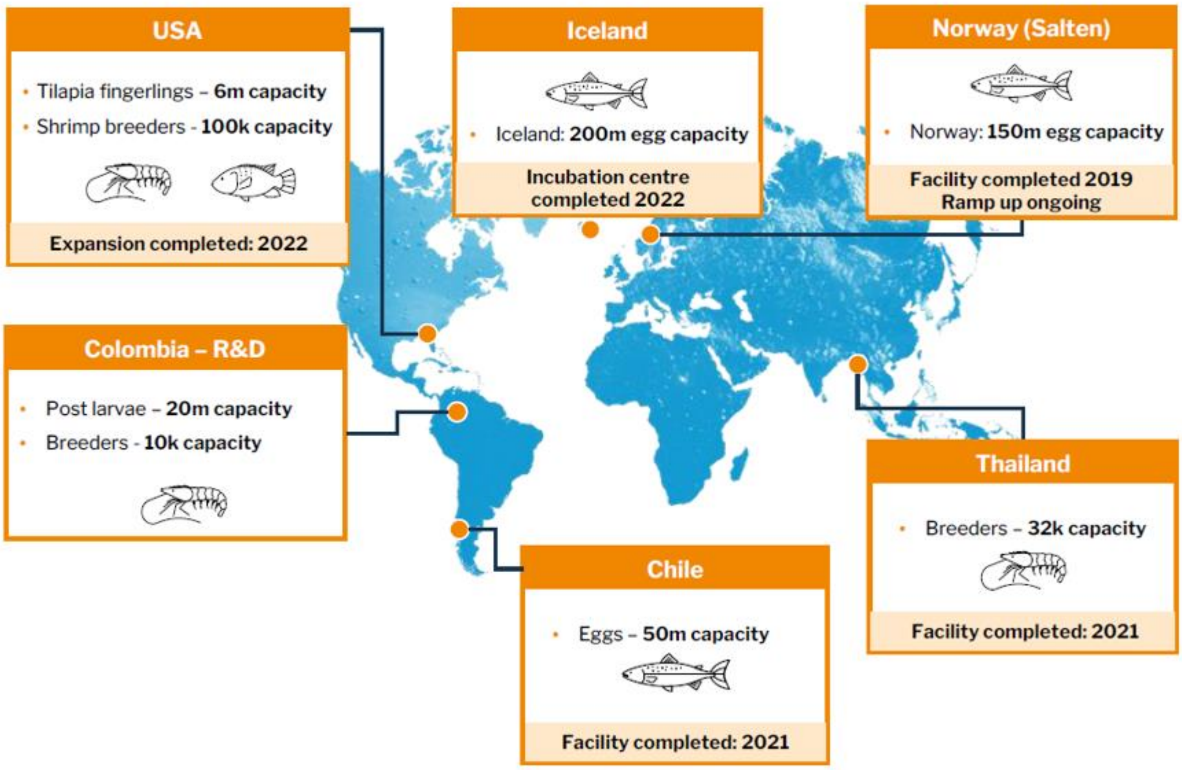
Through Benchmark's specialist genetics, Benchmark aims to help its customers produce fish and shrimp that grow faster and live healthier lives using less resources – thus improving sustainability across the value chain. Benchmark applies selective breeding and advanced genomic tools to deliver eggs and broodstock with genetic traits that drive growth, quality and disease resistance. The Group has a highly skilled team of geneticists with experience in more than 20 different species.

In 2022 Benchmark commercially launched its shrimp genetics products including specific pathogen resistant ("**SPR**") shrimp breeders and PLs ("**post-larvae**"). Benchmark's product range includes BMKYield®, aimed at maximizing yield efficiency, BMKProtect®, for improved growth while maintaining resistance and overall robustness, and BMKLowSal® which offers optimised performance under low salinity conditions.

[3] Source: Based on Company estimates of 2022 market shares for salmon eggs.

The Group also produces and distributes genetically improved, high performing tilapia fingerlings and breeders and has implemented infrastructure for year-round delivery.

The Group has a well invested production footprint, located in key salmon farming regions with capacity for growth. The below figure sets out annual capacity in the Group's respective sites.



Benchmark serves close to 200 customers in about 40 different countries within the Genetics business area, holding a leading market position in salmon eggs[4], and a developing position in shrimp and tilapia, having recently entered these sectors.

The Genetics business area's share of revenue for the financial year 2022 was approximately 37 per cent of the Group's total revenue.

The Company sells directly to end users which comprise aquaculture producers.

4.3.3 Advanced Nutrition

Benchmark holds the brand, "INVE", with global presence within the specialist nutrition niche for the early stages of shrimp and marine fish production. Early stage nutrition plays a critical role in the development of fish and shrimp up until the time of harvest. The Group's nutritional solutions contribute to more successful, consistent and sustainable production.

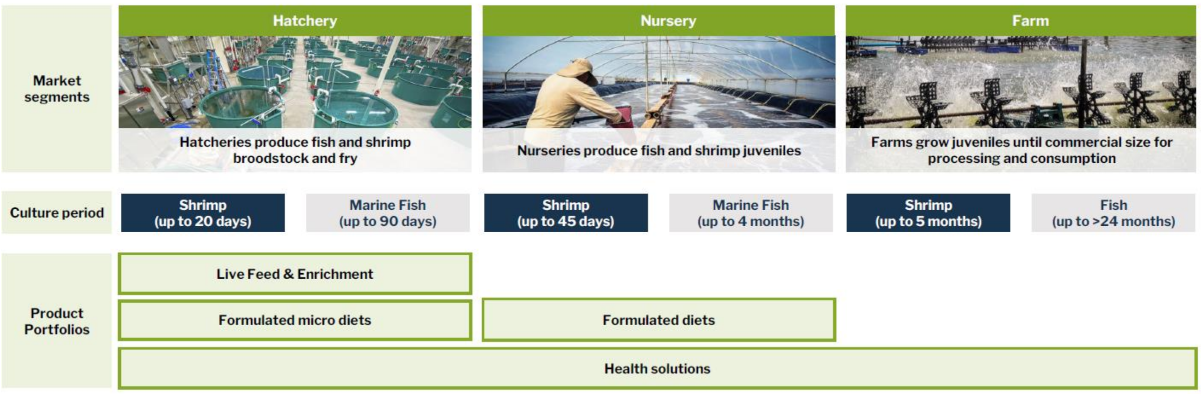
Benchmark serves approximately 550 customers in 60 countries in this business area. Benchmark's Advanced Nutrition products have been developed over 35 years by understanding biology and applying science to promote growth, normal development, robustness and survivability for shrimp and fish. The business area has three product areas: live feed (Artemia) and artemia technologies, specialist diets and health products including probiotics and environmental solutions for shrimp and Mediterranean sea bass/sea bream. Its products are primarily used for early stage production in hatcheries.

The figure below shows a selection of the Company's products in its three product areas.

[4] Source: Based on Company estimates of 2022 market shares for salmon eggs.

Live feed (Artemia) is naturally harvested from salt lakes in a number of territories around the world. Benchmark sources Artemia and then processes it with patented technology, enhancing nutritional and commercial quality. Benchmark has access to Artemia from the Great Salt Lakes in Utah, US through harvesting rights and agreementa with the Great Salt Lakes Cooperative.

The specialist diets range of products offers stage-specific diets for shrimp and marine fish, primarily for the hatchery and nursery stages of production. Benchmark's Health product offering within its Advanced Nutrition business area includes preventive solutions such as probiotics, biocides, and water conditioners which help customers improve biosecurity and disease resistance, control pathogen bacteria and improve feed utilisation.



Benchmark's advanced nutrition products are manufactured in Thailand and the U.S. and sold both directly and through a network of distributors in shrimp producing markets in Asia and Latin America, and in the sea bass and sea bream markets in the Mediterranean.

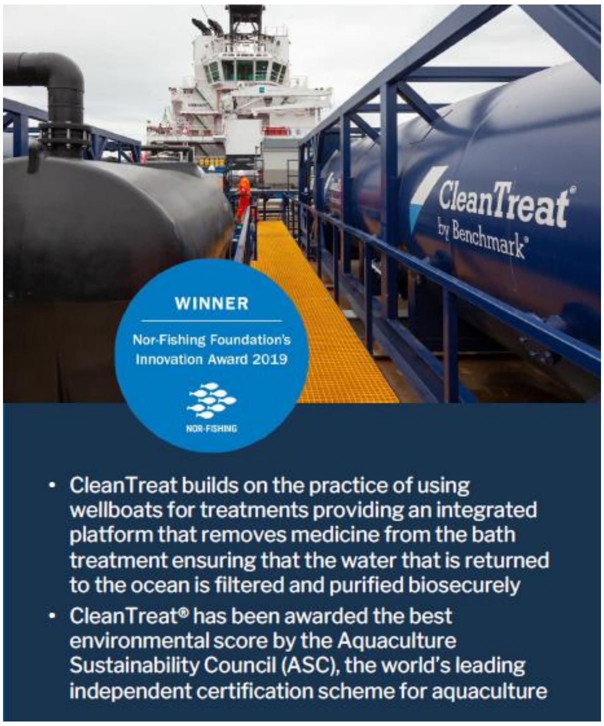
4.3.4 Health

Benchmark's Health business area provides sea lice treatments for the salmon industry and has approximately 50 customers in 5 countries. Growth in aquaculture is curbed by biological challenges such as sea lice and other diseases. Sea lice is one of the largest sustainability challenges for salmon farmers today costing the industry an estimated USD 1.0 billion in direct costs.[5]

Benchmark has two medicinal sea lice treatments in the market: Salmosan® Vet and Ectosan® Vet which is used in combination with CleanTreat®. Salmosan® Vet has been used by salmon farmers since 2009 while Ectosan® Vet and CleanTreat® were introduced into the Norwegian market in 2021.

Ectosan® Vet and CleanTreat® use the first new active ingredient launched in Norway in more than a decade and represent an effective sea lice solution while protecting fish welfare and protecting the ocean from medicinal discharges. Ectosan® Vet and CleanTreat® build on the practice of using well boats for medicinal treatments, incorporating a purification platform that removes medicine from bath treatment water before returning it to the ocean. It has been developed to meet the highest standards of efficacy and fish welfare. Applied exclusively in wellboats, it ensures all treatment water is retained, allowing the medicine to then be removed by CleanTreat® – supporting the global aquaculture sector's drive to reduce environmental risk. The Company believes that Ectosan® Vet and CleanTreat® represent a breakthrough development for the aquaculture industry — providing an effective tool for use within integrated pest management strategy for sea lice; improving fish welfare, whilst protecting the environment.

5 Source: The cost of lice, Iversen, Audun, Hermansen, Øystein, Nofima 2021, Company estimates.



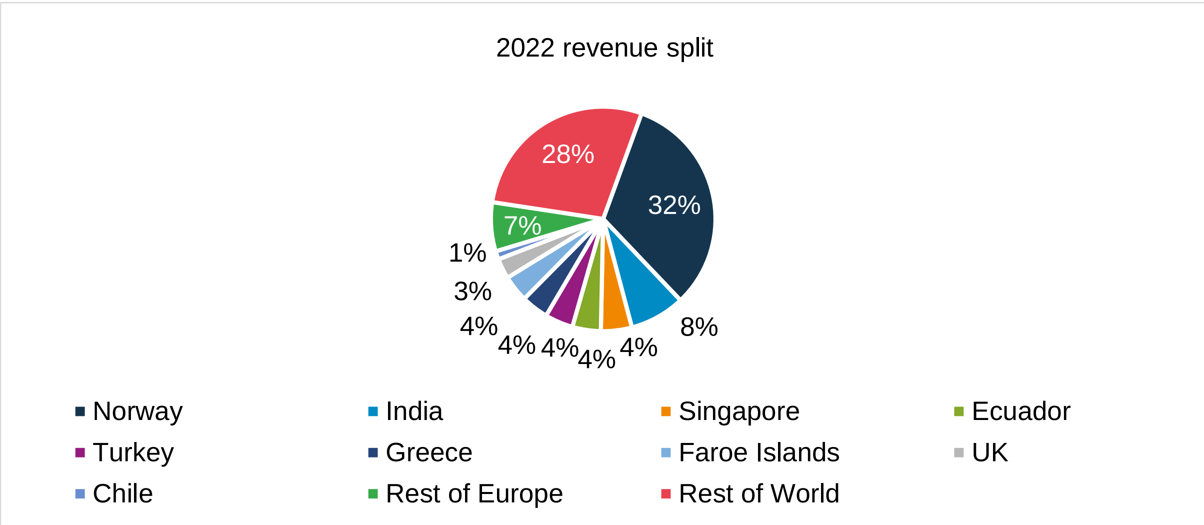
The Health business area serves salmon producers across the main producing markets including Norway, Canada, Scotland and Chile.

4.4 Principal markets

This Section 4.4 provides an overview of the principal markets in which the Group operates. Information concerning future market developments, the markets in general, competition, industry trends and similar information, is based on data compiled by professional analysts, consultants, and other professionals. The Euronext Growth Advisors have provided statistical information and data, and information is sourced from the Euronext Growth Advisor's databases and other professional industry sources.

Benchmark serves the growing aquaculture industry focusing on its main species which include salmon, shrimp, marine fish and tilapia. The aquaculture industry is large and growing, supported by global megatrends such as a growing population, increasing animal protein consumption, and awareness of health and sustainability benefits of seafood compared to other animal proteins. Within aquaculture, Benchmark focuses on niche, specialist sectors which are mission critical for aquaculture producers.

The Group has a global presence, with customers all over the world with a focus in Norway.

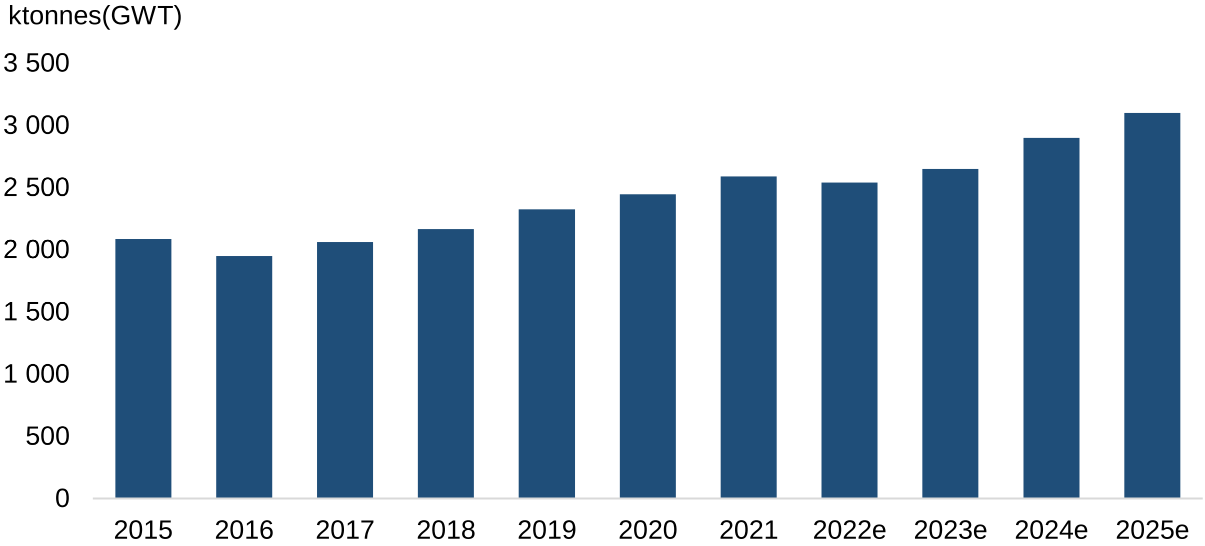


4.4.1 Genetics

Benchmark Genetics operates primarily in the salmon, shrimp, and tilapia genetics markets and has approximately 200 customers in 40 countries. The Group produces specialist salmon eggs in Norway, Iceland and Chile, shrimp breeders in Colombia and the U.S. and tilapia breeders and fingerlings in the United States. Salmon eggs are currently the largest product within genetics. Products are primarily sold directly to aquaculture companies, and the genetics market is therefore dependent on the general market conditions and growth within each species. In addition, through its genetics consulting services, the Company can serve numerous aquaculture species.

Among aquaculture species, salmon is the most mature with the highest level of industrialisation and use of professional genetics targeted at improving yield through better growth and disease resistance. According to the Company, the global market for salmon eggs is currently the largest market within genetics with an estimated size of approximately 1.1 billion eggs, equivalent to about GBP 130 million. As salmon eggs are mission critical in the production of farmed salmon, the demand of salmon eggs will be driven by production volumes and demand of farmed salmon. According to the Company, there has been an increase in egg prices that reflects the value of ongoing innovation and mission critical nature of such products to farmers. Mowi Industry Handbook estimates a growth in harvest volumes of Atlantic salmon from about 2.6 million tonnes (GWT) in 2021 to about 3.1 million tonnes (GWT) in 2025, equivalent to a 4% CAGR. See figure below for illustration of the global harvest volumes of Atlantic salmon.

Global harvest volumes of Atlantic salmon[6]



As salmon farming is a regulated industry, growth in short- and medium-term is related to better operational efficiency and industrialisation. This favours a high demand for salmon eggs as better genetics related to growth and disease resistance is beneficial to salmon farmers. Volume growth related to land-based and offshore farming have not yet impacted the market to a large extent. However, in a long-term perspective, this may potentially lead to a significant increase in the production of farmed salmon and thereby further increase the demand of salmon eggs.

The shrimp sector, as mentioned above, has a broad range of players with a lower but growing penetration of professional genetics. According to the Company, the size of the professional global shrimp market for genetics is approximately 1.5 million breeders, equivalent to about GBP 100 million. Growth will depend on degree of consolidation and industrialisation of the shrimp specie.

Tilapia has a low level of industrialisation, and the use of professional genetics in the sector is low. According to the Company, the professional genetics global market size for Tilapia breeders and fingerlings is estimated at 8 million breeders, equivalent to GBP 50 million. Market growth will depend on degree of industrialisation and production volumes.

[6] Source: Mowi Salmon Industry Handbook 2022, https://mowi.com/wp-content/uploads/2022/07/2022-Salmon-Industry-Handbook-1.pdf.

4.4.2 Advanced Nutrition

Advanced Nutrition primarily serves the global shrimp and the Mediterranean sea bass and sea bream aquaculture markets. Within these markets, Benchmark's focus is in the hatchery and nursery segments which represent the first stages of the aquaculture production cycle. The market outlook for Advanced Nutrition will depend on the market outlook of the served species, including production volumes, degree of industrialisation and consolidation.

The shrimp aquaculture industry consists of a large and diverse range of players with different production systems and degrees of industrialisation from small family-owned farms, to large, integrated producers. Geographically, the sector's main producing regions are Asia and the Americas, with the main producing countries being China, Ecuador, India, Vietnam and Indonesia. The annual shrimp production is estimated to be approximately 5 million tonnes[7] and it is estimated to grow at a CAGR of more than 4% in the medium term according to the Company.[8] The shrimp market's degree of industrialization and consolidation has increased over the recent years, and there is increasing awareness of sustainability among players and stakeholders. These factors, combined with global megatrends, will facilitate the market growth and thereby a higher demand of professional genetics and advanced nutrition in the shrimp industry.

The Mediterranean sea bass and sea bream aquaculture industry is semi-mature, relatively consolidated and partly integrated. Industry consolidation is expected to drive production efficiency, and the species are experiencing better performance in hatcheries related to improved feeding regimes and higher survival rates. The Company considers that demand in the sector will be driven by product innovation and marketing. According to the Food and Agriculture Organization of the United Nations ("**FAO**"), Turkey is currently accounting for more than 50% of all farmed sea bass in Europe with approximately 15,000 tonnes. Other producers of Mediterranean sea bass are Greece, Italy, Spain and Croatia. The market for sea bass and sea bream is characterized by a strong demand and it is expected that the market for sea bream will grow at a larger proportion than the sea bass.

4.4.3 Health

The Health business area focuses on sea lice treatments and serves salmon producers across Norway, Canada, Scotland and Chile. The Group has a market leading position in Norway for medicinal sea lice treatments.[9] According to the Company, sea lice is the largest biological challenge for salmon farmers and has an estimated cost of USD 1.0 billion per year.[10] According to Nofima, the direct cost of sea lice is increasing and has been ranging from NOK 4 billion to NOK 5 billion over last five years.[11] Sea lice is also affecting the mortality rates in the sea which ranges from 15-16% of total harvest volumes per year[12], and salmon farmers are therefore highly incentivized to invest in sea lice treatments. The landscape of different sea lice treatment methods is presented in the figure below.

[7] Source: Seafood Source (2022) "Global Shrimp production to surpass 5 million MT in 2022, CP Food's Robin McIntosh predicts", https://www.seafoodsource.com/news/supply-trade/expert-predicts-global-shrimp-production-will-exceed-5-million-metric-tons-for-first-time-in-2022.

[8] Source: Company estimates.

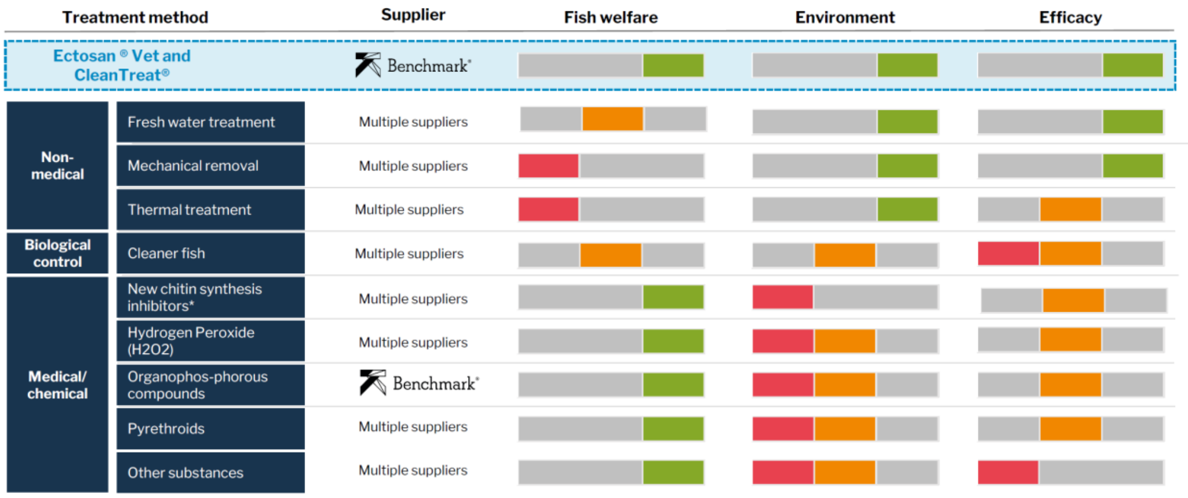
[9] Based on Company estimates of 2022 market shares for medicinal sea lice treatments in Norway.

[10] Source: The cost of lice, Iversen, Audun, Hermansen, Øystein, Nofima 2021, Company estimates.

[11] Source: Direct sea lice costs per kilo of salmon produced in Norway (Nofima, 2021) multiplied with annual harvest volumes from Norwegian farmers (Kontali, 2021), https://www.kontali.com/b/the-salmon-farming-industry-in-norway-2022-report (pay-wall).

[12] Source: "Norwegian Fish Health Report 2021", Norwegian Veterinary Institute (2021), https://www.vetinst.no/rapporter-og-publikasjoner/rapporter/2022/fish-health-report-2021.

Overview of different sea lice methods[13]



The market for sea lice treatments in Norway has grown with a CAGR of 13% from 2017 to 2021.[14] Majority of growth is driven by non-medical treatments due to lack of effective medical treatments according to the Company.

4.5 Competitive situation

The Company faces a different competitive environment in each of its three business areas.

4.5.1 Genetics

Within Genetics, Benchmark's business is primarily in salmon egg genetics which generated revenues of GBP 38.3 million in FY22, representing more than 66% of the GBP 58.0 million revenues in the Genetics business area in FY22. The Company has recently entered the shrimp genetics and tilapia genetics markets and is in the early stages of developing a position in those markets. The salmon genetics sector is well developed and highly concentrated with a small number of players. Benchmark aims to differentiate itself through the quality of its products and the genetic traits it offers as well as its customer service, biosecurity and year round supply of eggs. Benchmark's competitors in salmon genetics include Aquagen, Hendrix and Mowi. The Company estimates its market share in salmon genetics to be approximately 30%. Benchmark's competitors in shrimp include Hendrix, CP Foods and SIS.

4.5.2 Advanced Nutrition

In Advanced Nutrition, Benchmark primarily operates in the niche hatchery segment serving the shrimp and Mediterranean sea bass and bream aquaculture markets. Benchmark positions its products within the premium range aiming to differentiate itself from its competitors through the performance of its products and the technical services it offers its customers. Depending on the geography and product range, Benchmark's competitors may include large multinationals and small local players. These include, but are not limited to, the Great Salt Lake Cooperative, Arsal, I&V-BIO, Zeigler, BernAqua, BioMar and Skretting, amongst others.

4.5.3 Health

In Health, Benchmark operates in the market for sea lice treatment and control, particularly in the medicinal treatment segment. Benchmark faces competition from other providers of medicinal treatments as well as providers of other sea lice control methods including mechanical treatments. Benchmark aims to differentiate itself from its competitors by delivering superior efficacy and animal welfare. Its main competitors include multiple providers of sea lice treatments including primarily mechanical treatments.

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[13] Source: Company estimates.

[14] Source: The cost of lice, Iversen, Audun, Hermansen, Øystein, Nofima 2021, Company estimates.

4.6 Dependency on contracts, patents, licenses, trademarks, etc.

As an aquaculture biotechnology company, Benchmark develops solutions to problems often by applying new technology. Benchmark's products are largely protected as trade secrets, with strong brands supported by a large and market-relevant trademark portfolio and certain key existing and emerging products and processes (including but not limited to Ectosan® Vet and land-based salmon egg production) protected through a strategic patent portfolio that aligns with the Group's commercial priorities, including 15 patent families and 56 pending and 130 granted patents worldwide. Some of the intellectual property rights ("**IPR**") the Group holds has been developed in-house whilst some have been acquired in connection with acquisitions. The Group is primarily using a number of registered and unregistered trademarks in the Genetics and Advanced Nutrition business areas, among others "Salmosan®", "Ectosan®" and "CleanTreat®". The Group has several pending patent applications in various jurisdictions.

Certain of the Group's pharmaceutical products which have obtained marketing authorisations also receive commercial protection in practice due to applicable marketing regulations, through (i) data exclusivity (where there is a period of time following grant of the marketing authorisation during which another applicant cannot rely on the data in support of their product's application) and (ii) marketing protection (where there is a period of time during which a generic, hybrid or biosimilar cannot be placed on the relevant market, even if the medicinal product has already received a marketing authorisation).

Other than mentioned in the above, the Group has no dependency on any particular business-critical commercial or financial contracts, licenses or patents.

4.7 Material contracts outside of the ordinary course of business

4.7.1 Joint venture-arrangements with respect to Benchmark Genetics Salten AS

In 2015, the Group (through SalmoBreed AS, name changed to Benchmark Genetics Norway AS) acquired a 75% share in a joint venture company with Salten Stamfisk AS, called Benchmark Genetics Salten AS ("**Benchmark Genetics Salten**"), with a view to establishing a land-based production unit for salmon eggs in Norway. The production facility's construction is complete and the joint venture is in the production phase, with an objective to be a major producer and supplier of land-based salmon eggs to the Norwegian and international markets.

4.7.2 Arrangements with the COOP

Following its incorporation in 2006, the Great Salt Lake Brine Shrimp Cooperative Inc. ("**COOP**"), which the Company holds a 22% membership interest in, and various members of the Group have entered into certain agreements in relation to the artemia harvested from the Great Salt Lake, Utah, U.S. These agreements include, but are not limited to:

- an amended and restated membership agreement entered into between the Company's subsidiary Sanders Brine Shrimp Co., LC ("**Sanders**") and the COOP, dated 10 September 2021 (the "**Membership Agreement**");
- a representation agreement entered into between, inter alia, Sanders and the COOP, dated 10 September 2021;
- a right of first refusal agreement entered into between INVE Americas, Inc. and Golden West-Sanders Consolidated LLC ("**GWSC**"), dated 29 September 2006 (the "**ROFR Agreement**");
- a sales and marketing agreement entered into between the Company's subsidiaries Sanders, Fortune Ocean Americas, LLC ("**FOA**"), Inve Aquaculture Inc. and Inve Aquaculture Holding BV, the Company and the COOP, dated 21 August 2017 (as amended by joinder agreement on 10 September 2021 to include Great Salt Lake Brine Shrimp Marketing Cooperative, Inc.) (the "**Sales and Marketing Agreement**");
- a bylaws agreement entered into between the COOP, the Company's subsidiaries Sanders, INVE Aquaculture, Inc. and FOA, dated 5 November 2010, as amended and restated on 10 September 2021;
- a joint venture agreement entered into between the COOP, the Company's subsidiaries Sanders, INVE Aquaculture, Inc. and FOA, dated 5 November 2010; and

- a patent licence agreement dated 22 June 2012, pursuant to which the Company's subsidiary Inve Technologies NV has granted the COOP a non-exclusive and royalty bearing license of the SEP-Art patent for the purpose of treating artemia from the Great Salt Lake.

The State of Utah has jurisdiction over the annual artemia harvest from the Great Salt Lake and, in order to regulate the harvesting, the Utah State Department of Natural Resources Division of Wildlife Resources issue Certificates of Registration (''**CORs**") which grant licences to harvest that artemia. The members of the COOP together hold 68 CORs (the equivalent of 86 per cent of all issued CORs) of which 15 CORs are held by the Group. The COOP was established to receive, harvest, handle, process and market brine shrimp cysts and purchase, handle and distribute supplies and equipment on behalf of its members and others in the fishing industry.

The effect of the various agreements entered into with the COOP and its members is to give the Group, as a holder of 15 CORs membership of the COOP, and rights to purchase a portion of the COOP's annual harvest volumes.

Pursuant to the terms of the Membership Agreement, the COOP granted the Group one share of common (voting) stock and the right to receive patron preferred stock (which has no voting rights, but represents the Group's equity in the COOP) upon the transfer of assets to the COOP and the Group granted the COOP the exclusive right to harvest, process and to serve as its sales agent for all artemia represented by INVE's CORs until 2044, subject to an annual termination right in the Group's favour after the third year of membership. The Group also agreed to pay its pro rata share of all operating costs of the COOP and to be bound by the COOP's bylaws. Upon termination of membership of the COOP, the departing member is required to offer its CORs to the COOP (or to an existing member of the COOP) against fair market value (subject to approval by the State of Utah).

Pursuant to the terms of the Sales and Marketing Agreement, the Group, through FOA, is entitled to distribute 44 per cent of the COOP's annual harvest volumes, and is obliged to purchase half of these harvest volumes at cost price, and the other half at the COOP's minimum distributor grid price. The agreement is effective until 2027 (min) or 2042 (max) at the COOP's discretion. In addition, the agreement will terminate within 20 days after certain events, including the sale of or the change in control of INVE Aquaculture, Inc. at the option of the COOP, and upon a notice by such terminating party within 10 days after such 20 day period.

The ROFR Agreement with GWS obliges either party, in the event of a proposed sale of any CORs (or any company that is the registered owner of a COR) to offer such CORs to the other party first.

4.8 Investments

4.8.1 Material historical investments

Material investments during the financial year 2021

During the financial year 2021, the Group invested in a number of growth initiatives. The Group incurred tangible fixed asset additions of GBP 18.0 million of which GBP 4.9 million related to the investment in CleanTreat® and mobilisation of the vessels on which CleanTreat® is situated. The remaining capex was associated with the Genetics business area (GBP 8.4 million) including a new incubation house for the Group's Icelandic facility (GBP 4.0 million), expanding the Group's SPR shrimp facility to support more capacity (GBP 0.9 million) and completion of work in the Group's Chilean facility (GBP 0.8 million), and the Group's Advanced Nutrition business area (GBP 4.7 million) in which GBP 3.2 million was invested to improve the fire safety of the Group's manufacturing facility in Thailand.

Material investments during the financial year 2022

During the financial year 2022, the Group continued to invest in a number of growth initiatives. The Group incurred tangible fixed asset additions of GBP 10.8 million of which GBP 2.6 million related to the investment in CleanTreat®. Of the remaining capex the Genetics business area (GBP 5.6 million) completed the incubation house for the Group's Icelandic facility (GBP 2.3 million), increased capacity at Benchmark Genetics Salten with the installation of new tanks (GBP 1.2 million, financed through its own ring-fenced bank facilities) and the Group's Advanced Nutrition business (GBP 2.6 million).

4.8.2 Material investments in progress or planned

The project to install two new outdoor tanks to increase the capacity of saleable eggs at Benchmark Genetics Salten in Norway is continuing. The estimated cost of the two outdoor tanks is GBP 2.1 million (including 15% contingency).The signed contracts commit the company to spend a further GBP 0.7 million using its own ring-fenced bank facilities.

The Group's subsidiary, Genetics Chile SpA, has signed an agreement to purchase its current salmon broodstock production site which it currently leases in Chile in February 2024. The purchase price is expected to be USD 4.2 million. The agreement is subject to several conditions which if met and either party decides not to complete the agreement will require the defaulting party to pay the other party USD 0.84 million. The purchase price will be funded from the Group's bank facilities.

Other than as set out above, the Group has not made or committed any individual capital investment above GBP 1.0 million during the period covered by the Consolidated Financial Statements and up to the date of this Information Document.

4.9 Related party transactions

4.9.1 Subsidiaries

Transactions between the Company and its subsidiary undertakings, which are related parties, amounted to GBP 5,120,000 in the financial year ended 30 September 2022 and there have not been any further material related transactions i.e. over GBP 1.0 million between that date and up to the date of this Information Document (Year to September 2021: GBP 4,761,000). These transactions related to inter-company recharges. Details of transactions between the Group and other related parties are disclosed in the following section.

4.9.2 Other related party transactions

Up to the date of this Information Document and during the financial years 2022 and 2021, Group entities entered into the following sales and purchases transactions with related parties that are not members of the Group:

£000'	Transaction values for the year ended 30 September		Balance outstanding as at 30 September	
	2022	2021	2022	2021
Sales of goods and services				
Salmar Genetics AS[1]	93	126	26	-
Benchmark Genetics (Thailand) Limited[2]	23	-	60	-
Great Salt Lake Brine Shrimp Cooperative, Inc.	473	285	142	111
Andromeda S.A.[3]	-	-	-	760
Baggfossen Mikrokraft AS	-	20	-	10
Nova Austral SA[4]	-	-	89	-
Purchase transactions				
Baggfossen Mikrokraft AS	21	-	-	-
Great Salt Lake Brine Shrimp Cooperative, Inc.	24,583	25,634	5,961	7,640
Marco Polo Events Ltd[5]	8	-	-	-
Kontali Analyse AS[6]	1	-	-	-

1) Joint venture.

2) Associate company.

3) A director was a director of the parent undertaking of Andromeda S.A. until resigning as a director of that entity during the financial year 2020.

4) A director of the Company is also a director of Nova Austral SA.

5) A director of the Company is also a director of Marco polo Events Ltd.

6) A director of the Company is also a director of Kontali Analyse AS.

Upon refinancing our Bond debt in September 2022, some related parties participated, at arm’s length, in the newly issued unsecured green bond. Those related parties and the amounts invested were as follows: FERD AS (NOK 6.5 million), Kverva Finans AS (NOK 20.0 million), JNE Partners LLP (NOK 6.5 million), each of whom are deemed to be substantial shareholders of the Company, and Atle Eide (NOK 5.0 million) who is a non-executive director of the Company.

Further trading transactions with Great Salt Lake Brine Shrimp Cooperative, Inc. took place between 1 October 2022 and the date of this Information Document of approximately GBP 3.3 million. The balance outstanding at the date of this Information Document was GBP 2.3 million.

Other than as set out above, the Company has not been part of any material related party transactions over GBP 1.0 million during the period covered by the Consolidated Financial Statements and up to the date of this Information Document.

4.10 Legal and regulatory proceedings

From time to time, the Group may become involved in litigation, disputes and other legal proceedings arising in the course of its business.

The Group is not, nor has it been, during the course of the preceding 12 months involved in any legal, governmental or arbitration proceedings which may have, or have had in the recent past, significant effects on the Company's and/or the Group's financial position or profitability, and the Company is not aware of any such proceedings which are pending or threatened.

5. DIVIDEND AND DIVIDEND POLICY

5.1 Dividends policy

This Section 5.1 provides information about the dividend policy and dividend history of the Company, as well as certain legal constraints on the distribution of dividends under the Companies Act 2006 (the "**UK Companies Act**"). Although any future payments of dividends on the Shares will be denominated in GBP, such dividends will be distributed through the VPS in NOK. The following discussion contains forward-looking Statements that reflect the Company's plans and estimates; see Section 3.3 "Cautionary note regarding forward-looking statements".

As of the date of this Information Document, the Board of Directors has not determined any specific dividend policy. The Company is a growth company and does not anticipate to pay dividends in the near- to medium term. No dividends have been paid or proposed in 2021 and the Board has not recommended a final dividend to the annual general meeting in 2022.

5.2 Legal and contractual constraints on the distribution of dividends

In deciding whether to propose a dividend and in determining any dividend amount in the future, the Board of Directors must take into account applicable legal restrictions, as set out in the UK Companies Act as well as the Company's capital requirements, including capital expenditure requirements, its financial condition, general business conditions and any restrictions that its contractual arrangements in force at the time of the dividend may place on its ability to pay dividends and the maintenance of appropriate financial flexibility.

As a matter of English law, the Company can pay dividends only to the extent that it has sufficient profits available for the purpose (referred to as distributable reserves) being its accumulated realised profits, so far as not previously utilised by distribution or capitalisation, less its accumulated realised losses, so far as not previously written off in a reduction or reorganisation of capital.

Under the terms and conditions for Benchmark's Bond Issue 2022/2025 and RCF, as further described in Section 6.8 "Material borrowings", Benchmark is only permitted to distribute dividends to its shareholders if the net interest bearing debt to EBITDA (the "**Leverage Ratio**") is equal to or less than 1.75:1 and the aggregate amount of all permitted distributions of the Company in any fiscal year does not exceed an amount equal to 50% of the Company's consolidated net profit after taxes for the previous financial year.

Subject to the UK Companies Act:

- the Company may, by ordinary resolution, declare dividends to be paid to the Company's shareholders according to their rights and interests in the profits of the Company available for distribution, but no dividend shall be declared in excess of the amount recommended by the Board of Directors; and
- the Board of Directors may from time to time pay to the Company's shareholders such interim dividends as appear to the Board of Directors to be justified by the profits available for distribution and the financial position of the Company.

The Board of Directors may, if authorised by an ordinary resolution, offer the holders of Shares the right to elect to receive additional Shares, credited as fully paid, instead of cash in respect of any dividend or any part of any dividend.

Except insofar as the rights attaching to, or the terms of issue of, any Share otherwise provide (no such shares presently being in issue), all dividends shall be apportioned and paid pro rata according to the amounts paid or credited as paid up (other than in advance of calls) on the Shares.

5.3 Manner of dividends payment to holders of Shares in VPS

Although any future payments of dividends on the Shares will be denominated in GBP, such dividends will be distributed through the VPS in NOK. If a shareholder holds Shares in VPS and the Company decides to pay out dividends, the timetable for receiving payment may be longer than would be the case if the Shares are held in CREST. Shareholders registered in the VPS who have not supplied their VPS-account operator with details of their bank account, will not receive payment of dividends unless they register their bank account details with the VPS Registrar. The exchange rate(s) that is applied when denominating any future payments of dividends to the relevant shareholder's currency will be the VPS

Registrar's exchange rate on the payment date.

Dividends will be credited automatically to the VPS registered shareholders' accounts, or *in lieu* of such registered account, at the time when the shareholder has provided the VPS Registrar with their bank account details, without the need for shareholders to present documentation proving their ownership of the Shares. Shareholders' right to payment of dividend will lapse three years following the resolved payment date for those shareholders who have not registered their bank account details with the VPS Registrar within such date. Following the expiry of such date, the remaining not distributed dividend will be returned from the VPS Registrar to the Company. Please see Section 8.9 “VPS registration of the New Shares” for further information.

6. SELECTED FINANCIAL INFORMATION AND OTHER INFORMATION

6.1 Introduction

The selected financial information for the Group that is included in this Section 6 "Selected Financial Information and Other Information" has been extracted from the Group's audited Consolidated Financial Statements for the years ended 30 September 2022 and 2021. The selected consolidated financial information included in this section should be read in connection with, and is qualified in its entirety by reference to, the Consolidated Financial Statements included as Appendix B and Appendix C, respectively to this Information Document.

The Consolidated Financial Statements are prepared in accordance with international accounting standards in conformity with the requirements of the UK Companies Act (Adopted IFRS) and are presented in GBP.

On 31 January 2020, the United Kingdom (UK) ceased to be a member of the EU and entered the transition period (the "**Transition period**"). During the Transition period, the UK continued to be subject to the EU legislative framework. On 31 December 2020, the Transition Period ended and UK's domestic law became applicable. IFRS standards as adopted by the EU were incorporated into UK law with effect from that date by way of the International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2019 No 685 ("**IAS EU Exit Regulation**").

These standards form UK-adopted international accounting standards which replace EU IFRS for UK companies. The IAS EU Exit Regulation gave power to the Secretary of State for Business, Energy and Industrial Strategy ("**BEIS**") to endorse new or amended standards, which form part of UK-adopted international accounting standards, and to delegate this responsibility to an endorsement body. These functions were delegated to a newly-formed independent UK endorsement body (the UK Endorsement Board). On the day the IFRS standards as adopted by the EU were incorporated into UK law, UK-adopted international accounting standards was identical to EU IFRS, but there is the potential for divergence if different endorsement decisions are made.

The UK-adopted IFRS is not considered as equivalent to IFRS adopted pursuant to Regulation (EC) No 1606/2002, cf. the Norwegian Securities Trading Regulation section 5-11. The Company confirms that there are no differences between UK adopted IFRS and EU IFRS in the context of the Consolidated Financial Statements presented in this Information Document.

The Consolidated Financial Statements are audited by the Company's auditor, KPMG, see Section 3.2 "Presentation of financial and other information" for further information about the audit of the Consolidated Financial Statements and the Company's auditor.

6.2 Summary of accounting principles and policies

For information regarding accounting policies and the use of estimates and judgments, please refer to Note 1 and 2 of the financial statements as of, and for the year ended, 30 September 2022, included as Appendix B to the Information Document.

6.3 Income statement for the Group

The table below sets out selected data from the Group's consolidated statement of income for the years ended 30 September 2022 and 2021.

In GBP '000	Year ended 30 September 2022 *(audited)*	Year ended 30 September 2021 *(audited)*
Revenue	**158,277**	**125,062**
Cost of sales	(75,149)	(59,477)
Gross profit	**83,128**	**65,585**
Research and development costs	(6,691)	(7,010)
Other operating costs	(44,661)	(38,221)
Share of loss of equity-accounted investees, net of tax	(595)	(905)
Adjusted EBITDA[2]	**31,181**	**19,449**
Exceptional – restructuring/acquisition-related items	16	(184)
EBITDA[1]	**31,197**	**19,265**

In GBP '000	Year ended 30 September 2022 *(audited)*	2021 *(audited)*
Depreciation and impairment	(19,897)	(8,359)
Amortisation and impairment	(19,161)	(16,283)
Operating loss	**(7,861)**	**(5,377)**
Finance cost	(20,057)	(7,987)
Finance income	4,741	4,185
Loss before taxation	**(23,177)**	**(9,179)**
Tax on loss	(7,274)	(2,397)
Loss for the year	**(30,451)**	**(11,576)**
(Loss)/profit for the year attributable to:		
-Owners of the parent	(32,087)	(12,891)
-Non-controlling interest	1,636	1,315
Loss for the year	**(30,451)**	**(11,576)**
Earnings per share		
Basic loss per share (pence)	(4.60)	(1.93)
Diluted loss per share (pence)	(4.60)	(1.93)

1. EBITDA – earnings before interest, tax, depreciation, amortisation and impairment.
2. Adjusted EBITDA – earnings before interest, tax, depreciation, amortisation, impairment, and exceptional items including acquisition related items.

6.4 Statement of financial position for the Group

The table below sets out selected data from the Group's consolidated balance sheet as at 30 September 2022 and 2021.

In GBP '000	As at 30 September 2022 *(audited)*	2021 *(audited)*
ASSETS		
Property, plant and equipment	81,900	78,780
Right-of-use assets	27,034	25,531
Intangible assets	245,264	229,040
Equity-accounted investees	3,113	3,354
Other investments	15	15
Biological and agriculture assets	20,878	21,244
Non-current assets	**378,204**	**357,964**
Inventories	29,813	20,947
Biological and agriculture assets	25,780	17,121
Trade and other receivables	56,377	46,498
Cash and cash equivalents	36,399	39,460
Current assets	**148,369**	**124,026**
Total assets	**526,573**	**481,990**
LIABILITIES		
Loans and borrowings	(93,045)	(109,737)
Other payables	(8,996)	(911)
Deferred tax	(27,990)	(28,224)
Non-current liabilities	**(130,031)**	**(138,872)**
Trade and other payables	(44,324)	(46,668)
Loans and borrowings	(17,091)	(10,654)
Corporation tax liability	(10,211)	(5,634)
Provisions	(1,631)	(563)
Current liabilities	**(73,257)**	**(63,519)**

In GBP '000	As at 30 September 2022 *(audited)*	As at 30 September 2021 *(audited)*
Total liabilities	**(203,288)**	**(202,391)**
Net Assets	**323,285**	**279,599**
ISSUED CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE PARENT		
Share capital	704	670
Additional paid-in capital	420,824	400,682
Capital redemption reserve	5	5
Retained earnings	(185,136)	(154,231)
Hedging reserve	(703)	(5,876)
Foreign exchange reserve	77,705	30,465
Equity attributable to owners of the parent	**313,399**	**271,715**
Non-controlling interest	9,886	7,884
Total equity and reserves	**323,285**	**279,599**

6.5 Consolidated statement of cash flow for the Group

The table below sets out selected data from the Group's consolidated statement of cash flows for the years ended 30 September 2022 and 2021.

In GBP '000	Year ended 30 September 2022 *(audited)*	Year ended 30 September 2021 *(audited)*
Cash flows from operating activities		
Loss for the year	**(30,451)**	**(11,576)**
Adjustments for:		
Depreciation and impairment of property, plant and equipment	8,602	5,017
Depreciation and impairment of right-of-use assets	11,295	3,342
Amortisation and impairment of intangible fixed assets	19,161	16,283
(Profit)/Loss on sale of property, plant and equipment	(43)	46
Finance income	(319)	(1,442)
Finance costs	18,437	7,987
Increase in fair value of contingent consideration receivable	(1,203)	-
Share of loss of equity-accounted investees, net of tax	595	905
Foreign exchange losses/(gains)	(3,985)	(1,800)
Share-based payment expense	1,182	830
Other adjustments for non-cash items	(276)	-
Tax expense	7,274	2,397
Increase in trade and other receivables	(8,511)	(8,178)
Increase in inventories	(5,406)	(3,554)
Increase in biological and agricultural assets	(6,099)	(5,427)
Increase in trade and other payables	6,946	5,547
Increase in provisions	1,058	-
	18,257	**10,377**
Income taxes paid	(7,447)	(4,587)
Net cash flows generated from operating activities	**10,810**	**5,790**
Investing Activities		
Purchase of investments	(378)	(578)
Receipts from disposal of investments	1,544	9
Purchases of property, plant and equipment	(10,808)	(17,683)
Purchases of intangibles	(205)	(225)
Capitalised research and development costs	(1,708)	(4,813)
Proceeds from sale of fixed assets	220	112
Interest received	119	88
Net cash flows used in investing activities	**(11,216)**	**(23,090)**
Financing activities		
Proceeds of share issues	20,737	750
Share-issue costs recognised through equity	(562)	-
Acquisition of NCI	-	(12)

In GBP '000	Year ended 30 September 2022 (audited)	2021 (audited)
Proceeds from bank or other borrowings	67,939	-
Repayment of bank or other borrowings	(74,874)	(3,106)
Interest and finance charges paid	(9,629)	(7,699)
Repayments of lease liabilities	(10,533)	(4,602)
Net cash flows used in financing activities	**(6,922)**	**(14,669)**
Net decrease in cash and cash equivalents	**(7,328)**	**(31,969)**
Cash and cash equivalents at beginning of the year	39,460	71,605
Effect of movements in exchange rate	4,267	(176)
Cash and cash equivalents at end of the year	**36,399**	**39,460**

6.6 Consolidated statement of changes in equity for the Group

The table below sets out selected data from the Group's statement of changes in equity for the years ended 30 September 2022 and 2021.

In GBP '000	**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**
Equity at 1 October 2020	**668**	**399,601**	**40,683**	**(9,651)**	**(142,170)**	**289,131**	**6,309**	**295,440**
Comprehensive income for the year								
(Loss)/profit for the year	-	-	-	-	(12,891)	(12,891)	1,315	(11,576)
Other comprehensive income	-	-	(10,213)	3,775	-	(6,438)	272	(6,166)
Total comprehensive income for the year	**-**	**-**	**(10,213)**	**3,775**	**(12,891)**	**(19,329)**	**1,587**	**(17,742)**
Contributions by and distributions to owners								
Share issue	2	1,081	-	-	-	1,083	-	1,083
Share-based payment	-	-	-	-	830	830	-	830
Total contributions by and distributions to owners	**2**	**1,081**	**-**	**-**	**830**	**1,913**	**-**	**1,913**
Changes in ownership								
Acquisition of NCI	-	-	-	-	-	-	(12)	(12)
Total changes in ownership interests	**-**	**-**	**-**	**-**	**-**	**-**	**(12)**	**(12)**
Total transactions with owners of the Company	**2**	**1,081**	**-**	**-**	**830**	**1,913**	**(12)**	**1,901**
Equity at 30 September 2021 (*audited*)	**670**	**400,682**	**30,470**	**(5,876)**	**(154,231)**	**271,715**	**7,884**	**279,599**
Equity at 1 October 2021	**670**	**400,682**	**30,470**	**(5,876)**	**(154,231)**	**271,715**	**7,884**	**279,599**
Comprehensive income for the year								
(Loss)/profit for the year	-	-	-	-	(32,087)	(32,087)	1,636	(30,451)
Other comprehensive income	-	-	47,240	5,173	-	52,413	366	52,779
Total comprehensive income for the year	**-**	**-**	**47,240**	**5,173**	**(32,087)**	**20,326**	**2,002**	**22,328**
Contributions by and distributions to owners								
Share issue	34	20,704	-	-	-	20,738	-	20,738
Share issue costs recognised through equity	-	(562)	-	-	-	(562)	-	(562)
Share-based payment	-	-	-	-	1,182	1,182	-	1,182

In GBP '000	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
Total contributions by and distributions to owners............................	**34**	**20,142**	**-**	**-**	**1,182**	**21,358**	**-**	**21,358**
Changes in ownership....								
Total changes in ownership interests........	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total transactions with owners of the Company .	**34**	**20,142**	**-**	**-**	**1,182**	**21,358**	**-**	**21,358**
Equity at 30 September 2022 (*audited*)	**704**	**420,824**	**77,710**	**(703)**	**(185,136)**	**313,399**	**9,886**	**323,285**

6.7 Auditor's emphasis of matter related to going concern

The auditor's report to the Consolidated Financial Statements for the year ended 30 September 2021 includes an emphasis of matter relating to going concern, in relation to the Group's and the Parent Company's dependency on the refinancing of existing debt facilities expiring in December 2022 (RCF of up to USD 15 million) and June 2023 (bond debt of NOK 850 million). It is noted that the auditor, KMPG, included the following provision titled "Material Uncertainty Related to Going Concern" in its auditor report for the audited Consolidated Financial Statements as of and for the year ended 30 September 2021:

"*We draw attention to Note 1 to the financial statements which indicates that the Group's and the Parent Company's ability to continue as a going concern is dependent on the refinancing of existing debt facilities expiring in December 2022 and June 2023. These events and conditions constitute a material uncertainty that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.*"

In September 2022, the Company successfully refinanced its bond debt of NOK 850 million through the issue of a new senior unsecured green bond issue of NOK 750 million which received a Medium Green rating by CICERO Shades of Green AS, the second party opinion provider, a subsidiary of the Centre for International Climate and Environmental Research ("**CICERO**"). Additionally, in November 2022 the Company refinanced its USD 15 million revolving credit facility with a new GBP 20 million revolving credit facility.

6.8 Material borrowings

In September 2022, the Group successfully completed a new floating rate bond issue with an initial amount of NOK 750 million (the "**Bond Issue**") with ISIN NO 0012704099. The bond which matures in September 2025, has a coupon of three-month NIBOR + 6.50% p.a. with quarterly interest payments, and will be listed on the Oslo Stock Exchange. The Bond Issue includes financial covenants, such as a liquidity requirement of GBP 10,000,000 and an equity ratio on or above 40%. Equity ratio is defined as the ratio, on a consolidated basis, of the aggregate book value of the Group's total equity to the total book value of the assets of the Group. The equity ratio at 30 September 2022 was 61%.

The Bond Issue is deemed to be on customary terms and conditions, including a change of control clause which will trigger a mandatory put option in the event that a person or group of persons acting in concert gain decisive influence, having a majority (i.e. more than 50%) of the voting rights or a right to elect or remove a majority of the members of the board of directors, over the Company or, in the event that a wholly-owning parent is installed above the Company, its parent (if applicable). The mandatory put option will also be triggered in the event that the Company or, in the event that a wholly-owning parent is installed above the Company, its parent's (if applicable) shares cease to be listed on an accepted exchange.

On 21 November 2022, the Company (as borrower), DNB (UK) Limited (as lender) and DNB Bank ASA, London Branch (as agent) entered into an up to GBP 20,000,000 super senior secured revolving facility agreement (as amended and supplemented from time to time, the "**RCF**"). The RCF matures in June 2025. The interest rate on the RCF is between 2.5% and 3.25% above SONIA depending on leverage. Liquidity, defined as "freely available and unrestricted cash and cash equivalents, including any undrawn amounts under the RCF", must always exceed the minimum liquidity value, set at GBP 10.0 million. Available liquidity at 30 September 2022 was GBP 45.8 million.

The RCF is deemed to be on customary terms and conditions, including a change of control clause which will entitle the lender to terminate in the event that a person or group of persons acting in concert gain decisive influence, having a majority (i.e. more than 50%) of the voting rights or a right to elect or remove a majority of the members of the board of directors, over the Company or, in the event that a wholly-owning parent is installed above the Company, its parent (if applicable). The termination right will also be triggered in the event that the Company or, in the event that a wholly-owning parent is installed above the Company, its parent's (if applicable) shares cease to be listed on an accepted exchange.

Benchmark Genetics Salten AS currently has the following borrowing facilities in place which are ring-fenced without recourse to the rest of the Group.

- A NOK 179,500,000 term loan facility provided by Nordea dated 1 November 2022 with a maturity date the earlier of (i) 5 years after the first utilisation date, and (ii) 15 January 2028. The loan agreement includes a change of control clause which provides Nordea the right to cancel the loan and declare all outstanding amounts due and payable, if the Company ceases to own more than 50.1% (indirectly or directly) of the shares of BGS with corresponding voting rights. Nordea has e.g. first priority pledge over BGS' broodstock licenses (830 tonnes in total). This loan has an interest rate of 3 month NIBOR plus 2.50%. In addition, an equity to asset ratio covenant exists with a minimum threshold of 40%.
- A NOK 20,000,000 overdraft facility provided by Nordea Bank Abp, filial i Norge (previously Nordea Bank Norge ASA) under a credit facility agreement originally dated 19 March. The loan under the overdraft facility falls due on 29 March 2023. This loan has an interest rate of 3 month NIBOR plus 2.50%.
- Two ten-year term loans of NOK 25,000,000 and NOK 30,000,000 respectively provided by Innovasjon Norge in 2018. Innovasjon Norge has e.g. second priority pledge over BGS' broodstock licenses (830 tonnes in total). These loans currently have a flat interest rate of 5.95% per annum.
- A NOK 21,750,000 credit facility provided by Salten Aqua AS under a credit facility agreement originally dated 3 April 2018. This loan has an interest rate of 3 month NIBOR plus 2.50%.

The Company is not in breach of any covenants in the financing agreements.

6.9 Working capital statement

Based on current business plans and projections, the Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements, for the period covering at least 12 months from the date of this Information Document.

6.10 Operating and financial review

6.10.1 The Group's results of operations

Results of operations for the year ended 30 September 2022 compared to the year ended 31 September 2021

The following table presents selected comparative results of operations derived from the audited Consolidated Financial Statements for the years ended 30 September 2022 and 2021:

	Year ended 30 September	
In GBP '000	**2022** *(audited)*	**2021** *(audited)*
Revenue	158,277	125,062
Other operating costs	(44,661)	(38,221)
Adjusted EBITDA	31,181	19,449
Operating loss	(7,861)	(5,377)
Loss before taxation	(23,177)	(9,179)
Loss for the year	(30,451)	(11,576)

Revenue

The Group's revenue increased by GBP 33.2 million, or approximately 27%, to GBP 158.3 million for the year ended 30 September 2022 compared to GBP 125.1 million for the year ended 30 September 2021. The increase was primarily due to increased revenues in all business areas.

Genetics reported revenues of GBP 58.0 million, reflecting a 24% increase since 2021, primarily driven by higher salmon egg sales. Advanced Nutrition reported revenue of GBP 80.3 million, reflecting a 14% increase since 2021, driven by growth in sales in all three product areas – Artemia, Health and Diets. Health reported revenue of GBP 20.1 million, 157% ahead of prior year reflecting the Group's first full year of Ectosan®Vet and CleanTreat® sales.

Adjusted EBITDA

Adjusted EBITDA for the year ended 30 September 2022 was GBP 31.2 million, an increase of 60% compared to the GBP 19.4 million for the year ended 30 September 2021. This was driven by increased sales in Advanced Nutrition, a strong finish to the year in Genetics and a full year of commercial activities in Health for Ectosan®Vet and CleanTreat® as well as ongoing cost control.

Other operating costs

The Group's other operating costs increased by GBP 6.4 million, to GBP 44.7 million for the year ended 30 September 2022, compared to GBP 38.2 million for the year ended 30 September 2021. The increase in costs was due to increased costs in Health as the Group had a full year of commercial launch of Ectosan®Vet and CleanTreat®, in Genetics with the launch in Chile and SPR shrimp and in Nutrition due to continued growth.

Operating loss

The Group's operating loss increased by GBP 2.5 million, or 46%, to GBP 7.9 million for the year ended 30 September 2022 compared to GBP 5.4 million for the year ended 30 September 2021. Increased depreciation and amortisation costs of GBP 14.4 million for the year to 30 September 2022 compared to the year ended 30 September 2021 more than offset the increased Adjusted EBITDA. Higher depreciation costs mainly related to the launch of Cleantreat® where the vessels are right-of-use assets held under lease agreements. Amortisation costs increased as the capitalised development costs were amortised following the commercialisation of Ectosan®Vet and Cleantreat® and SPR shrimp.

Loss before taxation

The Group's loss before taxation increased by GBP 14.0 million, or 152%, to GBP 23.2 million for the year ended 30 September 2022 compared to a loss of GBP 9.2 million for the year ended 30 September 2021. This was a result of the positive trading result offset by the increased depreciation on right-of-use assets and amortisation of intangibles following the launch of Ectosan® Vet/CleanTreat® and SPR shrimp, and increased net finance costs of GBP 11.5 million in the year due principally to the early redemption penalty for settlement of the NOK bond of GBP 1.5 million and charge of GBP 7.0 million on the hedge associated with the NOK bond debt which compared to a gain in the year to 30 September 2021 of GBP 2.1 million.

Loss for the year

The Group's loss increased by GBP 18.9 million, or 163%, to GBP 30.5 million for the year ended 30 September 2022 compared to GBP 11.6 million for the year ended 30 September 2021, principally due to the factors discussed above as well as the fact that there was an increase in the tax charge on the loss for the year to 30 September 2022 compared to 30 September 2021 of GBP 4.9 million. The tax charge of GBP 7.3 million is mainly due to overseas tax charges in Genetics and Advanced Nutrition in territories where no loss relief is available, partially offset by deferred tax credits on intangible assets mainly arising on consolidation from acquisitions.

6.10.2 The Group's financial position

Financial position as of 30 September 2022 compared to the year ended 30 September 2021

The following table presents selected comparative figures from the statement of financial position derived from the audited Consolidated Financial Statements as of 30 September 2022 and 2021:

In GBP '000	**Year ended 30 September**	
	2022 *(audited)*	**2021** *(audited)*
Non-current assets	378,204	357,964
Current assets	148,369	124,026
Total assets	**526,573**	**481,990**
Non-current liabilities	(130,031)	(138,872)
Current liabilities	(73,257)	(63,519)
Total liabilities	**(203,288)**	**(202,391)**
Equity attributable to owners of the parent	**313,399**	**271,715**
Non-controlling interest	9,886	7,884
Total equity and reserves	**323,285**	**279,599**

Non-current assets

The Group's total non-current assets increased by GBP 20.2 million, or 6%, to GBP 378.2 million as of 30 September 2022 compared to GBP 358.0 million as of 30 September 2021, primarily due to foreign exchange movements on intangible assets of GBP 33.5 million, additions of GBP 1.9 million and offset by amortisation and impairment of GBP 19.2 million.

Current assets

The Group's total current assets increased by GBP 24.4 million, or 20%, to GBP 148.4 million as of 30 September 2022 compared to GBP 124.0 million as of 30 September 2021, partly due to an increase in Biological assets within the genetics areas of GBP 8.7 million. This increase is due principally to the increase in the biomass of broodstock as the Group continues to expand production at Salten and Chile and increased eggs available for sale in FY23. Other inventories grew in Nutrition as the Group had more GSL Artemia in inventory than previous years to ensure it was available in all locations. In Health, the Group has transferred the Cleantreat into Inventory resulting in Health inventory increasing by GBP 3.4 million. Trade debtors and creditors increased as a result of increased sales, however, trade debtors only increased slightly as a percentage of sales from 19% to 20% in the year.

Non-current liabilities

The Group's non-current liabilities decreased by GBP 8.9 million to GBP 130.0 million as of 30 September 2022 compared to GBP 138.9 million as of 30 September 2021, primarily due to a decrease in loans and borrowings of GBP 16.7 million, mainly through the refinancing of the NOK 850 million bond which was due to mature in June 2023 with the issue of a NOK 750 million unsecured green bond maturing in 2025. This was partially offset by an increase of GBP 8.4 million due to hedging of the new NOK bond.

Current liabilities

The Group's total current liabilities increased by GBP 9.7 million, or 15%, to GBP 73.3 million as of 30 September 2022 compared to GBP 63.5 million as of 30 September 2021, primarily related to an increase in loans and borrowings of approximately GBP 6.4 million, corporation tax liability of GBP 4.6 million, GBP 1.1 million on provisions and Trade and other payables of GBP 4.2 million due to higher activity levels. This is offset by a reduction in hedging accrual of GBP 6.0 million.

Total equity and reserves

The Group's total equity and reserves increased by GBP 43.7 million, or 16%, to GBP 323.3 million as of 30 September 2022 compared to GBP 279.6 million as of 30 September 2021, primarily due to an increase of GBP 47.3 million in foreign exchange translation differences and an increase in additional paid-in capital relating to a share issue raising of a net GBP 20.1 million, offset by a loss for the year of GBP 30.5 million.

6.10.3 Cash flows

Cash flows for the year ended 30 September 2022 compared to the year ended 30 September 2021

The following table sets forth comparative figures from the statement of cash flow derived from the audited Consolidated Financial Statements as of 30 September 2022 and 2021:

In GBP '000	**Year ended 30 September**	
	2022 *(audited)*	**2021** *(audited)*
Net cash flows generated from operating activities	10.810	5,790
Net cash flows used in investing activities	(11,216)	(23,090)
Net cash flows used in financing activities	(6,922)	(14,669)
Net decrease in cash and cash equivalents	**(7,328)**	**(31,969)**
Cash and cash equivalents at beginning of the year	39,460	71,605
Effect of movements in exchange rate	4,267	(176)
Cash and cash equivalents at end of the year	**36,399**	**39,460**

Net cash from operating activities

The Group's cash inflow from operating activities for the year ended 30 September 2022 was GBP 10.8 million compared to GBP 5.8 million for the year ended 30 September 2021. The inflow of GBP 5.0 million was primarily due to an increased business performance across the Group which drove positive cash inflow from operations.

Net cash flow from investing activities

The Group's cash outflow from investing activities for the year ended 30 September 2022 was GBP 11.2 million compared to GBP 23.1 million for the year ended 30 September 2021. The decreased outflow in 2022 was primarily due to due to decreased costs of GBP 6.9 million for the purchase of property, plant and equipment and GBP 3.1 million in capitalised research and development costs.

Net cash flow from financing activities

The Group's cash outflow from financing activities for the year ended 30 September 2022 was GBP 6.9 million compared to GBP 14.7 million for the year ended 30 September 2021. The decrease in outflow in 2022 was due to net proceeds from share issues of GBP 20.1 million, partly offset by the refinancing of the NOK bond and increased lease payments as Cleantreat® is commercialised.

6.11 Recent trends, developments and changes

6.11.1 Recent trends for the financial year 2021

The 2021 financial year was a very successful year for Benchmark with much accomplished financially, operationally and strategically. The Group delivered a strong financial performance across its three business areas with Revenue and Adjusted EBITDA 18% and 34% above 2020 figures respectively, reflecting the Group's renewed commercial focus and supported by improving conditions in the Group's core shrimp market. The Group reported a loss before tax of GBP 9.2 million which narrowed significantly from GBP 22.6 million in 2020, taking the Group a step closer to becoming profitable. The COVID-19 pandemic remained a predominant feature throughout the year, presenting challenges including regional lockdowns, significant supply chain disruptions and increases in the cost of logistics. This called for continuous operational flexibility, the dedication and focus of our teams around the world, and a sustained effort to support the health, safety and well-being of our people. The Group remained resilient and able to serve its customers in the face of significant logistical challenges affecting many sectors of the global economy. Strategically, an important milestone was achieved for the Group and for the aquaculture industry with the launch of the Group's sea lice treatment Ectosan® Vet and CleanTreat®, a solution that addresses one of the largest sustainability challenges in salmon production as well as an important environmental challenge by avoiding ocean contamination. The Group continued to invest with discipline to grow organically in the Group's core established areas including salmon genetics and Advanced Nutrition, as well as in new growth markets such as SPR shrimp and tilapia genetics.

6.11.2 Recent trends for the financial year 2022

The Company performed well in 2022, continuing the positive trend established since the restructuring and management change which were completed in 2020. The Group delivered growth in revenues and Adjusted EBITDA with all three business areas performing well and the positive impact from recent investments starting to come through. The Company maintained its financial discipline with good cost control and disciplined investments resulting in improved margins. The Group proved relatively resilient to the global inflationary environment and ongoing supply change challenges experienced during the year. By business area, Advanced Nutrition delivered high growth capitalising on the renewed commercial focus and a recovery in the shrimp markets post the Covid-19 pandemic. In Genetics, the Company delivered growth in salmon egg sales, supported by the increased incubation capacity in Iceland, which was completed during the year, and made good progress in the commercialisation of its SPR shrimp launched during the year. In Health the Group benefitted from the sale of Ectosan® Vet and CleanTreat® which took this business area to breakeven and achieved significant milestones towards the full commercialisation of its new sea lice solution including obtaining an extension to its Marketing Authorisation for a second reuse of water. In September 2022, the Company completed the refinancing of its NOK 850 million bond through the issue of a new NOK 750 million Green bond which received a Medium Green rating by Cicero, the second party opinion provider.

6.12 Current trading and outlook

Good momentum and tracking in-line with management expectations.

As noted in the Group's full year results announcement published on 30 November 2022:

- The Group has had a good start to the year and positive momentum in the business;
- The diversified nature of the business and management's proactive commercial approach is creating resilience and mitigating potential impact from ongoing cost inflation and macroeconomic pressures;
- Management expect that the recently announced change in tax regime for aquaculture producers in Norway will have a marginal direct effect on the Group's business;
- The Group continues to progress towards a dual listing on Euronext Growth Oslo; with an intention to uplist to the Oslo Børs in H1 calendar year 2023; and
- Longer term, management believe the Group is uniquely positioned in an industry that is structurally growing and driven by multiple megatrends.

The Group's medium term objectives remain in line with those previously published in its FY21 Q2 results and are to achieve the following within the medium term:

- to generate revenue growth of 15%-18% per annum;
- to deliver an Adjusted EBITDA margin ranging from 25%-30%;
- to deliver cash flow conversion ratio[15] of 70-80% from Adjusted EBITDA, creating the ability for significant organic deleveraging of the business by reducing net debt while increasing Adjusted EBITDA;
- to produce free cash flow[16] as a percentage of sales of between 10% and 15%; and
- to earn an Adjusted Return on Capital Employed[17] of more than 15% within the medium term.

Our medium term Group objectives are underpinned by objectives of 10%-15% annual revenue growth and 22-27% Adjusted EBITDA margin in Genetics and 7%-10% annual revenue growth and 20-25% Adjusted EBITDA margin in Advanced Nutrition. These are two well established businesses which provide good financial visibility. Growth in the Group's third business unit, Health, is driven by the roll-out of its sea lice solution Ectosan® Vet and CleanTreat® from which the Group aims to generate GBP 50 to GBP 75 million annual revenue within the medium term. Adjusted EBITDA margin in this area is dependent on a number of factors including obtaining an extended MA for multiple re-use of treatment water, geographic expansion and on embedding the solution in our customers' infrastructure through

[15] Cash generated from operations after working capital and taxes as percentage of Adj. EBITDA.

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

[17] Adj. ROCE calculated as adjusted operating profit as a % of average capital employed excluding goodwill and acquired intangible assets.

tailored configuration. The Group aims to achieve a 60% Adjusted EBITDA margin in Health when Ectosan® Vet and CleanTreat® are fully commercialised in the outer years of the period.

6.13 Significant change in the Group's financial position

Other than the private placement (the "**Private Placement**") and the Retail Offering as further described in section 8.7 "Information on the Private Placement and the Share Issue" and the refinancing of its previous USD 15 million revolving credit facility with its current GBP 20 million RCF on 21 November 2022, and the refinancing of Benchmark Genetics Salten's NOK 216 million term loan and NOK 17.5 million overdraft with a NOK 179.5 million term loan from Nordea in November 2022 (as described in more detail in Section 6.8 "Material borrowings" above), there has not been any significant changes in the Group's financial or trading position following the date of its latest financial statements on 30 September 2022.

7. THE BOARD OF DIRECTORS, MANAGEMENT AND EMPLOYEES

7.1 Overview

The overall management of the Company is vested in the Board of Directors and the Management. In accordance with the laws of England and Wales, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business, ensuring proper organization, preparing plans and budgets for its activities, ensuring that the Company's activities, accounts and asset management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The Management is responsible for the day-to-day management of the Group's operations in accordance with the delegations of authority provided by the Board of Directors.

7.2 The Board of Directors

7.2.1 Overview

The Company's Articles of Association provide that the Board of Directors shall consist of between 2 and 10 board members. The Board of Directors currently consists of 8 members including the chairperson of the Board.

Name	Position	Served/employed since	Term expires	No. of Shares held in the Company	No. of share options
Peter George	Non-Executive Chairperson	May 2018	May 2024	3,145,719	0
Trond Williksen*	Chief Executive Officer	June 2020	N/A	270,000	2,744,375
Septima Maguire*	Chief Financial Officer	November 2019	N/A	342,028	1,793,290
Susan Searle	Non-Executive Director	December 2013	December 2023	224,625	0
Kevin Quinn	Non-Executive Director	November 2016	November 2023	85,929	0
Yngve Myhre	Non-Executive Director	November 2017	November 2023	1,126,401	0
Kristian Eikre	Non-Executive Director	March 2019	March 2023	0	0
Atle Eide	Non-Executive Director	February 2022	November 2023	120,000	0
Laura Lavers**	Non-Executive Director	December 2022	2023	530,000	0

*For further information of the composition of the Board of Directors, please see Section 7.8 “Corporate governance requirements”.

** Laura Lavers will be appointed conditional upon the listing on Euronext growth Oslo, which is currently planned at 09:00 hours CET on or about 15 December 2022. Should the listing date change, the effective date for the appointment of Laura Lavers will change accordingly.

The Company's registered business address, Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom, serves as business address for the Board Members in relation to their directorship in the Company.

7.2.2 Brief biographies of the Board Members

Set out below are brief biographies of the members of the Board, including their relevant expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a director is or has been a member of the administrative, management or supervisory bodies or partner the previous five years (not including directorships and executive management positions in subsidiaries of the Company).

Peter George, Non-Executive Chairperson

Peter has a strong track record in growing successful international life sciences businesses. He is most renowned for his achievements as chief executive officer of Clinigen Group plc, the FTSE AIM global pharmaceutical and services company, which he founded in 2010 and grew into close to a £1bn market cap company having acquired several businesses and expanded its international footprint.

Peter also served as chairperson of Ergomed plc, the AIM-listed provider of clinical research, drug development and safety services internationally.

Prior to Clinigen, he held a number of senior roles in the pharmaceutical and healthcare sectors including chief executive officer and leading the MBO of Penn Pharmaceutical Services. He co-created Unilabs Clinical Trials International in 1997, which was successfully sold to Icon plc in 2000.

Peter is chairperson of Oxford Quantum Circuits, non-executive director of Osler Diagnostics and a Health Sciences advisor at Oxford Science Enterprises, Gresham House, Ergomed Plc and Clinigen

Group Limited. In addition, Peter has an investment fund, Enigma Holdings Group, and serves on a number of the boards of companies owned by the group. He also owns XPG Ltd, a building and development company.

Current directorships and senior management positions	*Chairperson of Oxford Quantum Circuits Limited.* *Board member of Xpg Ltd, Xpg1 Ltd, Xpg2 Ltd, Xpg3 Ltd, Church View Properties Management Ltd, Enigma Holdings Group Limited, XPG Holdings Limited, Rentplus-UK Limited, Enigma Holdings Rentplus Limited, Eminent Sport Group Ltd, Enigma Digital Services Limited, Enigma Legal Limited, Enigma Wellness Limited, Marco Polo Events Ltd, 454 Daniel and Donna Lda, Osler Diagnostics Limited and Enigma HealthCare Limited (pending). Health Sciences advisor at Oxford Science Enterprises, Gresham House, Ergomed Plc and Clinigen Group Limited.*
Previous directorships and senior management positions last five years ..	*Board member of Mitre Limited, Mitre Group Limited, The Centre For Leadership And Management Limited and Ergomed Plc.*

Trond Williksen, Director and Chief Executive Officer

Trond is highly experienced in the international aquaculture and seafood industries, having held senior executive positions in the sector for over 25 years. Most recently he was chief executive officer of SalMar ASA, the Norwegian fish farm company being one of the world's largest producers of farmed salmon. Prior to SalMar, he was chief executive officer of AKVA Group ASA, the leading global aquaculture technology and service provider for six years. He previously held a number of executive roles in Aker ASA's Seafood, Ocean Harvest and BioMarine companies as well as being the managing director of the Norwegian Fishfarmers Association.

Trond is the chairperson at Ivan Ulsund Rederi AS (including Trønderbas AS, Brusøykjær AS, Ivan Ulsund Eiendom AS), an ocean fisheries company.

He is a board member at SinkabergHansen AS, a leading Norwegian salmon farming company, and a board member of Williksen Export AS, a Norwegian salmon export company. Trond also owns an investment company, KRING AS. At the time of Trond's appointment, the Board reviewed Trond's other roles and were comfortable that these would still allow sufficient time to discharge his responsibilities effectively. The Board agreed that each role was not deemed to be significant and will continue to monitor such appointments going forward.

Current directorships and senior management positions	*Chairperson of KRING AS, Ivan Ulsund Rederi AS, Trønderbas AS and Brusøyskjær AS.* *Board member of Williksen Exports AS and SinkabergHansen AS.*
Previous directorships and senior management positions last five years ..	*Chief executive officer of SalMar ASA, AKVA Group ASA and managing director of the Norwegian Fishfarmers Association.* *Board member of Holding Cage I AS and Calanus AS.* *Advisor to FSN Capital AS.*

Septima Maguire, Director and Chief Financial Officer

Septima Maguire joined Benchmark as Chief Financial Officer in November 2019 from Dechra Pharmaceuticals plc, the international provider of specialist veterinary pharmaceuticals and products, where she spent four years as group financial controller, acting group finance director and most recently corporate development director, overseeing all aspects of acquisition activities, strategic projects, business development and investment initiatives playing a significant role in supporting Dechra during a period of high growth. She has been Chief Financial Officer of the Group since 18 December 2019 but joined Benchmark in November 2019.

Prior to Dechra, Septima held a number of senior finance roles at Ardagh Group S.A. (previously Impress Metal Packaging) over a period of nine years. She has also held finance roles at UPC, CNH Capital and PricewaterhouseCoopers. Septima holds a Master of Law in European Union Law from the University of Leicester and is ACCA qualified.

Current directorships and senior management positions	*None*
Previous directorships and senior management positions last five years ..	*Board member of Dechra Finance Ireland DAC and Improve International Limited.*

Susan Searle, Non-Executive Director

Susan has over 25 years' experience working in a variety of commercial, business development, manufacturing and operational roles including investing in growing technology businesses, acquisitions and the exploitation of new technologies. She co-founded Imperial Innovations plc, a leading technology investment business, and served as its chief executive officer from 2002 to 2013.

She was previously chairperson of Mercia Technologies PLC, a regional technology and biotech investor and holds a Master of Arts in Chemistry from Exeter College, Oxford. She was also non-executive and remuneration chairperson of Horizon Discovery plc, a gene-editing biotech company, prior to its sale to Perkin Elmer. Susan was formerly chairperson of Schroder UK Public Private Trust plc, which invested in a wide range of technology companies with a key focus on biotech and sustainability.

Susan brings to Benchmark a wealth of experience, including in relation to financial risk management, having served on a variety of company boards and audit committees.

Current directorships and senior management positions	*Chairperson of Greenback Recycling Technologies Ltd.* *Board member of Qinetiq Group plc.*
Previous directorships and senior management positions last five years ..	*Chairperson of Mercia Technologies PLC (now Mercia Asset Management plc)* *Board member of SS Businesses Limited (now dissolved), Woodford Patient Capital Trust plc, Horizon Discovery Group Plc and Schroders UK.*

Kevin Quinn, Non-Executive Director

Kevin is a qualified chartered accountant with over 30 years of financial experience in international business and the biosciences industry, including with FTSE 100 companies. Previously, Kevin was chief financial officer at Berendsen plc, the leading FTSE 250 European textile service business, where he was directly responsible for finance risk management, until the takeover of Berendsen by Elis SA in September 2017. In his role at Berendsen, Kevin was also responsible for providing assurance on mitigating actions relating to operational risks. Kevin has also previously held senior finance positions within biosciences group Amersham plc and before that was a partner with PricewaterhouseCoopers (Prague). Kevin holds a Bachelor of Arts in French from University College, Durham.

Kevin is also the chairperson of Marlowe Plc, a leading UK services business providing testing, inspection and maintenance of critical building systems.

Current directorships and senior management positions	*Chairperson of Marlowe Plc.*
Previous directorships and senior management positions last five years ..	*None.*

Yngve Myhre, Non-Executive Director

Yngve has more than 20 years' experience in the aquaculture sector as a senior executive, advisor and investor. Yngve was chief executive of leading Norwegian salmon producer SalMar ASA, and of international white fish supplier Aker Seafoods ASA during periods of successful growth. In both these roles Yngve was involved in evaluation of operational risk management strategies. Yngve also acts as strategic advisor to investors in the aquaculture sector. Yngve has a very strong track record in Benchmark's focus area of aquaculture, both in the Norwegian and international markets.

Yngve is a member of the board of Aqua Site AS and other seafood related companies. He is also chairperson of Kime Akva AS, Broodstock Capital AS and Chilean salmon producer Nova Austral S.A. Yngve also acts as a strategic advisor to investors in the aquaculture sector.

Current directorships and senior management positions	*Chairperson of Broodstock Capital AS, Kime Akva AS and Nova Austral SA.* *Board member of Rosøy AS, Nima Invest AS, Nova Austral Management Invest AS, Blåfjell Drift AS, Aqua Site AS, Aqua Site Holding, Helgeland Adventure AS and Træna Sjømat AS, Holding AS.*
Previous directorships and senior management positions last five years ..	*Board member of Arnarlax and Kvitholmen AS, Trænafestivalen, Nofima AS, Blåfjell AS, Blåfjell Holding, Perseus Seafood Limited and Cage Eye AS.*

Kristian Eikre, Non-Executive Director

Kristian has more than 15 years' experience as an investment professional with a particular focus on the aquaculture, pharmaceuticals, energy and renewables sectors. Kristian is currently an investment professional and co-head of Ferd Capital, a division of Ferd AS, a Norwegian investment company holding 26.33% of the Company's issued share capital. Prior to joining Ferd Capital, he was a partner at Herkules Capital AS, a leading private equity firm in Norway, which he joined after working as a research analyst at First Securities AS, an investment banking firm.

Kristian has held various board positions and is currently a board member of a number of companies including Fjord Line AS, a Scandinavian cruise and ferry operator, as well as a non-executive director of Seagust AS.

Current directorships and senior management positions	*Chairperson of Aibel Holding II AS. Aibel Holding III AS and Eventyrlyst AS (holding company 100% owned by FERD.* *Board member of Fjord Line AS, Hemsedal Maskinlag AS, Hemsedal Maskinlag Eiendom AS, Eikre Maskin AS, Credo Invest Nr10 AS, Slettostolen AS, Ferd Aibel Holdings AS, 1912 Top Holding AS, Aibel AS, Aibel AS, Aibel Holding I AS and Seagust AS.*
Previous directorships and senior management positions last five years ..	*Board member of The Future Group AS, Unicus AS, Unicus Group AS, Unicus AS, Unicus Sverige AB, Broodstock Capital Partners AS and Credo Invest Nr14 AS.*

Atle Eide, Non-Executive Director

Atle has extensive experience in the seafood industry including as chairperson of SalMar ASA and chief executive officer of Mowi ASA. He is currently chairperson of Scale Aquaculture Group AS, an innovation and technology company, amongst other appointments. In addition to his extensive involvement in the seafood and aquaculture sectors, Atle has substantial experience as an investor as non-executive chairperson, and later senior partner, at HitecVision AS, the leading Norwegian private equity company, for almost 20 years until 2020.

Current directorships and senior management positions	*Chairperson of Lake Harvest Group.* *Board member of Kontali Analyse AS, ScaleAQ, Maringto AS, Salmar Aker Ocean AS, Saga Robotics AS and Insula AS.*
Previous directorships and senior management positions last five years ..	*Chairperson in SalMar ASA and chief executive officer of Mowi ASA.* *Board member of Analytic AS, More Holdco NPG AS, Active Service AS, C5 Eiendom Holding AS, Tekniskbureau AS, More Holdco Emtunga AS, Eureka Group AS, Leirvik AS, NP Group AS, Aarbakke AS, Kverva AS. Insula AS, D1-3 Eiendom AS, Eureka Group AS, Fynd Ocean Ventures AS, HV VII Dags AS, APP Investment AS, Moreld Invest AS, Moreld Holding AS, Stubo AS, Agility Group AS, HV V Holding AS, HV VI Holding AS, HV IV Holding AS, More Holdco Gamma AS, Edrilling AS, AO Holdco AS, More Holdco TB AS, Moreld AS, Flux Group AS, More Holdco Alfa AS, More Holdco Giba AS, More Holdco Apply AS, Apply AS, More Holdco Leirvik AS, Moreld Invest AS, Moreld Holding AS, Karsten Moholt AS, Nutrimar Harvest AS, Nutrimar AS and Nutrimar Holding AS.*

Laura Lavers, Non-Executive Director

Laura is a senior investment professional with two decades of experience, the majority spent investing globally in publicly listed equities with a fundamental, long term, approach. Laura was a partner at Thunderbird Partners LLP where she worked closely with CIO to manage the business, interacting with investors (primarily endowments) and providing internal leadership, particularly around culture, people management, diversity and hiring.

Laura is a non-executive director for Hello Self Limited, a leading UK online psychology services provider and a member of the investment committee of Angelicoussis Family Office, a multi-billion dollar family office investing globally across multiple asset classes, with a focus on direct public and private equity and alternatives.

Current directorships and senior management positions	*Board member of HelloSelf Limited.* *Member of the Investment Committee in Angelicoussis Family Office.*
Previous directorships and senior management positions last five years ..	*Partner at Thunderbird Partners.*

7.3 Management

7.3.1 Overview

The Management team is an informal working group consisting of the Company's CEO and CFO, the head of each business area, the Head of People, the head of investor relations and the Group Legal Counsel. The Management team is responsible for the management of the day-to-day operation of the business and, pursuant to delegations of authority provided by the Board of Directors to the Management, implementation of the Board of Directors' strategy and vision.

The names and positions of the members of the Management as of the date of this Information Document are set out in the table below.

Name	Position	Employed since	No. of shares	No. of share options
Trond Williksen	Chief Executive Officer	June 2020	270,000	2,744,375

Name	Position	Employed since	No. of shares	No. of share options
Septima Maguire	Chief Financial Officer	November 2019	342,028	1,793,290
John Marshall	Head of Animal Health	January 2011	281,637	1,119,118
Jan-Emil Johannessen	Head of Genetics	June 2013	178,861	1,135,476
Patrick Waty	Head of Advanced Nutrition	November 2021	0	227,868
Ivonne Cantu	Director of Investor Relations and Corporate Development	October 2017	0	770,559
Corina Holmes	Group Head of People	January 2021	0	433,767
Ross Houston	Director of R&D and Innovation	March 2022	0	0
Jennifer Haddouk	Company Secretary & Group Legal Counsel	May 2019	0	698,667

The Company's registered business address, Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom, serves as business address for the members of the Management in relation to their positions.

7.3.2 Brief biographies of the members of the Management

Set out below are brief biographies of the members of the Management, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of the management is or has been a member of the administrative, management or supervisory bodies or partner the previous five years (not including directorships and executive management positions in subsidiaries of the Company).

John Marshall, Head of Animal Health

John joined Benchmark from Novartis Animal Health in January 2011 where he has held the positions of European Business unit Aquaculture and head of Global Technical Services – Aquaculture.

John has a degree in Agricultural and Environmental Science (Honours in Crop Protection) from The University of Newcastle-upon-Tyne and a Master of Business Administration from Open University (special focus on the International Business Finance) and Business Finance and Acquisition Strategy MBA modules from Harvard University.

John has 28 years of experience in the Animal Health industry (over 20 years focused in Aquaculture Health) working in R&D, sales and marketing, business development, business unit leadership and leads Benchmark's Health business area.

Current directorships and senior management positions	*None*
Previous directorships and senior management positions last five years	*None*

Jan-Emil Johannessen, Head of Genetics

Jan-Emil is Head of Benchmark Genetics and joined SalmoBreed – today part of Benchmark Genetics - as chairperson of the board of directors in 2011 and managing director in 2013. Prior to this he was working for 10 years with the Norwegian branded food company Rieber (Toro) and for 15 years in the family-owned company Fossen AS (today Lerøy Fossen AS).

Fossen was one of the pioneers in Norwegian fish farming with a particular focus on trout and value-added products. Jan-Emil holds a Master of Science in Business Administration and Economics as well as university courses in Aquaculture.

Current directorships and senior management positions	*Chairperson of Solsmolt AS, Sulefisk AS, Sulefisk Holding AS, Jawendel AS and Vital Marin AS.*
Previous directorships and senior management positions last five years	*Board member of The Seafood Innovation Cluster AS. Board member of Jawendel SeaProducts AS and Vital Seafood AS.*

Patrick Waty, Head of Advanced Nutrition

Patrick is an experienced aquaculture leader and expert who had his first exposure to the sector in 2005, upon purchasing and growing Seagull NV, the Belgium-based fish processing company.

Patrick joined Benchmark in November 2021 from SyAqua Group, an industry leader in early-stage nutrition and genetics for shrimp and tilapia, where he was chief executive officer pushing forward Asian market development. Prior to this, Patrick spent 6 years in several key global leadership roles within BernAqua, Epicore Bionetworks, steering the company through a period of mergers, acquisitions, and integration, which significantly and strategically developed Neovia/ADM business as a global aquaculture director.

Patrick is a member of the Management team and will play a key role in developing and growing the Group's Advanced Nutrition business as well as contributing strategically to the evolution of Benchmark over the coming years.

Current directorships and senior management positions	*None*
Previous directorships and senior management positions last five years	*Board member in several companies within Syaqua and Neovia including affiliates.*

Ivonne Cantu, Director of Investor Relations and Corporate Development

Ivonne joined Benchmark in 2017 after 20 years as corporate finance advisor at Cenkos Securities and Merrill Lynch. Throughout her career Ivonne has advised UK and international companies across multiple sectors on a broad range of corporate finance transactions including IPOs, fundraisings and M&A as well as on investor communications, corporate governance and regulatory matters.

Ivonne chairs the Sustainability Working Group and is a member of the Sustainability Committee.

Ms. Cantu is a Non-Executive Director of Creo Medical plc and Primary Health Properties plc. Ms. Cantu holds a Bachelor of Science in Engineering and a Master of Business Administration from the Wharton School of Business.

Current directorships and senior management positions	*Board member of Creo Medical Group plc and Primary Health Properties plc.*
Previous directorships and senior management positions last five years	*Board member of Cenkos Securities Trustees Limited and Improve International Limited.*

Corina Holmes, Group Head of People

Corina Holmes is an experienced global HR leader with over 25 years' living and working extensively across EMEA, Asia and the Americas. She has worked for both large and complex companies in technology, pharmaceuticals, and financial services as well as smaller entrepreneurial start-up businesses. Throughout her career Corina has led global HR teams in creating values-based company cultures, creating and leading employee engagement and development programs, and implementing reward and talent management strategies that support the achievement of business goals and objectives, together with acting as coach and mentor to senior leadership teams. Ms. Holmes joined Benchmark in January 2021 from Hyve Group plc where she was chief people officer.

Current directorships and senior management positions	*None*
Previous directorships and senior management positions last five years	*Board member of Corina & Co Consulting Ltd.*

Ross Houston, Director of R&D and Innovation

Ross joined Benchmark in March 2022 as Director of Innovation in Benchmark Genetics, where he leads strategic R&D programmes, with a particular focus on applications of emerging technologies. He has been recently appointed as chairperson of the Benchmark Innovation Board, which fosters exploitation of synergies across the Genetics, Health, and Advanced Nutrition business units.

Ross is an internationally leading scientist in the field of aquaculture genetics and biotechnology, having formerly been personal chair of Aquaculture Genetics, and deputy director for Translation and Commercialisation, at the Roslin Institute. He has authored or co-authored more than 100 scientific publications, with several of his discoveries applied in the aquaculture industry to improve animal health and performance.

Current directorships and senior management positions	*None*
Previous directorships and senior management positions last five years	*None*

Jennifer Haddouk, Company Secretary & Group Legal Counsel

Jennifer Haddouk is a French qualified Solicitor with over 10 years' experience and joined the Company in February 2018. Jennifer previously worked in French law firm SCP de Poulpiquet & Co and more recently as an in-house legal counsel for KellyDeli, a European sushi retail company where she gained experience in the salmon industry, focusing on commercial agreements, corporate and competition law. Since taking in her role as Company Secretary and Group Legal Counsel for the Group in May 2019, Jennifer has been advising and supporting Group companies to execute their strategies. Jennifer holds a Master of Arts in Law from the university of Nice and "Diplome de Notaire".

Current directorships and senior management positions	*None*
Previous directorships and senior management positions last five years	*None*

Please see Section 7.2.2 "Brief biographies of the Board Members" above for a description of Trond Williksen and Septima Maguire.

7.4 Board committees

7.4.1 Audit Committee

The Board has established an audit committee (the "**Audit Committee**"). The current members of the Audit Committee are Kevin Quinn (chairperson), Susan Searle, Yngve Myhre and Peter George. Jennifer Haddouk, the Company Secretary & Group Legal Counsel, acts as the secretary of the Audit Committee. Other Non-executive Directors, the Group Financial Controller, and the Company's auditors are invited to attend meetings as appropriate.

The Audit Committee has the primary responsibility of monitoring the quality of internal controls and ensuring that the financial performance of the Group is properly measured and reported on. Its remit includes reviewing reports from the Group's Management and external auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The Committee and has unrestricted access to the Group's external auditors.

The Audit Committee is required to meet not less than twice in each financial year, and usually meets at least three times per year.

The main responsibilities of the Audit Committee are:

- To review accounting policies and the integrity and content of the financial statements.
- To monitor disclosure controls and procedures and the Group's internal controls.
- To monitor the integrity of the financial statements of the Group, and to assist the Board in ensuring that the Annual Report and Accounts when taken as a whole, are fair, balanced and understandable.

- To consider the adequacy and scope of the external audits.
- To monitor the objectivity, independence and effectiveness of the external auditor, including the scope and expenditure on non-audit work.
- To review and approve the statements to be included in the Annual Report on internal control and risk management.
- To review and report on the significant issues considered in relation to the financial statements and how they are addressed.

7.4.2 Remuneration Committee

The Board has established a remuneration committee (the "**Remuneration Committee**"). The key objectives of the Remuneration Committee are to develop the Company's policy on executive remuneration and to determine the remuneration of the Executive Directors, chairperson of the Board and senior management.

The Remuneration Committee members are Susan Searle (chairperson), Peter George and Kevin Quinn. Jennifer Haddouk, the Company Secretary & Group Legal Counsel, acts as the secretary of the Remuneration Committee. Other Non-executive, Executive Directors and the Head of People may be invited to attend meetings as appropriate. The Remuneration Committee meets at least twice per year and otherwise if required.

The main responsibilities of the Remuneration Committee are:

- To monitor and develop the Company's remuneration policy.
- To determine the remuneration of the Executive Directors.
- To approve the service agreements of the Executive Directors.
- To approve the remuneration of the senior managers.
- To determine the fees of the chairperson.
- To review the Company's annual bonus proposals and to approve bonuses for the Executive Directors and senior managers.
- To approve the design of and oversee awards under the Company's share incentive plans.
- To consider risks to the Group in light of the remuneration policies.

In exercising this role, the Remuneration Committee has regard to the recommendations put forward in the UK Corporate Governance Code.

7.4.3 Sustainability Committee

The Board has established a Sustainability Committee to ensure that the Company's strategy and operations are carried out in accordance with the Group's sustainability programme, focusing on care for the environment, people and animals whilst maintaining economic stability. Its work aligns with major frameworks including the London Stock Exchange Guidance for Environmental, Social and Governance reporting and the UN Sustainable Development Goals.

The Sustainability Committee currently comprises Kevin Quinn (chairperson), Ivonne Cantu and Trond Williksen. Jennifer Haddouk, the Company Secretary & Group Legal Counsel, acts as the secretary of the Sustainability Committee. Other Non-executive and Executive Directors may be invited to attend meetings as appropriate. The committee meets at least twice per year and otherwise if required.

The main responsibilities of the Sustainability Committee include:

- To ensure that the Group's strategy and operations are aligned with its social and ethical responsibilities to its people and those its operations affect, including with regard to labour standards, employee health and wellbeing, health and safety, community initiatives, and human rights and responsibilities.
- To ensure that the Group's strategy is aligned with its goal to reduce the impact of food production on the environment, and to oversee the impact of its operations on the environment,

having regard to the maintenance of biodiversity, fresh water use, climate change, pollution risk, land-use change, and ozone depletion.

- To oversee the impact of the Group's operations on animals on land and in water, having regard to the health and welfare of animals under the Group's care and those our operations impact, including food animals, wild animals, animals used in R&D and companion animals.
- To oversee appropriate governance across the Group, including in relation to anti-corruption and shareholder and tax transparency.

7.4.4 Disclosure committee

The key objective of the disclosure committee (the "**Disclosure Committee**") is to maintain procedures, systems and controls for the identification, treatment and disclosure of inside information and for complying with the obligations falling on the Company and its Directors and employees under UK MAR, EU MAR, the AIM Rules and the Euronext Growth Rules.

The Disclosure Committee comprises as permanent members, Septima Maguire (chairperson), Kevin Quinn and Trond Williksen. Jennifer Haddouk, the Company Secretary & Group Legal Counsel, acts as the secretary of the Disclosure Committee. In the absence of the permanent members of the Disclosure Committee, any two Directors, one of which is Septima Maguire or Trond Williksen, may exercise the powers of the Disclosure Committee. Other Non-executive and Executive Directors may be invited to attend meetings as appropriate. The Disclosure Committee meets when required during the year.

The main responsibilities of the Disclosure Committee include:

- To identify inside information giving rise to the need for the Company to create new insider lists or amend its existing insider lists and alert the Company Secretary to the existence of such inside information.
- To review the need to make market announcements of inside information.
- To consult where necessary with the Company's advisors regarding the identification and treatment of inside information.
- To keep the adequacy of the Disclosure Procedures under review and monitor compliance with the same.
- To keep a written record of any decision to delay disclosure in accordance with UK MAR, and to consider the requirements for announcements in the case of rumours or leaks, including the need to issue holding announcements.
- To oversee and, if deemed fit, approve any proposed market soundings and compliance with applicable regulatory requirements.
- To ensure that all regulatory announcements, shareholder circulars, prospectuses and other documents issued by the Company under any legal or regulatory requirements comply with applicable disclosure requirements.

7.4.5 Nomination committee

The Board has appointed a nomination committee (the "**Nomination Committee**"), currently comprising Peter George (chairperson), Kevin Quinn and Susan Searle. Jennifer Haddouk, the Company Secretary & Group Legal Counsel, acts as the secretary of the Nomination Committee. Other Non-Executive, Executive Directors and Head of People may be invited to attend meetings as appropriate.

The Nomination Committee leads the process for and makes recommendations to the Board regarding the appointment of new Directors to the Board, reviews composition and structure of the Board, evaluates the balance of skills, knowledge and experience of the Directors and oversees the Board's annual evaluation. In addition, the Nomination Committee supports the Board with the succession planning process.

7.5 Benefits upon termination

Trond Williksen, the CEO and Jan-Emil Johannessen, Head of Genetics, are entitled to up to six months' severance pay, equal to six months base salary, upon termination of employment.

No other member of Management or the Board of Directors than Trond Williksen and Jan-Emil Johannessen, is entitled to any additional remuneration following the termination of their employment/service.

7.6 Employees

At the date of this Information Document, the Group had approximately 852 employees.

As at 30 September 2021, the Group had 796 employees.

7.7 Arrangements for involving employees in the capital of the Company

The Group operates equity-settled share option schemes for certain employees. The vesting period is three years. If the options remain unexercised after a period of ten years from the date of grant the options expire. Options are forfeited, other than in limited circumstances, if the employee leaves the Group before the end of the vesting period. In these limited circumstances options will be exercisable in a specified period following termination of employment after which they will lapse.

For options granted in 2021, certain additional performance measures apply, including performance measures and Relative Total Shareholder Return ("**RTSR**") measured against the FTSE AIM 100 index, where 25% vests at a ranking of median rising to 100% for a ranking of upper quartile or higher. In the case of executive directors, any vested shares will be subject to a two-year holding period. The outstanding options not yet exercised represent a potential dilution of approximately 4.22% of the current number of Shares in issue.

The Company has three different share options programmes, CSOP I, CSOP II and LTIP. Under CSOP I, 208,200 options have been issued to members of the Management, each at strike prices ranging from 42.5 – 69.5 (p) and with a 3 years' vesting period.

Under CSOP II, 4,368,156 options have been issued to members of the Management, each at a strike price ranging from 0.001 – 69.5 (p), of which 106,889 have been exercised (all at 0.001 (p)).

Under LTIP, 4,342,260 options have been issued to members of the Management, of which 1,914,999 were issued in January 2021 and 2,427,261 were issued in December 2021 – all with a strike price each of 0.001 (p) and with a 3 years' vesting period.

As of the date of this Prospectus, the following options in the Company have been issued under the Group's share option schemes:

Issued to	Exercised or lapsed	Non-exercised
Septima Maguire	0	1,793,290
Trond Williksen	0	2,744,375
Ivonne Cantu	0	770,559
Patrick Waty	0	227,868
John Marshall	53,998	1,060,434
Jan-Emil Johannessen	52,891	1,082,767
Ross Houston	0	0
Jennifer Haddouk	0	698,667
Corina Holmes	0	433,767
Other employees (current of former)	23,534,121	20,802,808
Totals	**23,641,010**	**29,614,535**

The Group has a policy of encouraging the employees to partake in the share ownership of the Company and 63% of the Group's employees hold shares or options in the Company as of the date of this Information Document.

Other than the above, neither the Company nor any of its subsidiaries has, as of the date of this Information Document, issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such instrument to subscribe for any shares in the Company or its subsidiaries. Further, the Company has not issued any convertible loans or subordinated debt or transferrable debt securities other than the Bond Issue referred to in section 6.8 "Material borrowings".

7.8 Corporate governance requirements

The Company is not subject to a mandatory corporate governance code. Nonetheless, the Company is listed on AIM and has voluntarily chosen to comply with the UK Corporate Governance Code 2018 (the "**UK Code**").

Principle G of the UK Code provides that the board should include an appropriate combination of executive and non-executive (and, in particular, independent non-executive) directors, such that no one individual or small group of individuals dominates the board's decision-making. There should be a clear division of responsibilities between the leadership of the board and the executive leadership of the company's business.

As such, for English plc and for Benchmark, it is customary for the board to be made up of executive (CEO, CFO) and non-executive directors.

Trading in the Shares on Euronext Growth Oslo does not require implementation of a specific corporate governance code, such as the Norwegian Code of Practice for Corporate Governance (the "**Norwegian Code**"). However, the Company intends to maintain a high level of corporate governance standard and continue to report against the UK Code, and will also consider the implications of the Norwegian Code going forward.

7.9 Conflicts of interests, etc.

Except for as stated below, there are currently no actual or potential conflicts of interest between the private interests of the members of the Board and members of the Management and the interests of the Company.

Given Atle Eide's previous role as a director of Kverva AS, a significant shareholder in the Company, the Board has concluded that he is not an independent director of the Company. Kverva AS is the controlling shareholder of SalMar ASA, who is a customer of the Company. Kristian Eikre is not considered to be an independent board member due to his position as an investment professional and co-head of Ferd Capital, a division of Ferd AS, a Norwegian investment company holding 26.33% of the Company's issued share capital.

For disclosure purposes, Yngve Myhre is the chairperson of the board of directors of Nova Austral SA, a Chilean salmon farm business, which bought salmon eggs from Benchmark Genetics Chile in September 2021 and October 2022. Yngve was not involved in the negotiations of the agreement between the parties. The Company does not consider this to be a conflict of interest.

Also, Trond WIlliksen is a non-executive board member of SinkabergHansen AS, a customer of the Group. Trond is, however, excluded from participating in any board discussions at SinkabergHansen AS which relate to the Group and he has no involvement in the commercial relationship. The Company does not consider this to be a conflict of interest and is only disclosing this for transparency reasons.

7.10 Disclosure regarding convictions, sanctions, bankruptcy etc.

Yngve Myhre, a member of the Company's Board of Directors, was a non-executive director of Blåfjell AS that went into bankruptcy in October 2020.

Save for the above, no member of the Board of Directors or Management has, or have had, as applicable, during the last five years preceding the date of the Information Document:

i) any convictions in relation to fraudulent offences;

ii) received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or was disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or

iii) been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his or her capacity as a founder, member of the administrative body or supervisory body, director or senior manager of a company.

8. CORPORATE INFORMATION AND DESCRIPTION OF SHARE CAPITAL

8.1 General corporate information

The Company's legal and commercial name is Benchmark Holdings plc. The Company is a public limited liability company validly incorporated under the laws of England and Wales and registered with Companies House, England and Wales, with registration number 04115910. The Company was incorporated on 28 November 2000.

The Company's registered business address is Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom, which also is its principal place of business. The Company's telephone number of its principal offices is +44 (0)114 240 9939 and its official website is www.benchmarkplc.com.

The Company's Shares are admitted to trading on AIM under ticker code "BMK".

The Shares in the Company are registered:

- In respect of the New Shares and certain Existing Shares, in the VPS, and
- In respect of all Shares, in a register maintained by Equiniti Limited ("**Equiniti**");

in each case with International Securities Identification Number ("**ISIN**") GB00BGHPT808. The Company's register of members is administered by Equiniti and the Company's register of shareholders in VPS is administrated by DNB Bank ASA. The Company's LEI-code is 2138001UQHM4VZGXUJ19.

The first general meeting of the Company scheduled to be held after its admission to trading on Euronext Growth Oslo will be the annual general meeting in 2023, which will be held no later than 31 March 2023.

8.2 Group structure

The Company is a holding company and the parent company of the Group. The table below shows the current legal structure of the Group:

Company name	Country of incorporation	Direct / indirect Group interest	% of share capital/voting rights held by Group companies
Genetics			
Benchmark Genetics Brasil Cultivo de Especies Aquaticas Ltda[1]	Brazil	Indirect	80%
Akvaforsk Genetic Center Spring Mexico, SA de CV (dormant)[1]	Mexico	Indirect	80%
Benchmark Genetics USA Inc.[1]	USA	Indirect	80%
Benchmark Genetics Chile SpA[3]	Chile	Indirect	100%
Benchmark Genetics Limited	United Kingdom	Direct	100%
Benchmark Genetics Colombia SAS	Colombia	Indirect	100%
Benchmark Genetics Norway AS	Norway	Indirect	100%
Icecod A Islandi EHF (dormant)	Iceland	Indirect	93.32%
Benchmark Genetics Salten AS[3]	Norway	Indirect	75%
Spring Genetics SRL	Costa Rica	Indirect	80%
Stofnfiskur Chile Limitada (dormant)	Chile	Indirect	89.48%
Benchmark Genetics Iceland HF[3]	Iceland	Indirect	89.53%
Stofngen EHF (dormant)	Iceland	Indirect	89.48%
Sudourlax EHF (dormant)	Iceland	Indirect	89.48%
Advanced Nutrition			
Fortune Ocean Americas, LLC	USA	Indirect	100%
Fortune Ocean Technologies Ltd (dormant)	Hong Kong	Indirect	100%
Golden West Artemia	USA	Indirect	100%
Inland Sea Incorporated	USA	Indirect	100%
INVE (Thailand) Ltd.	Thailand	Indirect	99.99%
Inve Animal Health, S.A.	Spain	Indirect	100%
Inve Aquaculture Europe Holding B.V.	Netherlands	Indirect	100%
Benchmark Holding Europe B.V.	Netherlands	Direct	100%
Inve Aquaculture México, S.A. de C.V.	Mexico	Indirect	99.00%
Inve Aquaculture NV	Belgium	Indirect	100%
Inve Aquaculture Temp Holding B.V.	Netherlands	Indirect	100%
INVE Aquaculture, Inc.	USA	Indirect	100%
Inve Asia Ltd	Hong Kong	Indirect	100%
INVE Asia Services Ltd.	Thailand	Indirect	99.99%
Inve do Brasil Ltda.	Brazil	Indirect	99%
Inve Eurasia SA	Turkey	Indirect	99%
Inve Hellas S.A.	Greece	Indirect	99.9%

Company name	Country of incorporation	Direct / indirect Group interest	% of share capital/voting rights held by Group companies
Inve Latin America B.V.	Netherlands	Indirect	100%
Inve Technologies NV	Belgium	Indirect	100%
INVE USA Holdings, Inc.	USA	Indirect	99.99%
Inve Vietnam Company Ltd	Vietnam	Indirect	100%
Invecuador S.A.	Ecuador	Indirect	99%
Inveservicios, S.A. de C.V.	Mexico	Indirect	99.99%
Maricoltura di Rosignano Solvay S.r.l.	Italy	Indirect	100%
PT. Inve Indonesia	Indonesia	Indirect	99.5%
Salt Creek Holdings, Inc.	USA	Indirect	100%
Salt Creek, Inc.	USA	Indirect	100%
Sanders Brine Shrimp Company, L.C.	USA	Indirect	100%
Tianjin INVE Aquaculture Co., Ltd	China	Indirect	100%
Health			
Benchmark Animal Health Group Limited	United Kingdom	Direct	100%
Benchmark Animal Health Limited	United Kingdom	Indirect	100%
Benchmark Vaccines Limited	United Kingdom	Indirect	100%
Benchmark Animal Health Inc.	Canada	Indirect	100%
Benchmark Animal Health US, Inc.	USA	Indirect	100%
Benchmark Animal Health Chile SpA	Chile	Indirect	100%
Benchmark Animal Health Norway AS	Norway	Indirect	100%
Knowledge Services[5]			
FAI Aquaculture Limited[4]	United Kingdom	Direct	100%
FAI do Brasil Criação Animal	Brazil	Indirect	100%

1) A put and call option clause to acquire the remaining 20% of Benchmark Genetics USA Inc. from Veterinærmedisinsk Oppdragssenter AS is in place in the share purchase agreement entered into on 27 July 2015 between Veterinærmedisinsk Oppdragssenter AS and Benchmark Genetics Limited. The payable cash consideration is dependent on the performance of the acquired business. The minimum consideration is NOK 1 (one Krone) payable in the event the business underperforms the minimum target set and the maximum consideration is capped at NOK 60 million.

2) Bark SPV is a company limited by guarantee and although the Group has no equity holding in the company, its results are consolidated into the annual report by virtue of control exercised under the provisions of IFRS 10: Consolidated Financial Statements.

3) During the financial year 2021 there have been some company name changes. In Genetics, Benchmark Genetics Chile SpA was formerly known as Benchmark Chile SpA, Benchmark Genetics Salten AS was formerly known as Salmobreed Salten AS, and Benchmark Genetics Iceland HF was formerly known as Stofnfiskur HF.

4) FAI Aquaculture Limited (company number 04450207) and 5M Enterprises Limited (company number 03332321) are exempt from the requirements of the UK Companies Act under S479A-479C relating to the audit of individual accounts.

5) All operations in the Knowledge Services business area were discontinued in 2019 and 2020 and either disposed or ceased during 2020.

8.3 Ownership structure

The table below shows the Company's 20 largest shareholders as recorded in the shareholders' register of the Company as of 30 November 2022:

#	Shareholder name	No. of Shares	% of total Shares
1	Ferd AS	185,374,388	26.33%
2	Kverva AS	150,615,947	21.40%
3	JNE Partners	149,423,527	21.23%
4	Harwood Capital	29,185,000	4.15%
5	Canaccord Genuity Wealth Management (Ins)	20,704,522	2.94%
6	DNB Asset Management	20,150,663	2.86%
7	Gresham House Asset Management	15,416,273	2.19%
8	Odyssean Investment Trust	15,000,000	2.13%
9	Rabo Investments	11,986,578	1.70%
10	Janus Henderson Investments	10,467,961	1.49%
11	Wheatsheaf Investments	10,000,000	1.42%
12	Palmyra Investments	9,789,384	1.39%
13	Baillie Gifford	8,457,319	1.20%
14	Benchmark Employees	5,702,978	0.81%
15	Individuals	5,615,274	0.80%
16	Directors	5,314,702	0.75%
17	Sole Active AS	4,032,258	0.57%
18	Barclays Bank, Monaco (PB)	3,938,300	0.56%
19	Hargreaves Lansdown, stockbrokers (EO)	3,684,497	0.52%
20	Redmayne Bentley, stockbrokers	3,506,786	0.50%
	Total top 20	**668,366,357**	**94.94%**
	Others	**35,597,441**	**5.06%**
	Total	**703,963,798**	**100.00%**

Ferd AS, Kverva Finans AS and JNE Partners LLP are the only shareholders of the Company holding more than 5 per cent of the Company's Shares at the date of this Information Document. The Company is not aware of any other shareholders who directly or indirectly hold or control more than 5 per cent of the Company's issued Shares as of the date of this Information Document.

All Shares have equal voting rights, with each Share holding one vote. Thus, all major shareholders have the same voting rights relative to the number of Shares held.

The Company is not aware of any shareholders who through ownership or other arrangements control the Company. There are no arrangements known to the Company that may lead to a change of control in the Company The Company is not aware of any arrangements, including in the Articles of Association, which at a later date may result in a change of control of the Company.

8.4 Share capital and share capital history

As of the date of this Information Document, the Company's issued share capital is GBP 739,153.148 divided into 739,153,148 shares, each with a nominal value of GBP 0.001.

The Company has one class of Shares, which carries no right to fixed income. Each Share carries the right to one vote at the general meetings of the Company. The Company's Shares are freely transferable, meaning that a transfer of Shares is not subject to the consent of the Board of Directors or rights of first refusal. However, according to Article 13.3 of the Company's Articles of Association, the Board Members of the Company have to register a transfer unless a stock transfer form has not been duly delivered (i.e. met the legal requirements for the transfer of certificated shares). The article is read in conjunction with Article 8 (Articles 8.2.2 and 8.3.5), which makes it clear that shares held in uncertificated form can be transferred through CREST. These are standard provisions in UK public company articles and are consistent with UK rules for listed companies.

The Company's share register and the provisions in the Articles of Association only relates to transfers of the legal interest in the shares and not the beneficial interest in the shares, which is what will be trading in the VPS. Hence, a share trade within VPS will not give rise to a change in the Company's share register as Euroclear Nominees Limited will be the legal owner in the share register.

All the Shares have been created under the UK Companies Act, and are validly issued and fully paid.

The Shares are admitted to trading on at AIM with ticker “BMK”. The Company has also applied to have its Shares admitted to trading on Euronext Growth Oslo, a multilateral trading facility operated by the Oslo Stock Exchange.

The table below summarizes the share capital development from for the period covered by the Financial Statements to the date of this Information Document. Other than set out below, there have not been any share capital changes in the Company for the period covered by the Financial Statements to the date of the Information Document.

Date of issue	Type of change	Change in issued share capital (GBP)	New issued share capital (GBP)	New no. of issued Shares	Par value per share (GBP)	Price per share (GBP)
14 December 2022	Issue of shares	Increase	739,153,148	35,189,350	0.001	0.004
11 November 2022	Issue of shares	Increase	703,963.798	3,000	0.001	0.001
7 February 2022	Issue of shares	Increase	703,960.798	26,775	0.001	0.425
7 February 2022	Issue of shares	Increase	703,934.023	9,509	0.001	0.001
13 January 2022	Issue of shares	Increase	703,924.514	137,500	0.001	0.425
6 December 2021	Issue of shares	Increase	703,787.014	7,910	0.001	0.425
1 December 2021	Issue of shares	Increase	703,779.104	33,401,620	0.001	0.620
4 October 2021	Issue of shares	Increase	670,377.484	3,000	0.001	0.001
6 September 2021	Issue of shares	Increase	670,374.484	6,000	0.001	0.001
9 August 2021	Issue of shares	Increase	670,368.484	4,500	0.001	0.001
15 July 2021	Issue of shares	Increase	670,363.984	95,710	0.001	0.425
9 July 2021	Issue of shares	Increase	670,268.274	23,768	0.001	0.425
9 July 2021	Issue of shares	Increase	670,244.506	24,081	0.001	0.001
6 July 2021	Issue of shares	Increase	670,220.425	9,600	0.001	0.585
6 July 2021	Issue of shares	Increase	670,210.825	9,025	0.001	0.425
1 June 2021	Issue of shares	Increase	670,201.800	9,000	0.001	0.001
17 May 2021	Issue of shares	Increase	670,192.800	16,872	0.001	0.001

Date of issue	Type of change	Change in issued share capital (GBP)	New issued share capital (GBP)	New no. of issued Shares	Par value per share (GBP)	Price per share (GBP)
4 May 2021	Issue of shares	Increase	670,175.928	14,894	0.001	0.585
4 May 2021	Issue of shares	Increase	670,161.034	10,000	0.001	0.001
28 April 2021	Issue of shares	Increase	670,151.034	21,990	0.001	0.425
23 April 2021	Issue of shares	Increase	670,129.044	51,988	0.001	0.585
6 April 2021	Issue of shares	Increase	670,077.056	1,500	0.001	0.001
26 March 2021	Issue of shares	Increase	670,075.556	78,941	0.001	0.425
26 March 2021	Issue of shares	Increase	669,996.615	73,406	0.001	0.001
22 March 2021	Issue of shares	Increase	669,923.209	4,468	0.001	0.001
8 March 2021	Issue of shares	Increase	669,918.741	1,500	0.001	0.001
22 February 2021	Issue of shares	Increase	669,917.241	237,252	0.425	0.001
22 February 2021	Issue of shares	Increase	669,679.989	6,000	0.001	0.001
11 February 2021	Issue of shares	Increase	669,673.989	242,489	0.001	0.425
11 February 2021	Issue of shares	Increase	669,431.500	808	0.001	0.001
10 February 2021	Issue of shares	Increase	669,430.692	84,457	0.001	0.425
5 February 2021	Issue of shares	Increase	669,346.235	169,800	0.001	0.425
5 February 2021	Issue of shares	Increase	669,176.435	7,908	0.001	0.001
29 January 2021	Issue of shares	Increase	669,168.527	10,508	0.001	0.425
18 January 2021	Issue of shares	Increase	669,158.019	536,272	0.001	0.621943
18 January 2021	Issue of shares	Increase	668,621.747	56,994	0.001	0.425
18 January 2021	Issue of shares	Increase	668,564.753	4,462	0.001	0.001
11 January 2021	Issue of shares	Increase	668,560.291	23,500	0.001	0.585
11 January 2021	Issue of shares	Increase	668,536.791	19,811	0.001	0.001
5 January 2021	Issue of shares	Increase	668,516.980	117,981	0.001	0.425
5 January 2021	Issue of shares	Increase	668,398.999	7,500	0.001	0.001
21 December 2020	Issue of shares	Increase	668,391.499	135,000	0.001	0.001
11 December 2020	Issue of shares	Increase	668,256.499	148,832	0.001	0.425
11 December 2020	Issue of shares	Increase	668,107.667	75,156	0.001	0.001
23 November 2020	Issue of shares	Increase	668,032.511	184,252	0.001	0.425
23 November 2020	Issue of shares	Increase	667,848.259	13,300	0.001	0.001
9 November 2020	Issue of shares	Increase	667,834.959	73,848	0.001	0.425
9 November 2020	Issue of shares	Increase	667,761.111	3,410	0.001	0.001
26 October 2020	Issue of shares	Increase	667,757.701	70,589	0.001	0.425
26 October 2020	Issue of shares	Increase	667,687.112	1,500	0.001	0.001

There are no specific measures in place regulating the exercise of the influence which follows from holding a majority of the Shares in the Company.

As of the date of this Information Document, neither the Company nor any of its subsidiaries hold any Shares in the Company.

8.5 Board authorisations to increase share capital and rights to shares

The Board of Directors holds the following authorisations as of the date of this Information Document.

8.5.1 Authorisation to allot

On 10 February 2022, the Company's annual general meeting resolved to grant an authority to the Board of Directors to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of GBP 469,191.341. GBP 234,595.67 of this authority is reserved only for a fully pre-emptive rights issue. The authority will expire at the next annual general meeting, or if earlier, the date falling 15 months after passing of the resolution.

8.5.2 Disapplication of pre-emption rights

The UK Companies Act requires that any equity securities issued wholly for cash must be offered to existing Shareholders in proportion to their existing shareholdings unless otherwise approved by Shareholders in a general meeting or permitted under the Company's articles of association.

On 10 February 2022, the Company's annual general meeting resolved to grant an additional authority to the Board of Directors to allot equity securities for cash up to an aggregate nominal value of GBP 35,189.35, being approximately 5 per cent of the nominal value of the issued share capital of the Company as at 6 December 2021, for the purposes of financing or refinancing an acquisition or other capital investment of a kind contemplated by the Pre-Emption Group's[18] Statement of Principles on Disapplying Pre-Emption Rights. The authority will expire at the next annual general meeting, or if earlier, the date falling 15 months after passing of the resolution.

8.5.3 Authorisation to purchase own shares by the Company

At the annual general meeting of the Company on 10 February 2022 the Board of Directors was granted an authorisation to purchase the Company's own Shares up to a maximum of 70,378,701 Shares. The authorisation will remain in force until the Company's annual general meeting in 2023. Under the authorisation, the minimum price at which own shares can be acquired is GBP 0.001 and the maximum price at which they can be acquired shall be an amount equal to the higher of (i) 5 per cent above the average of the middle market quotations for such shares taken from the AIM Appendix to The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the purchase is made and (ii) the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the trading venue where the purchase is carried out. The authority does not extend to purchases on Euronext Growth Oslo. The authority will expire at the next annual general meeting, or if earlier, the date falling 15 months after passing of the resolution.

The Board of Directors does not hold any other authorisations than the ones mentioned above to increase the share capital or to acquire the Company's own shares.

8.6 Reasons for the Admission

The Company believes that admission to trading on Euronext Growth Oslo will:

- further enhance the Company's profile with investors, business partners and customers;
- allow for an additional trading platform and liquid market for the shares;
- facilitate for a more diversified shareholder base and enable additional investors to take part in the Company's potential value creation; and
- further improve the ability of the Company to raise equity capital in the future to support the growth of the Company's business.

No equity capital or proceeds will be raised by the Company upon its admission to trading on Euronext Growth Oslo, but the Company has completed a private placement immediately prior to the admission to trading, as further described in Section 8.7.3 “Details on the Private Placement”.

8.7 Information on the Private Placement and the Share Issue

8.7.1 Overview of the capital raises

Benchmark engaged DNB Markets, a part of DNB Bank ASA, and Pareto Securities AS as joint global coordinators and joint bookrunners (Managers) to advise on and effect a contemplated Private Placement of new shares of 0.1 pence each (the "**New Shares**") in the capital of the Company and a Share Issue of offer shares ("**Offer Shares**") in Norway in connection with the proposed admission of the Company’s Shares, New Shares and Offer Shares to trading on Euronext Growth Oslo.

The Company's existing Shares are admitted to trading on AIM under the ticker code "BMK". Through the Private Placement and the Share Issue, the Company issued 35,189,350 new shares raising gross proceeds of approximately NOK 158 million (equivalent to approximately GBP 13 million). The offer price for the New Shares was fixed at NOK 4.50 per share, in line with the prevailing market price on AIM. The Private Placement and the Share Issue were meant to fulfil the admission requirements on Euronext Growth Oslo and the net proceeds will be used for general corporate purposes. The New Shares and Offer Shares were issued and delivered in the VPS for trading on Euronext Growth Oslo.

[18] The Pre-Emption Group issues best practice documents such as Statement of Principles, regarding authorities to disapply pre-emption rights.

The New Shares and Offer Shares represent in aggregate approximately 5% of the existing issued share capital of the Company and will be issued pursuant to the allotment and disapplication of the pre-emption authorisation that shareholders granted to the Company at its annual general meeting on 10 February 2022.

Notification of allocation in the Private Placement and in the Share Issue, including settlement instructions, was sent to investors on or about 7 December 2022. The Private Placement is expected to be settled by the Managers on a delivery-versus-payment basis on or about 15 December 2022. The delivery-versus-payment settlement in the Private Placement is facilitated by a pre-funding agreement entered into between the Company and the Managers and a share lending agreement (the "**Share Lending Agreement**") entered into between the Company, the Managers and Ferd AS ("**Ferd**"). The payment date in the Share Issue was 14 December 2022, and the offer shares will be delivered to the VPS accounts of subscribers in the Retail Offering who have paid on or about 15 December 2022.

The Company has entered into the Share Lending Agreement, pursuant to which Ferd has committed to lend to the Managers up to 35,189,350 existing shares in the Company in order to facilitate timely settlement to the investors in the Private Placement and the Share Issue. In accordance with the Share Lending Agreement and pre-funding agreement referred to above, the Managers have agreed to subscribe for 35,189,350 new shares at NOK 4.50 per share, on behalf of the investors being allocated shares in the Private Placement and the Share Issue, and direct that such new shares are issued to Ferd to satisfy their obligation to re-deliver the 35,189,350 borrowed shares

8.7.2 The Share Issue

The Share Issue consisted of a share issue of 575,000 Offer Shares at the offer price of NOK 4.50 ("**Offer Price**"), raising gross proceeds of approximately NOK 2.6 million (equivalent to approximately GBP 0.2 million), directed towards investors in Norway. The Company prepared a national prospectus (the "**Prospectus**") for the Share Issue in accordance with the provisions in chapter 7 of the Norwegian Securities Trading Act and ancillary regulation. The Prospectus, together with the application forms, was registered in the Norwegian Register of Business Enterprises on 30 November 2022. The Prospectus was, subject to regulatory restrictions in certain jurisdictions, made available on the Company's website and on the website of the Managers.

The application period for the Share Issue commenced at 09:00 hours (CET) on 1 December 2022 and ended at 17:30 hours (CET) on 6 December 2022.

The Offer Shares were registered in the VPS in book-entry form and were delivered to the applicant's VPS account on or about 15 December 2022.

Further information regarding the Share Issue and the terms thereof, was included in the Prospectus and the separate stock exchange announcement published on 1 December 2022.

8.7.3 Details on the Private Placement

On 6 December, the Company announced the completion of the Private Placement with a total transaction size of approximately NOK 155.8 million (equivalent to approximately GBP 12.8 million), through the allocation of 34,614,350 new shares ("**New Shares**") at a subscription price of NOK 4.50 per share. The Euronext Growth Advisors acted as managers for the Private Placement (the "**Managers**").

The application period for the Private Placement took place on 1 December 2022 from 09:00 CET to 6 December 2022 at 17:30 CET. Notifications of allocation were distributed on 7 December 2022, and settlement is expected to take place on 15 December 2022. The Private Placement will be settled by the Managers on a delivery-versus-payment basis on or about 15 December 2022.

The net proceeds will be used for general corporate purposes and the Private Placement is meant to fulfil the listing conditions relating to free float and number of shareholders in the VPS on Euronext Growth Oslo.

On 6 December 2022, the Board of Directors of the Company passed the resolution to increase the share capital of the Company through the Share Issue with GBP 35,189.350 by approving the issuance of 35,189,350 New Shares, in accordance with the authority granted by the Company's annual general meeting on 10 February 2022.

The settlement of the Private Placement is expected to take place on 15 December 2022. The New Shares are ordinary Shares of the Company and equal in all respects with the existing Shares of the Company.

8.7.4 Expenses related to the Share Issue and Private Placement

The Company's total costs and expenses in connection with the Share Issue and Private Placement is estimated to be approximately NOK 23.0 million (equivalent to approximately GBP 1.9 million).

8.7.5 Dilution

The Share Issue and Private Placement resulted in a dilution for the Company's shareholders prior to the Share Issue and Private Placement of approximately 5.0%.

8.8 Financial instruments

Neither the Company nor any of its subsidiaries has, other than the Options described in Section 7.7 "Arrangements for involving employees in the capital of the Company" as of the date of this Information Document, issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such instrument to subscribe for any shares in the Company or its subsidiaries. Further, none of the companies in the Group has issued any convertible loans or material subordinated debt or transferrable securities other than the Bond Issue referred to in section 6.8 "Material borrowings".

8.9 VPS registration of the New Shares

The default electronic settlement system for trades on AIM is the CREST system and the default electronic settlement system for trades on Euronext Growth Oslo is the VPS system.

At the date hereof, the Company's Shares are registered in the register of members of the Company maintained at the registered office of the Company in the United Kingdom. The New Shares and certain existing Shares are recorded in the VPS in book-entry form from Admission. The CREST system will act as primary securities depository for the Company's Shares.

In order to comply with the Norwegian requirement that shares listed on the Euronext Growth market are capable of being settled in VPS (Norway's paperless centralised securities registry), the Company maintains a register in VPS operated by DNB. For the purposes of English law, Euroclear Nominees Ltd. ("**Euroclear**") will be the legal owner of the Offer Shares and the certain existing Shares that are in the VPS system and it will hold such Offer Shares and certain existing Shares (as applicable) as custodian for DNB who holds such Offer Shares and/or existing Shares (as applicable) in custody for VPS as nominee on behalf of the holders of the beneficial interests who are recorded in the VPS register.

Euroclear and DNB have entered into a custodian agreement whereby Euroclear has agreed to pass on any dividends that it receives from the Company to DNB for onward transmission to VPS Shareholders and to exercise voting rights in accordance with the instructions of DNB. Accordingly, investors registered as owners in VPS must look to DNB to exercise rights arising in respect of the Shares. Although Euroclear will hold ordinary Shares in custody for VPS it will only do so as custodian for DNB.

If a shareholder holds Shares in CREST and decides to trade them on Euronext Growth Oslo, the timetable for settling the trade may be longer than would be the case if the Shares are held in the name of the shareholder (or a nominee) in VPS. Likewise, if a shareholder holds Shares in VPS and decides to trade Shares on AIM, the timetable for settling the trade may be longer than would be the case if the Shares are held in CREST.

8.10 Shareholder rights

The Company has one class of Shares in issue and all Shares provide equal rights in the Company, including the rights to any dividends. Each of the Company's Shares carries one vote. The rights attached to the Shares are further described in Section 8.11 "Articles of Association".

8.11 Articles of Association

The Articles of Association as they read at the date of the Information Document are enclosed as Appendix A to the Information Document. Below is a summary of provisions of the Articles of Association as of the date of this Information Document.

Section	Description
Registered office	*The Company's registered office is to be situated in England and Wales.*
Dividends	*The Company may by ordinary resolution declare that out of profits available for distribution there be paid dividends to members in accordance with their respective rights and priorities but no dividend shall exceed the amount recommended by the Board.* *The Board may from time to time pay to the members such interim dividends as appear to the Board to be justified by the profits of the Company available for distribution and the position of the Company, and the Board may also pay the fixed dividend payable on any shares of the Company with preferential rights half-yearly or otherwise on fixed dates whenever such profits, in the opinion of the Board, justify that course.* *Provided the Board acts in good faith, the Board shall not incur any liability to the holders of shares conferring any preferential rights for any loss that they may suffer by reason of the lawful payment of an interim dividend on any shares having deferred or non-preferential rights.*
Voting rights	*Subject to any terms as to voting upon which any shares may be issued or may for the time being be held the total number of votes a member present in person or (being a corporation) who is present by a duly authorised representative or a proxy for a member has on a show of hands shall be determined in accordance with the Act. On a poll every member present in person or by proxy or by representative (in the case of a corporate member) shall have one vote for each share of which he is the holder, proxy or representative.*
Disclosure of interests in shares.............	*Where, in respect of any shares of the Company, any holder or any other person appearing to be interested in such shares held by a member has been issued with a notice pursuant to section 793 of the Act (a "statutory notice") and has failed in relation to any shares (the "default shares") to comply with the statutory notice and to give the Company the information required by such notice within the prescribed period as defined in Article 20.10.4 from the date of the statutory notice, then the Board may serve on the holder of such default shares a notice (a "disenfranchisement notice") whereupon the following sanctions shall apply:* *1) such holder shall not with effect from the service of the disenfranchisement notice be entitled in respect of the default shares to be present or to vote (either in person or by representative or by proxy) either at any general meeting or at any separate general meeting of the holders of any class of shares or on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll; and* *2) where such shares represent not less than 0.25 per cent. in nominal value of the issued shares of their class:* (a) *any dividend or other monies payable in respect of the default shares shall be withheld by the Company which shall not be under any obligation to pay interest on it and the holder shall not be entitled under Article 41.16 to elect to receive shares instead of that dividend; and* (b) *no transfer, other than an excepted transfer (as defined in Article 20.10.5), of any shares in certificated form held by the holder shall be registered unless:* *(i) the holder is not himself in default as regards supplying the information required; and* *(ii) the holder proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer (and, for the purpose of ensuring this Article 20.5.2(b) can apply to all shares held by the holder, the Company may, in accordance with the Regulations, issue a written notification to the Operator requiring the conversion into certificated form of any shares held by the holder in uncertificated form).*
Transfer of Shares..................................	*The instrument of transfer of a share may be in any usual form or in any other form which the Board may approve. The instrument of transfer of a share shall be executed by or on behalf of the transferor and (in the case of a partly paid share) by or on behalf of the transferee. The transferor shall be deemed to remain the holder until the name of the transferee is entered in the register. The Board may refuse to register any transfer of shares, unless:*

Section	Description
	(i) the instrument of transfer is lodged (duly stamped if the Statutes so require) at the office or at such other place as the Board may appoint, accompanied by the certificate for the shares to which it relates and such other evidence (if any) as the Board may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person to do so) provided that, in the case of a transfer by a recognised person where a certificate has not been issued in respect of the share, the lodgement of share certificates shall not be necessary;
	(ii) the instrument of transfer is in respect of only one class of share; and
	(iii) in the case of a transfer to joint holders, they do not exceed four in number.
Variation of rights	*Whenever the capital of the Company is divided into different classes of shares, the rights attached to any class may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated, whether or not the Company is being wound up, either*
	(i) with the consent in writing of the holders of not less than three-quarters in nominal amount of the issued shares of the affected class, or
	(ii) with the sanction of a special resolution passed at a separate general meeting of the holders of shares of that class (but not otherwise).
Lien and forfeiture	*The Company shall have a first and paramount lien on every share (not being a fully paid share) for all money (whether presently due or not) payable in respect of that share. The Company's lien over a share extends to any dividend and (if the lien is enforced and the share is sold by the Company) the proceeds of sale of that share. The Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article.*
	The Company may sell, in such manner as the Board decides, any shares on which the Company has a lien, if a sum in respect of which the lien exists is presently payable and is not paid within 14 clear days after notice in writing has been served on the holder of the shares in question or the person entitled to such shares by reason of death or bankruptcy of the holder or otherwise by operation of law, demanding payment of the sum presently payable and stating that if the notice is not complied with the shares may be sold
Untraced members..................................	*The Company shall be entitled to sell at the best price reasonably obtainable the shares of a member or the shares to which a person is entitled by virtue of transmission on death or bankruptcy if and provided that:*
	(i) during the period of 12 years prior to the date of the publication of the advertisements referred to in Article 45.1.2 (or, if published on different dates, the earlier or earliest thereof), at least three dividends in respect of the shares have become payable and no dividend has been claimed during that period in respect of such shares;
	(ii) the Company shall, on or after the expiry of the said 12 years, have inserted advertisements, both in a national newspaper and in a newspaper circulating in the area of the last-known postal address of such member or other person (or the postal address at which service of notices may be effected in accordance with these Articles), giving notice of its intention to sell the said shares;
	(iii) the said advertisements, if not published on the same day, shall be published within 30 days of each other; and
	(iv) during the said period of 12 years and the period of three months following the date of publication of the said advertisements (or, if published on different dates, the later or latest thereof) and prior to the exercise of the power of sale, the Company shall not have received an indication either of the whereabouts or of the existence of such member or person.
	The net proceeds of sale shall belong to the Company which shall:
	(i) be obliged to account to the former member or other person previously entitled as aforesaid for an amount equal to such proceeds; and
	(ii) until the Company has so accounted) enter the name of such former member or other person in the books of the Company as a creditor for such amount.
General meetings....................................	*The Company shall hold an annual general meeting which shall be convened by the Board in accordance with the Statutes.*

Section	Description
	The Board may call a general meeting whenever it thinks fit. *An annual general meeting shall be called by at least 21 clear days' notice in writing. All other general meetings shall be called by at least 14 clear days' notice in writing. The notice shall specify:* *(i) if the meeting is an annual general meeting, that the meeting is an annual general meeting;* *(ii) the day, time and place of the meeting;* *(iii) the general nature of the business to be transacted;* *(iv) if the meeting is convened to consider a special resolution, the intention to propose the resolution as such; and* *(v) with reasonable prominence, that a member entitled to attend and vote is entitled to appoint one or more proxies to attend, to speak and to vote instead of him and that a proxy need not also be a member.*
Number of Directors	*Unless and until otherwise determined by ordinary resolution of the Company, the Directors (other than alternate Directors) shall be not less than 2 nor more than 10 in number.* *At every annual general meeting all the Directors shall retire from office but be eligible for re-election.*
Appointment of Directors	*The Board shall have power to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Board. Any director so appointed shall hold office only until the following annual general meeting, and shall then be eligible for election, and unless so elected shall vacate office at the conclusion of such meeting.*
Retirement of Directors...........................	*A Director may be removed from office if he:* *(i) receives written notice signed by not less than three-quarters of the other Directors removing him from office; or* *(ii) in the case of a Director who holds any executive office, ceases to hold such office (whether because his appointment is terminated or expires) and the majority of the other Directors resolve that his office be vacated.*
Removal of Directors...............................	*Any Director (other than an alternate Director) may appoint another Director, or any other person approved by the Board, to be an alternate Director and may at any time terminate that appointment. Any appointment or removal of an alternate Director shall be by notice in writing to the Company signed by the Director making or revoking the appointment or in any other manner approved by the Board,*
Alternate Director	*The Board may meet together for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. A Director may, and the secretary on the requisition of a Director shall, call a meeting of the Board and notice of such meeting shall be deemed to be duly given to each Director if it is given to him personally or by word of mouth or sent in writing to him at his last-known address or any other address given by him to the Company for this purpose or sent by way of electronic communication to an address for the time being notified by him to the Company for this purpose. It shall not be necessary to give notice of a meeting of the Board to any Director absent from the United Kingdom. The quorum necessary for the transaction of the business of the Board may be fixed by the Board, and unless so fixed at any other number shall be two.*
Proceedings of the Board	*Any Director or alternate Director may validly participate in a meeting of the Board or a committee of the Board through the medium of conference telephone or similar form of communication equipment provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote.*
Remuneration of Directors.......................	*The Directors (other than alternate Directors) shall be paid such remuneration (by way of fee) for their services as may be determined by the Board save that, unless otherwise approved by ordinary resolution of the Company in general meeting, the aggregate of the remuneration (by way of fee) of all the Directors shall not exceed GBP 400,000 per annum.*
Pensions and other benefits	*The Board may exercise all the powers of the Company to provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any Director who has held but no longer holds any executive office or employment with the Company or with any body corporate which is or has been a subsidiary undertaking of the Company or a predecessor in business of the Company or of any such subsidiary undertaking, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him, and*

Section	Description
	may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.
Restrictions on voting	*Save as otherwise provided by these Articles, a Director shall not vote at a meeting of the Board or of a committee of the Board on any resolution concerning a matter in which he has, directly or indirectly, an interest (other than by virtue of his interest in shares, debentures or other securities of or in or otherwise through the Company) which is material, or a duty which conflicts or may conflict with the interests of the Company.*
Borrowing powers	*Subject to the provisions of the Statutes, these Articles and any directions given by special resolution, the business of the Company shall be managed by the Board which may exercise all the powers of the Company. The Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital and, subject to the Statutes, to issue debentures and other securities, whether outright or as collateral security, for any debt, liability or obligation of the Company or of any third party.*

8.12 Takeover bids and forced transfer of shares

The Company is not subject to the takeover regulations set out in the Norwegian Securities Trading Act, or otherwise. The Shares are, however, subject to the provisions on compulsory acquisition of shares as set out in the UK Companies Act and the UK Takeover Code, see Section 8.14 "Mandatory bid and compulsory acquisition" below.

8.13 Certain aspects of UK corporate law

8.13.1 General meetings

In accordance with the UK Companies Act, an annual general meeting of the Company must be held no later than 6 months following the Company's accounting reference date (i.e., 30 September in the case of the period covered by the historical financial information). Written notice of the annual general meeting is required to be sent to all shareholders at least 21 clear days before the date of the meeting, unless certain conditions are met or all shareholders attending the meeting agree otherwise.

Shareholders may vote at the annual general meeting either in person or by proxy. All of the Company's shareholders who are registered in the Company's register of members as of the voting record date of the annual general meeting, or who otherwise have reported and documented ownership of shares in the Company, are entitled to participate at annual general meetings, without any requirement of pre-registration.

Apart from the annual general meeting, general meetings of Shareholders may be held if the Board of Directors considers it necessary. An extraordinary general meeting of shareholders shall also be convened if shareholders representing at least 5% of the share capital demands such in writing. The requirements for notice and admission to the annual general meeting also apply to general meetings save that the notice period for a general meeting is 14 clear days.

8.13.2 Voting rights

Each Share carries one vote. In general, decisions Shareholders are entitled to make under UK law or the Articles of Association may be made by a simple majority of the votes cast. However, as required under UK law, certain decisions, including resolutions to waive pre-emption rights to subscribe for shares in connection with any share issue in the Company, to amend the articles of association, to authorise a reduction of the share capital or to authorise the Board of Directors to purchase Shares and hold them as treasury shares or to wind-up the Company, must receive the approval of at least 75 per cent (75%) of the aggregate number shares voted. Moreover, the UK Companies Act requires that certain decisions, i.e. decisions that have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval by the holders of such shares or class of shares as well as the majority required for amending the Articles of Association.

In general, only a Shareholder registered in the register of members is entitled to vote for such Shares. Beneficial owners of the Shares that are registered in the name of a nominee are generally not entitled to vote under UK law.

8.13.3 Additional issuances and preferential rights

The Company may from time to time pass an ordinary resolution authorising, in accordance with section 551 of the UK Companies Act, the Board of Directors to exercise any power of the Company to allot shares of the Company, or to grant rights to subscribe for or to convert any security into shares of the Company, to such persons, at such times and on such terms as the Board of Directors may decide. The authority shall expire on the day specified in the resolution (not being more than five years from the date on which the resolution is passed).

Subject (other than in relation to the sale of treasury shares) to the Board being generally authorised to allot shares and grant rights to subscribe for or to convert any security into shares in the Company in accordance with section 551 of the UK Companies Act, the Company may from time to time resolve, by special resolution, that the Board of Directors be given power to allot equity securities for cash as if section 561(1) of the UK Companies Act did not apply to the allotment but that power shall be limited (i) to the allotment of equity securities in connection with a rights issue; and (ii) to the allotment (other than in connection with a rights issue) of equity securities having a nominal amount not exceeding in aggregate the sum specified in the special resolution.

8.13.4 Minority rights

The UK Companies Act sets out a number of protections for minority Shareholders, including those described in this paragraph and as otherwise noted in this Information Document. For example, Shareholders holding in aggregate 5% or more of the Shares may require the Board of Directors to call a general meeting of Shareholders as described above.

In addition, Shareholders may petition the courts of England to set aside a decision of the Board of Directors or a decision approved at a general meeting on the grounds that it is unfairly prejudicial to certain shareholders or the Company itself. Shareholders may also petition the courts to wind up (i.e., dissolve) the Company if the court is of the opinion that it is just and equitable to do so.

8.13.5 Rights of redemption and repurchase of shares

Subject to the UK Companies Act, the Company can reduce its share capital in any way. In particular, the Company can (i) extinguish or reduce the liability on any of its shares in respect of share capital not paid up, (ii) cancel any paid up share capital that is lost or not represented by available assets, or (iii) repay any paid-up share capital in excess of the Company's wants. Such reduction of capital must be approved by shareholders at a general meeting by at least 75 per cent (75%) of the Shares eligible to vote and voting on the resolution. As the Company is a public company under the UK Companies Act, such a reduction would also require the approval of the courts of England & Wales.

The Company may purchase its own Shares provided that the Board of Directors has been granted an authorisation to do so at a general meeting with the approval of at least 75 per cent (75%) of the Shares eligible to vote and voting on the resolution.

8.13.6 Shareholder vote on certain reorganizations

Under the UK Companies Act, a merger or other scheme of arrangement of the Company's shareholders requires approval by Shareholders at a general meeting by not less than (i) 75 per cent (75%) of the Shares eligible to vote and voting on the resolution, and (ii) a majority in number of those Shareholders voting at the meeting.

8.13.7 Liability of Board Members

As far as the applicable statutory provisions allow, the Company may:

- indemnify any director of the Company (or of an associated company) against any loss or liability incurred in the execution of the duties of their office or otherwise in relation thereto;
- indemnify a director of the Company (or of an associated company) where the Company or such associated company is a trustee of a pension scheme against liability incurred in connection with the relevant company's activities as trustee of a pension scheme.

Subject to the provisions of the UK Companies Act, the Board of Directors may purchase and maintain insurance for any current or former director, officer or employee of the Company or its holding company or any company or body in which the Company or such holding company has an interest or which is allied to or associated with the Company or who were at any time trustees of any pension fund in which any employees of the Company or of any other such company or body are interested including insurance against liability incurred in the exercise of their duties in relation to the Company and/or any such other company, body or pension fund.

8.13.8 Distribution of assets on liquidation

Under the UK Companies Act, the Company may be wound up by a resolution of Shareholders at a general meeting passed by not less than 75 per cent (75%) of the Shares entitled to vote and voting on the resolution. In the event of a liquidation of the Company, all Shares rank equally in respect of any return on capital.

8.14 Mandatory bid and compulsory acquisition rules relating to the Shares

8.14.1 Mandatory bid

The UK Takeover Code applies to the Company and to the Shares. Under Rule 9 of the UK Takeover Code, if:

- a person acquires, whether by a series of transactions over a period of time or not, an interest in shares in the Company which, when taken together with shares already held by them or persons acting in concert with them, carry 30 per cent or more of the voting rights in the Company; or
- a person who, together with persons acting in concert with them, is interested in shares carrying 30 per cent or more but does not hold shares carrying 50 per cent or more of the voting rights of the Company, acquires (or any person acting in concert with them acquires) additional interests in shares which increase the percentage of shares carrying voting rights in which that person (together with those acting in concert with them) is interested,

the acquiror would normally be required (except with the consent of the UK Takeover Panel) to make a cash offer for the outstanding shares in the Company at a price not less than the highest price paid for any interests in the shares by the acquiror or its concert parties during the previous 12 months to the holders of any class of equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights.

8.14.2 Compulsory acquisition

Under sections 974 to 991 of the UK Companies Act, if an offeror acquires or contracts to acquire (pursuant to a takeover offer) not less than 90 per cent of the shares (in value and by voting rights) to which such offer relates it may then compulsorily acquire the outstanding shares not assented to the offer. It would do so by sending a notice to outstanding holders of shares telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for the outstanding holders of shares. The consideration offered to the holders whose shares are compulsorily acquired under the UK Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

In addition, pursuant to section 983 of the UK Companies Act, if an offeror acquires or agrees to acquire not less than 90 per cent of the shares (in value and by voting rights) to which the offer relates, any holder of shares to which the offer relates who has not accepted the offer may require the offeror to acquire their shares on the same terms as the takeover offer.

The offeror would be required to give any holder of shares notice of their right to be bought out within one month of that right arising. Sell-out rights cannot be exercised after the end of the period of three months from the last date on which the offer can be accepted or, if later, three months from the date on which the notice is served on the holder of shares notifying them of their sell-out rights. If a holder of shares exercises their rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

8.15 Disclosure obligations

8.15.1 Notification of major shareholdings under English law

The Company is subject to the UK Financial Conduct Authority's Disclosure Guidance and Transparency Rules ("**DTR 5**"). DTR 5 requires a shareholder to notify the Company of acquisitions or disposals of voting rights which reach, exceed or fall below 3% or any subsequent whole percentage within two trading days. Voting rights may be held (or be deemed to be held) directly or indirectly through shares or other financial instruments or instruments which are referenced to shares. There is no prescribed form for the notification to the Company, but shareholders would typically use the Form TR-1 which can be found on the "Major Shareholding Notification" portal on the Financial Conduct Authority's Electronic Submission Service. The completed Form TR-1 should be sent to the Company on legal@bmkholdings.com. The Company is then, in accordance with DTR 5 and AIM Rule 17, required to make an announcement via the Regulatory Information Service no later than the end of the trading day following receipt by it of the notification.

To enable major shareholders to work out whether they have to notify their holdings, at the end of each calendar month during which an increase or decrease has occurred, the Company is required to announce (i) the total number of voting rights and capital for each class of issued shares and the total number of voting rights attaching to shares of the Company that are held by it in treasury. DTR 5 also requires the Company to disclose to the public as soon as possible (and no later than the business day following the day on which the fluctuation took place) any increase or decrease in its total voting rights produced when it completes a transaction.

This information is provided for general guidance only. Shareholders are advised to seek their own professional advice on their individual notification requirements in accordance with law and regulation.

8.15.2 Notifications of major shareholdings under Norwegian law

Companies whose shares are admitted to trading on Euronext Growth Oslo remain exempt from any disclosure rules regime under Norwegian law. However, according to section 4.3.1 of the Euronext Growth Markets Rule Book, Part I, a company shall make public within five (5) trading days of becoming aware, any situation where a person, acting alone or in concert, reaches, exceeds or falls below a major holding threshold of fifty percent (50%) or ninety percent (90%) of the capital or voting rights.

8.16 Insider trading

8.16.1 UK MAR

In accordance with the UK version of the Market Abuse Regulation 596/2014, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MAR**"), subscription for, purchase, sale or exchange of financial instruments that are admitted to trading, or subject to an application for admission to trading on a regulated market or a multilateral trading facility in the UK, or inducement to such dispositions, must not be undertaken by anyone who has inside information. "Inside information" refers in accordance with article 7 in MAR to precise information about financial instruments issued by the company admitted to trading, about the company admitted trading itself or about other circumstances, which has not been made public, and which if it were made public would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial commitments. Information which would be likely to have a significant effect on the prices of financial instruments shall be understood to mean information that a reasonable investor would probably make use of as part of the basis for his or her investment decision. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or inducement to such dispositions. Breach of insider trading obligations may be sanctioned and lead to criminal charges.

8.16.2 EU MAR

In accordance with the Norwegian Securities Trading Act and the Market Abuse Regulation 596/2014 ("**EU MAR**"), subscription for, purchase, sale or exchange of financial instruments that are admitted to trading, or subject to an application for admission to trading on a regulated market or a multilateral trading facility in the EEA, or incitement to such dispositions, must not be undertaken by anyone who has inside information. "Inside information" refers in accordance with article 7 in MAR to precise information about financial instruments issued by the company admitted to trading, about the company admitted trading itself or about other circumstances, which has not been made public, and which if it were made public would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial commitments. Information which would be likely to have a significant effect on the prices of financial instruments shall be understood to mean information that a rational investor would probably make use of as part of the basis for his or her investment decision. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions. Breach of insider trading obligations may be sanctioned and lead to criminal charges.

9. TAXATION

9.1 United Kingdom taxation

The following statements are intended to apply only as a general guide to certain UK tax considerations, and are based on current UK tax law and current published practice of HM Revenue and Customs, both of which are subject to change at any time, possibly with retrospective effect. They relate only to certain limited aspects of the UK taxation treatment of shareholders who (a) for UK tax purposes are resident in the UK (except to the extent that the position of non-UK resident shareholders is expressly referred to) and, in the case of individuals, domiciled in the UK, (b) who hold the Shares as investments (other than under an individual savings account or a self-invested personal pension) and (c) who are the beneficial owners of both the Shares and any dividends paid on them. The statements may not apply to certain classes of shareholders such as (but not limited to) persons acquiring their Shares in connection with an office or employment, dealers in securities, insurance companies and collective investment schemes.

The summary below does not constitute tax or legal advice and shareholders who are in any doubt about their taxation position, or who are resident or otherwise subject to taxation in a jurisdiction outside the United Kingdom, should consult their own professional advisors immediately.

9.1.1 Taxation position of the Company

It is the intention of the Board of Directors to conduct the affairs of the Company such that it is resident in the UK for tax purposes and is not resident in any other jurisdiction. The Company will be subject to UK corporation tax on its worldwide profits, subject to applicable reliefs or exemptions which may be available.

9.1.2 Taxation position of shareholders

Taxation of dividends

UK Withholding Tax

There is no UK withholding tax on dividends paid by the Company.

Individual shareholders within the charge to UK income tax

A shareholder's liability to tax on dividends will depend on the individual circumstances of the shareholder.

Individual shareholders resident for tax purposes in the UK receive an annual dividend income tax-free allowance of GBP 2,000 ("**Nil Rate Amount**"), although this will reduce to GBP 1,000 from 6 April 2023 and to GBP 500 from 6 April 2024. Dividend income in excess of the Nil Rate Amount is taxed at the following rates:

- 8.75 per cent to the extent that the dividend income falls within the basic rate band;
- 33.75 per cent to the extent that the dividend income falls within the higher rate band; and
- 39.35 per cent to the extent that the dividend income falls within the additional rate band (please note that the income tax additional rate band threshold is expected to reduce from GBP 150,000 to GBP 125,140 from 6 April 2023).

"**Dividend income**" means UK and non-UK source dividends and certain other distributions in respect of shares.

In calculating the band into which any dividend income above the Nil Rate Amount falls, the individual shareholder's total taxable dividend income for the tax year (including the amount of dividend income within the Nil Rate Amount) will be treated as the highest slice of the individual's income.

Corporate shareholders within the charge to UK corporation tax

Dividends paid to corporate shareholders who are within the charge to UK corporation tax will be subject to corporation tax on dividends unless the dividends fall within an applicable exemption. An exemption will only apply upon the satisfaction of certain conditions set out in Part 9A of the Corporation Tax Act 2009. Whether an exemption applies will depend upon the circumstances (including the size) of the particular shareholder. However, there is no guarantee that such conditions will be satisfied and it will be necessary for shareholders to consider their application in respect of every dividend received. Shareholders within the charge to corporation tax are advised to consult their own advisors to establish whether they qualify for one of the exemptions.

Non-UK resident shareholders

Non-UK resident shareholders should not generally be subject to UK tax on their dividend receipts (whether via withholding or direct assessment), unless they are carrying on a trade, profession, or vocation in the UK through a branch or agency (or, in the case of a corporate Shareholder, a permanent establishment) in connection with which the Shares are used. Non-UK resident shareholders may be subject to foreign taxation on dividend income under local law. In either case, shareholders should consult their own advisors concerning their tax liabilities on dividends received.

Chargeable Gains

Individuals resident in the UK

Shareholders who are resident in the UK for tax purposes and who dispose of their Shares at a gain will ordinarily be liable to UK taxation on chargeable gains, subject to any available exemptions or reliefs. The gain will be calculated as the difference between the sale proceeds and any allowable costs and expenses, including the original acquisition cost of the Shares.

Individual shareholders will generally be charged at 10 per cent capital gains tax to the extent that the total chargeable gains and taxable income for the year (after allowable deductions) is less than the upper limit of the income tax basic rate band. To the extent that chargeable gains arising in a tax year exceed the upper limit of the basic rate band when aggregated with taxable income, then capital gains tax will be chargeable at 20 per cent on the amount of that excess. Individual shareholders receive an annual exempt allowance for capital gains tax purposes, which until 6 April 2023 provides for the first GBP 12,300 of gains realized to fall outside the scope of tax. From 6 April 2023, this annual exempt allowance will reduce to GBP 6,000 and to GBP 3,000 from 6 April 2024.

Non-UK resident shareholders

Individual shareholders who are not resident in the UK for tax purposes but who carry on a trade, profession or vocation in the UK through a permanent establishment, branch, agency or fixed place of business in the UK may be liable to UK taxation on chargeable gains on any gain on a disposal of their Shares, if those Shares are or have been held, used or acquired for the purposes of that trade, profession or vocation or for the purposes of that permanent establishment, branch, agency or fixed place of business.

If an individual shareholder ceases to be resident in the UK and subsequently disposes of Shares, in certain circumstances any gain on that disposal may be liable to UK capital gains tax upon that shareholder becoming once again resident in the UK.

Corporate shareholders within the charge to UK corporation tax

Corporate shareholders resident in the UK will be taxed to corporation tax on chargeable gains at 19 per cent for tax year 2022/2023, subject to any available relief or exemptions (although the rate of corporation tax is expected to increase from 19% to 25% from April 2023).

Non-UK resident corporate shareholders

Non-resident corporate shareholders carrying on a trade in the UK through a branch, agency or permanent establishment with which their investment is connected may be liable to UK taxation on chargeable gains on any gain on the disposal of their Shares.

Stamp duty and stamp duty reserve tax ("SDRT")

The following statements are intended as a general guide to the current UK stamp duty and SDRT position, and apply regardless of whether or not a shareholder is resident or domiciled in the UK. It should be noted that certain categories of persons, including market makers, brokers, dealers, and other specified market intermediaries, are entitled to exemptions from stamp duty and SDRT in respect of purchases of securities in specified circumstances. The advice below is only applicable if at the time of any transfer (a) both Euronext Growth and AIM continue to be treated as "recognised growth markets"; and (b) the Shares are not "listed on any market" – neither the admission to trading on AIM nor the

Listing will mean the Shares are "listed" for these purposes (the "**Assumptions**"). The Assumptions are construed in accordance with section 99A of the Finance Act 1986.

Stamp duty and SDRT on the transfer of Shares to VPS

As the Shares are currently admitted to trading on AIM as well as Euronext Growth, HMRC have confirmed that the "growth market exemption" from stamp duty and SDRT will apply such that the transfer of Shares from CREST to VPS will not attract a charge to stamp duty or SDRT.

Stamp duty and SDRT on subsequent transfers within the VPS system

Other than where a clearance service has made an election under section 97A(1) of the Finance Act 1986, no stamp duty or SDRT is generally payable in respect of paperless transfers within clearance services or depositary receipt systems. It is understood that VPS has not made an election under section 97A of the Finance Act 1986. In any event, HMRC have confirmed that the "growth market exemption" from SDRT will apply such that the transfer of Shares within VPS will not attract stamp duty or SDRT.

Stamp duty and SDRT on transfers on AIM

HMRC have confirmed that the "growth market exemption" will continue to apply following the Listing such that the transfer of Shares within CREST on AIM will not attract SDRT

Transfers of Shares outside VPS and CREST

HMRC have further confirmed that the transfers of Shares by a written instrument of transfer or an agreement to transfer Shares outside the facilities of a clearance service such as VPS or CREST will not be liable to stamp duty or SDRT.

9.2 Norwegian taxation

The following is a summary of certain Norwegian tax considerations relevant to the acquisition, ownership and disposition of shares by holders that are residents of Norway for purposes of Norwegian taxation ("**Norwegian Shareholders**") and holders that are not residents of Norway for such purposes ("**Non-Norwegian Shareholders**").

The summary is based on applicable Norwegian laws, rules and regulations as they exist in force as of the date of this Information Document. Such laws, rules and regulations may be subject to changes after this date, possibly on a retroactive basis. The summary is of a general nature and does not purport to be a comprehensive description of all the tax considerations that may be relevant to the shareholders and does not address foreign tax laws.

As will be evident from the description, the taxation will differ depending on whether the investor is a limited liability company or a natural person.

Please note that special rules apply for shareholders that cease to be tax resident in Norway or that for some reason are no longer considered taxable to Norway in relation to their shareholding.

Each shareholder should consult with and rely upon their own tax advisor to determine the particular tax consequences for him or her and the applicability and effect of any Norwegian or foreign tax laws and possible changes in such laws.

For the purpose of the summary below, a reference to a Norwegian or Non-Norwegian Shareholder or company refers to tax residency rather than nationality.

9.2.1 Norwegian Shareholders

Taxation of dividends – Norwegian Shareholders who are natural persons

Norwegian Shareholders who are natural persons are in general tax liable to Norway for their worldwide income. Dividends distributed to Norwegian Shareholders who are natural persons are taxed at a rate of 22%, then the tax base is adjusted upwards by a factor of 1.6, thus implying an effective tax rate of 35.2% (2022).

However, only dividends exceeding a statutory tax-free allowance (Nw. *skjermingsfradrag*) are taxable. The allowance is calculated on a share-by-share basis, and the allowance for each share is equal to the cost price of the share multiplied by a determined risk-free interest rate based on the effective rate after tax of interest on treasury bills (Nw. *statskasseveksler*) with three months maturity with the addition of

0.5 percentage points. The Directorate of Taxes announces the risk free-interest rate in January the year after the income year. The risk-free interest rate for 2021 was 0.5%. The risk free interest rate for 2022 will be published mid-January 2023.

The allowance is allocated to the Norwegian Shareholder owning the share on 31 December in the relevant income year. Norwegian Shareholders who are natural persons and who transfer shares during an income year will thus not be entitled to deduct any calculated allowance related to the year of transfer. Any part of the calculated allowance one year exceeding dividend distributed on the same share ("excess allowance") can be carried forward and set off against future dividends received or capital gains upon realization of the same share. Furthermore, excess allowance can be added to the cost price of the share and included in the basis for calculating the allowance on the same share the following year.

The repayment of paid-in share capital and paid-in share premium of each share is not regarded as dividend for tax purposes and thus not subject to tax (if properly documented). Such repayment will lead to a reduction of the tax input value of the shares corresponding to the repayment.

Taxation of dividends – Norwegian corporate shareholders

Dividends received by Norwegian Shareholders who are corporations (i.e. limited liability companies, mutual funds, savings banks, mutual insurance companies or similar entities resident in Norway for tax purposes) are taxable to Norway at a rate of 22% when the distributing company is tax resident outside of the EEA, hereunder in the UK, as the Norwegian participation exemption method (Nw. *fritaksmetoden*) does not apply. However, an exception to this applies if the Norwegian Corporate Shareholder owns 10% or more of the share capital and the voting rights of the non-EEA company for a consecutive period of two or more years. If so, the participation exemption applies and 3% of the dividends will be subject to tax at a rate of 22% (2022), giving an effective tax rate of 0.66%.

The repayment of paid-in share capital and paid-in share premium on each share is not regarded as dividends for tax purposes and thus not subject to tax (if properly documented). Such repayment will lead to a reduction of the deemed cost price for the shares corresponding to the repayment amount, meaning that any calculated gains subsequently realised on the shares will increase.

Taxation of capital gains – Norwegian shareholders who are natural persons

Sale, redemption or other disposal of shares is considered a realization for Norwegian tax purposes. A Norwegian Shareholder being a natural person with a capital gain or loss generated through a disposal of shares in the Company is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the shareholder's ordinary income in the year of disposal. Ordinary income is taxed at a rate of 22%, then the tax base is adjusted upwards by a factor of 1.6, thus implying an effective tax rate of 35.2% (2022). The gain is subject to tax and the loss is tax-deductible irrespective of the duration of the ownership and the number of shares disposed of.

The taxable gain/deductible loss is calculated per share, as the difference between the consideration for the share and the Norwegian Shareholder's cost price of the share, including any costs incurred in relation to the acquisition or realization of the share. From this capital gain, Norwegian Shareholders who are natural persons are entitled to deduct a calculated allowance, provided that such allowance has not already been used to reduce taxable dividend income. The allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e. any unused allowance exceeding the capital gain upon the realization of a share will be annulled.

If a Norwegian Shareholder being a natural person owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in, first-out basis.

Taxation of capital gains – Norwegian corporate shareholders

Capital gain and loss, by Norwegian Shareholders who are corporations, derived from the realization of shares is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the shareholder's ordinary income in the year of disposal. Ordinary income is taxed at a rate of 22%.

Capital gains on shares qualifying for participation exemption are exempt from taxation. Losses incurred upon realization of such shares are not deductible. The Norwegian participation exemption method does in general not apply to capital gains derived from realization of shares in a company resident outside the EEA. However, the Norwegian participation exemption method will apply on capital gains derived from a company resident outside the EEA if the Norwegian Corporate Shareholder owns 10% or more of the share capital and the voting rights of the foreign company for a consecutive period of two or more years, thus making the capital gain tax free.

Losses incurred on realization of shares in a company resident outside the EEA, i.e. the UK, are deductible if the Norwegian Corporate Shareholder or one of its related parties, does not own 10% or more of the share capital and the voting rights of the foreign company at any point two years prior to the realization of the shares.

Net wealth tax

Norwegian Shareholders being limited liability companies and certain similar entities are exempt from Norwegian net wealth tax.

For other Norwegian Shareholders (i.e. Shareholders who are natural persons), the shares will form part of the basis for the calculation of net wealth tax. As of January 1, 2022, the marginal net wealth tax rate is 0.95% on net wealth exceeding NOK 1,700,000 and up to NOK 19,999,999, and a current rate of 1.1% on net wealth of NOK 20,000,000 and above.

Shares traded on Euronext Growth Oslo are as of January 1, 2022 valued at 75% of their net wealth tax value on 1 January in the year after the income year.

9.2.2 Non-Norwegian shareholders – Norwegian taxation

As a general rule, dividends received by non-Norwegian shareholders (i.e. not resident in Norway for tax purposes), from shares in non-Norwegian companies are not subject to Norwegian taxation unless the non-Norwegian shareholder holds the shares in connection with business activities carried out in or managed from Norway.

10. ADDITIONAL INFORMATION

10.1 Admission to trading on Euronext Growth Oslo

On 30 November 2022, the Company applied for admission to trading of its Shares on Euronext Growth Oslo. The first day of trading in the Shares on Euronext Growth Oslo is expected to be on 15 December 2022.

The Company's existing Shares are admitted to trading on AIM, a multilateral trading facility operated by the London Stock Exchange.

10.2 Auditor

The Company's statutory auditor is KPMG LLP, with business registration number OC 301540 and business address at Sovereign Square Sovereign Street, Leeds, LS1 4DA, United Kingdom. KPMG is a member of the Institute of Chartered Accountants in England and Wales.

Up to the date of this Information Document, the Company has not had any other independent auditor than KPMG during the financial years ended 30 September 2022 and 2021, covering the Consolidated Financial Statements.

10.3 Advisors

DNB Markets, a part of DNB Bank ASA, Dronning Eufemias gate 30, 0191 Oslo, Norway, and Pareto Securities AS, Dronning Mauds gate 3, 0250 Oslo, Norway, are acting as Euronext Growth Advisors. At the date of the this Information Document, DNB Asset Management AS, wholly owned by DNB Bank ASA, holds a total of 19,761,407 Shares, representing approximately 2.81% of the share capital and voting rights in the Company.

Advokatfirmaet Wiersholm AS, Dokkveien 1, 0250 Oslo, Norway, with business registration number 981 371 593, is acting as legal advisor to the Company as to Norwegian Law. Travers Smith LLP, 10 Snow Hill, London EC1A 2AL, United Kingdom, is acting as legal advisor to the Company as to English law.

Advokatfirmaet BAHR AS, Tjuvholmen allé 16, 0252 Oslo, Norway, is acting as legal advisor to the Euronext Growth Advisors as to Norwegian Law.

Ernst & Young AS, Dronning Eufemias gate 6A, 0191 Oslo, Norway, is acting as financial advisor to the Euronext Growth Advisors.

10.4 Documents on display

Copies of the following documents will be available for inspection at the Company's registered office during normal business hours from Monday to Friday each week (except public holidays) for a period of 12 months from the date of this Information Document:

- the Articles of Association of the Company;
- the Consolidated Financial Statements; and
- this Information Document.

10.5 Third-party information

In this Information Document, certain information has been sourced from third parties. The Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified. The Company confirms that no statement or report attributed to a person as an expert is included in this Information Document.

11. DEFINITIONS AND GLOSSARY TERMS

AIM	The AIM market operated by London Stock Exchange plc.
AIM Rules	The AIM Rules for Companies published by the London Stock Exchange.
APMs	Alternative performance measures.
Appropriate Channels for Distribution	A product approval process, which has determined that the Shares are eligible for distribution through all distribution channels as are permitted by MiFID II.
Articles of Association	The Company's articles of association.
Assumptions	The assumptions construed in accordance with section 99A of the Finance Act 1986, that at the time of any transfer (a) both Euronext Growth and AIM continue to be treated as “recognised growth markets”; and (b) the Shares are not “listed on any market”.
Audit Committee	The Company's audit committee.
Board of Directors	The board of directors of the Company.
Board Members	The members of the Company's board of directors.
Bond Issue	The Company's floating rate bond issue of NOK 750 million.
Brexit	The United Kingdom's exit from the European Union.
CICERO	The Centre for International Climate and Environmental Research.
COBS	The FCA Handbook Conduct of Business Sourcebook.
Consolidated Financial Statements	The Company's financial statements for the financial years ended 30 September 2022 and 2021.
Company	Benchmark Holdings plc.
COOP	Great Salt Lake Brine Shrimp Cooperative Inc.
COR(s)	Certificates of Registrations issued by the Utah State Department of Natural Resources Division of Wildlife Resources.
CREST	The relevant system for the paperless settlement of trades and the holding of uncertificated securities operated by Euroclear UK & Ireland Limited in accordance with the Uncertificated Securities Regulations 2001 (as amended from time to time).
Dividend income	UK and non-UK source dividends and certain other distributions in respect of shares.
Disclosure Committee	The Company's disclosure committee.
Disclosure Procedures	The Disclosure Committee's internal procedures.
DNB	DNB Bank ASA.
DTR 5	The UK Financial Conduct Authority's Disclosure Guidance and Transparency Rules.
EEA	The European Economic Area.
Euroclear	Euroclear Nominees Ltd.
Euronext Growth Advisors	DNB Markets, a part of DNB Bank ASA and Pareto Securities AS.

Euronext Growth Oslo........ A multilateral trading facility operated by Oslo Børs ASA.

FAO .... The Food and Agriculture Organization of the United Nations.

FCA....................................... The Financial Conduct Authority of the United Kingdom.

Ferd .... Ferd AS.

FOA .... Fortune Ocean Americas, LLC.

FSMA.................................... The Financial Services and Markets Act 2000.

Greenhouse Gas Protocol . Standardised framework to measure and manage greenhouse gas emissions.

GRI.. Global Reporting Initiative, an international independent standards organisation that provides the world's most widely used sustainability reporting standards (the GRI Standards).

Group or Benchmark.......... The Company together with its subsidiaries.

GWS .... Golden West-Sanders Consolidated LLC.

IAS .... International Accounting Standards.

Information Document .... This Information Document.

IPR .... Intellectual property rights.

ISIN .... International Securities Identification Number.

IT... Information technology.

Management........................ The executive management team of the Company.

Managers .... The Euronext Growth Advisors.

Membership Agreement..... The restated membership agreement entered into between Sanders and the COOP, dated 10 September 2021.

MiFID II .... EU Directive 2014/65/EU on markets in financial instruments, as amended.

MiFID II Product Governance Requirements Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II.

MTF....................................... A multilateral trading facility.

Negative Target Market ...... An investment in the Shares is not compatible with investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile.

New Shares.......................... New shares issued in connection with the Private Placement and the Retail Offering.

Nil Rate Amount.................. The annual dividend income tax-free allowance of GBP 2,000 for individual shareholders resident for tax purposes in the UK.

Nomination Committee ...... The Company's nomination committee.

Non-Norwegian Corporate Shareholders....................... Holders of shares who are limited liability companies (and certain other entities) not resident in Norway for tax purposes.

Non-Norwegian Holders of shares that are not residents of Norwegian for purposes of

Shareholders	Norwegian law.
Norwegian Code..................	The Norwegian Code of Practice for Corporate Governance.
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 29 June 2007, no. 75 (Nw. *verdipapirhandelloven*).
Norwegian Shareholders ...	Holders of shares that are residents of Norway for purposes of Norwegian taxation.
Numis	Numis Securities Limited.
PL(s)	Post-larvae.
Private Placement	The private placement of 34,614,350 new shares in the Company with a nominal value of GBP 0.001 at a subscription price of NOK 4.50 per New Share.
Positive Target Market	A product approval process, which has determined that the Shares are compatible with an end target market of investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II.
RCF......................................	The GBP 20,000,000 super senior secured revolving facility agreement entered into by the Company on 21 November 2022.
Relevant Member state.......	A member state of the European Economic Area.
Remuneration Committee ..	The Company's remuneration committee.
ROFR Agreement................	The right of first refusal agreement entered into between INVE Americas, Inc. and GWSC, dated 29 September 2006.
RTSR	Relative total shareholder return.
Sales and Marketing Agreement	The sales and marketing agreement entered into between Sanders, FOA, Inve Aquaculture Inc., Inve Aquaculture Holding BV, the Company and the COOP, dated 21 August 2017 (as amended by joinder agreement on 10 September 2021 to include Great Salt Lake Brine Shrimp Marketing Cooperative, Inc.).
Sanders................................	Sanders Brine Shrimp Co., LC.
SASB	The Sustainability Accounting Standards Board.
SECR	Streamlined Energy and Carbon Reporting.
SDRT	UK stamp duty and stamp duty reserve tax.
Share(s)................................	The shares of the Company.
Share Lending Agreement .	The Share Lending Agreement entered into between the Company, Managers and Ferd, pursuant to which Ferd has committed to lend to the Managers up to 35,189,350 existing shares in the Company in order to facilitate timely settlement to the investors in the Private Placement and the Share Issue,
SPR......................................	Specific pathogen resistant.
Sustainability Committee...	The Company's sustainability committee.
Sustainability Working Group	The Company's sustainability working group.

Target Market Assessment	A product approval process in accordance with MiFID II.
TCFD	Task Force on Climate-related Financial Disclosures.
UK Code	The UK Corporate Governance Code 2018.
UK Companies Act	The Companies Act 2006.
UK Takeovers Code	The UK City Code on Takeovers and Mergers.
UK Takeover Panel	The UK Panel on Takeovers and Mergers.
Uplisting	The Company's intention, subject to (amongst other) market conditions, to apply for a transfer to the main list on the Oslo Stock Exchange.
United States or U.S.	The United States of America (including its territories and possessions, any state of the United States and the District of Columbia).
Securities Act	U.S. Securities Act of 1933, as amended.
VPS	The Norwegian Central Securities Depository (Nw. *Verdipapirsentralen ASA*).

Benchmark Holdings plc

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Worthing, West Sussex, BN99 3HH
United Kingdom

Euronext Growth Advisors

DNB Markets, a part of DNB Bank ASA

Dronning Eufemias gate 30
0191 Oslo
Norway

Pareto Securities AS

Dronning Mauds gate 3
0250 Oslo
Norway

Legal Advisors to the Company

Advokatfirmaet Wiersholm AS

Dokkveien 1
0250 Oslo
Norway

Travers Smith LLP

10 Snow Hill
London EC1A 2AL
United Kingdom

Legal Advisor to the Euronext Growth Advisors

Advokatfirmaet BAHR AS

Tjuvholmen allé 16
0252 Oslo
Norway

APPENDIX A

ARTICLES OF ASSOCIATION

Company Number: 04115910

THE COMPANIES ACTS 1985 AND 1989

ARTICLES OF ASSOCIATION

- of -

BENCHMARK HOLDINGS PLC

(Adopted on 18 December 2013 by Special Resolution passed on 18 November 2013, amended on 5 March 2015 and 12 March 2020 by Special Resolution)

Travers Smith LLP
10 Snow Hill London EC1A 2AL
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THE COMPANIES ACTS 1985 AND 1989

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- of -

BENCHMARK HOLDINGS PLC

(Adopted on 18 December 2013 by Special Resolution passed on 18 November 2013, amended on 5 March 2015 and 12 March 2020 by Special Resolution)

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1. EXCLUSION OF OTHER REGULATIONS

1.1 This document comprises the Articles of Association of the Company and no regulations set out in any statute or statutory instrument concerning companies shall apply as Articles of Association of the Company.

2. DEFINITIONS AND INTERPRETATION

2.1 In these Articles the following expressions have the following meanings unless the context otherwise requires:

Act	the Companies Act 2006.
address	in relation to electronic communications, includes any number or address (including, in the case of any Uncertificated Proxy Instruction permitted in accordance with these Articles, an identification number of a participant in the relevant system concerned) used for the purposes of such communications.
Articles	these Articles of Association as altered from time to time.
auditors	the auditors for the time being of the Company.
Board	the board of directors of the Company or the Directors present at a duly convened meeting of the Directors at which a quorum is present.
clear days	in relation to the period of a notice, that period calculated in accordance with section 360 of the Act.
communication	has the same meaning as in section 15 of the Electronic Communications Act.

Company	Benchmark Holdings plc.
Company's website	the web sites, operated or controlled by the Company, which contain information about the Company in accordance with the Statutes.
competent authority	the designated competent authority for the purposes of Part VI of the FSMA.
Directors	the directors of the Company for the time being.
elected	elected or re-elected.
electronic communication	has the same meaning as in section 15 of the Electronic Communications Act.
Electronic Communications Act	the Electronic Communications Act 2000 (as amended from time to time).
FSMA	the Financial Services and Markets Act 2000 (as amended from time to time).
group	the Company and its subsidiary undertakings for the time being.
holder	in relation to shares, the member whose name is entered in the register as the holder of the shares.
in electronic form	in a form specified by section 1168(3) of the Act and otherwise complying with the provisions of that section.
London Stock Exchange	London Stock Exchange plc.
member	a member of the Company.
month	calendar month.
office	the registered office for the time being of the Company.
Operator	a person approved under the Regulations as Operator of a relevant system.
paid up	paid up or credited as paid up.
recognised person	a recognised clearing house acting in relation to a recognised investment exchange, or a nominee of a

recognised clearing house acting in that way, or a nominee of a recognised investment exchange.

register	the register of members of the Company and shall, so long as the Regulations so permit or require, include so far as relevant a related Operator register of members.
Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (as amended from time to time).
secretary	the secretary of the Company or any other person appointed to perform any of the duties of the secretary of the Company including a joint, temporary, assistant or deputy secretary.
Shareholder Information	notices, documents or information which the Company wishes or is required to communicate to shareholders including, without limitation, annual reports and accounts, interim financial statements, summary financial statements, notices of meetings and proxy forms.
Statutes	the Act and every other statute (including any orders, regulations or other subordinate legislation made under them) for the time being in force concerning companies and affecting the Company (including, without limitation, the Electronic Communications Act).
Uncertificated Proxy Instruction	a properly authenticated dematerialised instruction, and/or other instruction or notification, which is sent by means of the relevant system concerned and received by such participant in that system acting on behalf of the Company as the Directors may prescribe, in such form and subject to such terms and conditions as may from time to time be prescribed by the Directors (subject always to the facilities and requirements of the relevant system concerned).
United Kingdom	Great Britain and Northern Ireland.
website communication	the publication of a notice or other Shareholder Information on the Company's website in accordance with Part 4 of Schedule 5 to the Act.

year calendar year.

2.2 References to **"writing"** include references to printing, typewriting, lithography, photography and any other mode or modes of presenting or reproducing words in a visible and non-transitory form.

2.3 Words importing one gender shall (where appropriate) include any other gender and words importing the singular shall (where appropriate) include the plural and vice versa.

2.4 Any words or expressions defined in the Act, the Electronic Communications Act or the Regulations shall, if not inconsistent with the subject or context and unless otherwise expressly defined in these Articles, bear the same meaning in these Articles save that the word **"company"** shall include any body corporate.

2.5 References to:

2.5.1 **"mental disorder"** mean mental disorder as defined in section 1 of the Mental Health Act 1983 or the Mental Health (Scotland) Act 1984 (as the case may be);

2.5.2 any statute, regulation or any section or provision of any statute or regulation, if consistent with the subject or context, shall include any corresponding or substituted statute, regulation or section or provision of any amending, consolidating or replacement statute or regulation;

2.5.3 **"executed"** include any mode of execution;

2.5.4 an Article by number are to a particular Article of these Articles;

2.5.5 a **"meeting"** shall be taken as not requiring more than one person to be present if any quorum requirement can be satisfied by one person;

2.5.6 a **"person"** include references to a body corporate and to an unincorporated body of persons;

2.5.7 a share (or to a holding of shares) being in uncertificated form or in certificated form are references respectively to that share being an uncertificated unit of a security or a certificated unit of a security; and

2.5.8 a **"cash memorandum account"** are to an account so designated by the Operator of the relevant system concerned.

3. REGISTERED OFFICE

3.1 The Company's registered office is to be situated in England and Wales.

4. LIMITED LIABIILTY

4.1 The liability of the members is limited.

5. CHANGE OF NAME

5.1 The Company may change its registered name in accordance with the Statutes.

6. SHARE CAPITAL

6.1 Subject to the provisions of the Statutes and without prejudice to the rights attaching to any existing shares or class of shares, any share may be issued with such preferred, deferred or other special rights or such restrictions as the Company may from time to time by ordinary resolution determine or, if the Company has not so determined, as the Directors may determine.

6.2 Subject to the provisions of these Articles and to the Statutes and without prejudice to the rights attaching to any existing shares or class of shares, the Board may offer, allot (with or without a right of renunciation), issue, grant options over or otherwise deal with or dispose of shares to such persons, at such time and for such consideration and upon such terms and conditions as the Board may determine.

6.3 The Company may exercise the powers of paying commissions conferred by the Statutes. Subject to the provisions of the Statutes, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.

6.4 Subject to the provisions of the Statutes and to any rights conferred on the holders of any other shares, shares may be issued on terms that they are, at the option of the Company or a member, liable to be redeemed on such terms and in such manner as may be determined by the Board (such terms to be determined before the shares are allotted).

6.5 Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and (except as otherwise provided by these Articles or by law) the Company shall not be bound by or compelled in any way to recognise any interest in any share, except an absolute right to the entirety thereof in the holder.

6.6 The Company may give financial assistance for the acquisition of shares in the Company to the extent that it is not restricted by the Statutes.

7. VARIATION OF RIGHTS

7.1 Subject to the provisions of the Statutes, whenever the capital of the Company is divided into different classes of shares, the rights attached to any class may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated, whether or not the Company is being wound up, either with the consent in writing of the holders of not less than three-quarters in nominal amount of the issued shares of the affected class, or with the sanction of a special resolution passed at a separate general meeting of the holders of shares of that class (but not otherwise).

7.2 All the provisions of these Articles relating to general meetings shall, mutatis mutandis, apply to every such separate general meeting, except that:

> **7.2.1** the necessary quorum at any such meeting other than an adjourned meeting shall be two persons holding or representing by proxy at least one-third in nominal amount of the issued shares of the class in question and at an adjourned meeting one person holding shares of the class in question or his proxy;
>
> **7.2.2** any holder of shares of the class in question present in person or by proxy may demand a poll; and
>
> **7.2.3** the holder of shares of the class in question shall, on a poll, have one vote in respect of every share of such class held by him.

7.3 Subject to the terms on which any shares may be issued, the rights or privileges attached to any class of shares in the capital of the Company shall be deemed not to be varied or abrogated by the creation or issue of any new shares ranking pari passu in all respects (save as to the date from which such new shares shall rank for dividend) with or subsequent to those already issued or by any purchase by the Company of its own shares.

7.4 The provisions of Articles 7.1 to 7.2 shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if such group of shares of the class differently treated formed a separate class.

8. SHARES IN UNCERTIFICATED FORM

8.1 The Directors shall have power to implement such arrangements as they may, in their absolute discretion, think fit in order for any class of shares to be a participating security (subject always to the Regulations and the facilities and requirements of the relevant system concerned). Where they do so, Articles 8.2 and 8.3 shall come into effect immediately prior to the time at which the Operator of the relevant system concerned permits the class of shares concerned to be a participating security.

8.2 In relation to any class of shares which is, for the time being, a participating security, and for so long as such class remains a participating security, no provision of these Articles shall apply or have effect to the extent that it is in any respect inconsistent with:

8.2.1 the holding of shares of that class in uncertificated form;

8.2.2 the transfer of title to shares of that class by means of a relevant system; or

8.2.3 the Regulations,

and, without prejudice to the generality of this Article, no provision of these Articles shall apply or have effect to the extent that it is in any respect inconsistent with the maintenance, keeping or entering up by the Operator, so long as that is permitted or required by the Regulations, of an Operator register of securities in respect of shares of that class in uncertificated form.

8.3 Without prejudice to the generality of Article 8.2 and notwithstanding anything contained in these Articles, where any class of shares is, for the time being, a participating security (such class being referred to in these Articles as the **"Relevant Class"**):

8.3.1 the register relating to the Relevant Class shall be maintained at all times in the United Kingdom;

8.3.2 shares of the Relevant Class may be issued in uncertificated form in accordance with and subject as provided in the Regulations;

8.3.3 unless the Directors otherwise determine, shares of the Relevant Class held by the same holder or joint holder in certificated form and uncertificated form shall be treated as separate holdings;

8.3.4 shares of the Relevant Class may be changed from uncertificated to certificated form, and from certificated to uncertificated form, in accordance with and subject as provided in the Regulations;

8.3.5 title to shares of the Relevant Class which are recorded on the register as being held in uncertificated form may be transferred by means of the relevant system concerned and accordingly (and in particular) Articles 13.1 and 13.2 shall not apply in respect of such shares to the extent that those Articles require or contemplate the effecting of a transfer by an instrument in writing and the production of a certificate for the share to be transferred;

8.3.6 the Company shall comply with the provisions of Regulations 25 and 26 in relation to the Relevant Class;

8.3.7 the provisions of these Articles with respect to meetings of or including holders of the Relevant Class, including notices of such meetings, shall have effect subject to the provisions of Regulation 41; and

8.3.8 Articles 9.1 to 9.4 shall not apply so as to require the Company to issue a certificate to any person holding shares of the Relevant Class in uncertificated form.

8.4 The Company shall be entitled to assume that the entries on any record of securities maintained by it in accordance with the Regulations and regularly reconciled with the relevant Operator register of securities are a complete and accurate reproduction of the particulars entered in the Operator register of securities and shall accordingly not be liable in respect of any act or thing done or omitted to be done by or on behalf of the Company in reliance upon such assumption; in particular, any provision of these Articles which requires or envisages that action will be taken in reliance on information contained in the register shall be construed to permit that action to be taken in reliance on information contained in any relevant record of securities (as so maintained and reconciled).

9. SHARE CERTIFICATES

9.1 Subject to these Articles and the provisions of the Regulations every person (except a person in respect of whom the Company is not by law required to complete and have ready for delivery a certificate) whose name is entered as a holder of any share in the register shall be entitled without payment to receive one certificate in respect of each class of shares held by him or, with the consent of the Board and upon payment of such reasonable out-of-pocket expenses for every certificate after the first as the Board shall determine, several certificates, each for one or more of his shares. Shares of different classes may not be included in the same certificate.

9.2 Where a holder of any share (except a recognised person) has transferred a part of the shares comprised in his holding, he shall be entitled to a certificate for the balance without charge.

9.3 Any two or more certificates representing shares of any one class held by any member may at his request be cancelled and a single new certificate for such shares issued in lieu without charge.

9.4 The Company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate to the joint holder who is named first in the register shall be a sufficient delivery to all of them.

9.5 In the case of shares held jointly by several persons, any such request mentioned in Articles 9.1, 9.2 or 9.3 may only be made by the joint holder who is named first in the register.

9.6 Every certificate shall be executed by the Company in such manner as the Board, having regard to the Statutes and the listing requirements of the competent authority, may authorise.

Every certificate shall specify the number, class and distinguishing number (if any) of the shares to which it relates and the nominal value of and the amount paid up on each share.

9.7 The Board may by resolution decide, either generally or in any particular case or cases, that any signatures on any certificates for shares or any other form of security at any time issued by the Company need not be autographic but may be applied to the certificates by some mechanical means or may be printed on them or that the certificates need not be signed by any person.

9.8 If a share certificate is worn out, defaced, lost or destroyed, it may be replaced without charge (other than exceptional out-of-pocket expenses) and otherwise on such terms (if any) as to evidence and/or indemnity (with or without security) as the Board may require. In the case where the certificate is worn out or defaced, it may be renewed only upon delivery of the certificate to the Company.

10. LIEN

10.1 The Company shall have a first and paramount lien on every share (not being a fully paid share) for all money (whether presently due or not) payable in respect of that share. The Company's lien over a share extends to any dividend and (if the lien is enforced and the share is sold by the Company) the proceeds of sale of that share. The Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article.

10.2 The Company may sell, in such manner as the Board decides, any shares on which the Company has a lien, if a sum in respect of which the lien exists is presently payable and is not paid within 14 clear days after notice in writing has been served on the holder of the shares in question or the person entitled to such shares by reason of death or bankruptcy of the holder or otherwise by operation of law, demanding payment of the sum presently payable and stating that if the notice is not complied with the shares may be sold.

10.3 To give effect to any such sale, the Board may authorise such person as it directs to execute any instrument of transfer of the shares sold to, or in accordance with the directions of, the purchaser. The title of the transferee to the shares shall not be affected by any irregularity in or invalidity of the proceedings relating to the sale, and he shall not be bound to see to the application of the purchase money.

10.4 The net proceeds of the sale, after payment of the costs of such sale, shall be applied in or towards satisfaction of the liability in respect of which the lien exists so far as the same is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificate for the shares sold (where applicable) and subject to a like lien for any monies not presently payable or any liability or engagement not likely to be presently fulfilled or discharged as existed upon the shares before the sale) be paid to the holder of (or person entitled by transmission to) the shares immediately before the sale.

11. CALLS ON SHARES

11.1 Subject to the terms of allotment of any shares, the Board may send a notice and make calls upon the members in respect of any monies unpaid on their shares (whether in respect of the nominal value of the shares or by way of premium) provided that (subject as aforesaid) no call on any share shall be payable within one month from the date fixed for the payment of the last preceding call and that at least 14 clear days' notice from the date the notice is sent shall be given of every call specifying the time or times, place of payment and the amount called on the members' shares. A call may be revoked in whole or in part or the time fixed for its payment postponed in whole or in part by the Board at any time before receipt by the Company of the sum due thereunder.

11.2 A call may be made payable by instalments.

11.3 The joint holders of a share shall be jointly and severally liable to pay all calls in respect of the share.

11.4 Each member shall pay to the Company, at the time and place of payment specified in the notice of the call, the amount called on his shares. A person on whom a call is made will remain liable for calls made upon him, notwithstanding the subsequent transfer of the shares in respect of which the call was made.

11.5 If a sum called in respect of a share shall not be paid before or on the day appointed for payment, the person from whom the sum is due shall pay interest on the sum from the day fixed for payment to the time of actual payment at such rate, not exceeding 5 per cent. above the base lending rate per annum most recently set by the Monetary Policy Committee of the Bank of England, as the Board may decide, together with all expenses that may have been incurred by the Company by reason of such non-payment, but the Board may waive payment of interest and such expenses wholly or in part. No dividend or other payment or distribution in respect of any such share shall be paid or distributed and no other rights which would otherwise normally be exercisable in accordance with these Articles may be exercised by a holder of any such share so long as any such sum or any interest or expenses payable in accordance with this Article in relation thereto remains due.

11.6 Any sum which becomes payable by the terms of allotment of a share, whether on allotment or on any other fixed date or as an instalment of a call and whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made, notified and payable on the date on which, by the terms of allotment or in the notice of the call, it becomes payable. In the case of non-payment, all the provisions of these Articles relating to payment of interest and expenses, forfeiture and otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

11.7 The Board may, if it thinks fit, receive from any member willing to advance it all or any part of the money (whether on account of the nominal value of the shares or by way of premium) uncalled and unpaid upon any shares held by him, and may pay upon all or any part of the money so advanced (until it would but for the advance become presently payable) interest at such rate (if any) not exceeding 5 per cent. above the base lending rate per annum most recently set by the Monetary Policy Committee of the Bank of England, as the Board may decide. No sum paid in advance of calls shall entitle the holder of a share to any portion of a dividend or other payment or distribution subsequently declared in respect of any period prior to the date upon which such sum would, but for such payment, become presently payable.

11.8 The Board may on the allotment of shares differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment.

12. FORFEITURE

12.1 If a member fails to pay the whole or any part of any call or instalment of a call on the day fixed for payment, the Board may, at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any accrued interest and any costs, charges and expenses incurred by the Company by reason of the non-payment.

12.2 The notice shall fix a further day (not being less than seven clear days from the date of the notice) on or before which, and the place where, the payment required by the notice is to be made, and shall state that, in the event of non-payment at or before the time and at the place specified, the shares on which the call was made will be liable to be forfeited. The Board may accept the surrender of any share liable to be forfeited upon such terms and conditions as may be agreed and, subject to any such terms and conditions, a surrendered share shall be treated as if it had been forfeited.

12.3 If the requirements of the notice are not complied with, any share in respect of which the notice has been given may, at any time before the payments required by the notice have been made, be forfeited by a resolution of the Board to that effect. Every forfeiture shall include all dividends and other payments or distributions declared in respect of the forfeited shares and not paid or distributed before forfeiture. Forfeiture shall be deemed to occur at the time of the passing of the said resolution of the Board.

12.4 Subject to the provisions of the Statutes, a forfeited share shall be deemed to be the property of the Company and may be sold, reallotted or otherwise disposed of upon such terms and in such manner as the Board decides, either to the person who was before the forfeiture the holder or to any other person, and at any time before sale, reallotment or other disposition the forfeiture may be cancelled on such terms as the Board decides. The Company shall not exercise any voting rights in respect of such a share. Where for the purposes of its disposal a forfeited share is to be transferred to any person, the Board may authorise a person to execute an instrument of transfer of the share.

12.5 When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder, or the person entitled to the share by transmission, and an entry of the forfeiture, with the date of the forfeiture, shall be entered in the register, but no forfeiture shall be invalidated by any failure to give such notice or make such entry.

12.6 A person, any of whose shares have been forfeited, shall cease to be a member in respect of the forfeited shares and shall surrender to the Company for cancellation the certificate for the shares forfeited, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all money which at the date of forfeiture was then payable by him to the Company in respect of the shares, with interest on such money at such rate not exceeding 5 per cent. above the base lending rate per annum most recently set by the Monetary Policy Committee of the Bank of England, as the Board may decide, from the date of forfeiture until payment. The Board may, if it thinks fit, waive the payment of all or part of such money and/or the interest payable thereon.

12.7 A statutory declaration by a Director or the secretary that a share has been duly forfeited or surrendered on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share. The statutory declaration shall (subject to the execution of an instrument of transfer, if necessary) constitute a good title to the share and the person to whom the share is disposed of shall not be bound to see to the application of the consideration (if any) nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture, surrender, sale, reallotment or disposal of the share.

12.8 If the Company sells a forfeited share, the person who held it prior to its forfeiture is entitled to receive from the Company the proceeds of such sale, net of any commission, and excluding any amount which was, or would have become, payable and had not, when that share was forfeited, been paid by that person in respect of that share, but no interest is payable to such person in respect of such proceeds and the Company is not required to account for any money earned on them.

13. TRANSFER OF SHARES

13.1 The instrument of transfer of a share may be in any usual form or in any other form which the Board may approve.

13.2 The instrument of transfer of a share shall be executed by or on behalf of the transferor and (in the case of a partly paid share) by or on behalf of the transferee. The transferor shall be deemed to remain the holder until the name of the transferee is entered in the register.

13.3 The Board may refuse to register any transfer of shares, unless:

13.3.1 the instrument of transfer is lodged (duly stamped if the Statutes so require) at the office or at such other place as the Board may appoint, accompanied by the certificate for the shares to which it relates and such other evidence (if any) as the Board may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person to do so) provided that, in the case of a transfer by a recognised person where a certificate has not been issued in respect of the share, the lodgment of share certificates shall not be necessary;

13.3.2 the instrument of transfer is in respect of only one class of share; and

13.3.3 in the case of a transfer to joint holders, they do not exceed four in number.

13.4 The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the Board refuses to register (except in the case of fraud) shall be returned to the person lodging it when notice of the refusal is given.

13.5 If the Board refuses to register a transfer, it shall within two months after the date on which the instrument of transfer was lodged with the Company (or in the case of uncertificated shares the date on which the Operator-instruction was received) send to the transferee notice of, together with the reasons for, the refusal.

13.6 No fee shall be payable to the Company for the registration of any transfer or any other document relating to or affecting the title to any share or for making any entry in the register affecting the title to any share.

13.7 Nothing in these Articles shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.

14. TRANSMISSION OF SHARES

14.1 If a member dies, the survivor or survivors where he was a joint holder and his personal representatives where he was a sole holder or the only survivor of joint holders shall be the only person(s) recognised by the Company as having any title to his shares, but nothing contained in these Articles shall release the estate of a deceased member from any liability in respect of any share held by him solely or jointly with other persons.

14.2 Any person becoming entitled to a share in consequence of the death or bankruptcy of a member or by operation of law may, upon such evidence as to his title being produced as may be reasonably required by the Board and subject to these Articles, elect either to be registered as the holder of the share or to have a person nominated by him registered as the holder. If the person elects to become the holder, he shall give notice in writing to that effect. If the person elects to have another person registered, he shall execute an instrument of transfer of the share to that person. All the provisions of these Articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if the death or bankruptcy of the member or other event giving rise to the transmission had not occurred and the notice or instrument of transfer were an instrument of transfer executed by the member.

14.3 Any person becoming entitled to a share in consequence of the death or bankruptcy of a member or by operation of law shall, subject to the requirements of these Articles and to the provisions of this Article, be entitled to receive, and may give a good discharge for, all dividends and other money payable in respect of the share, but he shall not be entitled to receive notice of or to attend or vote at meetings of the Company or at any separate meetings of the holders of any class of shares or to any of the rights or privileges of a member until he shall have become a holder in respect of the share in question. The Board may at any time give notice requiring any such person to elect either to be registered or to transfer the share, and if the notice is not complied with within 60 days, the Board may withhold payment of all dividends and other distributions and payments declared in respect of the share until the requirements of the notice have been complied with.

15. ALTERATION OF SHARE CAPITAL

15.1 The Company may by ordinary resolution alter its share capital in accordance with the Act.

15.2 A resolution to sub-divide shares may determine that, as between the holders of such shares resulting from the sub-division, any of them may have any preference or advantage or be subject to any restriction as compared with the others.

15.3 Whenever as a result of a consolidation of shares any members would become entitled to fractions of a share, the Board may deal with the fractions as it thinks fit and in particular, but without limitation, may, on behalf of those members, sell the shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Statutes, the Company) and distribute the net proceeds of sale (subject to retention by the Company of amounts not exceeding £3, the cost of distribution of which would be disproportionate to the amounts involved) in due proportion among those members, and the Board may authorise a person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings relating to the sale.

16. PURCHASE OF OWN SHARES

16.1 On any purchase by the Company of its own shares, neither the Company nor the Board shall be required to select the shares to be purchased rateably or in any manner as between the holders of shares of the same class or as between them and the holders of shares of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares.

17. GENERAL MEETINGS

17.1 The Company shall hold an annual general meeting which shall be convened by the Board in accordance with the Statutes.

17.2 The Board may call a general meeting whenever it thinks fit and, on the requisition of members in accordance with the Act, it shall proceed to convene a general meeting for a date not more than 28 days after the date of the notice convening the meeting. If there are not within the United Kingdom sufficient Directors to call a general meeting, any Director or, if there is no Director within the United Kingdom, any member of the Company may call a general meeting.

18. NOTICE OF GENERAL MEETINGS

18.1 An annual general meeting shall be called by at least 21 clear days' notice in writing. All other general meetings shall be called by at least 14 clear days' notice in writing. The notice shall specify:

18.1.1 if the meeting is an annual general meeting, that the meeting is an annual general meeting;

18.1.2 the day, time and place of the meeting;

18.1.3 the general nature of the business to be transacted;

18.1.4 if the meeting is convened to consider a special resolution, the intention to propose the resolution as such; and

18.1.5 with reasonable prominence, that a member entitled to attend and vote is entitled to appoint one or more proxies to attend, to speak and to vote instead of him and that a proxy need not also be a member.

18.2 Subject to the provisions of these Articles, to the rights attaching to any class of shares and to any restriction imposed on any holder, notice of any general meeting shall be given to all members, the Directors and (in the case of an annual general meeting) the auditors.

18.3 The accidental omission to send a notice of any meeting, or notice of a resolution to be moved at a meeting or (where forms of proxy are sent out with notices) to send a form of proxy with a notice to any person entitled to receive the same, or the non-receipt of a notice of any meeting or a form of proxy by such a person, shall not invalidate the proceedings at the meeting.

18.4 The Board may postpone a general meeting if they deem it necessary to do so. Notice of such postponement shall be given in accordance with these Articles.

19. PROCEEDINGS AT GENERAL MEETINGS

19.1 No business shall be transacted at any general meeting unless a quorum is present but the absence of a quorum shall not preclude the choice or appointment of a chairman in accordance with these Articles (which shall not be treated as part of the business of the meeting). Subject to Article 19.2, two members present in person being either members or representatives (in the case of a corporate member) or proxies appointed by members in relation to the meeting and entitled to vote shall be a quorum for all purposes.

19.2 If within 15 minutes from the time fixed for a meeting a quorum is not present or if during a meeting a quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved and in any other case it shall stand adjourned to such day and to such time and place (being not less than 14 nor more than 28 days thereafter) as may be fixed by the chairman of the meeting. At such adjourned meeting a quorum shall be two persons present in person being either members or representatives (in the case of a corporate member) or proxies appointed by members in relation to the meeting and entitled to vote. If within 15 minutes from the time fixed for holding an adjourned meeting a quorum is not present or if during an adjourned meeting a quorum ceases to be present, the adjourned meeting shall be dissolved. The Company shall give at least 10 clear days' notice (in any manner in which notice of a meeting may lawfully be given from time to time) of any meeting adjourned through lack of a quorum and such notice shall state the quorum requirement.

19.3 The chairman of the Board or in his absence the deputy chairman shall preside as chairman at every general meeting of the Company. If there is no such chairman or deputy chairman or if at any meeting neither the chairman nor the deputy chairman is present within 15 minutes from the time fixed for holding the meeting or if neither is willing to act as chairman of the meeting, the Directors present shall choose one of their number, or if no Director is present or if all the Directors present decline to take the chair, the members present in person or by proxy or by corporate representative and entitled to vote shall choose one of their number to be chairman of the meeting.

19.4 The Board may implement at general meetings of the Company, such security arrangements as it shall think appropriate to which members, representatives (in the case of corporate members) and their proxies shall be subject. The Board shall be entitled to refuse entry to the meeting to any such member, representative or proxy who fails to comply with such security arrangements.

19.5 The chairman of each general meeting of the Company may take such action as he considers appropriate to permit the orderly conduct of the business of the meeting as set out in the notice of the meeting.

19.6 The chairman of a meeting at which a quorum is present may, without prejudice to any other power of adjournment which he may have under these Articles or at common law, with the consent of the meeting (and shall if so directed by the meeting), adjourn the meeting from time to time (or indefinitely) and from place to place. No business shall be transacted at any adjourned meeting except business left unfinished at the meeting from which the adjournment took place. Where a meeting is adjourned for an indefinite period, the time and place for the adjourned meeting shall be fixed by the Board. Whenever a meeting is adjourned for 14 days or more or for an indefinite period, at least seven clear days' notice, specifying the place, the day and the time of the adjourned meeting and the general nature of the business to be transacted, shall be given (in any manner in which notice of a meeting may lawfully be given from time to time). Save as provided in these Articles, it shall not otherwise be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

19.7 If it appears to the chairman that the meeting place specified in the notice convening the meeting is inadequate to accommodate all members entitled and wishing to attend, the meeting shall nevertheless be duly constituted and its proceedings valid provided that the chairman is satisfied that adequate facilities are available to ensure that any member who is unable to be accommodated is nonetheless able to participate in the business for which the meeting has been convened and to hear and see all persons present who speak (whether by the use of microphones, loudspeakers, audiovisual communication equipment or otherwise), whether in the meeting place or elsewhere, and to be heard and seen by all other persons so present in the same manner.

19.8 At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless, before or on the declaration of the result of the show of hands or on the withdrawal of any other due demand for a poll, a poll is duly demanded. Subject to the provisions of the Statutes, a poll may be demanded:

19.8.1 by the chairman of the meeting; or

19.8.2 by at least five members present all of whom are either members or proxies or representatives (in the case of a corporate member) and entitled to vote on the resolution; or

19.8.3 by any member or members present in person or by proxy or by representative (in the case of a corporate member) and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting (excluding any voting rights attached to any shares in the Company held as treasury shares); or

19.8.4 by a member or members present in person or by proxy or by representative (in the case of a corporate member) holding shares in the Company conferring a right to vote on the resolution, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right (excluding shares in the Company conferring a right to vote on the resolution which are held as treasury shares).

19.9 Unless a poll is so demanded, a declaration by the chairman of the meeting that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution.

19.10 If a poll is duly demanded, it shall be taken in such manner as the chairman of the meeting may direct. The chairman may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of a poll shall be the decision of the meeting in respect of which it was demanded.

19.11 A poll demanded on the election of the chairman of a meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and place as the chairman of the meeting directs, but in any case not more than 28 days after the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with pending the completion of the poll. The demand for a poll may be withdrawn at any time before the poll is taken. If a poll is demanded before the declaration of the result of a show of hands and the demand is subsequently duly withdrawn, the meeting shall continue as if the demand had not been made. No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case, at least seven clear days' notice shall be given (in any manner in which notice of a meeting may lawfully be given from time to time) specifying the time and place at which the poll is to be taken.

19.12 A Director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the Company.

20. VOTES OF MEMBERS

20.1 Subject to any terms as to voting upon which any shares may be issued or may for the time being be held the total number of votes a member present in person or (being a corporation) who is present by a duly authorised representative or a proxy for a member has on a show of hands shall be determined in accordance with the Act. On a poll every member present in person or by proxy or by representative (in the case of a corporate member) shall have one vote for each share of which he is the holder, proxy or representative. On a poll, a member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes in the same way.

20.2 In the case of joint holders of a share the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register in respect of the joint holding.

20.3 A member in respect of whom an order has been made by any court or official having jurisdiction (whether in the United Kingdom or elsewhere) that he is or may be suffering from mental disorder or is otherwise incapable of running his affairs may vote by his guardian, receiver, curator bonis or other person authorised for that purpose and appointed by the court (and that person may vote by proxy) provided that evidence to the satisfaction of the Board of the authority of the person claiming to exercise the right to vote shall be deposited at the office, or at such other place as is specified in accordance with these Articles for the deposit of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised, and in default the right to vote shall not be exercisable.

20.4 No member shall, unless the Board otherwise determines, be entitled to vote at any general meeting or at any separate general meeting of the holders of any class of shares in the Company unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

20.5 Where, in respect of any shares of the Company, any holder or any other person appearing to be interested in such shares held by a member has been issued with a notice pursuant to section 793 of the Act (a **"statutory notice"**) and has failed in relation to any shares (the **"default shares"**) to comply with the statutory notice and to give the Company the information required by such notice within the prescribed period as defined in Article 20.10.4 from the date of the statutory notice, then the Board may serve on the holder of such default shares a notice (a **"disenfranchisement notice"**) whereupon the following sanctions shall apply:

20.5.1 such holder shall not with effect from the service of the disenfranchisement notice be entitled in respect of the default shares to be present or to vote (either in person or by representative or by proxy) either at any general meeting or at any separate general meeting of the holders of any class of shares or on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll; and

20.5.2 where such shares represent not less than 0.25 per cent. in nominal value of the issued shares of their class:

(a) any dividend or other monies payable in respect of the default shares shall be withheld by the Company which shall not be under any obligation to pay interest on it and the holder shall not be entitled under Article 41.16 to elect to receive shares instead of that dividend; and

(b) no transfer, other than an excepted transfer (as defined in Article 20.10.5), of any shares in certificated form held by the holder shall be registered unless:

(i) the holder is not himself in default as regards supplying the information required; and

(ii) the holder proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer (and, for the purpose of ensuring this Article 20.5.2(b) can apply to all shares held by the holder, the Company may, in accordance with the Regulations, issue a written notification to the Operator requiring the conversion into certificated form of any shares held by the holder in uncertificated form).

20.6 Any new shares in the Company issued in right of default shares shall be subject to the same sanctions as apply to the default shares provided that any sanctions applying to, or to a right to, new shares by virtue of this Article shall cease to have effect when the sanctions applying to the related default shares cease to have effect (and shall be suspended or cancelled if and to the extent that the sanctions applying to the related default shares are suspended or cancelled) and provided further that Article 20.5 shall apply to the exclusion of this Article if the Company gives a separate notice under section 793 of the Act in relation to the new shares.

20.7 The Company may at any time withdraw a disenfranchisement notice by serving on the holder of the default shares a notice in writing to that effect (a **"withdrawal notice"**), and a disenfranchisement notice shall be deemed to have been withdrawn at the end of the period of seven days (or such shorter period as the Directors may determine) following receipt by the Company of the information required by the statutory notice in respect of all the shares to which the disenfranchisement notice related.

20.8 Unless and until a withdrawal notice is duly served in relation thereto or a disenfranchisement notice in relation thereto is deemed to have been withdrawn or the shares to which a disenfranchisement notice relates are transferred by means of an excepted transfer, the sanctions referred to in Articles 20.5 and 20.6 shall continue to apply.

20.9 Where, on the basis of information obtained from a holder in respect of any share held by him, the Company issues a notice pursuant to section 793 of the Act to any other person and such person fails to give the Company the information thereby required within the prescribed period and the Board serves a disenfranchisement notice upon such person, it shall at the same time send a copy of the disenfranchisement notice to the holder of such share, but the accidental omission to do so, or the non-receipt by the holder of the copy, shall not invalidate or otherwise affect the application of Articles 20.5 and 20.6.

20.10 For the purposes of these Articles:

20.10.1 a person other than the holder of a share shall be treated as appearing to be interested in that share if the holder has informed the Company that the person is or may be so interested or if (after taking into account the said notification and any other relevant notification pursuant to section 793 of the Act) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the share;

20.10.2 **"interested"** shall be construed as it is for the purpose of section 793 of the Act;

20.10.3 reference to a person having failed to give the Company the information required by a notice, or being in default as regards supplying such information, includes:

(a) reference to his having failed or refused to give all or any part of it; and

(b) reference to his having given information which he knows to be false in a material particular or having recklessly given information which is false in a material particular;

20.10.4 the **"prescribed period"** means:

(a) in a case where the default shares represent at least 0.25 per cent. of their class, 14 days; and

(b) in any other case, 28 days; and

20.10.5 an **"excepted transfer"** means, in relation to any share held by a holder:

(a) a transfer pursuant to acceptance of an offer made to all the holders (or all the holders other than the person making the offer and his nominees) of the shares in the Company to acquire those shares or a specified proportion of them, or to all the holders (or all the holders other than the person making the offer and his nominees) of a particular class of those shares to acquire the shares of that class or a specified proportion of them;

(b) a transfer in consequence of a sale made through a recognised investment exchange (as defined in the FSMA) or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded; or

(c) a transfer which is shown to the satisfaction of the Board to be made in consequence of a bona fide sale of the whole of the beneficial interest in the share to a person who is unconnected with the holder and with any other person appearing to be interested in the share.

20.11 Nothing contained in these Articles shall prejudice or affect the right of the Company to apply to the court for an order under section 794 of the Act and in connection with such an application or intended application or otherwise to require information on shorter notice than the prescribed period.

20.12 No objections may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid. Any such objection must be referred to the Chairman of the meeting whose decision is final.

20.13 If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution proposed as a special resolution, no amendment to it (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

20.14 Invitations to appoint a proxy (whether made by instrument in writing, in electronic form or by website communication) shall be in any usual form or in such other form as the Board may approve. Invitations to appoint a proxy shall be sent or made available by the Company to all persons entitled to notice of and to attend and vote at any meeting, and shall provide for voting both for and against all resolutions to be proposed at that meeting other than resolutions relating to the procedure of the meeting. The accidental omission to send or make available an invitation to appoint a proxy or the non-receipt thereof by any member entitled to attend and vote at a meeting shall not invalidate the proceedings at that meeting. The appointment of a proxy shall be deemed to confer authority to demand, or concur in demanding, a poll and to vote on any amendment of a resolution put to the meeting for which it is given or any procedural resolution, as the proxy thinks fit. A proxy need not be a member of the Company.

20.15 The appointment of a proxy shall, if made by instrument in writing, be signed in the case of an individual, by the appointer or his attorney who is authorised in writing to do so. In the case of a body corporate, the proxy appointment must be executed under seal or otherwise executed by it in accordance with the Act or signed on its behalf by an officer, attorney or duly authorised signatory.

20.16 If the Directors from time to time so permit, a proxy may be appointed by electronic communication to such address as may be notified by or on behalf of the Company for that purpose, or by any other lawful means from time to time authorised by the Directors. Any means of appointing a proxy which is authorised by or under this Article shall be subject to any terms, limitations, conditions or restrictions that the Directors may from time to time prescribe. Without limiting the foregoing, in relation to any shares which are held in uncertificated form, the Directors may from time to time permit appointments of a proxy to be made by means of an electronic communication in the form of an Uncertificated Proxy Instruction, and received by such participant in the relevant system concerned acting on behalf of the Company as the Directors may prescribe, in such form and subject to such terms and conditions as may from time to time be prescribed by the Directors (subject always to the facilities and requirements of the relevant system concerned), and may in a similar manner permit supplements to, or amendments or revocations of, any such Uncertificated Proxy Instruction to be made by like means. The Directors may in addition prescribe the method of determining the time at which any such properly authenticated dematerialised instruction (and/or other instruction or notification) is to be treated as received by the Company or such participant. The Directors may treat any such

Uncertificated Proxy Instruction which purports to be or is expressed to be sent on behalf of a holder of a share as sufficient evidence of the authority of the person sending that instruction to send it on behalf of that holder.

20.17 Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company, and (except as otherwise provided in these Articles) the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company. A certified copy of such a resolution shall be delivered at the meeting to the chairman of the meeting or secretary or any person appointed by the Company to receive such authorisation, and unless such certified copy of such resolution is so delivered the authority granted by such resolution shall not be treated as valid. Where certified copies of two or more valid but differing resolutions authorising any person or persons to act as the representative of any corporation pursuant to this Article at the same meeting in respect of the same share are delivered, the resolution, a certified copy of which is delivered to the Company (in accordance with the provisions of this Article) last in time (regardless of the date of such certified copy or of the date upon which the resolution set out therein was passed), shall be treated as revoking and replacing all other such authorities as regards that share, but if the Company is unable to determine which of any such two or more valid but differing resolutions was so deposited last in time, none of them shall be treated as valid in respect of that share. The authority granted by any such resolution shall, unless the contrary is stated in the certified copy thereof delivered to the Company pursuant to this Article, be treated as valid for any adjournment of any meeting at which such authority may be used as well as at such meeting.

20.18 A corporation which is a member of the Company may authorise more than one person to act as its representative pursuant to this Article in respect of any meeting or meetings, and such a member who holds different classes of shares may so authorise one or more different persons for each class of shares held.

20.19 The appointment of proxy and the power of attorney or other written authority (if any) under which it is signed, or a copy of any such power or written authority certified notarially or in any other manner approved by the Directors, shall:

20.19.1 in the case of an appointment otherwise than by electronic communication, be deposited at the office (or at such other place as shall be specified in the notice of meeting or in any instrument of proxy or other document accompanying the same); and

20.19.2 in the case of an appointment by electronic communication where an address has been specified for the purpose of receiving appointments by electronic communication (i) in the notice convening the meeting, (ii) in any instrument of proxy sent out by the Company in relation to the meeting or (iii) in any invitation contained in an electronic communication to appoint a proxy issued by the Company in relation to the meeting, be received at such address,

not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote or in the case of a poll taken more than 48 hours after it was demanded, not less than 24 hours before the time appointed for taking the poll, and (save as otherwise provided in this Article) unless so deposited or received the appointment of proxy shall not be treated as valid. Where a poll is not taken forthwith but is taken less than 48 hours after it was demanded, the appointment of proxy together with any other documents required to be deposited or received pursuant to this Article 20.19 shall nevertheless be deemed to have been duly deposited if:

20.19.3 in the case of an appointment otherwise than by electronic communication, they are delivered at the meeting at which the poll was demanded to the chairman or the secretary or to any Director; or

20.19.4 in the case of an appointment by electronic communication, they are received at the address notified by the Company for such purposes,

in each case, at any time prior to the commencement of such meeting and, if so delivered or received, the instrument of proxy shall be treated as valid. In calculating the periods mentioned in this Article no account shall be taken of any part of a day that is not a working day.

20.20 The deposit, delivery or receipt of an appointment of proxy shall not preclude a member from attending and voting at the meeting or at any adjourned meeting. When two or more valid but differing appointments of proxy are deposited, delivered or received in respect of the same share for use at the same meeting, the one which is deposited with, delivered to or received by the Company (in accordance with the provisions of this Article) last in time (regardless of the date of its making or transmission) shall be treated as revoking and replacing any others as regards that share, but if the Company is unable to determine which of any such two or more valid but differing instruments of proxy was so deposited, delivered or received last in time, none of them shall be treated as valid in respect of that share.

20.21 No appointment of proxy shall be valid after the expiration of 12 months from the date stated in it as the date of its making or transmission. The appointment of proxy shall, unless the contrary is stated, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

20.22 Any vote cast by a proxy who does not vote in accordance with any instructions given by the member by whom he is appointed shall be treated as being valid and the Company shall not be bound to enquire whether a proxy has complied with the instructions he has been given.

20.23 A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid, notwithstanding the previous determination of the authority of the person voting or demanding a poll, unless notice of the determination shall have been received by the Company at the office (or other place at which the appointment of proxy was duly deposited, delivered or received in accordance with Article 20.18) before the commencement of the meeting or adjourned meeting at which the appointment of proxy is used, or, in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting, at the time appointed for taking the poll.

21. POWERS OF THE BOARD

21.1 Subject to the provisions of the Statutes, these Articles and any directions given by special resolution, the business of the Company shall be managed by the Board which may exercise all the powers of the Company. No alteration of these Articles and no directions given by special resolution shall invalidate any prior act of the Board which would have been valid if such alteration had not been made or such direction had not been given. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other Article.

21.2 The Board may from time to time make such arrangements as it thinks fit for the management and transaction of the Company's affairs in the United Kingdom or elsewhere and may for that purpose appoint local boards, managers, inspectors and agents and delegate to them any of the powers, authorities and discretions vested in the Board (other than the power to borrow and make calls) with power to sub-delegate and may authorise the members of any local board or any of them to fill any vacancies therein and to act notwithstanding such vacancies. Any such appointment or delegation may be made upon such terms and subject to such conditions as the Board thinks fit. The Board may at any time remove any person so appointed and may vary or annul such delegation, but no person dealing in good faith and without notice of such removal, variation or annulment shall be affected by it.

21.3 The Board may from time to time by power of attorney appoint any company, firm or person, or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such period and subject to such conditions as it may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him. The Board may revoke or vary any such appointment, but no person dealing in good faith and without notice of such revocation or variation shall be affected by it.

21.4 The Board may delegate any of its powers to any committee consisting of one or more Directors. It may also delegate to any Director holding any executive office or any other Director such of its powers as it considers desirable to be exercised by him. Any such delegation may be made subject to any conditions the Board may impose and either collaterally with or to the exclusion of its own powers and may be revoked or altered, but no person dealing in good faith and without notice of such revocation or variation shall be affected by it. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by these Articles regulating the proceedings of the Board so far as they are capable of applying. If any such committee determines to co-opt persons other than Directors onto such committee, the number of such co-opted persons shall be less than one-half of the total number of members of the committee and no resolution of the committee shall be effective unless a majority of the members of the committee present at the meeting concerned are Directors.

22. BORROWING POWERS

22.1 Subject as provided in these Articles, the Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital and, subject to the Statutes, to issue debentures and other securities, whether outright or as collateral security, for any debt, liability or obligation of the Company or of any third party.

22.2 The Board shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings (if any) so as to secure (as regards subsidiary undertakings so far as by such exercise the Board can secure) that the aggregate amount for the time being outstanding of all borrowings by the group (excluding money owed by any member of the group to any other member of the group) shall not, without the previous sanction of an ordinary resolution of the Company, exceed an amount equal to 3.5 times the adjusted capital and reserves. For the purpose of the above restriction, the **"adjusted capital and reserves"** means the aggregate from time to time of:

22.2.1 the amount paid up on the issued share capital of the Company; and

22.2.2 the amount standing to the credit of the capital and revenue reserves of the Company (or, if the Company has subsidiary undertakings, the consolidated capital and revenue reserves of the group) including any share premium account, capital redemption reserve, revaluation reserve, merger reserve and credit balance on profit and loss account,

22.2.3 all as shown in the latest audited balance sheet of the Company or (as the case may be) the latest audited consolidated balance sheet of the group:

22.2.4 after making appropriate adjustment for any variation in the amount paid up or credited as paid up on the issued share capital of the Company and in the share premium account, capital redemption reserve, revaluation reserve or merger reserve since the date of such balance sheet and so that, for the purpose of making such adjustments, if any issue or proposed issue of shares by the Company for cash has been underwritten, then such shares shall be deemed to have been issued and the amount (including any premium) of the subscription monies payable in respect thereof (not being monies payable later than six months after the date of allotment) shall, to the extent so underwritten, be deemed to have been paid up on the date when the issue of such shares was underwritten (or, if such underwriting was conditional, on the date when it became unconditional);

22.2.5 after making appropriate adjustment for any distribution from such reserves (otherwise than to the Company or to a subsidiary undertaking) not provided for therein;

22.2.6 after excluding any sums set aside for future taxation (including deferred tax);

22.2.7 after deducting any debit balance on profit and loss account as shown in such balance sheet;

22.2.8 after making appropriate adjustment for any company which has become or ceased to be a subsidiary undertaking since the date of such balance sheet and any variation in the interests of the Company in its subsidiary undertakings since the date of such balance sheet;

22.2.9 after making appropriate adjustment for any sums attributable to outside interests in any subsidiary undertaking; and

22.2.10 where the calculation is required for the purposes of or in connection with a transaction under or in connection with which any company is to become or cease to be a subsidiary undertaking, after making such adjustments as would be appropriate if such transaction had been carried into effect.

22.3 For the purpose of Article 22.2 **"borrowings"** shall be deemed to include not only borrowings but also the following except insofar as otherwise taken into account:

22.3.1 the nominal amount of any issued share capital and the principal amount of any debentures or borrowed money (together with any fixed or minimum premium payable on redemption or repayment) of any body, whether corporate or unincorporate, the redemption or repayment of which is the subject of a guarantee or indemnity by a member of the group but excluding any shares or indebtedness the beneficial interest in which is for the time being owned by a member of the group;

22.3.2 the outstanding amount raised by acceptances by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any member of the group;

22.3.3 the principal amount of any debenture (whether secured or unsecured) of a member of the group owned otherwise than by a member of the group;

22.3.4 the principal amount of any preference share capital of any subsidiary undertaking owned otherwise than by a member of the group;

22.3.5 any fixed or minimum premium payable on final redemption or repayment of any borrowing or deemed borrowing; and

22.3.6 the amounts which would be shown as outstanding in respect of any hire purchase commitments or finance lease obligations in an audited consolidated balance sheet for the group, if such a balance sheet had been prepared, in accordance with generally accepted accounting principles,

but shall be deemed not to include:

22.3.7 borrowings incurred by any member of the group for the purpose of repaying the whole or any part of any borrowings by a member of the group for the time being outstanding within six months of being so borrowed, pending their application for that purpose within that period.

22.4 When the aggregate amount of borrowings required to be taken into account for the purposes of these Articles on any particular day is being ascertained, any money denominated or repayable (or repayable at the option of any person other than any member of the group) in a currency other than sterling shall, if not subject to a contract or arrangement determining the rate of exchange, be converted for the purpose of calculating the sterling equivalent at the rate of exchange prevailing in London at the close of business on the last business day before that day or, if it would result in a lower sterling equivalent, at the rate of exchange prevailing in London six months before such day (and for this purpose the rate of exchange shall be taken as the middle market rate as at the close of business on the day in question or, if that is not a business day, on the last business day before the day in question).

22.5 Subject to the provisions of the Statutes, the Board may from time to time change the accounting conventions on which the audited balance sheet or audited consolidated balance sheet is prepared.

22.6 A certificate or report by the auditors as to the amount of the adjusted capital and reserves or the amount of any borrowings or to the effect that the limit imposed by these Articles has not been or will not be exceeded at any particular time or times shall be conclusive evidence of the amount or of that fact. For the purposes of their computation, the auditors may at their discretion make such further or other adjustments (if any) as they think fit. Nevertheless, for the purposes of these Articles the Board may act in reliance on a bona fide estimate of the amount of the adjusted capital and reserves at any time, and, if in consequence such limit is inadvertently exceeded, an amount of monies borrowed equal to the excess may be disregarded until the expiry of 60 days after the day on which (by reason of a determination of the auditors or otherwise) the Board becomes aware that such a situation has or may have arisen.

22.7 Notwithstanding the foregoing, no lender or other person dealing with the Company shall be concerned to see or inquire whether the limit imposed by Articles 22.1 to 22.5 is observed and no borrowing incurred or security given in excess of such limit shall be invalid or ineffectual except in the case of express notice to the lender or the recipient of the security at the time when the borrowing was incurred or security given that the limit had been or was thereby exceeded.

23. NUMBER AND QUALIFICATION OF DIRECTORS

23.1 Unless and until otherwise determined by ordinary resolution of the Company, the Directors (other than alternate Directors) shall be not less than 2 nor more than 10 in number.

23.2 A Director shall not be required to hold any shares of the Company by way of qualification.

23.3 If the number of Directors is reduced below the minimum number fixed in accordance with these Articles, the Directors for the time being may act for the purpose of filling up vacancies in their number or of calling a general meeting of the Company, but not for any other purpose. If there are no Directors able or willing to act, then any two members may summon a general meeting for the purpose of appointing Directors.

23.4 No person other than a Director retiring (or, if appointed by the Board, vacating office) at the meeting shall, unless recommended by the Board, be eligible for election to the office of a Director at any general meeting, unless not less than seven nor more than 42 days before the day fixed for the meeting there shall have been left at the office addressed to the secretary notice in writing by a member entitled to be present and vote at the meeting for which such notice is given of his intention to propose such person for election, and also notice in writing signed by the person to be proposed of his willingness to be elected. The notice from the member shall give the particulars in respect of that person which would (if he were elected) be required to be included in the Company's register of Directors.

24. ELECTION, APPOINTMENT AND RETIREMENT BY ROTATION

24.1 Subject to the provisions of Articles 23.1 to 23.4 and without prejudice to the power of the Board under Article 23.3, the Company may by ordinary resolution elect a person who is willing to act to be a Director either to fill a vacancy or as an additional Director; but so that the total number of Directors shall not at any time exceed the maximum number fixed by these Articles.

24.2 A resolution for the election of two or more persons as Directors by a single resolution shall not be moved at any general meeting unless a resolution that it shall be so moved has first been agreed to by the meeting without any vote being given against it; and any resolution moved in contravention of this provision shall be void. For the purposes of this Article, a motion for approving a person's appointment or for nominating him for appointment shall be treated as a motion for his appointment.

24.3 The Board shall have power to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Board, but so that the total number of Directors shall not at any time exceed the maximum number fixed by these Articles. Any Director so appointed shall hold office only until the next following annual general meeting, and shall then be eligible for election, and unless so elected shall vacate office at the conclusion of such meeting.

24.4 At every annual general meeting all the Directors shall retire from office.

24.5 A retiring Director shall be eligible for re-election. If he is not re-elected or deemed to be re-elected, he shall hold office until the meeting elects someone in his place or, if it does not do so, until the end of the meeting.

24.6 If the Company at the meeting at which a Director retires by rotation does not fill the vacancy, the retiring Director shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the reappointment of the Director is put to the meeting and lost.

25. RESIGNATION AND REMOVAL OF DIRECTORS

25.1 A Director may resign his office either by notice in writing submitted to the Board or, if he shall in writing offer to resign, if the other Directors resolve to accept such offer.

25.2 The Company may, by ordinary resolution at a meeting of which special notice has been given, in accordance with section 312 of the Act, remove any Director before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director. Such removal shall be without prejudice to any claim which such Director may have for damages for breach of any contract of service between him and the Company.

25.3 A Director may be removed from office if he:

25.3.1 receives written notice signed by not less than three-quarters of the other Directors removing him from office without prejudice to any claim which such Director may have for damages for breach of any contract of service or letter of appointment between him and the Company; or

25.3.2 in the case of a Director who holds any executive office, ceases to hold such office (whether because his appointment is terminated or expires) and the majority of the other Directors resolve that his office be vacated.

26. VACATION OF OFFICE

26.1 Without prejudice to the other provisions of these Articles, the office of a Director shall be vacated if the Director:

26.1.1 becomes bankrupt or the subject of an interim receiving order or makes any arrangement or composition with his creditors generally or applies to the court for an interim order under section 253 of the Insolvency Act 1986 (as amended) in connection with a voluntary arrangement under that Act; or

26.1.2 a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months; or

26.1.3 is absent from meetings of the Board for six consecutive months without permission of the Board and the Board resolves that his office be vacated; or

26.1.4 ceases to be a Director by virtue of any provision of the Statutes or becomes prohibited by law from being a Director.

26.2 A resolution of the Board declaring a Director to have vacated or have been removed from office under the terms of Articles 25.3 to 26.1 shall be conclusive as to the fact and grounds of vacation or removal stated in the resolution.

27. REMUNERATION OF DIRECTORS

27.1 The Directors (other than alternate Directors) shall be paid such remuneration (by way of fee) for their services as may be determined by the Board save that, unless otherwise approved by ordinary resolution of the Company in general meeting, the aggregate of the remuneration (by way of fee) of all the Directors shall not exceed £400,000 per annum. Such remuneration shall be deemed to accrue from day to day, shall be divided between the Directors as they shall agree or, failing agreement, equally and shall be distinct from and additional to any remuneration or other benefits which may be paid or provided to any Director pursuant to any other provision of these Articles. The Directors shall also be entitled to be repaid all travelling, hotel and other expenses of attending Board meetings, committee meetings, general meetings, or otherwise incurred while engaged on the business of the Company.

27.2 Any Director who by request of the Board performs special services or goes or resides abroad for any purposes of the Company may be paid such extra remuneration by way of salary, commission, percentage of profits or otherwise as the Board may decide.

28. CHIEF EXECUTIVE, MANAGING AND EXECUTIVE DIRECTORS

28.1 The Board may from time to time:

28.1.1 appoint one or more of its body to the office of chief executive, joint chief executive, managing Director or joint managing Director, or to any other office (except that of auditor) or employment in the Company, for such period (subject to the Statutes and these Articles) and on such terms as it thinks fit, and may revoke such appointment (but so that such revocation shall be without prejudice to any rights or claims which the person whose appointment is revoked may have against the Company by reason of such revocation); and

28.1.2 permit any person elected or appointed to be a Director to continue in any other office or employment held by that person before he was so elected or appointed.

28.2 A Director holding any such office or employment with a member of the group is referred to in these Articles as an **"executive Director"**.

28.3 An executive Director shall (subject to the provisions of any contract between him and the Company) be subject to the same provisions as to resignation and removal as the other Directors, and if he ceases from any cause to be a Director he shall cease to hold any office or employment with a member of the group (but without prejudice to any rights or claims which he may have against the Company by reason of such cessation).

28.4 An executive Director shall not be exempt from retirement by rotation, and shall cease to be a Director if he ceases for any reason to hold the office or employment by virtue of which he is termed an executive Director.

28.5 The remuneration of any executive Director (whether by way of salary, commission, participation in profits or otherwise) shall be decided by the Board and may be either in addition to or in lieu of any remuneration as a Director.

28.6 The Board may entrust to and confer upon any executive Director any of the powers, authorities and discretions vested in or exercisable by it upon such terms and conditions and with such restrictions as it thinks fit, either collaterally with or to the exclusion of its own powers, authorities and discretions and may from time to time revoke or vary all or any of them, but no person dealing in good faith and without notice of the revocation or variation shall be affected by it.

29. ASSOCIATE AND OTHER DIRECTORS

29.1 The Directors may from time to time, and at any time, pursuant to this Article appoint any other persons to any post with such descriptive title including that of Director (whether as associate, executive, group, divisional, departmental, deputy, assistant, local or advisory director or otherwise) as the Directors may determine and may define, limit, vary and restrict the powers, authorities and discretions of persons so appointed and may fix and determine their remuneration and duties and, subject to any contract between him and the Company, may remove from such post any person so appointed. A person so appointed shall not be a Director for any of the purposes of these Articles or of the Statutes, and accordingly shall not be a member of the Board or (subject to Article 21.3) of any committee hereof, nor shall he be entitled to be present at any meeting of the Board or of any such committee except at the request of the Board or of such committee, and if present at such request he shall not be entitled to vote thereat.

30. DIRECTORS' GRATUITIES AND PENSIONS

30.1 The Board may exercise all the powers of the Company to provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any Director who has held but no longer holds any executive office or employment with the Company or with any body corporate which is or has been a subsidiary undertaking of the Company or a predecessor in business of the Company or of any such subsidiary undertaking, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

31. ALTERNATE DIRECTORS

31.1 Any Director (other than an alternate Director) may appoint another Director, or any other person approved by the Board, to be an alternate Director and may at any time terminate that appointment.

31.2 An alternate Director shall (subject to his giving to the Company a postal address within the United Kingdom and, if applicable, an address in relation to which electronic communications may be received by him) be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member, to attend and vote at any such meeting at which the Director appointing him is not personally present, and generally to perform all the functions of his appointor as a Director in his absence, but it shall not be necessary to give notice of such a meeting to an alternate Director who is absent from the United Kingdom.

31.3 An alternate Director shall automatically cease to be an alternate Director if his appointor ceases to be a Director or dies; but, if a Director retires by rotation or otherwise vacates office and is elected or deemed to have been elected at the meeting at which he retires, any appointment of an alternate Director made by him which was in force immediately prior to his retirement shall continue after his election. The appointment of an alternate Director shall also automatically cease on the happening of any event which, if he were a Director, would cause him to vacate office.

31.4 Any appointment or removal of an alternate Director shall be by notice in writing to the Company signed by the Director making or revoking the appointment or in any other manner approved by the Board. A notice of appointment must contain a statement signed by the proposed alternate that he is willing to act as the alternate of the Director giving the notice.

31.5 Save as otherwise provided in these Articles, an alternate Director shall be deemed for all purposes to be a Director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him. An alternate Director may be repaid by the Company such expenses as might properly have been repaid to him if he had been a Director but shall not (unless the Company by ordinary resolution otherwise determines), in respect of his office of alternate Director, be entitled to receive any remuneration or fee from the Company. An alternate Director shall be entitled to be indemnified by the Company to the same extent as if he were a Director.

31.6 An alternate Director shall not be required to hold any shares in the Company and shall not be counted in determining any maximum number of Directors permitted by these Articles.

32. PROCEEDINGS OF THE BOARD

32.1 The Board may meet together for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any such meetings shall be determined by a majority of votes. In case of an equality of votes, the chairman of the meeting shall have a second or casting vote. A Director who is also an alternate Director shall be entitled, in the absence of his appointor, to a separate vote on behalf of his appointor in addition to his own vote and an alternate Director who is appointed by two or more Directors shall be entitled to a separate vote on behalf of each of his appointors in the appointor's absence. A Director may, and the secretary on the requisition of a Director shall, call a meeting of the Board and notice of such meeting shall be deemed to be duly given to each Director if it is given to him personally or by word of mouth or sent in writing to him at his last-known address or any other address given by him to the Company for this purpose or sent by way of electronic communication to an address for the time being notified by him to the Company for this purpose. It shall not be necessary to give notice of a meeting of the Board to any Director absent from the United Kingdom.

32.2 The quorum necessary for the transaction of the business of the Board may be fixed by the Board, and unless so fixed at any other number shall be two. A Director or other person who is present at a meeting of the Board in more than one capacity (that is to say, as both Director and an alternate Director or as an alternate for more than one Director) shall not be counted as two or more for quorum purposes unless at least one other Director or alternate Director is also present.

32.3 Any Director or alternate Director may validly participate in a meeting of the Board or a committee of the Board through the medium of conference telephone or similar form of communication equipment provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Subject to the Statutes, all business transacted in such a manner by the Board or a committee of the Board shall, for the purposes of these Articles, be deemed to be validly and effectively transacted at a meeting of the Board or a committee of the Board, notwithstanding that fewer than two Directors or alternate Directors are physically present at the same place. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.

32.4 The Board may appoint from its number, and remove, a chairman and, if it thinks fit, a deputy chairman of its meetings and determine the period for which they are respectively to hold office. If no such chairman or deputy chairman is appointed, or neither is present within five minutes after the time fixed for holding any meeting, or neither of them is willing to act as chairman, the Directors present may choose one of their number to act as chairman of such meeting.

32.5 A resolution in writing signed by all the Directors for the time being entitled to vote on the resolution at a meeting of the Board (not being less than the number of Directors required to form a quorum of the Board at such meeting) or by all the members of a committee of the Board for the time being shall be as valid and effective as a resolution passed at a meeting of the Board or committee duly convened and held. A resolution signed by an alternate Director need not be signed by his appointor and, if it is executed by a Director who has appointed an alternate Director, it need not also be executed by the alternate Director in that capacity. The resolution may consist of one document or several documents in like form each signed by one or more Directors or alternate Directors and such documents may be exact copies of the signed resolution.

32.6 All acts done by any meeting of the Board, or of a committee of the Board, or by any person acting as a Director or by an alternate Director, shall as regards all persons dealing in good faith with the Company, notwithstanding it be afterwards discovered that there was some defect in the appointment or continuance in office of any Director, alternate Director or person so acting, or that they or any of them were disqualified, or had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed or had duly continued in office and was qualified and had continued to be a Director or an alternate Director and had been entitled to vote.

33. DIRECTORS' INTERESTS

Declarations of interest relating to transactions or arrangements

33.1 Subject to the provisions of the Statutes, and provided that he has made the disclosures required by this Article, a Director notwithstanding his office may be a party to or otherwise directly or indirectly interested in:

33.1.1 any transaction or arrangement with the Company or in which the Company is otherwise interested; or

33.1.2 a proposed transaction or arrangement with the Company.

33.2 A Director shall, subject to sub-section 177(6) of the Act, be required to disclose all interests whether or not material in any transaction or arrangement referred to in Article 33.1 and the declaration of interest must (in the case of a transaction or arrangement referred to in Article 33.1.1) and may (in the case of a transaction or arrangement referred to in Article 33.1.2), but need not, be made:

33.2.1 at a meeting of the Directors; or

33.2.2 by notice to the Directors in accordance with:

(a) Section 184 of the Act (notice in writing); or

(b) Section 185 of the Act (general notice).

33.3 The Directors may resolve that any situation referred to in Article 33.1 and disclosed to them thereunder shall also be subject to such terms as they may determine including, without limitation, the terms referred to in paragraphs (a) to (d) of Article 33.7.

Directors' interests other than in relation to transactions or arrangements with the Company

33.4 For the purposes of Section 175 of the Act, the Directors shall have the power to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a Director under that Section to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company. For these purposes references to a conflict of interest includes a conflict of interest and duty and a conflict of duties. This Article does not apply to a conflict of interest arising in relation to a transaction or arrangement with the Company which are governed by Articles 33.1 to 33.3 inclusive.

33.5 Authorisation of a matter under this Article shall be effective only if:

33.5.1 the matter in question shall have been proposed in writing (giving full particulars of the relevant situation) for consideration at a meeting of the Directors, in accordance with the Board's normal procedures or in such other manner as the Directors may approve;

33.5.2 any requirement as to the quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question and any other interested Director (together the **"Interested Directors"**); and

33.5.3 the matter was agreed to without the Interested Directors voting or would have been agreed to if the votes of the Interested Directors had not been counted.

33.6 Any authorisation of a matter pursuant to this Article shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised.

33.7 Any authorisation of a matter under this Article shall be subject to such terms as the Directors may determine, whether at the time such authorisation is given or subsequently, and may be terminated by the Directors at any time. Such terms may include, without limitation, terms that the relevant Directors:

33.7.1 will not be obliged to disclose to the Company or use for the benefit of the Company any confidential information received by him otherwise than by virtue of his position as a Director, if to do so would breach any duty of confidentiality to a third party;

33.7.2 may be required by the Company to maintain in the strictest confidence any confidential information relating to the Company which also relates to the situation as a result of which the conflict arises (the **"conflict situation"**);

33.7.3 may be required by the Company not to attend any part of a meeting of the Directors at which any matter which may be relevant to the conflict situation is to be discussed, and not to view any board papers relating to such matters; and

33.7.4 shall not be obliged to account to the Company for any remuneration or other benefits received by him in consequence of the conflict situation.

A Director shall comply with any obligation imposed on him by the Directors pursuant to any such authorisation.

33.8 A Director shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or a person connected with him) derives from any matter authorised by the Directors under this Article and any contract, transaction or arrangement relating thereto shall not be liable to be avoided on the grounds of any such benefit.

33.9 Save as otherwise provided by these Articles, a Director shall not vote at a meeting of the Board or of a committee of the Board on any resolution concerning a matter in which he has, directly or indirectly, an interest (other than by virtue of his interest in shares, debentures or other securities of or in or otherwise through the Company) which is material, or a duty which conflicts or may conflict with the interests of the Company, unless his interest or duty arises only because one of the following Articles applies (in which case he may vote and be counted in the quorum):

33.9.1 the resolution relates to the giving to him or any other person of a guarantee, security or indemnity in respect of money lent to, or an obligation incurred by him or by any other person at the request of or for the benefit of, the Company or any of its subsidiary undertakings;

33.9.2 the resolution relates to the giving to a third party of a guarantee, security or indemnity in respect of an obligation of the Company or any of its subsidiary undertakings for which the Director has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;

33.9.3 his interest arises by virtue of his being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any shares, debentures or other securities by the Company or any of its subsidiary undertakings for subscription, purchase or exchange;

33.9.4 the resolution relates to any proposal concerning any other company in which he is interested, directly or indirectly, and whether as an officer or shareholder or otherwise howsoever provided that he does not hold an interest in shares (as that term is used in Part 22 of the Act) representing 1 per cent. or more of either any class of the equity share capital of such company or of the voting rights available to members of such company (any such interest being deemed for the purpose of this Article to be a material interest in all circumstances);

33.9.5 the resolution relates to any arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings, which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates; or

33.9.6 the resolution relates to any proposal concerning any insurance which the Company is empowered to purchase and/or maintain for or for the benefit of any of the Directors or for persons who include Directors provided that, for the purposes of this Article, **"insurance"** means only insurance against liability incurred by a Director in respect of any act or omission by him as is referred to in Article 50.1 or any other insurance which the Company is empowered to purchase and/or maintain for or for the benefit of any groups of persons consisting of or including Directors.

33.10 For the purposes of Articles 33.1 to 33.9 inclusive:

33.10.1 an interest of a person who is, for any purpose of the Act (excluding any such modification thereof not in force when these Articles became binding on the Company), connected with a Director shall be treated as an interest of the Director and, in relation to an alternate Director, an interest of his appointor shall be treated as an interest of the alternate

Director without prejudice to any interest which the alternate Director otherwise has; and

33.10.2 an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

33.11 The Board may exercise the voting power conferred by the shares in any company held or owned by the Company in such manner and in all respects as it thinks fit (including the exercise thereof in favour of any resolution appointing the Directors or any of them directors of such company, or voting or providing for the payment of remuneration to the directors of such company).

33.12 A Director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.

33.13 Where proposals are under consideration concerning the appointment (including the fixing or varying of terms of appointment) of two or more Directors to offices or employments with the Company or any body corporate in which the Company is interested, the proposals may be divided and considered in relation to each Director separately and (provided he is not caught by the proviso to Article 33.9.6 or for another reason precluded from voting) each of the Directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.

33.14 If a question arises at a meeting of the Board or of a committee of the Board as to the right of a Director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting (or if the Director concerned is the chairman, to the other Directors at the meeting) and his ruling in relation to any Director (or, as the case may be, the ruling of the majority of the other Directors in relation to the chairman) shall be final and conclusive.

34. SECRETARY

34.1 Subject to the Statutes, the secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit, and any secretary appointed by the Board may at any time be removed by it.

34.2 Any provision of the Statutes or these Articles requiring or authorising a thing to be done by or to a Director and the secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the secretary.

35. MINUTES

35.1 The Board shall cause minutes to be kept:

35.1.1 of all appointments of officers made by the Board;

35.1.2 of proceedings at meetings of the Board and of any committee of the Board and the names of the Directors present at each such meeting; and

35.1.3 of all resolutions of the Company, proceedings at meetings of the Company or the holders of any class of shares in the Company.

35.2 Any such minutes, if purporting to be signed by the chairman of the meeting to which they relate or of the meeting at which they are read, shall be sufficient evidence without any further proof of the facts therein stated.

35.3 Any such minutes must be kept for the period specified by the Act.

36. THE SEAL

36.1 In addition to its powers under section 44 of the Act, the Company may have a seal and the Board shall provide for the safe custody of such seal. The seal shall only be used by the authority of the Board or of a committee of the Board authorised by the Board. The Board shall determine who may sign any instrument to which the seal is affixed and, unless otherwise so determined, it shall also be signed by at least one authorised person in the presence of a witness who attests the signature. For the purpose of this article an authorised person is any director of the Company, company secretary or any person authorised by the Directors for the purpose of signing documents to which the common seal is applied.

36.2 All forms of certificates for shares or debentures or representing any other form of security (other than letters of allotment or scrip certificates) shall be issued executed by the Company but the Board may by resolution determine, either generally or in any particular case, that any signatures may be affixed to such certificates by some mechanical or other means or may be printed on them or that such certificates need not bear any signature.

36.3 If the Company has:

36.3.1 an official seal for use abroad, it may only be affixed to a document if its use on that document, or documents of a class to which it belongs, had been authorised by a decision of the Directors; and

36.3.2 a security seal, it may only be affixed to securities by the Company Secretary or a person authorised to apply it to securities by the Company Secretary.

37. ACCOUNTING RECORDS, BOOKS AND REGISTERS

37.1 The Directors shall cause accounting records to be kept and such other books and registers as are necessary to comply with the provisions of the Statutes and, subject to the provisions of the Statutes, the Directors may cause the Company to keep an overseas or local or other register in any place, and the Directors may make and vary such directions as they may think fit respecting the keeping of the registers.

37.2 The accounting records shall be kept at the office or (subject to the provisions of the Statutes) at such other place in Great Britain as the Board thinks fit, and shall always be open to inspection by the Directors. No member of the Company (other than a Director) shall have any right of inspecting any accounting record or book or document except as conferred by law or authorised by the Board or by the Company in general meeting.

37.3 The Board shall, in accordance with the Statutes, cause to be prepared and to be laid before the Company in general meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are required by the Statutes. The Board shall in its report state the amount which it recommends to be paid by way of dividend.

37.4 A printed copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Company in general meeting and of the Directors' and auditors' reports shall, at least 21 clear days before the meeting, be delivered or sent by post to every member and to every debenture holder of the Company of whose address the Company is aware or, in the case of joint holders of any share or debenture, to the joint holder who is named first in the register and to the auditors provided that, if and to the extent that the Statutes so permit and without prejudice to Article 38.2, the Company need not send copies of the documents referred to above to members but may send such members summary financial statements or other documents authorised by the Statutes.

38. AUDIT

38.1 Auditors of the Company shall be appointed and their duties regulated in accordance with the Statutes.

38.2 The auditors' report to the members made pursuant to the statutory provisions as to audit shall be laid before the Company in general meeting and shall be open to inspection by any member; and in accordance with the Statutes every member shall be entitled to be furnished with a copy of the balance sheet (including every document required by law to be annexed thereto) and auditors' report.

39. AUTHENTICATION OF DOCUMENTS

39.1 Any Director or the secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Board and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents or accounts are elsewhere than at the office, the officer of the Company having the custody thereof shall be deemed to be a person appointed by the Board, as aforesaid.

39.2 A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting of the Company or of the Board or of any committee of the Board which is certified as such in accordance with Article 39.1 shall be conclusive evidence in favour of all persons dealing with the Company on the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of proceedings at a duly constituted meeting.

40. RECORD DATES

40.1 Notwithstanding any other provision of these Articles but without prejudice to the rights attached to any shares, the Board may fix a date as the record date for any dividend, distribution, allotment or issue and such record date may be on or at any time within six months before or after any date on which such dividend, distribution, allotment or issue is declared, paid or made.

41. DIVIDENDS

41.1 Subject to the Statutes, the Company may by ordinary resolution declare that out of profits available for distribution there be paid dividends to members in accordance with their respective rights and priorities but no dividend shall exceed the amount recommended by the Board.

41.2 Except as otherwise provided by these Articles or the rights attached to any shares, all dividends shall be declared and paid according to the amounts paid on the shares in respect of which the dividend is paid; but no amount paid on a share in advance of the date upon which a call is payable shall be treated for the purposes of this Article or Article 41.5 as paid on the share.

41.3 All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date or be entitled to dividends declared after a particular date, such share shall rank for or be entitled to dividends accordingly.

41.4 Any general meeting declaring a dividend may, upon the recommendation of the Board, by ordinary resolution direct that it shall be paid or satisfied wholly or partly by the distribution of assets, and in particular by paid-up shares or debentures of any other company, and the Board shall give effect to such direction. If the shares in respect of which such a non-cash distribution is paid are uncertificated, any shares in the Company which are issued as a non-cash distribution in respect of them must be uncertificated. Where any difficulty arises in regard to such distribution, the Board may settle it as it thinks expedient, and in particular may issue fractional certificates or authorise any person to sell and transfer any fractions or may ignore fractions altogether, and may fix the value for distribution purposes of such assets (or any part thereof) and may determine that cash shall be paid to any members upon the footing of the value so fixed in order to secure equality of distribution, and may vest any such assets in trustees, upon trust for the members entitled to the dividend, as may seem expedient to the Board.

41.5 Subject to the Statutes, the Board may from time to time pay to the members such interim dividends as appear to the Board to be justified by the profits of the Company available for distribution and the position of the Company, and the Board may also pay the fixed dividend payable on any shares of the Company with preferential rights half-yearly or otherwise on fixed dates whenever such profits, in the opinion of the Board, justify that course. In particular (but without prejudice to the generality of the foregoing), if at any time the share capital of the Company is divided into different classes, the Board may pay interim dividends on shares in the capital of the Company which confer deferred or non-preferential rights as well as in respect of shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferential rights if, at the time of payment, any preferential dividend is in arrear. Provided the Board acts in good faith, the Board shall not incur any liability to the holders of shares conferring any preferential rights for any loss that they may suffer by reason of the lawful payment of an interim dividend on any shares having deferred or non-preferential rights.

41.6 The Board may deduct from any dividend payable to any member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to shares in the Company.

41.7 All dividends and interest shall belong and be paid (subject to any lien of the Company) to those members whose names shall be on the register at the date at which such dividend shall be declared or at the date at which such interest shall be payable respectively, or at such other date as the Company by ordinary resolution or the Board may determine, notwithstanding any subsequent transfer or transmission of shares.

41.8 The Board may pay the dividends or interest payable on shares in respect of which any person is by transmission entitled to be registered as holder to such person upon production of such certificate and evidence as would be required if such person desired to be registered as a member in respect of such shares.

41.9 No dividend or other monies payable in respect of a share shall bear interest against the Company unless otherwise expressly provided by the rights attached to the share. All dividends, interest and other sums payable which are unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until such time as they are claimed. The payment of any unclaimed dividend, interest or other sum payable by the Company on or in respect of any share into a separate account shall not constitute the Company a trustee of the same. All dividends unclaimed for a period of 12 years after having been declared shall be forfeited and shall revert to the Company.

41.10 The Company may pay any dividend, interest or other monies payable in cash in respect of shares by direct debit, bank transfer, cheque, dividend warrant or money order. In respect of shares in uncertificated form, where the Company is authorised to do so by or on behalf of the holder or joint holders in such manner as the Company shall from time to time consider sufficient, the Company may also pay any such dividend, interest or other monies by means of the relevant system concerned (subject always to the facilities and requirements of that relevant system). Without prejudice to the generality of the foregoing, in respect of shares in uncertificated form, such payment may include the sending by the Company or by any person on its behalf of an instruction to the Operator of the relevant system to credit the cash memorandum account of the holder or joint holders or, if permitted by the Company, of such person as the holder or joint holders may in writing direct.

41.11 Every such cheque, warrant or order may be remitted by post directed to the registered postal address of the holder or, in the case of joint holders, to the registered postal address of the joint holder whose name stands first in the register, or to such person and to such postal address as the holder or joint holders may in writing direct. Every such cheque, warrant or order shall be made payable to or to the order of the person to whom it is sent, or to such other person as the holder or joint holders may in writing direct.

41.12 Every such payment made by direct debit or bank transfer shall be made to the holder or joint holders or to or through such other person as the holder or joint holders may in writing direct.

41.13 The Company shall not be responsible for any loss of any such cheque, warrant or order and any payment made by direct debit, bank transfer, by means of a relevant system or such other method shall be at the sole risk of the holder or joint holders. Without prejudice to the generality of the foregoing, if any such cheque, warrant or order has or shall be alleged to have been lost, stolen or destroyed, the Directors may, on request of the person entitled thereto, issue a replacement cheque, warrant or order subject to compliance with such conditions as to evidence and indemnity and the payment of out-of-pocket expenses of the Company in connection with the request as the Directors may think fit.

41.14 Payment of such cheque, warrant or order, the collection of funds from or transfer of funds by a bank in accordance with such direct debit or bank transfer or, in respect of shares in uncertificated form, the making of payment in accordance with the facilities and requirements of the relevant system concerned shall in each case be a good discharge to the Company.

41.15 Any one of two or more joint holders may give effectual receipts for any dividends or other monies payable in respect of the share held by him as joint holder.

41.16 The Board may, if authorised by an ordinary resolution of the Company, offer the holders of ordinary shares the right to elect to receive additional ordinary shares, credited as fully paid, instead of cash in respect of any dividend or any part (to be determined by the Board) of any dividend specified by the ordinary resolution. The following provisions shall apply:

41.16.1 an ordinary resolution may specify a particular dividend or dividends, or may specify all or any dividends declared within a specified period, but such period may not end later than the conclusion of the fifth annual general meeting following the date of the meeting at which the ordinary resolution is passed;

41.16.2 the entitlement of each holder of ordinary shares to new ordinary shares shall be such that the relevant value of such new ordinary shares shall in aggregate be as nearly as possible equal to (but not greater than) the cash amount (disregarding any tax credit) that such holder would have received by way of dividend. For this purpose **"relevant value"** shall be calculated by reference to the average of the middle market quotations for the Company's ordinary shares on the London Stock Exchange as derived from the Daily Official List on the day on which the ordinary shares are first quoted **"ex"** the relevant dividend and the four subsequent dealing days, or in such other manner as may be determined by or in accordance with the ordinary resolution, but shall never be less than the par value of the new ordinary share. A certificate or report by the auditors as to the amount of the relevant value in respect of any dividend shall be conclusive evidence of that amount;

41.16.3 the Board may, after determining the basis of allotment, notify the holders of ordinary shares in writing of the right of election offered to them, and specify the procedure to be followed and place at which, and the latest time by which, elections must be lodged in order to be effective. The basis of allotment shall be such that no shareholder may receive a fraction of a share;

41.16.4 the Board may exclude from any offer any holders of ordinary shares where the Board believes that the making of the offer to them would or might involve the contravention of the laws of any territory or that for any other reason the offer should not be made to them;

41.16.5 the dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable on ordinary shares in respect of which an election has been made (the **"elected ordinary shares"**) and instead additional ordinary shares shall be allotted to the holders of the elected ordinary shares on the basis of allotment calculated as stated. For such purpose the Board shall capitalise, out of any amount for the time being standing to the credit of any reserve or fund (including any share premium account, any capital reserve and the profit and loss account) or otherwise available for distribution as the Board may determine, a sum equal to the aggregate nominal amount of the additional ordinary shares to be allotted on that basis and apply it in paying up in full the appropriate number of unissued ordinary shares for allotment and distribution to the holders of the elected ordinary shares on that basis;

41.16.6 the additional ordinary shares when allotted shall rank pari passu in all respects with fully paid ordinary shares then in issue except that they will not be entitled to participate in the relevant dividend (including the share election in lieu of such dividend); and

41.16.7 the Board may do such acts and things which it considers necessary or expedient to give effect to any such capitalisation and may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for such capitalisation, and any incidental matters and any agreement so made shall be binding on all concerned.

42. RESERVES

42.1 The Board may, before recommending any dividend (whether preferential or otherwise), set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, and pending such application may, also at such discretion, either be employed in the business of the Company or be invested in such investments as the Board may think fit, and so that it shall not be necessary to keep any investments constituting the reserve or reserves separate or distinct from any other investments of the Company. The Board may also, without placing the same to reserve, carry forward any profits which it may think prudent not to distribute.

43. CAPITALISATION OF PROFITS

43.1 The Company may, upon the recommendation of the Board, resolve by ordinary resolution that it be desirable to capitalise all or any part of the profits of the Company specified in Article 43.5 and accordingly that the Board be authorised and directed to appropriate the profits so resolved to be capitalised to the members as at the date specified in the relevant resolution or determined as therein provided who would have been entitled thereto if distributed by way of dividend and in the same proportions.

43.2 Subject to any direction given by the Company, the Board shall appropriate the profits resolved to be capitalised by any such resolution, and apply such profits on behalf of the members entitled thereto either:

43.2.1 in or towards paying up the amounts, if any, for the time being unpaid on any shares held by such members respectively; or

43.2.2 in paying up in full unissued shares, debentures or obligations of the Company, of a nominal amount equal to such profits, for allotment and distribution, credited as fully paid, to and amongst such members in the proportions referred to above or as they may direct,

or partly in one way and partly in the other provided that no unrealised profit shall be applied in paying up amounts unpaid on any issued shares and the only purpose to which sums standing to capital redemption reserve or share premium account shall be applied pursuant to this Article shall be the payment up in full of unissued shares to be allotted and distributed to members credited as fully paid.

43.3 The Board shall have power after the passing of any such resolution:

43.3.1 to make such provision (by the issue of fractional certificates or by payment in cash or otherwise) as it thinks fit for the case of shares, debentures or obligations becoming distributable in fractions, such power to include the right for the Company to retain small amounts the cost of distribution of which would be disproportionate to the amounts involved;

43.3.2 to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing (as the case may require) either:

(a) for the payment up by the Company on behalf of such members (by the application thereto of their respective proportions of the profits resolved to be capitalised) of the amounts, or any part of the amounts, remaining unpaid on their existing shares; or

(b) for the allotment to such members respectively, credited as fully paid, of any further shares, debentures or obligations to which they may be entitled upon such capitalisation,

and any agreement made under such authority shall be effective and binding on all such members.

43.4 The Company in general meeting may resolve that any shares allotted pursuant to Articles 43.1 to 43.3 (inclusive) to holders of any partly paid ordinary shares shall, so long as such ordinary shares remain partly paid, rank for dividends only to the extent that such partly paid ordinary shares rank for dividends.

43.5 The profits of the Company to which Articles 43.1 to 43.3 (inclusive) apply shall be any undivided profits of the Company not required for paying the fixed dividends on any preference shares or other shares issued on special conditions and shall also be deemed to include:

43.5.1 any profits arising from appreciation in capital assets (whether realised by sale or ascertained by valuation); and

43.5.2 any amounts for the time being standing to any reserve or reserves or to the capital redemption reserve or to the share premium or other special account.

44. NOTICES

44.1 Subject to the specific terms of any Article, any notice to be given to or by any person pursuant to these Articles shall be in writing (which, for the avoidance of doubt, shall be deemed to include a notice given in electronic form or by website communication), save that a notice convening a meeting of the Board or of a committee of the Board need not be in writing.

44.2 Save as provided in Articles 44.5 to 44.12, any notice or other Shareholder Information may be served by the Company on, or supplied by the Company to, any person by hand or by sending it by first-class post in a prepaid envelope addressed to such person at his postal address as appearing in the register or by sending or supplying it in electronic form or by website communication in accordance with Article 44.5. In the case of joint holders of a share all notices or other Shareholder Information shall be given or supplied to the joint holder who is named first in the register, and notice so given or other Shareholder Information so supplied shall be sufficient notice or supply to all the joint holders. Any notice to be given to a person may be given by reference to the register as it stands at any time within the period of 15 days before the notice is given and no change in the register after that time shall invalidate the giving of the notice.

44.3 In the case of notices or other Shareholder Information sent by post, proof that an envelope containing the communication was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given or other Shareholder Information sent. If the communication is made by post, it shall be deemed to be given or received at the expiration of 48 hours after the envelope containing it was posted. In calculating the period of hours for the purposes of this Article no account shall be taken of Sundays or Bank Holidays.

44.4 Any member or person nominated to receive Shareholder Information whose address in the register is not within the United Kingdom and who gives to the Company a postal address within the United Kingdom at which notices may be served upon him shall be entitled to have notices served upon him at such postal address, but otherwise no such person, other than a person whose address in the register is within the United Kingdom, shall be entitled to receive any notice from the Company. Any member or person nominated by a member to receive Shareholder Information whose address in the register is not within the United Kingdom and who gives to the Company an address for the purposes of receipt of communications in electronic form may, at the absolute discretion of the Board, have notices served upon him at such address.

44.5 Subject to the provisions of the Statutes, any notice or other Shareholder Information (excluding a share certificate) will be validly sent or supplied if sent or supplied by the Company to any member or person nominated by a member to receive Shareholder

Information in electronic form if that person has agreed (generally or specifically) (or, if the member is a company and it is deemed by the Statutes to have agreed) that the communication may be sent or supplied in that form and:

44.5.1 the notice or other Shareholder Information is sent using electronic means (as that term is used in section 1168 of the Act) to such address (or to one of such addresses if more than one) as may for the time being be notified by the member to the Company (generally or specifically) for that purpose or, if the intended recipient is a company, to such address as may be deemed by a provision of the Statutes to have been so specified;

44.5.2 the notice or other Shareholder Information is sent or supplied in electronic form by hand, handed to the recipient or sent or supplied to an address to which it could validly be sent if it were in hard copy form; and

44.5.3 in each case that person has not revoked the agreement.

44.6 Subject to the provisions of the Statutes any notice or other Shareholder Information (excluding a share certificate) will be validly sent or supplied by the Company if it is made available by means of a website communication where that person has agreed, or is deemed by the Statutes to have agreed (generally or specifically) that the communication may be sent or supplied to him in that manner and:

44.6.1 that person has not revoked the agreement;

44.6.2 that person is notified in a manner for the time being agreed for the purpose between that person and the Company of:

(a) the publication of the notice or other Shareholder Information on a website;

(b) the address of that website; and

(c) the place on that website where the notice or other Shareholder Information may be accessed and how it may be accessed;

44.6.3 the notice or other Shareholder Information continues to be published on the website throughout the period specified in the Act; and

44.6.4 the notice or other Shareholder Information is published on the website throughout the period referred to in Article 44.6.3 provided that if the notice or other Shareholder Information is published on that website for a part but not all of such period, the notice or other Shareholder Information will be treated as published throughout that period if the failure to publish the notice or other Shareholder Information throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the Company to prevent or avoid.

44.7 When any notice or other Shareholder Information is given or sent by the Company by electronic means (as that term is used in section 1168 of the Act), it shall be deemed to have been given on the same day as it was sent to an address supplied by the member or person nominated by the member to receive Shareholder Information, and in the case of the publication of a notice or other Shareholder Information by website communication, it shall be deemed to have been received by the intended recipient when the material was first made available on the website or, if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website pursuant to Article 44.6.2. Proof that a notice contained in an electronic communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given.

44.8 Any provision of this Article 44 which refers to anything agreed, notified or specified by a member shall be deemed to have been validly agreed, notified or specified, notwithstanding any provisions of the Statutes, if agreed, notified or specified by only one and not all of the joint holders of any shares held in joint names.

44.9 Where in accordance with these Articles a member is entitled or required to give or send to the Company a notice in writing, the Company may, if it in its absolute discretion so decides, (and shall, if it is registered to do so or is deemed to have so agreed by any provision of the Statutes) permit such notices (or specified classes thereof) to be sent to the Company by such means of electronic communication as may from time to time be specified (or be deemed by the Statutes to be agreed) by the Company, so as to be received at such address as may for the time being be specified (or deemed by the Statutes to be specified) by the Company (generally or specifically) for the purpose. Any means of so giving or sending such notices by electronic communication shall be subject to any terms, limitations, conditions or restrictions that the Directors may from time to time prescribe.

44.10 A member or person nominated by the member to receive Shareholder Information who (having no registered address within the United Kingdom) has not supplied to the Company either a postal address within the United Kingdom for the service of notices or an address for the service of notices in electronic form, subject always to the terms of Article 44.6 shall not be entitled to receive notices from the Company. If, on three consecutive occasions, a notice to a member or person nominated by the member to receive Shareholder Information has been returned undelivered or the Company receives notice that it is undelivered, such member shall not thereafter be entitled to receive notices from the Company until he shall have communicated with the Company and supplied in writing to the office a new postal address within the United Kingdom for the service of notices or shall have informed the Company, in such manner as may be specified by the Company, of an address for the service of notices in electronic form, subject always to the terms of Article 44.6. For these purposes, a notice sent by post shall be treated as returned undelivered if the notice is sent back to the Company (or its agents) and a notice sent by electronic communication shall be treated as returned undelivered if the Company (or its agents) receive(s) notification that the notice was not delivered to the address to which it was sent.

44.11 Every person who becomes entitled to a share:

44.11.1 except as mentioned in Article 44.11.2, shall be bound by any notice in respect of that share which, before his name is entered in the register, has been duly given to a person from whom he derives his title; but

44.11.2 shall not be bound by any such notice given by the Company under section 793 of the Act or under Article 20.5.

44.12 If the postal service in the United Kingdom or some part of the United Kingdom is suspended or restricted, the directors only need to give notice of a meeting to shareholders with whom the company can communicate by electronic means and who have provided the company with an address for this purpose. The company must also publish the notice in at least one United Kingdom national newspaper and make it available on its website from the date of such publication until the conclusion of the meeting or any adjournment of the meeting. If it becomes generally possible to send or supply notices by post in hard copy form at least six clear days before the meeting, the directors will send or supply a copy of the notice by post to those who would otherwise receive it in hard copy form by way of confirmation.

44.13 A person entitled to a share in consequence of the death, mental disorder or bankruptcy of a member on supply to the Company of such evidence as the Board may reasonably require to show his title to that share, and upon supplying also a postal address within the United Kingdom for the service of notices and documents and, if he wishes, an address for the service and delivery of electronic communications, shall be entitled (subject always to the terms of Article 44) to have served on or delivered to him at such address any notice or document to which the member but for his death, mental disorder or bankruptcy would have been entitled, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Until such address or addresses have been so supplied, any notice or other Shareholder Information may be sent or supplied in any manner in which it might have been sent or supplied if the death, mental disorder or bankruptcy had not occurred and if so sent or supplied shall be deemed to have been duly sent or supplied in respect of any share registered in the name of such member as sole or first-named joint holder.

44.14 Any member present, either personally or by proxy or (in the case of a corporate member) by representative, at any general meeting of the Company or of the holders of any class of shares in the Company shall for all purposes be deemed to have received due notice of such meeting and, where required, of the purposes for which such meeting was called.

45. UNTRACED MEMBERS

45.1 The Company shall be entitled to sell at the best price reasonably obtainable the shares of a member or the shares to which a person is entitled by virtue of transmission on death or bankruptcy if and provided that:

45.1.1 during the period of 12 years prior to the date of the publication of the advertisements referred to in Article 45.1.2 (or, if published on different dates, the earlier or earliest thereof), at least three dividends in respect of the shares have become payable and no dividend has been claimed during that period in respect of such shares;

45.1.2 the Company shall, on or after the expiry of the said 12 years, have inserted advertisements, both in a national newspaper and in a newspaper circulating in the area of the last-known postal address of such member or other person (or the postal address at which service of notices may be effected in accordance with these Articles), giving notice of its intention to sell the said shares;

45.1.3 the said advertisements, if not published on the same day, shall be published within 30 days of each other; and

45.1.4 during the said period of 12 years and the period of three months following the date of publication of the said advertisements (or, if published on different dates, the later or latest thereof) and prior to the exercise of the power of sale, the Company shall not have received an indication either of the whereabouts or of the existence of such member or person.

45.2 If, during the period referred to in Article 45.1.1, any additional shares have been issued by way of rights in respect of shares held at the commencement of such period or in respect of shares so issued previously during such period, the Company may, if the requirement of Articles 45.1.1 to 45.1.4 have been satisfied, also sell such additional shares.

45.3 To give effect to any such sale the Company may:

45.3.1 if the shares concerned are in uncertificated form, in accordance with the Regulations, issue a written notification to the Operator requiring the conversion of the shares into certificated form; and

45.3.2 appoint any person to execute as transferor an instrument of transfer of the said shares and such instrument of transfer shall be as effective as if it had been executed by the holder of, or person entitled by transmission to, such shares.

45.4 The title of the transferee shall not be affected by any irregularity in or invalidity of the proceedings relating thereto.

45.5 The net proceeds of sale shall belong to the Company which shall:

45.5.1 be obliged to account to the former member or other person previously entitled as aforesaid for an amount equal to such proceeds; and

45.5.2 (until the Company has so accounted) enter the name of such former member or other person in the books of the Company as a creditor for such amount.

45.6 No trust shall be created in respect of the debt, no interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds which may be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company (if any)) as the Board may think fit.

46. DESTRUCTION OF DOCUMENTS

46.1 The Company shall be entitled to destroy:

46.1.1 at any time after the expiration of six years from the date of registration thereof or on which an entry in respect thereof shall have been made (as the case may be), all instruments of transfer of shares of the Company which shall have been registered and all letters of request, renounced allotment letters, renounceable share certificates, forms of acceptance and transfers and applications for allotment in respect of which an entry in the register shall have been made;

46.1.2 at any time after the expiration of one year from the date of cancellation thereof, all registered certificates for shares of the Company (being certificates for shares in the name of a transferor and in respect whereof the Company has registered a transfer) and all mandates and other written directions as to the payment of dividends (being mandates or directions which have been cancelled); and

46.1.3 at any time after the expiration of one year from the date of the recording thereof, all notifications of change of name or address (including addresses for the purpose of receipt of communications in electronic form).

46.2 It shall conclusively be presumed in favour of the Company that every entry in the register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made, and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered, and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled, and every other document hereinbefore mentioned was in accordance with the recorded particulars thereof in the books or records of the Company provided always that:

46.2.1 the foregoing provisions shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;

46.2.2 nothing contained in this Article or Article 46.1 shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Article or Article 46.1;

46.2.3 references herein to the destruction of any document include references to its disposal in any manner; and

46.2.4 any document referred to in Articles 46.1.1, 46.1.2 and 46.1.3 may be destroyed at a date earlier than that authorised by Article 46.1 provided that a permanent copy of such document shall have been made which shall not be destroyed before the expiration of the period applicable to the destruction of the original of such document and in respect of which the Board shall take adequate precautions for guarding against falsification and shall provide adequate means for its reproduction.

47. WINDING-UP

47.1 The power of sale of a liquidator shall include a power to sell wholly or partially shares or debentures, or other obligations of another company, either then already constituted, or about to be constituted, for the purpose of carrying out the sale.

47.2 On any voluntary winding-up of the Company, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act or the Insolvency Act 1986 (as amended), divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. Any such division shall be in accordance with the existing rights of the members. The liquidator may, with the like sanction, vest the whole or any part of the assets of the Company in trustees on such trusts for the benefit of the members as he, with the like sanction, shall determine, but no member shall be compelled to accept any assets on which there is a liability.

48. PROVISION FOR EMPLOYEES

48.1 The Company may, pursuant to a resolution of the Board and in accordance with the Act, make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

49. INDEMNITY

49.1 Subject to the Act the Company may indemnify, out of the assets of the Company, any director of the Company or of any associated company against all losses and liabilities which he may sustain or incur in the execution of the duties of his office or otherwise in relation thereto, provided that this Article 49.1 shall only have effect insofar as its provisions are not void under sections 232 or 234 of the Act.

49.2 The Company may also indemnify, out of the assets of the Company, any director of either the Company or any associated company where the Company or such associated company acts as trustee of a pension scheme, against liability incurred by him in connection with the relevant company's activities as trustee of such scheme, provided that this Article 49.2 shall only have effect in so far as its provisions are not void under sections 232 or 235 of the Act.

49.3 Subject to sections 205(2) to (4) of the Act, the Company may provide a Director with funds to meet expenditure incurred or to be incurred by him in defending (or seeking relief in respect of) any civil or criminal proceedings brought or threatened against him in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the Company or an associated company, and the Company shall be permitted to take or omit to take any action or enter into any arrangement which would otherwise be prohibited under sections 197 to 203 of the Act to enable a director to avoid incurring such expenditure.

49.4 Subject to section 206 of the Act, the Company may also provide a Director with funds to meet expenditure incurred or to be incurred by him in defending himself in an investigation by a regulatory authority or against action proposed to be taken by a regulatory authority in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the Company or any associated company and the Company shall be permitted to take or omit to take any action or enter into any arrangement which would otherwise be prohibited under section 197 of the Act to enable a director to avoid incurring such expenditure.

49.5 For the purpose of Articles 49.1, 49.2 and 49.4 the expression **"associated company"** shall mean a company which is either a subsidiary or a holding company of the Company or a subsidiary of such holding company as such terms are defined in the Act.

50. INSURANCE

50.1 Subject to the provisions of the Act, the Board shall have the power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers or employees of the Company, or of any company or body which is its holding company or in which the Company or such holding company has an interest whether direct or indirect or which is in any way allied to or associated with the Company or who were at any time trustees of any pension fund in which any employees of the Company or of any other such company or body are interested including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to the Company and/or any such other company, body or pension fund.

APPENDIX B

CONSOLIDATED FINANCIAL STATEMENTS 2022

Benchmark®

Driving sustainability in aquaculture

Benchmark Holdings plc
Annual Report and Accounts 2022

Our Mission

Benchmark's mission is to drive sustainability in aquaculture by delivering mission critical products and solutions that improve farming efficiency and animal health and welfare for aquaculture producers

We deliver solutions in three complementary areas Genetics, Advanced Nutrition and Health

See pages 20-21 for Genetics

See pages 22-23 for Advanced Nutrition

See pages 24-25 for Health

Contents

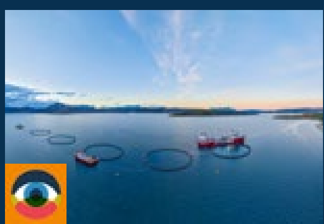
Our business is powered by committed people driven by the desire to make a difference

Guided by our values – innovative, passionate, collaborative and commercial – we contribute to a sustainable aquaculture future

See pages 21, 23, 25 & 57 for more on our values in action

Growing with our customers through disciplined investment

Adding value to hundreds of hatcheries and farms worldwide everyday



Improving customer outcomes by optimising our Ectosan® Vet and CleanTreat® sea lice solution

Teams across the globe compete in "Around the World Challenge" to raise funds for local charities

2021/22 Highlights

Consistent delivery

Financial highlights[1]

- Revenue 27% ahead of FY21
- Adjusted EBITDA 60% above FY21
- Operating loss of £7.9m (FY21: £5.4m loss)
- Tangible capex of £10.8m (FY21: £18.0m)
- Loss after tax of £30.5m (FY21: £11.6m loss); driven by increase in depreciation and amortisation +£14.4m and finance costs +£11.5m

Adjusted EBITDA[1] (£m)(%)

£31.2m

2022	31.2	20%
2021	19.4	16%
2020	14.5	14%

Total R&D investment[2] (£m) (expensed and capitalised)

£8.4m

2022	8.4
2021	11.8
2020	14.6

Revenue (£m)

£158.3m

2022	158.3
2021	125.1
2020	105.6

Operating loss (£m)

£7.9m

2022	7.9
2021	5.4
2020	10.9

Tangible capex (£m)

£10.8m

2022	10.8
2021	18.0
2020	5.9

Gross margin (%)

52%

2022	52
2021	52
2020	52

Total loss after tax (£m)

£30.5m

2022	30.5
2021	11.6
2020	31.9

Net debt[3] (£m)

£73.7m

2022	(73.7)
2021	(80.9)
2020	(37.6)

Operational highlights

Genetics

Recent investments delivering growth and stronger market position

- Completion of new salmon egg incubation unit in Iceland enhancing ability to meet customer demand year round
- Continued growth in salmon egg sales demonstrates success of Salten ramp-out and investment in new incubation unit in Iceland
- Commercial launch of specific pathogen-resistant (SPR) shrimp in Asia and Latin America supported by expanded capacity in Fellsmere, US

See pages 20-21 for more on Genetics

Advanced Nutrition

Excellent performance driven by commercial focus, operational efficiencies and ongoing innovation

- Continued momentum with growth in all product areas reflects the success of an enhanced commercial organisation supported by a recovery in the shrimp markets post COVID-19.
- Launch of new products including automated Artemia separation tool which delivers performance and sustainability benefits.
- People - Excellent engagement and implementation of our Performance Framework and high global employee engagement in FY22.
(See page 52 for more on People).

See pages 22-23 for more on Advanced Nutrition

Health

Ectosan® Vet and CleanTreat® - Increased customer adoption and progress towards optimised solution

- Obtained variation to the Marketing Authorisation in Norway enabling a second use of treatment water, increasing operational efficiency and customer appeal
- Obtained Marketing Authorisation in the Faroe Islands
- Third CleanTreat® system ordered and development of new system configuration underway

See pages 24-25 for more on Health

Group

- **Group synergies:** integrated commercial and marketing functions around species enhancing customer focus and creating efficiencies.
- **Sustainability**: progress in line with plan towards Net Zero targets; completion of energy efficiency plan for Thailand and commenced installation of solar panels.

See pages 36-57 for more on sustainability

- **People:** continued implementation of performance management framework strategy and achieved high employee engagement score.

See pages 52-57 for more on people

1 Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, impairment and exceptional and acquisition-related items. See income statement
2 See Note 35.
3 See Note 36.

We are a purpose-driven business Our mission is to drive sustainability in aquaculture

The challenge

Aquaculture plays a crucial role in global food security, supplying more than 50% of seafood globally. To feed a human population expected to reach almost ten billion people by 2050, aquaculture needs to grow sustainably.

800
people
employed worldwide

26
countries
Commercial and R&D operations

750
clients
in 70 countries

Our purpose

To drive sustainability in aquaculture

Our business areas:

Genetics

Professional genetics provide a crucial starting point for resource efficiency, disease resistance and survivability across the production cycle. We have long-standing breeding programmes and apply the latest genomic tools to deliver superior genetics products for salmon, shrimp and tilapia.

36% revenue.

Advanced Nutrition

Early-stage nutrition promotes growth, health and survivability throughout the production stages. We have a broad portfolio of nutritional and preventative health solutions based on proprietary technology which enables our customers to optimise their production.

51% revenue.

Health

Our sea lice solutions address one of the biggest sustainability challenges in salmon production, affecting yield and animal welfare, and constraining growth.

13% revenue.

Our strategy: roadmap for growth and profitability

- **Maintain and grow** leading positions in established markets benefitting from structural market growth.
- **Grow organically** through development of new products and entry into new markets.
- **Explore add-on opportunities** – carefully targeted within core areas.

See pages 26-27 for more on our strategy

Benchmark helps to meet this challenge by delivering mission critical products and solutions that improve farming efficiency and animal health and welfare for aquaculture producers while reducing the environmental impact.

Our strategic principles

Stay true to the core
We are focused on our three business areas and leverage existing competencies.

Financial discipline
We actively manage costs and cash and make disciplined investments that deliver returns.

Execution
We have a culture of delivery aligned to incentives.

Profitable growth
We seek profitable growth through organic development supported by industry megatrends.

See pages 26-27
for more on our strategy

Focus on sustainability

Through our products:
By developing products and solutions that enhance resource efficiency, yield and animal health and welfare for aquaculture producers.

As a responsible operator:
- Net Zero Commitment
- Industry-leading fish welfare practices
- Sourcing sustainably certified ingredients
- Climate risk assessment and mitigation
- Anti-slavery supplier policy

Contributing to UN SDGs:

2 ZERO HUNGER
3 GOOD HEALTH AND WELL-BEING
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES
14 LIFE BELOW WATER

See pages 36-57
for more on our sustainability

Our values underpin everything we do:

Innovative
We actively seek opportunities and find sustainable solutions to challenges and opportunities.

Passionate
We live our mission and strive for excellence.

Collaborative
We take a collaborative approach internally and externally with all stakeholders.

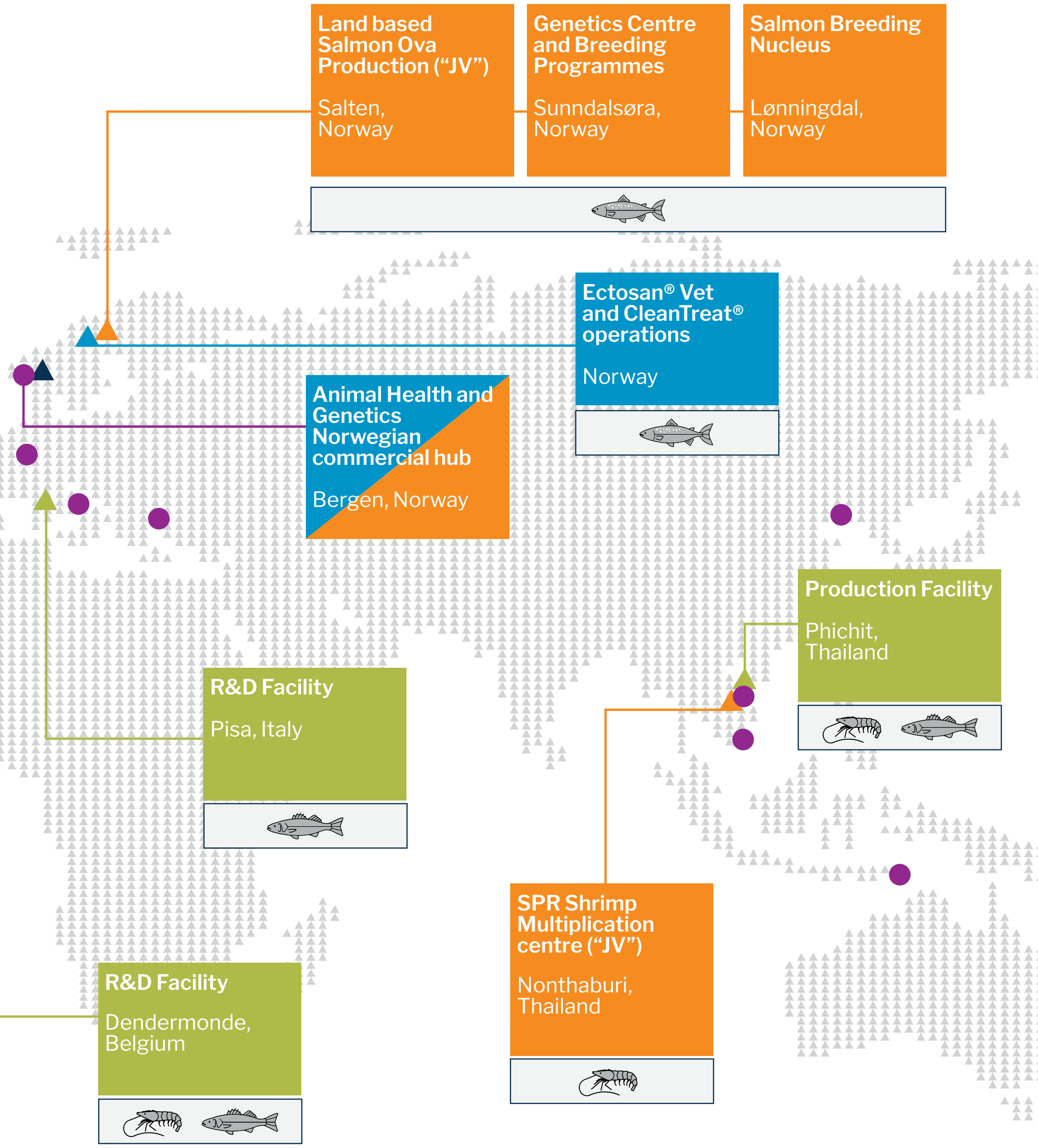
Commercial
We have a customer-focused, commercial mindset.

See page 52
for more on our values

Where we Operate

Delivering on a global scale with capacity for growth

Benchmark is active in all the world's main aquaculture markets



Production Sites and R&D — Genetics
Production Sites and R&D — Nutrition
Production Sites and R&D — Health
Production Sites and R&D
Commercial Offices

The Benchmark way: a video insight into our global operations.

Advanced Nutrition manufacturing facility

Phichit, Thailand

Salmon genetics production facility

Salten, Norway

Shrimp multiplication centre

Fellsmere FL, USA

Benchmark Health – CleanTreat® and Ectosan Vet® Operations

Driving sustainability

Our aim is to be the leading aquaculture biotechnology company driving sustainability.

Our focus

Our focus is on three complementary business areas — Genetics, Health and Advanced Nutrition — that are critical to the productivity and sustainability of aquaculture across the production cycle.

Delivering for our customers

What sets us apart

Unique position in the aquaculture industry
We have a unique position in our industry, providing highly specialised mission critical solutions in three complementary areas: genetics, health and advanced nutrition.

Mature biotechnology platform underpinned by IP and know-how
We have a track record of innovation and a leading team of scientists who continuously develop new and better products and solution for our customers.

Superior products and technical services
Our strategy is to deliver superior products supported by an expert technical team to optimise performance for our customers.

Customer and industry insight
Our industry knowledge and customer relationships in all key markets provide insight into the short and long term needs and challenges faced by aquaculture producers.

Our people
Our people sit at the core of our organisation and drive everything we do. We have an accomplished management team with extensive experience, leading a team of more than 800 committed people working together towards the same goals.

Purpose and values
Our people are committed to our sustainability purpose and guided by our values – innovative, passionate, collaborative and commercial.

Reinvesting in our business

The value we create for our stakeholders

The products and solutions we develop play an important role in meeting the needs of aquaculture producers and consumers for an ethical, reliable and nutritious source of animal protein in fish and shrimp.

For our customers
We make an important contribution to worldwide sustainable food production, delivering products and solutions that improve sustainability and performance for aquaculture producers through better yield, quality and animal health and welfare.

For consumers
Our products and solutions enable consumers to enjoy affordable, ethically sourced, high-quality food of high provenance.

For employees
We offer rewarding careers in a purpose-driven business with a culture of inclusiveness, where employees are motivated and inspired to make a difference.

For society
We contribute through job creation and training, investment in infrastructure, local sourcing and the taxes we pay. We also advance environmental stewardship in aquaculture.

For shareholders
We are committed to delivering long-term growth and returns for our shareholders.

Generating profits

Understanding our customer needs
Through our commercial teams and relationships with our customers, we identify current and future needs across the production cycle.

Innovation
Our team of scientists and geneticists use our commercial insights, expertise and technology platforms to develop innovative and sustainable solutions.

Testing and trials
We undertake trials to demonstrate the performance and benefits of our new solutions. In our tests, we have high regard for animal welfare and follow the principle of reducing, refining and replacing animal use.

Regulatory/marketing approval
We have a strong governance framework to meet the highest standards. Our team of regulatory experts work with regulators and governments to gain approvals for new products, solutions and new markets.

Manufacturing/production
We operate well-designed and scalable manufacturing facilities to make efficient use of resources, support good animal welfare and promote ecosystem health. We look for ways to improve our operations to achieve our Net Zero target.

Commercial focus and delivery
Our commercial focus allows us to deliver high-quality customer-centric products and solutions, along with high levels of technical service and customer support which gives us a leading position in the market.

Delivering returns for shareholders

Chairman's Statement

A year of delivery

"I am pleased to report a second year of strong performance for Benchmark which translated into improved underlying profitability and cash generation.

With a focused strategy and driven organisation we will continue on our path to deliver sustainable profitability, cash generation and shareholder returns"

Peter George
Chairman

I am proud to report a second year of strong performance for Benchmark, continuing a path that started in 2019 with a substantial reorganisation of the business and the appointment of a new management team.

In 2022 our focus was on delivering profitable growth in each of our established core areas, on fully commercialising our recently launched products, and on maintaining disciplined cash management and investment. Together, this translated into a very strong performance with significant top line growth and improved underlying profitability. We remain committed to continuing on this path of consistent delivery to reach sustainable profitability and cash generation, and ultimately attractive shareholder returns.

Macroeconomic and geopolitical conditions in the year materially affected markets around the world and impacted the performance of our shares. Smaller growth companies were particularly affected by fund outflows and a change in investor sentiment. This is particularly disappointing given the significant progress that the Company made during the year. However, I am confident that we are building fundamental value for our shareholders, which will crystallise in the coming years.

Performance

The Group delivered excellent growth in the year with a 27% increase in revenue and an 83% increase in Adjusted EBITDA excluding fair value movements from biological assets. Importantly, each of our three business areas delivered higher revenues and Adjusted EBITDA, with growth in established areas and progress in the commercialisation of new solutions, including Ectosan® Vet and CleanTreat® and SPR shrimp genetics. We now have a solid, diversified, well-balanced Group across geographies and species which provides multiple opportunities for growth as well as resilience to volatility in specific markets.

Adjusted EBITDA

£31.2m

2021: £19.4m

Adjusted EBITDA is the key profitability measure we use to track underlying performance. In FY22 the Group delivered Adjusted EBITDA of £31.2m (FY21: £19.4m) and an Adjusted EBITDA margin of 20% (FY21: 16%) as a result of top line growth, increased asset utilisation and good cost control.

There was an increase in depreciation related to our CleanTreat® operations and higher net finance costs reflecting foreign exchange volatility as well as costs associated with the refinancing of our pre-existing NOK bond. This led to a net loss for the year of £30.5m (FY21: £11.6m loss).

Financing

An area of focus for the Board in FY22 was to maintain a solid financial position to support the Company's trading momentum and growth strategy. To this end, in November 2021 the Company raised £20.7m through a placing of shares with existing and new shareholders which provided additional headroom. Later in the year, in September 2022, in challenging macroeconomic and market conditions, the Company successfully refinanced its NOK 850 million bond which was due to mature in June 2023. The refinancing was achieved through the issue of a NOK 750 million unsecured green bond maturing in 2025 which validates our strong ESG credentials, and places us in a solid financial position, particularly in light of the ongoing challenging environment in the financial markets.

Sustainability

Benchmark's mission is to drive sustainability in aquaculture.
In alignment with our mission, sustainability is front and centre in our strategy and our operations. Our products are designed to deliver improved yield and animal welfare, improving resource efficiency and reducing environmental impact.
In addition, we manage our own operations responsibly with an ambitious commitment to energy transition. In 2022, we made substantial progress towards our Net Zero goals by developing a comprehensive emissions reduction programme for our Thailand facility centred around the installation of solar panels which commenced in 2022. In addition, during the year we conducted a climate risk assessment across the Group for the first time representing an important step towards TCFD (Task Force on Climate-related Financial Disclosures) compliance in 2023. You can read more about our ESG progress and climate risk assessment on pages 40-49.

Board

On 29 November 2021, the Board appointed Atle Eide as Non-Executive Director. Given Atle's previous role as a director of Kverva AS, a significant shareholder in the Company, he is not deemed an independent director. Atle has extensive experience in the seafood industry including in his former roles as Chairman of Salmar ASA and CEO of Mowi ASA, and as an investor, bringing value to the Board.

Regular Board evaluation is an important element in maintaining high standards of corporate governance and Board effectiveness. In 2022, the Board conducted an internal evaluation exercise. The results, which were reviewed at the September 2022 Board meeting, confirmed that the Board continues to perform effectively and with a high degree of Director engagement.

Board meetings were held at various Group locations during the year, enabling the Directors to interact broadly with our people, promoting engagement and an understanding of local cultures.

Euronext Growth Listing

During the year, we communicated our intention to pursue a listing in Oslo as the world's largest seafood-focused market. Our decision followed extensive consultation with shareholders, concluding that the Company would benefit from a listing in Oslo to expand its access to a global base of specialist seafood investors and analysts and to improve liquidity in our shares.

The Company's plan to launch a dual-listing on Euronext Growth Oslo before the end of the calendar year is well progressed. The dual-listing represents a first step towards a listing on the Oslo Stock Exchange (Oslo Børs), the world's leading listed venue for seafood and aquaculture companies. The Board intends to uplist the Company to the Oslo Børs from Euronext Growth Oslo in the first half of the calendar year 2023. In tandem, we intend to consult with shareholders on whether to maintain the admission of the Company's shares to trading on AIM. The intended dual listing on Euronext Growth Oslo and the uplisting to the Oslo Børs are both subject to market conditions.

In connection with its proposed admission to Euronext Growth Oslo, Benchmark has today announced the terms of a potential private placement and retail offering in Norway, representing in aggregate 5% of the Company's enlarged issued share capital.

Looking ahead

While macroeconomic conditions remain challenging as we enter 2023 with high levels of cost inflation and interest rates affecting consumer spend, Benchmark has started the year positively and is prepared to meet the challenges of an inflationary environment through a combination of price increases and operational efficiencies to mitigate inflationary pressure. Moreover, the Company enters 2023 with good momentum, and with a clear strategy that will help deliver continued growth and progress towards sustainable profitability and cash generation.

Longer term, Benchmark is well placed to deliver growth and attractive shareholder returns. The Company is well invested, with multiple, visible growth opportunities underpinned by existing infrastructure. This, together with Benchmark's leading market positions and the megatrends driving the aquaculture industry, give us confidence in the future.

Our strong performance this year could not have been achieved without the efforts of the 800+ people who make up this great company. Their hard work, integrity and expertise have shone through, and on behalf of the Board, I want to thank them for everything they have done, and continue to do, for Benchmark. I also want to thank and acknowledge our shareholders and other stakeholders for their continued support.

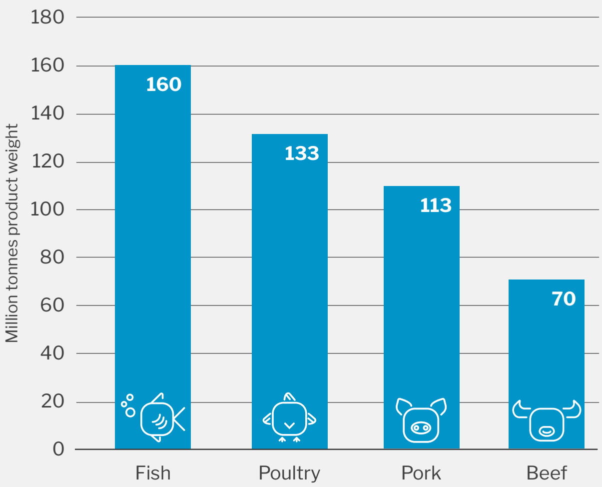
Peter George
Chairman

A large, growing industry driven by global megatrends

Large, growing end market: seafood

Fish and shellfish is the most consumed animal protein and continues to grow in importance. We are eating more seafood than ever, more than double our consumption 50 years ago[1].

Global protein consumption



20%

of animal protein intake for

3.3bn people

Has grown from

9kg to **21kg** per capita in **30 years**

and forecast to grow

[1]Source: FAO

Million tonnes product weight

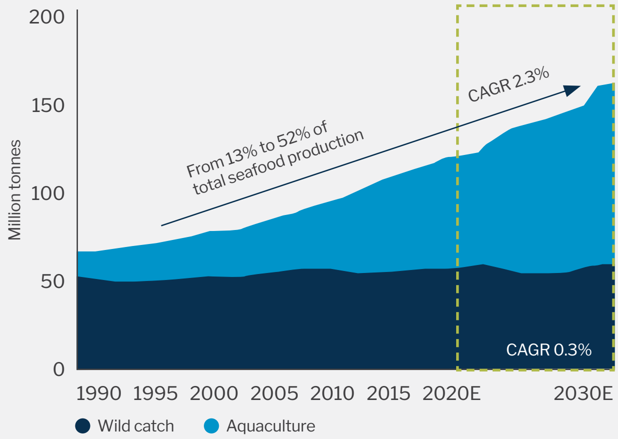
Source: OECD-FAO Agricultural Outlook 2021-2030; Journal of World Aquaculture Society, WUR, Company Estimate

Aquaculture supplies more than 50% of the seafood market

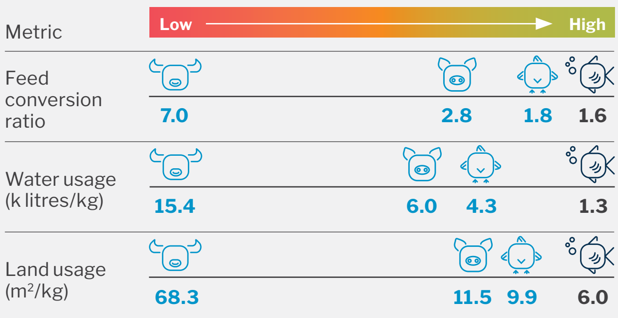
With wild fish capped, aquaculture is responsible for a growing percentage of seafood consumption, representing more than 50% to date. Still, aquaculture is considered a young industry, with significant opportunity to develop.

Seafood scores favourably on health and sustainability compared to other animal proteins; driving future growth.

Aquaculture and wild catch production



High efficiency and sustainability scores



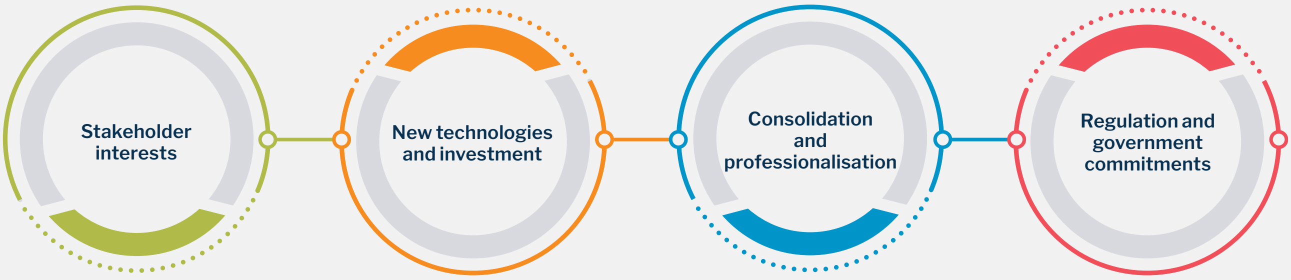
> "Aquaculture has great potential to feed and nourish the world's growing population. But growth must be sustainable."
>
> Food and Agriculture Organisation (FAO) 2022

Challenges to sustainable growth and catalysts for change

In order for the aquaculture industry to reach its full potential it needs to develop in a sustainable way addressing a number of issues which are of increasing importance to all stakeholders from consumers and local communities to governments and shareholders.

- Resource efficiency
- Antibiotic use
- Fish welfare
- Biodiversity loss
- Green house gas emissions
- Effluents
- Fish feed supply
- Working conditions

Catalysts for change



Benchmark's unique platform enables sustainable growth for major aquaculture species globally

We have a unique position within the aquaculture industry and play a key role in providing mission critical solutions to drive sustainability in aquaculture through our three core business areas.

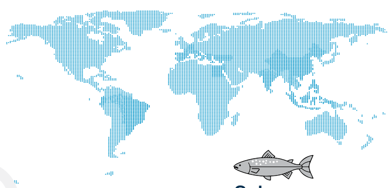
Unique

- Genetics
- Advanced Nutrition
- Health

Specialised

- Farming efficiency
- Sustainable production
- Animal health & welfare

Global

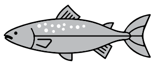


Customers in **70+** countries

- Salmon
- Shrimp
- Bass/Bream
- Tilapia

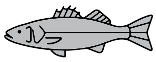
Species at a glance

Value of global production[1]



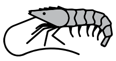
Salmon

£14bn



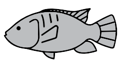
Sea bass / sea bream

£2.5bn



Shrimp

£30bn



Tilapia

£6bn

[1]FAO, Kontali, Company estimates

Salmon

Maturity level: **high**

Salmon farming is a consolidated and well invested sector, leading technology adoption and industrialisation in aquaculture.

Salmon farming is highly regulated due to environmental and animal welfare concerns which limits growth in supply. This promotes the adoption of new technologies and solutions that improve yield. New production paradigms are emerging such as ocean and land-based farming and Benchmark is well placed to serve all production models with specialist genetics and efficacious sea lice treatments.

Top producing countries:

(percentage of world production in tonnes) (2021)

Norway 53%
Chile 25%
UK 7%
Canada 5%
Faroes & Iceland 5%

Production:

Volume:
2.9 million tonnes (2021)
Value: £14bn
Market growth:
4% (2023e)

Source: Pareto Securities

Shrimp

Maturity level: **medium**

Shrimp is a highly diverse and geographically dispersed industry experiencing growing industrialisation and adoption of new technologies.

The shrimp farming sector is twice as large in value as salmon. Shrimp is farmed in many countries across Asia and Latin America in farms ranging from small family-owned ponds to large multinational sophisticated producers. Historically, the industry has faced environmental and disease challenges which have significantly impacted production. However, the industry is increasingly adopting new practices, technologies and solutions which together with increased regulation, is improving production outcomes.

Top producing countries

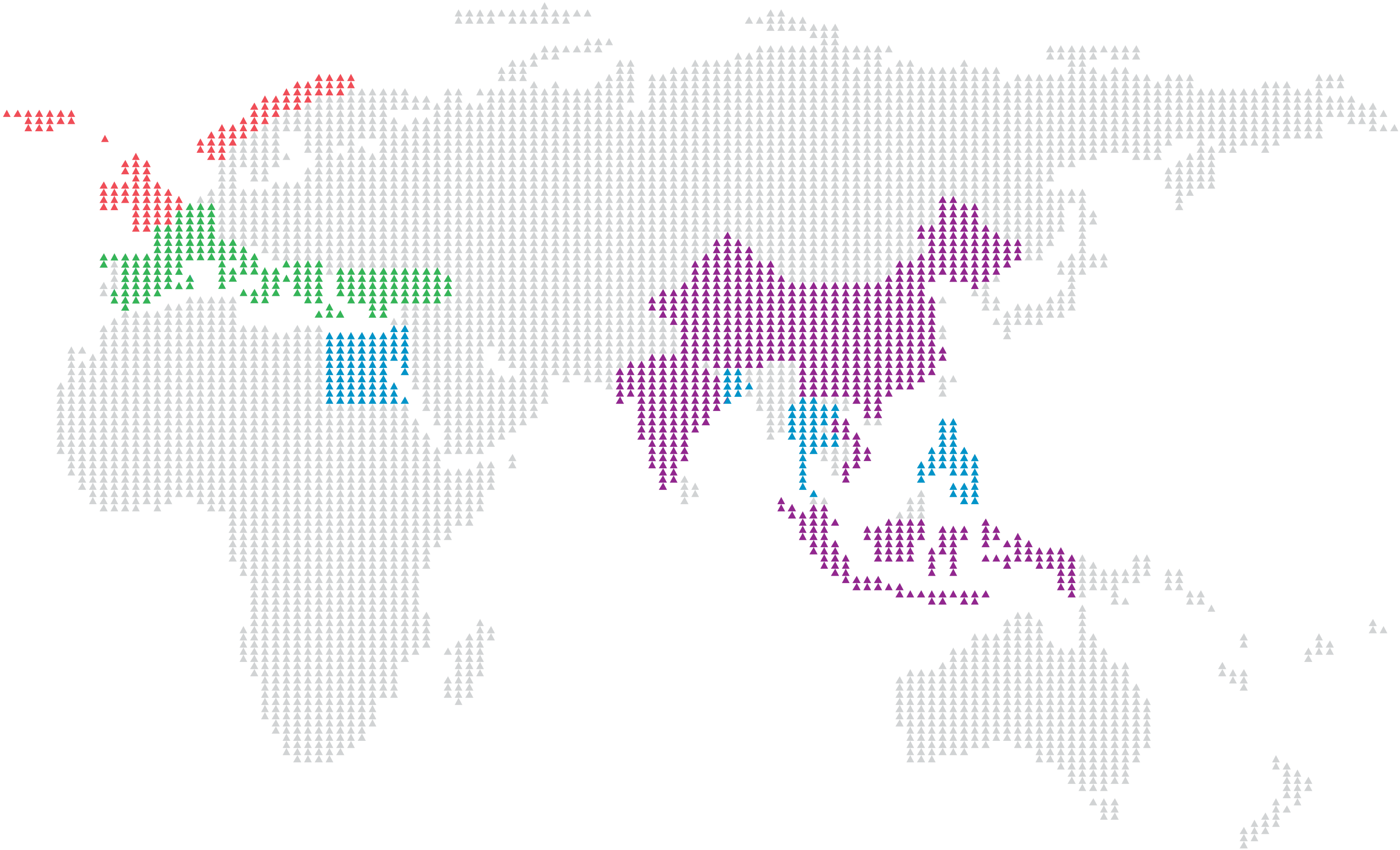
(percentage of world production in tonnes) (2021)

Ecuador 24%
India 21%
China 16%
Vietnam 12%
Indonesia 7%
Thailand 6%

Production:

Volume:
4.2 million tonnes
Value: £30bn
Market growth:
5% (2022e)

Source: Company Estimates



Sea bass and sea bream

Maturity level: **medium**

The Mediterranean sea bass and sea bream industry is semi-consolidated and professionalised with an ongoing focus on efficiency and biosecurity.

The Mediterranean aquaculture industry has gone through a period of consolidation which has increased industrialisation and fostered the adoption of new technology. There is an ongoing drive for efficiency amongst industry participants in the face of challenging macroeconomic conditions globally and in the region. This translates into growing demand for better genetics, data management and other welfare tools. There is also a growing interest and investment in sustainability measures.

Top producing countries:

(percentage of world production in tonnes) (2021)

Turkey 48%
Greece 24%
West Mediterranean (France, Italy, Spain, Portugal and Croatia) 20%

Production:

Volume:
415,000 tonnes
Value: £2.5bn
Market growth:
2% (2022e)

Source: Company Estimates

Tilapia

Maturity level: **low**

Tilapia is a large, fragmented industry with a low level of industrialisation; there is increasing use of new tools amongst larger players to improve efficiencies.

Tilapia is a low margin species with mixed husbandry practices which makes adoption of new tools longer-term overall. However, the industry is seeing a trend towards professionalisation in some markets with increased use of probiotics and health products, vaccination and biofloc systems. Those producers are benefitting from our advanced breeding programme resulting in improved growth and resistance to some of the major diseases affecting the industry.

Top producing countries:

(percentage of world production in tonnes) (2021)

China 34%
Indonesia 22%
Egypt 15%
Brazil 8%
Thailand 5%
Philippines 5%
Bangladesh 4%
Vietnam 3%

Production:

Volume:
6.3 million tonnes
Value: £6bn
Market growth:
4% (2022e)

Source: Company Estimates

A unique value proposition

We are a leading aquaculture biotechnology company uniquely positioned to address the need for sustainable seafood production.

Aquaculture: Growing industry driven by megatrends

- Crucial role in food security: **>50% of fish consumption**
- **Attractive expected growth** for major species
- **Lower carbon footprint** than other animal proteins
- Demographic and health megatrends

32% increase in aquaculture production by 2030

Market-leading positions in major species

- **Market leader in mission-critical areas:**
  - Salmon genetics
  - Early-stage specialist nutrition
  - Salmon sea lice treatments

We feed **1 in 3 shrimp** produced globally

Unique mature biotech platform

- 3 complementary areas driving farming efficiency, sustainable production and animal health
- High entry barriers
- World-leading team of scientists
- Track record of innovation and robust IP

20+ year genetics programmes

Strategy and financial framework for growth and returns

- Consistent delivery following successful restructuring
- At a financial turning point
- New commercial and financial discipline in place
- Financial framework to drive profitability and returns

132% revenue growth post-restructuring

Purpose driven with strong ESG credentials

- **Purpose driven**, high quality organisation
- **Sustainability** at core of our mission
- **On target to deliver** on Net Zero commitment
- **First green loan** and green bond issued in 2022

°C °CICERO Medium Green

A 'One Benchmark' Approach to shrimp

By adding shrimp genetics to its leading advanced nutrition INVE range, Benchmark brings its customers an enhanced solution to improve yield and sustainability.

Benchmark's combination of Genetics and Advanced Nutrition is unique. Our Genetics and Advanced Nutrition teams work together as 'One Benchmark' to deliver the best solutions and service to customers around the world creating a 'one stop' shop with shared experience and knowledge.

Farmers today operate in a rapidly changing space, with an increasing risk of diseases driven by climate and environmental factors. By integrating our expertise and trusted relationships with clients, Benchmark is able to understand in depth our customers' production challenges and provide tailored protocols and technical support.

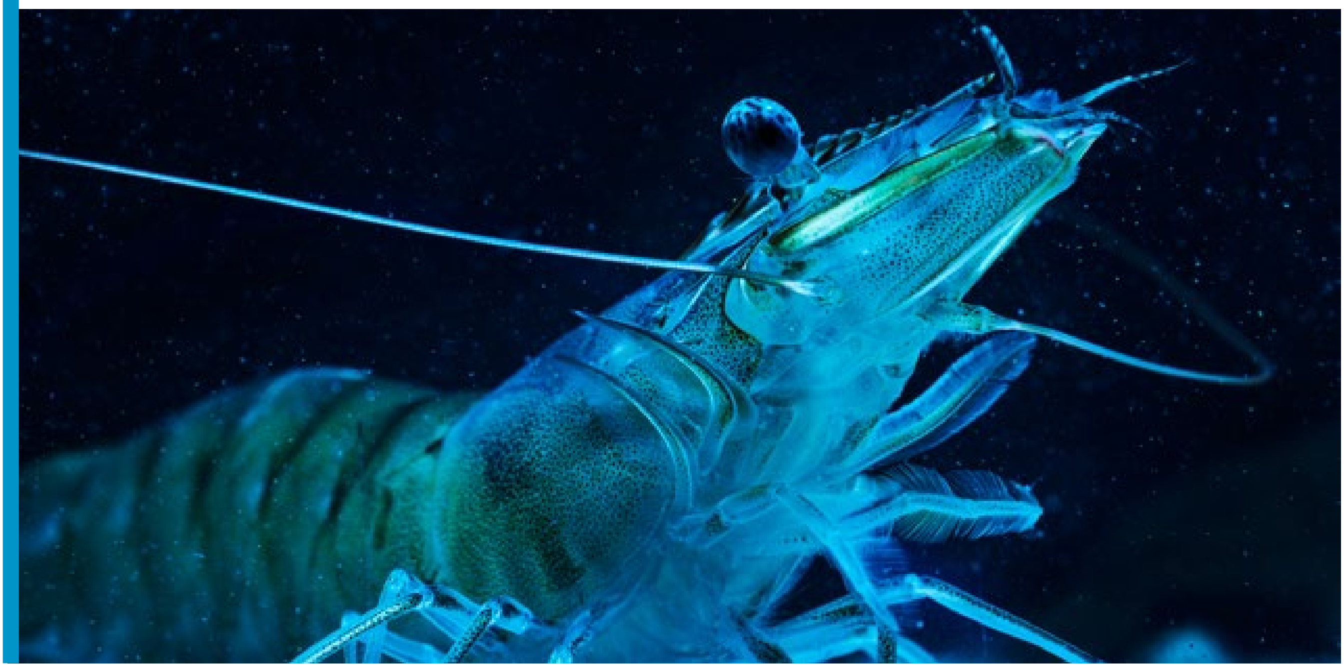
This combined approach is delivering results for our customers in Indonesia

By using a combined protocol including our genetics and advanced nutrition products our customers were able to significantly improve the production efficiency of their breeders and the quality of the post-larvae shrimp. They cited the quality, performance and price as key benefits of choosing Benchmark's Genetics and Advanced Nutrition solutions.

> **"Benchmark's genetics are delivering one of highest yield improvements in the Indonesian market, adding to its leading advanced nutrition range"**

Bruno Decock
Operations Manager,
Shrimp Breeding Asia

See pages 20-21 for more on Genetics



Sustained growth and strategic delivery

In 2022 Benchmark delivered another year of growth and strategic progress, underpinned by four quarters of consistently improved financial results. This demonstrates the success of our restructuring and culture change, the quality and potential of our business and the talent and commitment of our people.

"Our strategic and commercial focus have contributed to strong results. There is good momentum in the business and positive dynamics in our industry creating significant opportunities to deliver value for all our stakeholders."

Trond Williksen
Chief Executive Officer

Performance

Benchmark delivered excellent growth in revenue and Adjusted EBITDA in FY22, building on its track record of continuous quarterly improvement since the restructuring was completed in FY20. Revenues grew by 27% to £158.3m in the year, and Adjusted EBITDA excluding fair value movements from biological assets grew by 83% to £29.6m. On a constant exchange rate basis, Group revenue and Adjusted EBITDA excluding fair value movements, were up 21% and 76%, respectively. Since the end of FY20, we have increased revenues by 50% and Adjusted EBITDA by 115%.

Despite the strong revenue growth and the progress in our underlying profitability, the Group reported a loss before tax of £23.2m, (2021: loss of £9.2m). This is due to a £11.5m increase in depreciation principally related to the leased vessels used in the CleanTreat® operations and an increase in finance costs due to higher interest rate charges and non-cash movements associated with the accounting for the refinancing of our pre-existing NOK bond. Total loss for the year was £30.5m (FY21: £11.6m).

Trading and operational performance was strong in our three business areas and all reported a significant increase in revenues and Adjusted EBITDA. Advanced Nutrition continued its growth trend with revenues up by 14%; Genetics increased revenues by 24%, benefitting from strong demand for our salmon eggs, which we were able to fulfil through our recent investment in a new bio-secure incubation centre in Iceland; and Health reported 157% growth in revenues, benefitting from the launch of its sea lice solution, Ectosan® Vet and CleanTreat®. While the commercialisation of Ectosan® Vet and CleanTreat® is still in the initial phase, we now have three well-performing and growing business areas with a visible path to Group profitability and cash generation.

We maintained our ongoing financial discipline on costs, investment and cash. Operating costs and R&D were £51.4m, a 14% increase from the prior year due to higher activity levels and cost inflation. Our ongoing cost control, together with higher asset utilisation resulted in an Adjusted EBITDA margin (excluding fair value movement from biological assets) of 19% (FY21: 13%). Capex during the year totalled £10.8m (FY21: £18.0m) reflecting our new investment discipline and completion of investments to support our main growth vectors. Our main investment was the construction of a new incubation centre for salmon eggs in Iceland which allows us to meet seasonal periods of peak demand. This was particularly welcome this year when our customers experienced a shortage of supply in our market.

By business area, Genetics reported revenues of £58m, 24% above last year driven primarily by higher salmon egg sales. Adjusted EBITDA before fair value movement in biological assets of £14.4m was 75% above last year (FY21: £8.2m). Strategically, we continued to build on our stronghold in salmon, covering all production paradigms and producing regions. In addition, our focus was on the launch of our SPR shrimp genetics in Asia and the Americas, an important growth vector for the Group in the coming years. Innovation is a key driver of our success in Genetics and during the year we strengthened our team with the appointment of Dr. Ross Houston as Director of Innovation for our Genetics business and Chair of our Group Innovation Board.

Advanced Nutrition reported revenues of £80.3m, 14% ahead of FY21 driven by increased sales in all product areas – Artemia, Health and Diets. Adjusted EBITDA of £19.0m was 38% up on the prior year (FY21: £13.8m). We continued to capitalise on our enhanced commercial focus and structure and on our efforts to improve our operations to drive efficiency and margins. This included the closure of our trial facility in Thailand moving to more effective solutions in partnership with external providers.

In Health we reported revenues of £20.1m, (FY21: £7.8m) as a result of increased Ectosan® Vet and CleanTreat® sales following the commercial launch at the end of last year. Adjusted EBITDA was £0.1m (FY21: loss £2.7m). The roll-out of Ectosan® Vet and CleanTreat® is one of the Group's key strategic priorities and we made further progress during the year, increasing adoption of the new solution in the market. In addition, we reached important milestones towards optimising our solution. Treatment times were reduced, a marketing extension for a second re-use of treatment water was obtained and we continue to work with our customers on new configurations for our CleanTreat® systems adapted to our customers' infrastructure.

Strategic delivery

Benchmark's strategy is directed at becoming the leading aquaculture biotechnology company driving sustainability and delivering attractive shareholder returns. Our strategy represents a roadmap to achieve this and has three main elements:

- **maximising the opportunity in our established business** through a proactive commercial effort and continuous operational improvement, benefitting from structural growth in the industry
- **extending our platform** through additions to our product offering and geographic expansion within our core areas
- **pursuing add-on opportunities** within our core areas and applying disciplined return parameters

At the beginning of 2022, we set out five strategic Group priorities in areas that will drive growth and profitability for the Group. These were the roll-out of Ectosan® Vet and CleanTreat®, the commercialisation of our shrimp genetics, regaining leadership in Artemia within our Advanced Nutrition business and delivering ESG and People agendas that are aligned to our mission and that support our new performance-driven culture. This clear strategic focus enables us to direct resources and monitor progress. Overall, progress in all areas was positive in 2022.

As mentioned above we made important strategic progress in the roll-out of our Ectosan® Vet and CleanTreat® solution. Our SPR shrimp in Genetics was commercially launched in the year with growing sales albeit from a small initial base. Our leading position in the shrimp market through our Advanced Nutrition business creates an important synergy facilitating market entry.

In Advanced Nutrition, our priority for FY22 was to regain a leadership position in the global Artemia market following a period of oversupply which resulted in lower prices in the market affecting our premium positioning. Through a renewed commercial effort brought about by a management change in the business, we have successfully recovered our position and gained momentum for the future.

Looking forward to 2023, our Group priorities represent a continuation of our current effort including the roll-out of Ectosan® Vet and CleanTreat® and maintaining our leadership position in Advanced Nutrition across our three product areas. In Genetics, our focus will be on becoming the supplier of choice for salmon eggs across all markets while continuing our work to commercialise our shrimp genetics.

'One Benchmark' culture

One of our key focus areas over the last two years has been to create a stronger, more aligned group to drive commercial performance and realise synergies and efficiencies. The primary engine of this culture change is a strategic priority framework working alongside a performance management framework with our values to guide our behaviour.

This unified culture has allowed us to drive further integration by combining functions and establishing cross-group initiatives which are delivering results. An example of this is the combination of the marketing and commercial functions around species allowing us to become more customer-centric.

Looking forward

We have had a good start to the year and there is good momentum in the business. Cost inflation and other macroeconomic pressures will continue to be a feature across the world in 2023 and we are not immune. However, we have a well diversified, balanced business which creates resilience to challenges in individual markets as well as opportunities. In addition, we will continue to proactively mitigate potential pressure on our business and our margins through pricing, supplier management and operational improvements. The recently announced change in the tax regime for aquaculture producers in Norway is expected to have a marginal direct effect on our business.

Looking further into the future, Benchmark is uniquely positioned in an industry that is structurally growing and driven by multiple megatrends. This creates significant opportunity for growth and increasing returns for shareholders in the near and medium term and for many years to come.

Trond Williksen
Chief Executive Officer

Genetics

Excellent performance underpinned by decades of selective breeding, technology development, experience and investment in bio-secure facilities which, together, transform customer efficiency and economics.

- Revenue up 24% on previous year, with growth across all species and services
- Record sales of salmon eggs
- New incubation centre in Iceland is delivering increased quality and capacity and has been instrumental in satisfying peak demand in the market for our salmon eggs
- Commercialisation of SPR shrimp is progressing well , leveraging Advanced Nutrition's market position in shrimp and our integrated marketing approach

Revenue

£58.0m

2021: £46.8m or up 24%

Adjusted EBITDA

£16.0m

2021: £11.5m or up 39%

"Benchmark's world-leading position in genetics is borne out of our strength in salmon genetics, built over the last 30 years, which enables shorter production times, better disease resistance and improved economics for our customers. We are now transferring our knowledge and experience to shrimp and tilapia which represent important opportunities for Benchmark."

Jan-Emil Johannessen
Head of Genetics

Overview and FY22 highlights

Salmon

- Benchmark has a market-leading and growing position in salmon genetics made possible by our recent investments in state-of-the-art bio-secure production facilities.
- We have flexibility and capabilities to serve all production paradigms across all salmon producing markets.
- During the year we made first deliveries of salmon eggs from our new incubation centre in Iceland, showing excellent quality and enhancing our ability to meet demand for our eggs year-round.
- In Chile, a recently entered market, we continued the operational and commercial ramp-up and obtained organic certification for our salmon eggs in Q1.

Shrimp

- We made good progress in the roll-out of SPR shrimp in Asia and Latin America, winning new customers, obtaining an import licence to India, and gaining commercial traction overall.
- There is increasing adoption of professional shrimp genetics in the shrimp industry supported by professionalisation and consolidation which create a positive environment for our shrimp business.
- Through our high performing shrimp strains, tailored to local markets, we are well placed to develop a leading market position in the years to come.

Tilapia

- Underpinned by our depth of expertise and track record of innovation in genetics, we have developed a superior tilapia genetics offering.
- Tilapia has a low level of industrialisation and we are focused on the segment of the market capable of purchasing and adopting our products.
- Our recently invested small scale facility allows us to serve clients year round and grow with modest additional investment as the market develops.

Innovation

- Q1 saw the appointment of Dr Ross Houston, a leading aquaculture genetics scientist, as Director of Innovation in Genetics. He brings experience of leading high profile research in the application of genomics and genome editing technologies.

Sustainability

- Benchmark provides the salmon industry with specialist eggs carrying genetic traits which result in salmon that grow faster, with better fillet yield and more disease resilience. This improves animal welfare and survivability as well as resource efficiency.

Genetics – Investment in a new incubation centre in Iceland

Growing with our customers through disciplined investment

In 2022 we opened a new incubation centre in Iceland which enables us to meet our customers' growing demand for bio-secure salmon eggs year round.

Benchmark is a world-leader in salmon genetics. Through our bio-secure facilities in Iceland, we are able to serve the export market across all production paradigms - from traditional salmon farming to the new land-based systems - all year-round.

In recent years, demand for off-season eggs has grown substantially as farmers strive to maximise capacity utilisation, with off-season eggs growing from 10-15% of total production in 2015 to 40-50% currently.

In order to satisfy the growing demand, while applying our new investment discipline and focus on returns, we decided to increase our capacity in Iceland in a modular way. We started with the construction of a new incubation centre, which was built to the highest standards of biosecurity and water management, and has a 400 million egg capacity, equivalent to 1 million tonnes of harvested salmon.

The incubation centre, officially opened in August 2022, has been a commercial success from the start allowing Benchmark to meet peak demand in 2022, and driving an excellent performance for Genetics.

"This is a big milestone for Benchmark Genetics Iceland and gives us an opportunity to grow even further. This facility enables us to produce more quality ova and meet the increasing demand for all year round supply of ova."

Dr. Jonas Jonasson,
Head of Production, Benchmark Genetics

Advanced Nutrition

Strong momentum capitalising on our leading global position and superior technical performance within our specialist market.

- An excellent performance driven by commercial focus, continued innovation and cost discipline, supported by positive market conditions
- Proven resilience to the current inflationary environment through commercial focus, enhanced productivity and asset utilisation
- Continued innovation bringing new products and product upgrades to market

"Our unparalleled combination of technical expertise, global distribution, state of the art facilities and proven feed protocols, together with our focus on the critical early stages of production give us a unique position in the market and enables us to improve farmer productivity and grow our client base globally."

Patrick Waty
Head of Advanced Nutrition

Revenue
£80.3m
2021: £70.5m or up 14%

Adjusted EBITDA
£19.0m
2021: £13.8m or up 38%

Overview and FY22 highlights

- Advanced Nutrition is a leading player globally in a niche and growing market segment.
- A global distribution network in all key markets provides a competitive advantage allowing us to serve 550+ customers in over 60 countries.
- In Q1, Patrick Waty was named the new Head of Advanced Nutrition, bringing extensive commercial and industry expertise to the business area.
- Proprietary technology and continued innovation drive superior technical performance. We continued to develop and launch new technologies, including the Artemia separation tool 'SEP-Art Automag', which delivers sustainability benefits.
- As part of our ongoing efforts to optimise operations, we closed our trial facilities in Thailand, which increases flexibility and optimises spend.
- INVE Aquaculture, Benchmark's Advanced Nutrition business, was awarded the 'Favourite Aquatic Feed 2021 Award' for its FRiPPAK Microcapsule Feed at the 4th China Aquatic Feed Development Forum, demonstrating the Group's commercial focus and success in the Asian market.

Sustainability

- During the year, Benchmark completed an energy efficiency study at its main production facility in Thailand, identifying significant opportunities to reduce our carbon footprint. As a result, we have begun a project to install solar panels at the facility.

550+
customers served in over
60
countries

As a global leader in Artemia nutritional solutions, Benchmark's INVE adds value to hundreds of aquaculture producers worldwide every day.

Insight and innovation lies at the heart of our success

Artemia is the most widely used live feed in aquaculture. Developing solutions that enhance the performance of Artemia can have a big impact on the yield and sustainability of our customers. Our product range is founded on our specialist understanding of the market and our customer needs, combined with our advanced technology and innovation, which we continuously seek to develop.

In FY22 INVE became a member of the Sustainable Shrimp Partnership in Ecuador, an impactful industry initiative promoting certified production and sustainability. As a proactive member of SSP, Benchmark will provide support in the adoption of its SEP-Art technology to support sustainable production.

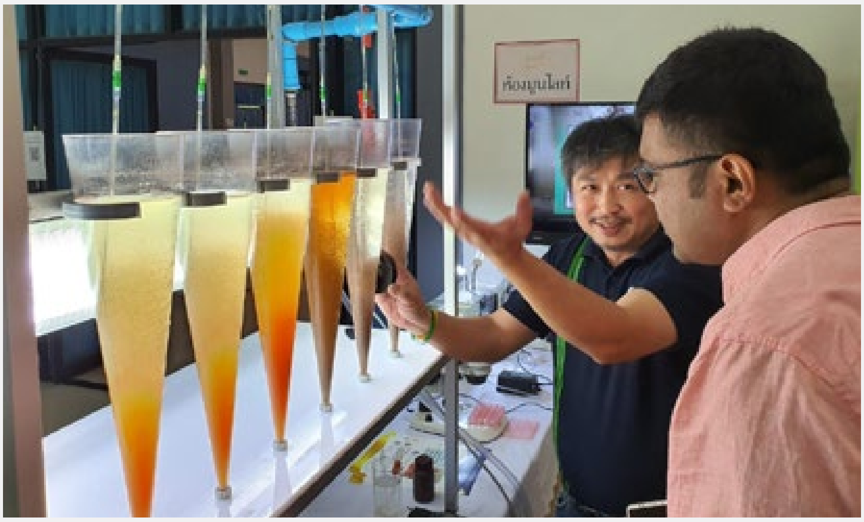
What is SEP-Art?

SEP-Art technology uses magnets to separate the Artemia cysts and shells from the live nauplii, enabling the replacement of traditional harvesting methods such as decapsulation which can be labour intensive, cause mortality and impact quality. In addition, SEP-Art eliminates the need for chemicals in the process, reducing the environmental impact.

Our customers have access to our expert technical team who share their knowledge to obtain the most efficient solution.

> "Customers have experienced a 5-10% increase in yield from our Artemia products when implementing our products, technologies and protocols."

Geert Rombaut
Product Manager Artemia and Live Feed



Health

Substantial revenue growth following the launch of Ectosan Vet® and CleanTreat®, the first medicinal sea lice solution launched in the Norwegian market in over 10 years.

- The Ectosan® Vet and CleanTreat® sea lice solution has delivered above 99% efficacy in the removal of sea lice with good animal welfare while protecting the environment from medicinal discharge
- Roll-out in Norway progressing with increasing customer adoption
- Marketing Authorisation in Norway extended to one reuse of water
- Marketing Authorisation obtained in the Faroe Islands

“Building on our experience with Salmosan® Vet, we are well placed to address the largest biological challenge in the industry with Ectosan® Vet and CleanTreat®. With our established customer base, next generation solution and clear path to commercialisation, we are well underway to delivering growth and margin accretion in our business.”

John Marshall
Head of Health

Revenue

£20.1m

2021: £7.8m or up 157%

Adjusted EBITDA

£0.1m

2021: £(2.7)m or moved AEBITDA loss to profit

Overview

- Already a leader in medicinal sea lice treatments, with over 15 years of experience with Salmosan® Vet, Benchmark launched its next generation treatment, Ectosan® Vet and CleanTreat®, in Q4 2021; a breakthrough development for the industry.
- This new medicinal treatment, the first one in the market for over a decade, is generating excellent outcomes with over 99% efficacy in removing sea lice, high fish welfare scores, and no environmental impact from medicinal discharge into the ocean.
- Since launching Ectosan® Vet and CleanTreat®, Benchmark has worked with 10 customers treating over 100,000 tonnes of fish, processing and cleaning over 1,000,000m³ of treatment water, preventing over 20,000kg of medicine from entering the environment.
- We have made considerable progress with rolling out the solution in Norway, with a second vessel launched in December 2021. Our Marketing Authorisation has been extended to one reuse of water, and we are developing a new model which embeds the solution into our customers' infrastructure.
- Under the current configuration the lease cost associated with the PSV's in 2022 was £6.8m. We are working on developing new configurations to embed our solution into our customers infrastructure to reduce the capital intensity of our sea lice solution. Further information can be found in the financial review on page 31.
- We obtained Marketing Authorisation in the Faroe Islands in Q3 2022 which will be followed by other markets.
- We also see potential for CleanTreat® to be used for medicinal treatments across the industry.
- There was an increase in sales of existing sea lice treatment Salmosan® Vet.

Sustainability

CleanTreat® has received the best environmental score by the Aquaculture Sustainability Council ("ASC"), the world's leading independent certification scheme for farmed aquaculture.

100,000t
of fish treated with Ectosan® Vet and CleanTreat® since launch

20,000kg
of medicine prevented from entering the environment

Optimising CleanTreat®

Improving customer outcomes by optimising our Ectosan® Vet and CleanTreat® solution

Since launching Ectosan® Vet and CleanTreat® in 2021, we established the goal of optimising our solution in order to improve efficiency for our customers. In 2022 we worked closely with our customers, treating more than 60 sites. This experience enabled us to make continuous improvements to our system and operations which together with an amendment to our Marketing Authorisation has resulted in significantly lower treatment times for the benefit of our customers.

We have achieved a 27% increase in the water transfer rate between the treatment wellboat and the CleanTreat® system which means our customers can treat a larger volume of fish on a daily basis, reducing costs and improving production efficiency.

We are proud of the work that we are doing, working closely with industry stakeholders – suppliers, customers and regulators - to bring an efficacious, environmentally friendly solution which supports fish welfare.

This is just the beginning of the journey. We are committed to continuing to work with our customers, incorporating new wellboat infrastructure and optimising the use of our solution to deliver better and better outcomes.

"These increases in operational performance are an important step towards full commercialisation which will enable us to increase customer adoption and deliver target margins and returns. We are perfectly positioned to help solve the biggest biological challenge in the industry"

Geir Olav Melingen,
Commercial Director, Salmon

Delivering on our strategy

Our strategic pillars and principles are designed to align the organisation towards our goal of delivering growth, profitability and attractive returns for our shareholders.

Our strategy is guided by our mission to drive sustainability in aquaculture and underpinned by our values.

Our governance and performance framework allow us to direct and manage the Group's resources to deliver on the strategic priorities we set annually.

Strategic pillar

Maintain and grow our leadership position in established markets

2022 Strategic priority

- Regain leadership position in the global Artemia market
- Continue to build our lead position in salmon genetics through increased incubation capacity in Iceland

2022 Delivery

- Growth in Artemia sales

+7%

reinstating leading position in key markets

- Significant growth in salmon egg sales

+24%

2023 Priority

- Become supplier of choice for salmon genetics in all key markets
- Maintain leadership in global Artemia market

Strategic pillar

Expand our platform through the launch of new products and entry into new markets within our core areas

2022 Strategic priority

- Continue the roll-out of sea lice solution Ectosan® Vet and CleanTreat® in Norway towards full commercialisation
- Launch SPR shrimp genetics commercially in Asia and the Americas

2022 Delivery

- Increased customer use of Ectosan® Vet and CleanTreat®
- Obtained extension to marketing authorisation for Ectosan® Vet and CleanTreat®
- Commenced development of new wellboat configuration for sea lice solution
- Commercial launch of SPR shrimp with growing sales of shrimp breeders; leverages strong position in shrimp markets through Advanced Nutrition

2023 Priority

- Continue to increase customer adoption in Norway
- Continue to develop integrated solution with customer infrastructure
- Continue roll-out of SPR shrimp breeders and explore post larvae business model

Strategic pillar

'One Benchmark' group integration, embedding the new culture and realising potential synergies

2022 Strategic priority

- Implement a new performance management framework aligning objectives and incentives to the Group's strategic priorities
- Identify and implement synergies

2022 Delivery

- Successfully implemented new performance framework – 96% participation
- Obtained very high scores for employee engagement
- Integrated marketing effort around species increasing customer centricity
- Integration of commercial function for salmon

2023 Priority

- Continue to develop our performance framework with a focus on training and development to make Benchmark a 'great place to work'
- Identify and implement further synergies

Strategic pillar

Pursue add-on opportunities within core areas, adhering to strict criteria

2022 Strategic priority

- Define focus areas and financial criteria
- Identify potential opportunities

2022 Delivery

- As part of the Company's annual strategy development process the Management team and the Board considered potential areas to pursue add-on opportunities as well as selection criteria

2023 Priority

- Identify near and medium-term opportunities for potential add-ons
- Evaluate potential candidates and progress if appropriate

Strong and positive performance in the year

We have been able to deliver a strong set of results in FY22 based on clear commercial focus in all business areas while progressing our strategic objectives.

Revenue
£158.3m
2021: £125.1m

See pages 110-182 for Financial Statements

AEBITDA[2]
£31.2m
2021: £19.4m

"I am delighted that Benchmark has become a business which is successfully delivering on its vision in all business areas and has progressed in a tangible manner towards its cash generation objective."

Septima Maguire
Chief Financial Officer

Introduction

Strong revenue growth delivery in all business areas

FY22 has been a year where our focus on commercial execution has paid off. With all three business areas now commercially focused, we have delivered growth across the board and have been able to consistently deliver progress on our strategic objectives. We have been able to leverage off the investments made in FY21 to meet demand in the market within our Genetics business area. We have continued to generate sales growth above market growth , albeit aided by forex tailwinds from a strong US dollar in Advanced Nutrition, and have had a full year of Ectosan®Vet and CleanTreat® sales moving Health from being a development business area to a commercial one.

Financial highlights

- Revenues were 27% above the prior year resulting from:
  - 14% increase in Advanced Nutrition revenues (+7% in constant currency) showing strong growth above the market.
  - Strong performance in Genetics with revenues 24% above the prior year (+21% in constant currency) due to strong demand for salmon eggs supported by our new incubation house in Iceland.
  - Full year of sales of Ectosan®Vet and CleanTreat®.
- Adjusted EBITDA[2] was £31.2m against £19.4m the prior year reflecting strong revenues in Genetics and Advanced Nutrition and a full year of Ectosan®Vet and CleanTreat® in Health.

Liquidity and net debt

- Liquidity[6] (cash and available facility) decreased to £45.8m (2021: £50.6m) and cash at year end of £36.4m (2021: £39.5m).
  - Net debt decreased to £73.7m (2021: £80.9m) reflecting the impact of the equity raise of £20m in November 2022 and better trading, partially offset by increased investment in working capital to support momentum in the business.
- Loss before tax increased from £9.2m to £23.2m.

Overview of reported financial results

During 2022, the Group's focus was on continuing to deliver a strong commercial result and advancing its strategic priorities.

Advanced Nutrition continued a track record of strong commercial focus in 2022. Genetics also experienced strong sales in the year and with a full year of Ectosan® Vet and CleanTreat® sales in Health this resulted in an increase in Group revenue of 27% to £158.3m in the year (2021: £125.1m). This increase in sales meant that Gross Profit increased to £83.1m (2021: £65.6m). Gross Margin was flat at 52% (2021: 52%). Using the same foreign exchange rates experienced in 2021 (constant currency[5]) revenue increased by 21%.

As Reported (£m unless otherwise stated)	2022	2021	% AER	% CER[5]
Revenue	**158.3**	125.1	27%	21%
Operating loss	**(7.9)**	(5.4)	(46%)	(61%)
Loss before tax	**(23.2)**	(9.2)	(152%)	(167%)
Loss for the period	**(30.5)**	(11.6)	(163%)	(168%)
Basic loss per share (p)	**(4.60)**	(1.93)	(138%)	–

Adjusted Measures (£m unless otherwise stated)	2022	2021	% AER	% CER[5]
Gross profit	**83.1**	65.6	27%	22%
Gross profit %	**52%**	52%	–	—
Adjusted EBITDA[2]	**31.2**	19.4	60%	54%
Adjusted EBITDA[2] margin %	**20%**	16%	–	–
Adjusted Operating Profit[3]	**9.1**	10.8	(15%)	(23%)
Net debt[4]	**(73.7)**	(80.9)	9%	–

Business area performance

	Revenue				AEBITDA[2]					
Revenue (£m)	Actual 2022	Actual 2021	% AER	% CER[5]	Actual 2022	Actual 2021	% AER	% CER[5]	AEBITDA margin % 2022	AEBITDA margin % 2021
Genetics	**58.0**	46.8	24%	21%	**16.0**	11.5	39%	39%	28%	25%
Advanced Nutrition	**80.3**	70.5	14%	7%	**19.0**	13.8	38%	29%	24%	20%
Health	**20.1**	7.8	157%	157%	**0.1**	(2.7)	104%	102%	0%	(35%)
Corporate	**5.2**	4.9	6%	6%	**(3.9)**	(3.2)	(22%)	(22%)	–	–
Inter-segment sales	**(5.3)**	(4.9)	(7%)	(7%)	**–**	–	–	–	–	–
Total Group	**158.3**	125.1	27%	21%	**31.2**	19.4	60%	54%	20%	16%
Genetics excluding FV uplift	**58.0**	46.8	24%	21%	**14.4**	8.2	75%	76%	25%	17%
Group excluding FV uplift	**158.3**	125.1	27%	21%	**29.6**	16.1	83%	76%	19%	13%

We continued to manage costs across the Group very closely. Operating costs increased by 17% to £44.7m (2021: £38.2m) due to the investment in new growth areas, mainly the ramp-up of activities for the launch of Ectosan®Vet and CleanTreat® and increased activity post the pandemic. Expensed R&D decreased by 5% to £6.7m (2021: £7.0m).

Adjusted EBITDA increased by 60% to £31.2m (2021: £19.4m) driven by increased sales in Advanced Nutrition, a strong finish to the year in Genetics and a full year of commercial activities in Health for Ectosan®Vet and CleanTreat® as well as ongoing cost control.

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

2 Adjusted EBITDA is EBITDA[1] before exceptional items and acquisition-related expenditure. See income statement.

3 Adjusted Operating Profit is operating loss before exceptional items including acquisition-related items and amortisation of intangible assets excluding development costs. See Note 35.

4 Net debt is cash and cash equivalents less loans, borrowings and lease obligations. Net debt includes £26.3m (FY21: £24.0m) relating to lease obligations. See Note 36.

5 % CER is the change year on year translating current figures using last year's foreign exchange rates.

6 Alternative performance measures and other metrics are included in Note 35 of the financial statements.

Gross Profit
£83.1m
2021: £65.6m

Net Debt[4]
(£73.7)m
2021: (£80.9)m

Adjusted measures (see Note 35)

We continue to use adjusted results as our primary measures of financial performance. We believe that these adjusted measures enable a better evaluation of our underlying performance. This is how the Board monitors the progress of the Group.

We use growth at constant exchange rate metrics when considering our performance, whereby currency balances are retranslated at the same exchange rate in use for the prior year to illustrate growth on a currency like for like basis.

In line with many of our peers in the sector, we highlight expensed R&D on the face of the income statement separate from operating expenses. Furthermore, we report earnings before interest, tax, depreciation and amortisation ("EBITDA") and EBITDA before including exceptional and acquisition- related items ("Adjusted EBITDA"). The activities of the Group's equity accounted investees are closely aligned with the Group's principal activities, as these arrangements were set up to exploit opportunities from the Intellectual Property ("IP") held within the Group. As a result, to ensure that adjusted performance measures are more meaningful, the Group's share of the results of these entities is included within Adjusted EBITDA. We also report this adjusted measure after depreciation and amortisation of capitalised development costs ("Adjusted Operating Profit") as the Board considers this reflects the result after taking account of the utilisation of the recently expanded production capacity. In addition, in line with the Salmon industry, we also report AEBITDA excluding fair value uplift under IAS 41. Available liquidity, being cash and undrawn facilities, is an important metric for management of the business as it gives a measure of the available liquid funds and is also a key financial covenant in the Group's main debt facilities.

Genetics

Genetics delivered good growth in revenue driven by sales of salmon eggs where volumes increased by 20% to 291 million eggs. Revenues of £58.0m were up 24% (2021: £46.8m), +21% in constant currency.

Demand for eggs in Norway increased by 23% during the year, which we were able to supply due to the increased capacity in our new incubation house in Iceland. We also saw increased demand from all other territories in the year. This resulted an increase in revenue from salmon eggs of 24% to £38.3m (2021: £30.9m).

In non-product based revenue streams, Genetics Services continued to deliver in the year reflecting the strength and depth of expertise of our Genetics team and our IP in the business, contributing £1.3m (2021: £1.3m). Revenues from harvested fish were aided by increased salmon prices producing harvest income in the year of £8.5m (2021: £6.2m). Royalties earned from use of our genetic IP fell in the year, with sales down to £0.8m (2021: £1.0m) as the expected unwind of contracts continues for the next year. Revenues from other products totalled £9.1m (2021: £7.4m).

Gross profit increased by 24% in 2022 to £32.0m (2021: £25.9m) and gross margin remained unchanged at 55%. Increased gross profit from the core salmon business was offset by losses in the newly launched SPR shrimp and tilapia, and the non-cash fair value increase in biological assets fell by 52% in 2022 to £1.6m (2021: £3.3m).

Shrimp and tilapia, both of which are areas of investment, delivered combined Adjusted EBITDA losses in the period of £3.1m (2021: £1.4m). The shrimp loss of £1.7m (2021: £0.9m) followed the ceasing of capitalising costs after the commercial launch of SPR shrimp in the year. We capitalised costs of £1.0m in 2022 related to development of the shrimp nucleus before it launched commercially. The loss in Tilapia was driven by the capacity expansion being delayed due to COVID and a one-off £0.4m loss related to a provision for committed running costs, over and above the lease obligation, on a production site which is no longer used.

R&D spend was lower and operating costs were higher than 2021 by £0.6m and £2.2m respectively as the business grew. R&D reduced due to good cost optimisation in this area. R&D activities in this business area are focused on developing the traits of growth, disease resistance and sea lice resistance by selecting the best performing animals from each generation supported by cutting edge genetic technologies.

The search for markers for new traits that can be included in the breeding programme continues.

The share of profits/losses from the equity accounted investees relates primarily to the joint venture with Salmar Genetics AS which delivered a share of loss of £0.5m (2021: loss of £0.6m). In both 2022 and 2021, the joint venture suffered a biological event which drove the losses.

Genetics has continued to establish its facility in Chile and with overall AEBITDA losses of £3.4m and £0.6m invested in capex in this new facility in 2022 (2021: £2.6m and 1.3m). The facility has potential production capacity of 50 million eggs and is currently utilising capacity of around 30 million eggs. During the year we sold 4 million eggs.

All these factors contributed to increased AEBITDA of £16.0m (2021: £11.5m) and AEBITDA margin of 28% (2021: 25%). AEBITDA excluding fair value increased by 75% to £14.4m, an AEBITDA margin of 25% (2021: 17%).

Advanced Nutrition

Throughout 2022, Advanced Nutrition delivered a strong performance driven by continued commercial focus. As a result, revenues in Advanced Nutrition increased by 14% in the year (7% at CER). This is notable as some key markets continued to be impacted by COVID-19 and the business faced significant logistical challenges as a result of the pandemic. The strong commercial focus has allowed us to continue to strengthen our position and take increased market share.

In 2022, 73% of our revenues derived from shrimp with the balance 27% of derived from the Mediterranean sea bass and sea bream sector.

By product area, we drove growth in all product areas. Artemia grew revenues by 7% (at CER) to £37.1m, followed by diets up 7% (at CER) to £35.1m. Health which covers our probiotic and environmental pond management portfolio grew revenues by 6% (at CER) to £8.1m.

The increase in sales of £9.8m resulted in an increase in gross profit margin of £6.6m and drove the gross margin up from 51% to 53%. This increase in margin was offset in part by an increase in operating costs as we grew the business, but there continued to be good cost control throughout this year. This led to Advanced Nutrition reporting AEBITDA of £19.0m (2021: £13.8m) and an increase in AEBITDA margin from 20% to 24%.

Within this business area, an important barrier to entry is the access to GSL Artemia where we, through our relationship with the Great Salt Lakes Cooperative have access to 44% of the annual harvest of Artemia from the Great Salt Lakes. Whilst the harvest can vary from year to year and we saw very high harvest levels in 19/20, last two harvests were lower; the 20/21 harvest was 1,168 metric tonnes and the 21/22 harvest was 1,104 metric tonnes which are considered normal harvest levels.

Health

Health reported revenue of £20.1m (2021: £7.8m) reflecting the first full year of sales of Ectosan®Vet and CleanTreat® of £14.8m of which £2.5m relates to revenue for vessel-related costs and a marginal increase in sales of our existing sea lice treatment, Salmosan® Vet of £5.4m (2021: £5.1m).

Gross profit increased by £4.9m to £8.6m, a margin of 43%, with the launch of Ectosan®Vet and CleanTreat® combined with increased margins from Salmosan® Vet.

During the year, the focus of this business area was to launch Ectosan®Vet and CleanTreat® in Norway. The first vessel launched in August 2021, with the second vessel launching in December 2021. These activities drove an increase in operating costs to £8.1m (2021: £6.2m) Adjusted EBITDA for the business area was £0.1m (2021: £2.7m).

Cost Inflation

As noted earlier, cost control remains of significant importance in Benchmark and in the current cost environment becomes even more so. During the year, we focussed on a number of areas to mitigate cost inflation. In Nutrition, the Operations team focused on ensuring lean production and with better volumes, getting better cost per units through to support margin. The procurement team were consistently challenged to maintain or get better pricing for raw materials. From an energy perspective, we have access to lower cost energy in both Norway and Iceland where we have Genetics production facilities and we have also commenced the plan to put solar panels on our facility in Thailand. Whilst we are not immune from inflation, we as a business seek to use multiple ways to mitigate this as we move forward.

Exceptional items

Items that are material because of their nature 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.

Exceptional expenses were fully offset by exceptional credits in the year. Exceptional expenses related to legal and professional costs in relation to the proposed dual listing on the Oslo exchange of £0.8m, and restructuring costs of £0.4m including those relating to a legal dispute within a divested business, and costs relating to the closure of the Thai research centre in Advanced Nutrition. These costs were offset by a credit of £1.2m relating to additional contingent consideration received in the period following the disposal of Aquaculture UK on 7 February 2020 and Improve International on 23 June 2020.

Depreciation, amortisation and impairments

Depreciation and impairment of tangible assets was £19.9m (2021: £8.4m), with depreciation charge of £19.9m (2021: £8.5m) and impairment reversal of £nil (2021: £0.1m). The depreciation charge in the year increased due to the launch of CleanTreat® where the vessels are right-of-use assets held under lease agreements. In total, depreciation and impairment charges on leased assets under IFRS 16 was £11.3m (2021: £3.3m).

Amortisation and impairments of intangible assets totalled £19.2m (2021: £16.3m). The amortisation charge includes £2.2m (2021: £0.3m) relating to capitalised development following commercialisation of Ectosan®Vet and CleanTreat® and SPR shrimp.

Research and development

	Expenses				Total expensed and capitalised			
£m	2022	As % of sales	2021	As % of sales	2022	As % of sales	2021	As % of sales
Expensed R&D by business area								
Genetics	**4.3**	7%	4.9	10%	**5.3**	9%	6.8	15%
Advanced Nutrition	**2.0**	2%	1.9	3%	**2.1**	3%	2.2	3%
Health	**0.4**	2%	0.2	3%	**1.0**	5%	2.9	36%
Total research and development	**6.7**	4%	7.0	6%	**8.4**	5%	11.8	9%

Expensed R&D activities decreased in the year by £0.3m with Genetics having good cost optimisation in this area while continuing to focus on improvements in the breeding nucleus. Health spending remained low due to their significantly reduced R&D programmes. Genetics' research is focused around continually developing new disease and parasitic resistant traits as well as growth traits which we can breed into our products. Advanced Nutrition's focus is on expanding our product portfolio and driving growth through product improvements.

Other operating costs

£m	2022	As % of sales	2021	As % of sales
Operating Expenses by Business Area				
Genetics	**11.1**	19%	8.9	19%
Advanced Nutrition	**21.5**	27%	19.9	28%
Health	**8.1**	41%	6.2	79%
Corporate (net)	**4.0**		3.2	
Total operating expenses	**44.7**	28%	38.2	31%

Other operating costs increased from £38.2m in 2021 to £44.7m in 2022. The increase in costs include increased costs in Health as we had a full year of commercial launch of Ectosan®Vet and CleanTreat® and higher costs as we commercially launched Chile and SPR shrimp and continued to grow in Nutrition.

Net finance costs

£m	Analysis 2022	2021
Net Finance expenses		
Interest Income	**(0.3)**	(0.1)
Foreign Exchange losses/(gains)	**(2.8)**	(2.8)
Interest on bond and bank debt	**6.2**	6.0
Amortisation of deferred financing fees	**1.9**	1.0
Penalty for early settlement of the bond	**1.6**	–
Movements of cash flow hedges	**7.0**	(1.4)
Finance lease interest	**1.7**	1.1
Total net finance expenses	**15.3**	3.8

The Group incurred net finance costs of £15.3m during the year (2021: £3.8m).

Included within this was interest charged on the Group's interest-bearing debt facilities of £9.7m (2021: £6.9m) of which £1.6m related to the early redemption penalty for the settlement of the NOK bond and with a further £1.9m of this being amortisation of the deferred finance costs (2021: £1.0m). Net foreign exchange gains of £2.8m (2021: net gain of £2.8m) arose due to the movement in exchange rates on intercompany loans and external debt. Movements on the cash flow hedges associated with the Groups NOK bond debt resulted in charges of £7.0m (2021: gain of £1.4m).

Statutory loss before tax

The loss before tax for the year at £23.2m is higher than the prior year (2021: loss of £9.2m). This was a result of the positive trading result offset by the increased depreciation on right-of-use assets and amortisation of intangibles following the launch of Ectosan® Vet/CleanTreat® and SPR shrimp, as well as higher net finance costs as discussed above.

Taxation

There was a tax charge on the loss for the year of £7.3m (2021: £2.4m), mainly due to overseas tax charges in Genetics and Advanced Nutrition in territories where no loss relief is available, partially offset by deferred tax credits on intangible assets mainly arising on consolidation from acquisitions.

Other Comprehensive Income

In addition to the loss for the year of £30.5m, a significant item to be reclassified to the income statement related to foreign exchange translation differences. The gain on this account was £47.2m.
This gain was driven by a strong USD impacting two main items, firstly the retranslation of the foreign currency denominated subsidiary balance sheets in GBP at the year end of £36.3m and the foreign exchange of £10.9m associated with items which are designated as net investment hedges or internal loans which are deemed to be equity and as such the exchange associated with these goes directly to other comprehensive Income.

Reported loss for the year

The loss for the year was £30.5m (2021: loss of £11.6m).

Earnings per share

Basic loss and diluted loss per share were both 4.60p (2021: loss per share 1.93p). The movement year on year is due to the movement in the result as well as the increase in the weighted average number of shares in issue of 28m.

Dividends

No dividends have been paid or proposed in either 2022 or 2021 and the Board is not recommending a final dividend in respect of the year ended 30 September 2022.

Biological assets

A feature of the Group's net assets is its investment in biological assets, which under IAS 41 are stated at fair value. At 30 September 2022, the carrying value of biological assets was £46.7m (2021: £38.4m). This increase is due principally to the increase in the biomass of broodstock as we continue to expand production at Salten and Chile and increased eggs available for sale in FY23. The fair value uplift on biological assets included in cost of goods for the year was £1.6m (2021: £3.3m).

Intangibles

Additions to intangibles were £1.9m (2021: £5.0m) with the main area of investment being capitalised development costs which in the year decreased by £3.1m to £1.7m (2021:

£4.8m). R&D costs related to products that are close to commercial launch have to be capitalised when they meet the requirements set out under IAS 38. In this financial year, the main development projects capitalised were as follows:

- Ectosan®Vet/CleanTreat® (£0.6m)
- SPR shrimp (£1.0m)
- Patents for genetics (£0.2m)
- Live food alternative diets (£0.1m)

Capital expenditure

During 2021, we invested in a number of growth initiatives and in 2022 there remained some spend to complete them. The Group incurred tangible fixed asset additions of £10.8m (2021: £18.0m) broken down as follows:

- Health: £2.6m
- Genetics: £5.6m
- Nutrition: £2.6m

Within Health, there was an investment in a third CleanTreat® unit and finalising the mobilisation of the second vessel on which the second CleanTreat® units are situated. During the year, this third CleanTreat® unit was reclassified to inventory as it is intended to be used in the new business model whereby the units are sold to customers rather than owned by us. Capex associated with our Genetics business was £5.6m where we finished the new incubation house for our Icelandic facility (£2.3m) and commenced building new tanks at Salten to support ramping up to the 150 million egg capacity at that facility which will continue in FY23 (£1.2m) and we continue to invest in our other growth initiatives SPR Shrimp and Tilapia in the US. In Nutrition we continued to invest in the two manufacturing facilities to support continued growth.

Cash flow, liquidity and net debt

Movement in net debt	£m
Net debt at 30 September 2021	**(80.9)**
Cash generated from operations excluding working capital and taxes paid	**30.3**
Movement in working capital	**(12.0)**
Capital expenditure	**(12.7)**
Other disposal activities	**(0.2)**
Foreign exchange on cash and debt	**10.5**
Interest and tax	**(17.0)**
Proceeds from previous year disposals of subsidiaries	**1.5**
New leases (IFRS 16)	**(11.5)**
Shares issued	**20.2**
Other non-cash movements	**(1.9)**
Net debt at 30 September 2022	**(73.7)**

Cash flow

With improved trading in all business areas, we saw strong cash generated from operations of £30.3m (2021: £22m). This also drove higher working capital levels and taxes, leading to net cash flows generated from operating activities of £10.8m (2021: £5.8m). Capital expenditure, both intangible and tangible, showed a significant decrease of £10.0m to £12.7m (2021: £22.7m) as we worked to moderate our capex and finished off the investment in some of the growth initiatives, primarily the incubation house in Iceland.

Working capital

Working capital has grown in the period driven by a number of factors. As the dollar strengthened, we can see the impact on the balance sheet as noted above in the other comprehensive income section and this increased the working capital balances at 30 September 2022, but working capital did grow during FY2022.

We noted earlier the increase in biological assets within the genetics areas. Other Inventories grew in Nutrition as we had more GSL Artemia in inventory than previous years to ensure it was available in all locations.

In Health, we had transferred the CleanTreat® equipment into Inventory resulting in Health inventory increasing by £3.4m.

Trade Debtors and creditors, of course, increased as a result of increased sales but trade debtors only increased slightly as a % of sales from 19% to 20% in the year. Similarly, trade payables were only slightly higher than last year.

A significant amount of cash is tied up with the working capital of the group and focus continued to be on releasing that investment in the years to come.

Refinancing and borrowing facilities

The Group had a NOK 850m senior secured floating rate listed bond which was due to mature in June 2023 with a coupon of 5.25% above three months Norwegian Interbank Offered Rate ("NIBOR"). The Group also has a USD 15m revolving credit facility ("RCF") which was due to mature in December 2022 and had £4m drawn at 30 September 2022. The interest rate on the facility is between 3% and 3.5% above LIBOR depending on leverage.

The Company successfully completed a new senior unsecured green bond issue of NOK 750 million, with an expected maturity date of 27 September 2025. The bond has a coupon of three months NIBOR* + 6.5% p.a. with quarterly interest payments.

Refinancing and borrowing facilities continued

There are other borrowing facilities held within Benchmark Genetics Salten AS which were put in place to fund the building of the Salten salmon eggs facility totalling NOK 227.5m (£18.8m) (2021: NOK 246m (£20.9m)), which are ringfenced without recourse to the other parts of the Group. Interest on these other debt facilities ranges between 2.65% and 5% above Norwegian base rates. In addition, a working capital facility of NOK 20.0m (renewal annual in March) and an overdraft of NOK 17.5m (maturity December 2022) were in place for use solely by Benchmark Genetics Salten AS. These facilities are undrawn (2021: undrawn).

Subsequent Events

Subsequent to the year end, on 21 November 2022, the company successfully refinanced the RCF facility with a new facility of £20m. The interest rate on the new RCF was between 2.5% and 3.25% with a maturity of June 2025. In addition, the term loan facility outstanding balance and the overdraft facility provided by Nordea were refinanced into one facility on 1 November 2022 totalling NOK179.5m with a maturity date of January 2028. The margin on the new facility is 2.5%.

Cash and total debt

	£m	
Net debt	2022	2021
Cash	**36.4**	39.5
NOK 750m bond (2021: NOK 850m)	**(61.1)**	(75.5)
Other borrowings	**(22.8)**	(20.9)
Lease liabilities	**(26.2)**	(24.0)
Net debt	**(73.7)**	(80.9)

The RCF facility combined with the year-end cash balance of £36.4m (2021: £39.5m) means the Group had total liquidity of £45.8m (2021: £50.6m). This, while utilising tight cost and cash control, is expected by the Directors to provide the Group with sufficient liquidity to fund the investment and working capital to crystalise the growth opportunities which are part of the strategic priorities of the Group and provide adequate headroom.

Equity raise

In November 2021, £20m net proceeds were raised through a placing to provide the Company with additional headroom to maintain this momentum and to continue to fund its ongoing growth initiatives.

Oslo listing

During FY2021, the Board commenced a review of our capital structure in the context of the approaching maturity of the main facilities as noted above and with regard to funding in the short term for investment opportunities to accelerate business area growth. As a result the company continues to progress towards a listing on Euronext Growth Oslo by the end of calendar year 2022. As previously announced the Company intends to uplist to the Oslo Børs, the leading seafood and aquaculture market globally, in H1 of calendar year 2023. The timing of both the listing on Euronext Growth Oslo and intended uplist to the Oslo Børs is subject to market conditions.

Covenants

Banking covenants for the NOK bond and RCF exist in relation to liquidity and an 'equity ratio'. Liquidity, defined as 'freely available and unrestricted cash and cash equivalents, including any undrawn amounts under the RCF', must always exceed the minimum liquidity value, set at £10m. Available liquidity at 30 September 2022 is £45.8m (2021: £50.6m). The equity ratio, defined as 'the ratio of Book Equity to Total Assets' must always exceed 40%. The equity ratio at 30 September 2022 was 61% (2021: 58%). In addition, an equity to asset ratio covenant exists for the Benchmark Genetics Salten AS debt with a target threshold of 40%, this equity to asset ratio was 51.3% at 30 September 2022 (2021: 46.2%).

Going concern

As at 30 September 2022 the Group had net assets of £323.3m (2021: £279.6m), including cash of £36.4m (2021: £39.5m) as set out in the Consolidated Balance Sheet on page 121. The Group made a loss for the year of £30.5m (2021: £11.6m). As at 30 September 2022 the Company had net assets of £346.6m (2021: £336.2m), including cash of £3.2m (2021: £9.0m) as set out on the Company Balance Sheet on page 122. The Company made a loss for the year of £16.5m (2021: £3.9m).

As noted in the Strategic Report, we have seen a year of strong performance following an extended period impacted by COVID-19, with improvements throughout the year in all of our three business areas. The Directors have reviewed forecasts and cash flow projections for a period of at least 12 months including downside sensitivity assumptions in relation to trading performance across the Group to assess the impact on the Group's trading and cash flow forecasts and on the forecast compliance with the covenants included within the Group's financing arrangements.

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

The year ended with the successful refinancing of its NOK 850 million bond which was due to mature in June 2023 with the issue of a NOK 750 million unsecured green bond maturing in 2025. This was achieved against a backdrop of challenging macroeconomic and market conditions and places the Group in a much stronger position in light of the ongoing market environment. Additionally, following the year end, the USD15m RCF was refinanced by a new £20m RCF on 21 November 2022 with a June 2025 maturity. Furthermore, our NOK 216m loan facility (which had NOK

165.6m outstanding at the year end) which was set to mature in October 2023 was combined with our NOK 17.5m overdraft facility into a new loan facility of NOK 179.5m on 1 November 2022, with a new maturity date in a further 5 years no later than 15 January 2028. Following all of these refinancing transactions, the Directors are satisfied there are sufficient facilities in place during the assessment period.

The global economic environment has recently experienced turbulence largely as a result of the conflict in Eastern Europe with supply issues in a number of industries impacted and inflation at high levels. Against this backdrop, the Group shows resilience against these pressures in its forecasts, with financial instruments in place to fix interest rates and with opportunities available to mitigate globally high inflation rates, such that even 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 financial statements. Based on their assessment, the Directors believe it remains appropriate to prepare the financial statements on a going concern basis.

Introduction

At Benchmark, we recognise that the future of aquaculture lies in sustainability.

As a proactive industry leader, we acknowledge the need to feed a growing global population and to preserve and protect the planet's resources. Bridging this gap is what motivates us.

We are driven by committed people with a desire to make a difference. Our products and solutions and the way we conduct our business are designed to align the aquaculture industry towards a sustainable future.

Our sustainability strategy is driven by our materiality assessment found on page 38. It consists of three pillars which are set out on page 37.

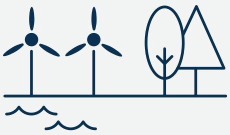
"We engage every part of our business in developing and delivering our ambitious sustainability programme. Working together with transparency and accountability we are driving change."

Ivonne Cantu
Director of Investor Relations
Head of the Sustainability Working Group

Our ESG Governance Framework

Environmental representatives	• Report on KPIs for each site • Facilitate implementation of policies and programmes • Provide feedback on ESG issues on the ground
Experts and expert groups	• Develop policies and programmes aligned to our ESG strategy
Sustainability Working Group	• Formed by representatives from all business areas and relevant functions • Proposes and implements strategy
PLC Board and PLC Sustainability Committee	• Provides strategic guidance and oversight • Ensures Board decisions incorporate ESG considerations

Environment



See pages 40-49
for more information

Overall commitment

As a responsible operator, Benchmark is committed to a programme of continuous improvement across all our operations to achieve our Net Zero Goals and reduce our overall environmental impact.

Focus areas:

- Climate change
- Energy
- Water resources
- Waste
- Biodiversity

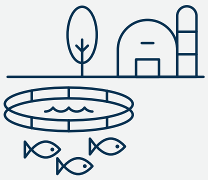
Goals:

- Achieve Net Zero scope 1 and 2 by 2030 and scope 3 by 2050
- Operate using only energy from renewable sources by 2030
- Reduce energy intensity by 5% every year
- Zero waste to landfill by 2030

Relevant SDGs

6 CLEAN WATER AND SANITATION; 7 AFFORDABLE AND CLEAN ENERGY; 13 CLIMATE ACTION; 14 LIFE BELOW WATER

Animal Health and Welfare



See pages 50-51
for more information

Overall commitment

We are committed to protecting and promoting animal health and welfare both in our own operations and in the development of new products and solutions. We are guided by the Five Freedoms Principle (FAWC).

Focus areas:

- Operate health plans that adhere to best standards
- Tailored training
- Build and operate facilities that promote animal welfare
- Incorporate animal health and welfare as critical parameter in product development

Goals:

- 100% trained staff
- 100% compliance with health plans; no incidents

Relevant SDGs

14 LIFE BELOW WATER

People and Communities

See pages 52-57
for more information

Overall commitment

We are committed to promoting the wellbeing of our people, the people in the communities where we operate and the people that work in our supply chain.

Focus areas:

- Making Benchmark 'A Great Place to Work'
- Supplier policy
- 'Benchmark for Better' community programmes
- Health and safety

Goals:

- Above industry engagement scores
- Training and development
- Diversity and inclusion
- Supplier engagement - 100% adherence to policy

Relevant SDGs

3 GOOD HEALTH AND WELL-BEING; 5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES

Introduction

Sustainability highlights

100% sustainable certified soy

- Sustainability of feed ingredients is an important area of focus. Over the last two years we have worked with our suppliers to achieve 100% sustainable certification.

Above average employee engagement scores

- Our 2022 employee engagement scores are significantly above the industry average across all measures evidencing the success of our People and Communities pillar.

Implementation of emissions reduction plan for Thailand

- In 2022 we completed an energy efficiency study which resulted in a comprehensive emission reduction programme commencing with the implementation of solar panels.

12% reduction in energy intensity ratio

- Our combined growth, energy management and asset utilisation means we can produce more efficiently reducing the environmental impact.

Completion of climate change risk assessment

- First Group-wide assessment representing important building block towards TCFD disclosure in FY23.

Issue of first green loan and NOK 750m green bond

- Validates the strength of our ESG credentials through an external rating obtained from Cicero.

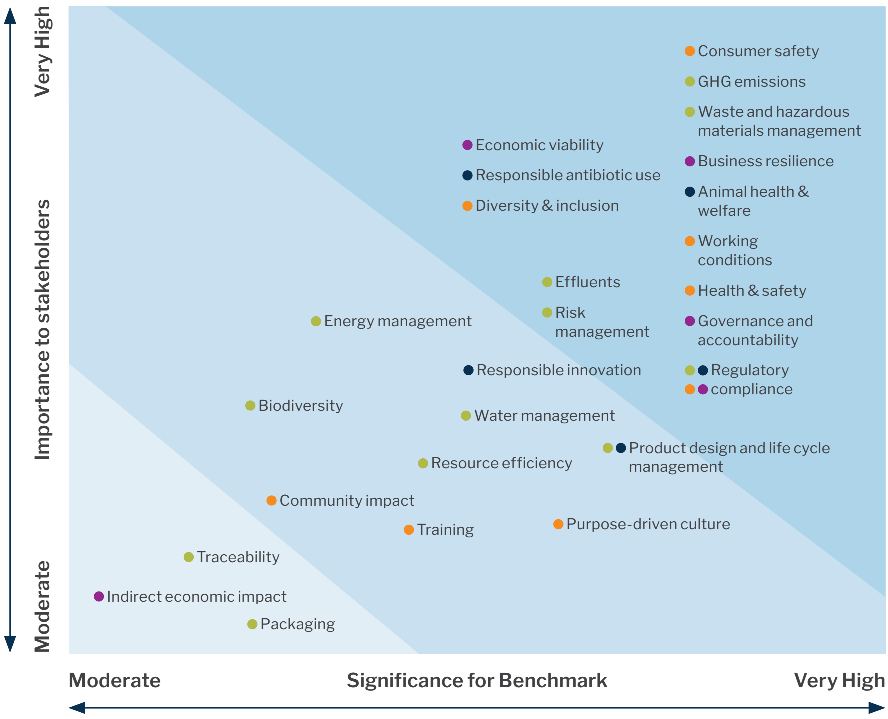
Materiality assessment

Materiality assessment - Defining our focus areas

Every year we conduct a materiality assessment to identify and prioritise ESG issues that affect our business and our stakeholders. We apply the Global Reporting Initiative (GRI) materiality analysis recommendations and Sustainability Accounting Standards Board (SASB)Materiality Map and obtain feedback from internal and external stakeholders. Internally, this includes discussions within our Sustainability Working Group and the Sustainability Committee. Externally, we obtain input from key shareholders and other stakeholders including industry participants and rating agencies. We are members of industry associations including the Global Salmon Initiative (GSI) and the Sustainable Shrimp Partnership (SSP). Further information on how we engage with our key stakeholders can be found on pages 58-60.

In FY22 we conducted a review of the newly introduced GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022 standard against our materiality assessment. We identified that the material topics within the standard were consistent with those within our own assessment and covered by the focus areas in our sustainability programme. Over the next financial year, we aim to develop internal processes for the Topic Standard GRIs and related disclosures for which we currently do not report against.

Through our materiality assessment we have defined the three pillars in our sustainability programme: animal health and welfare, environment and people and communities. Material aspects related to governance are dealt with through our Group governance framework and policies.



Key

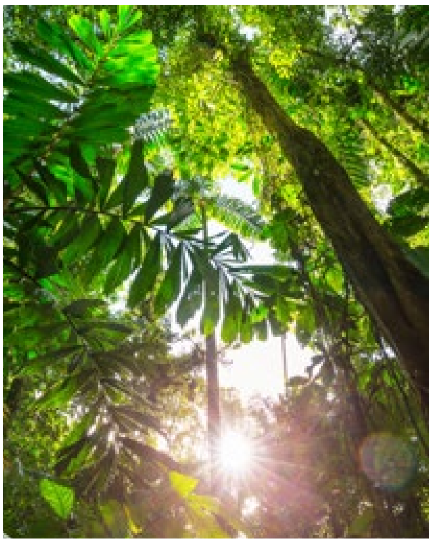
- Animal Health & Welfare
- Environment
- People & Community
- Governance

Extending our impact to our supply chain is an important goal for Benchmark. Our focus in 2022 was on three areas:

- Sustainable sourcing of feed ingredients – continued progress achieving 100% certification for soy
- Implementation of a new supplier policy through the development of a Group-wide supplier management system
- Improved disclosure - development of roadmap towards scope 3 emissions disclosure
- Progress in life cycle assessment of key products

Goals and objectives for the year ahead

- Complete implementation of supplier management system covering supplier policy compliance and engagement on environmental policy and programmes
- Continue progress towards development of novel feed ingredients
- Continue progress on programmes to reduce packaging
- Commence implementation of scope 3 emissions measurement



New initiatives

Extending our impact to our supply chain - A One Benchmark approach

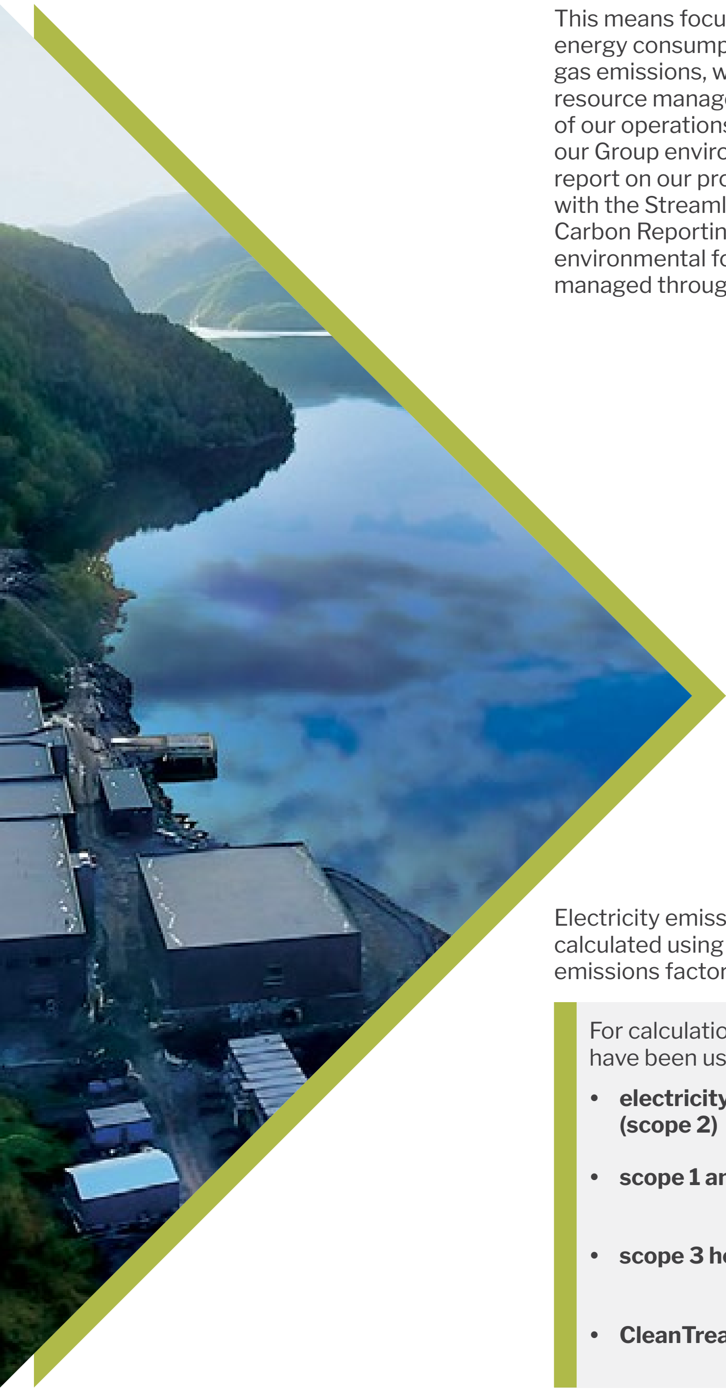
In 2021 we conducted a gap analysis to ensure that our ESG policies and procedures reflected best practice and standards. As a result, we developed a new supplier Code of Conduct covering modern slavery, anti-corruption and transparency. With our broader sustainability mission in mind and our One Benchmark culture we developed an internal online supplier management system to be used across the Group as a single platform to track supplier compliance as well as suppliers' progress in implementing an environmental policy and programme. This will then extend to obtain relevant metrics to be able to measure our scope 3 emissions and act as a conduit to initiate a constructive dialogue with our supplier ecosystem around relevant sustainability issues of impact in aquaculture.

With more than 2000 suppliers in more than 40 countries, implementing a fit-for-purpose policy and platform requires the involvement of all our business areas and key functions – legal, IT and procurement – and showcases our values in action –innovative, commercial, passionate and collaborative.

Click the link to our ESG download centre

Environment

As a responsible operator, Benchmark is committed to a programme of continuous improvement to minimise our environmental footprint.



This means focusing our efforts on energy consumption, greenhouse gas emissions, waste reduction and resource management in all aspects of our operations. We do this through our Group environmental policy, and we report on our progress in compliance with the Streamlined Energy and Carbon Reporting (SECR). Our environmental footprint and SECR are managed through:

Governance: we have an environmental programme in place led by the Group Health, Safety and Environmental (HSE) Manager and managed locally through Environmental Representatives at each site. Performance and progress are reported through the Sustainability Working Group to the Sustainability Committee chaired by Kevin Quinn, Non-Executive Director.

Responsibility: the Group HSE Manager is responsible for collating environmental data on a monthly basis. Data is collected from each site using a standard spreadsheet template and centrally collated.

Wherever possible, data is directly measured, with estimates made where a team is located in shared premises and direct measurements are not available. These estimates represent less than 1% of our total emissions.

Methodology: the calculations are aligned with the Greenhouse Gas Protocol and the Global Reporting Initiative Disclosure Standards. The approach covers scope 1 and scope 2 emissions and scope 3 emissions for which data is available. Additionally, we are reporting on the amount of waste, water consumption and energy use by source.

Electricity emissions have been calculated using location-based emissions factors.

For calculations of carbon equivalents the following data sources have been used:

• **electricity-related emissions (scope 2)**	International Energy Agency Emission Factors 2022
• **scope 1 and 3 emissions**	UK Government GHG Conversion Factors 2022
• **scope 3 hotel emissions**	Hotel footprint calculator (www.hotelfootprints.org)
• **CleanTreat® emissions**	Supplier specific data

The reporting period is from 1 October 2021 to 30 September 2022. We will be reporting total scope 1 and 2 emissions along with those scope 3 emissions for which data is available. We are reporting for all sites in the Benchmark Holdings Group.

Intensity measurement - We have chosen the metrics gross scope 1 and 2 emissions in tonnes of CO_2e per £million revenue and gross scope 1 and 2 energy use in MWh per £million revenue. These are commonly used intensity metrics and enable benchmarking with similar organisations. Our FY22 revenue of £158.3m was used for intensity measurements.

This year we have begun to establish our scope 3 emissions inventory and are able to report in more detail on waste, business travel, commuting (where the Company arranges the transport) and emissions relating to our CleanTreat® operations.

Our KPIs and SECR disclosures

Our key environmental impacts have been identified as: electricity consumption, gas consumption, vehicle travel, disposable water outputs, and potable water consumption.

Sustainable Shrimp Partnership
Benchmark joins the Sustainable Shrimp Partnership in Ecuador

This year Benchmark became a member of the Sustainable Shrimp Partnership (SSP), an initiative led by Ecuadorian shrimp producers who are committed to achieving, and promoting, the highest quality shrimp produced to the highest social and environmental standards. Ecuador is the world's largest shrimp producer with more than 1 million tonnes produced last year. All producing members of SSP are required to meet strict criteria including ASC certification, zero antibiotic policy, full traceability, and a neutral impact on water.

With a portfolio covering hatcheries through to farms, Benchmark has a breadth of knowledge and solutions in advanced nutrition, genetics and health across the shrimp production lifecycle. As an Associate Member, we will share our technical expertise in the hatchery and nursery segment, with a focus on shrimp welfare, disease, productivity, and care for the environment.

> "Becoming a member of the Sustainable Shrimp Partnership is a testament to our commitment to sustainability both here in Ecuador and globally. We are looking forward to working with members of the SSP to create a more sustainable future for shrimp production."

Xavier Valdez,
Area Manager Ecuador

Our KPIs

	FY22			FY21			FY20		
	UK	Global (excl UK)	Group Total	UK	Global (excl UK)	Group Total	UK	Global (excl UK)	Group Total
Emissions (tCO_2e)									
Scope 1	**3**	**2,571**	**2,574**	4	2,424	2,428	15	2,525	2,540
Scope 2	**8**	**4,014**	**4,022**	6	4,213	4,219	19	3,710	3,729
Total scope 1 & 2	**11**	**6,585**	**6,596**	10	6,637	6,647	34	6,235	6,269
Intensity ratio per £m Revenue			**42**			53			65
Energy (MWh)									
Total renewable electricity	**15**	**26,638**	**26,653**	0	20,882	20,882	0	20,643	20,643
Total non-renewable electricity	**21**	**6,918**	**6,939**	31	9,827	9,858	72	8,847	8,919
Total gas	**12**	**6,385**	**6,397**	20	5,650	5,670	100	6,042	6,142
Vehicle transport	**4**	**2,370**	**2,374**	24	2,433	2,457	4	2,416	2,420
Other fuels	**0**	**589**	**589**	0	560	560	20	905	925
Total energy consumption			**42,952**	75	39,352	39,427	196	38,853	39,049
Intensity ratio per £m Revenue			**271**			313			326

Greenhouse gas emissions for FY22 are $51tCO_2e$ (0.7%) lower than FY21. While this absolute reduction is only small it is set against the context of business growth and this is reflected in the intensity ratio of 41.66 tCO_2e, 21% lower than the previous financial year.

The introduction of electric and hybrid vehicles has reduced related scope 1 emissions. The reduction in scope 2 emissions is related to cleaner production of electricity in some of the countries in which we operate, particularly Belgium and Thailand.

Environment

Scope 3 emissions

Throughout the year we have completed a materiality assessment of our scope 3 greenhouse gas emissions and begun to create an emissions inventory. This has been done using the Greenhouse Gas Protocol, Technical Guidance for Calculating Scope 3 Emissions. The material categories are shown in the following table along with the related emissions where we have established data sources.

Four categories are excluded for the following reasons: category 8 and 13 emissions as we do not lease any of our assets; category 14 as we do not have any franchises and category 15 as it is applicable to financial institutions only.

We will continue to build the inventory and an accurate picture of our scope 3 emissions.

Business travel data collection has been improved to capture travel and hotel stays undertaken by our smaller sites during the current financial year. It has not been possible to capture historic data for these sites. The improved data partially accounts for the difference in the related emissions and the remainder is attributable to the post-pandemic resumption of business trips.

CleanTreat® was launched in H2 FY21 which is the reason for the relatively low level of emissions in FY21. In addition to our overall CleanTreat® emissions, we track the carbon footprint of each fish treated, and we will continuously look to reduce this.

Scope 3 emissions (tCO_2e)				
	Emissions category	**FY22**	**FY21**	**Comments**
1	Purchased goods and materials			Data capture process to be established
2	Capital goods			Data capture process to be established
3	Fuel and energy related activities			Data capture process to be established
4	Upstream transportation and distribution	**6,486**	1,838	CleanTreat® emissions only
5	Waste generated in operations	**346**	198	
6	Business travel	**965**	105	Air and rail travel, taxi journeys and hotel stays
7	Employee commuting	**10**	10	Company provided transport only
9	Downstream transportation and distribution			Data capture process to be established
10	Processing of sold products			Data capture process to be established
11	Use of sold products			Data capture process to be established
12	End of life treatment of sold products			Data capture process to be established

Waste

We aim to divert as much waste from landfill as possible by segregating waste streams where we can. Wherever possible waste is recycled, used in biodigestion processes or incinerated at authorised waste incinerator sites to produce energy.

The increase in landfill is a consequence of the construction projects that have been undertaken. This has resulted in an increase in the proportion of waste sent to landfill.

Waste (tonnes)			
	FY22	**FY21**	**FY20**
Recycle	**131**	169	107
Landfill	**178**	145	232
Energy from waste	**714**	747	421
Total	**1,023**	1,061	760
% waste to landfill	**17.4%**	13.7%	30.5%

Water

Our total freshwater usage has decreased 634,923 (1.5%) year on year; however, when considered against business growth the intensity ratio has reduced by 22%. Mains water consumption has increased at our growing facilities in Chile and Iceland.

Water use by source (m^3)			
	FY22	**FY21**	**FY20**
Mains water	**85,656**	67,378	66,834
Intensity ratio per £m revenue	**541**	539	633
Freshwater – surface	**20,501,347**	19,872,697	16,502,408
Intensity ratio per £m revenue	**129,509**	158,854	156,273
Freshwater – groundwater	**20,218,183**	21,500,034	23,928,522
Intensity ratio per £m revenue	**127,720**	171,863	226,596
Total Freshwater	**40,805,186**	41,440,109	40,497,764
Intensity ratio per £m revenue	**257,771**	331,225	383,502
Seawater	**52,526,103**	63,165,056	47,358,665

Using the World Resource Institute's Aqueduct tool our water stress risk assessment has been reviewed. The review has identified that our sites in Italy, Belgium, Türkiye and Mexico are in areas assessed as 'Extremely High' while our sites in Brazil, Greece and United States (Fellsmere) are considered to be 'High'. In total these sites use 9,526m^3 of freshwater which is 0.02% of the total Group freshwater use.

None of these sites is dependent on freshwater supply nor do they use water in quantities that will deplete local resources as detailed in the table.

Location	Site	Type	FY22 freshwater consumption (m^3)
Italy	INVE Aquaculture Research Centre	seawater facility	**3,025**
Belgium	INVE Technologies	commercial office	**1,296**
Türkiye	INVE Eurasia	commercial office	**85**
Mexico	INVE Aquaculture Mexico	commercial office	**60**
Brazil	INVE Do Brazil	commercial office	**38**
	Spring Genetics Brazil	production facility	**3,620**
Greece	INVE Hellas	commercial office	**33**
United States	Benchmark Genetics USA	seawater facility	**1,369**

Vehicle emissions

The UK car fuel data is taken from mileage declarations, fuel records and business mileage expense records. For operations outside the UK, car fuel data is taken from mileage declarations.

We are implementing a vehicle policy to transition our existing fleet to electric vehicles where these are available and within their replacement cycle. During the year we have replaced six vehicles in Iceland with electric vehicles and there have been two hybrid-powered replacements in Greece.

Group vehicle related emissions have reduced as a consequence of the increased number of electric and hybrid vehicles. However, this is offset by a post-pandemic increase in business travel.

Vehicle emissions (tCO_2e)			
	FY22	**FY21**	**FY20**
UK car fuel	**11**	6	17
Total group vehicle emissions	**979**	988	893

Energy use by source

Using data from the International Energy Agency Country and World Profile Key Energy Statistics the electricity that we consume is derived from the following sources outlined in the table below.

A project to install solar panels at our production facility in Phichit, Thailand is underway and is expected to provide 30% of their electricity requirements.

During the year

62.0%

of the electricity we consumed came from renewable sources.

					Renewable sources			
Source	**Nuclear**	**Coal**	**Oil**	**Gas**	**Biofuel**	**Geo-thermal**	**Hydro**	**Wind/solar**
% consumption	**1**	**5**	**20**	**12**	7	44	10	1

Environment

CleanTreat®

	FY22	FY21
Emissions (tCO_2e)	**6,486**	1,838

This year

43million

fish have been treated using the CleanTreat® process

This represents a carbon footprint of

151gCO_2e

for each fish treated which is our base line for future improvements

Net Zero scope 1 and 2 emissions

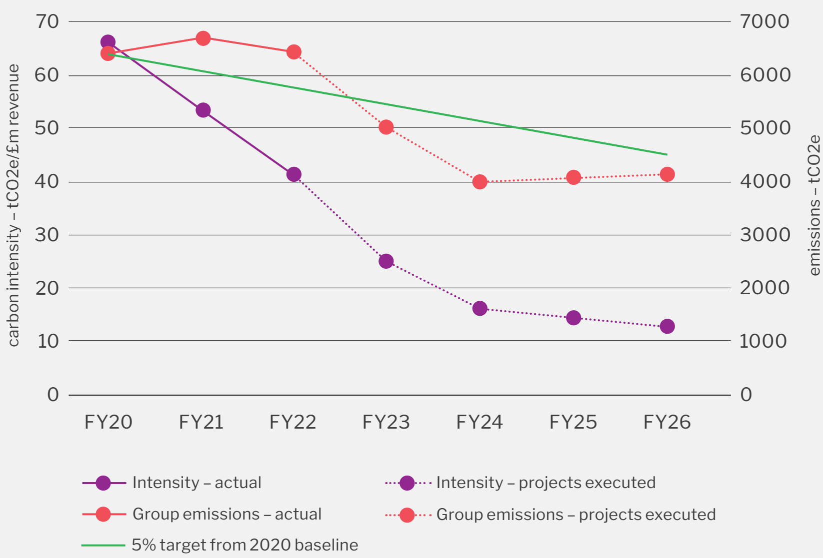
In addition to the projects being implemented we have, throughout the year, identified projects that will contribute to our effort to achieve Net Zero scope 1 and 2 emissions by 2030.

The projects include:

- solar panels at our facility in Colombia with anticipated savings of 60 tCO_2e (planned for FY24)
- chiller, compressor and condenser replacement at our plant in Thailand with potential emissions reduction of 500 tCO_2e (planned for FY24)
- procurement of energy from renewable sources for night-time supply at our Thailand facility (planned for FY24)
- we are also investigating the transfer from LPG to electricity for the spray drier operation at our Thailand facility (planned for FY26)

This has enabled us to produce a roadmap for our transition to becoming a Net Zero scope 1 and 2 organisation.

Scope 1 & 2 greenhouse gas emissions reduction roadmap



Environmental compliance

Compliance with all relevant environmental legislation in countries where the Group operates is the baseline from which we drive our improvements.

There have been no breaches of environmental legislation during the reporting period.

Environmental fines (£)					
	FY22	**FY21**	**FY20**	**FY19**	**FY18**
Total cost of environmental fines	**0**	0	0	0	0

Environmental policy

Our updated environmental policy, including a suite of targets and metrics, was launched in October 2021. To implement the policy into the business, workshops were run at each of our sites.

During the workshops attendees identified the relevant elements of the policy along with performance metrics to support them. As the metrics develop, site-level targets will be established and will be embedded into the management systems.

Solar panels at our facility in Colombia with anticipated savings of

60tCO_2e

Target	Metric	GRI ref	UN SDG
Climate change			
Achieve Net Zero scope 1 and 2 carbon emissions by 2030	Direct (scope 1) emissions Energy indirect (scope 2) emissions	305-1-a 305-2-a	
Achieve Net Zero scope 3 emissions by 2050	Other indirect (scope 3) emissions Total energy consumption	305-3-a 302-1-e	
Energy			
Operate using energy only from renewable sources by 2030	Total energy consumption	302-1-e	
Reduce our energy consumption/£m revenue by 5% year on year	Energy consumption per £m revenue	302-3-a	
	Percentage of total consumption from renewable sources	302-1-b	
Water resources			
We aim to use freshwater efficiently and take all practicable steps to prevent uncontrolled loss	Water consumption by source	303-3-a	
	Water withdrawal by source by operations in water stressed areas	303-3-b	
	Number of times that discharges exceed limits	303-4-d	
	Volume of water recycled and reused	303-1	
Sustainable materials			
Increase the percentage of raw materials that come from certified sources	Weight of packaging materials used	301-1	
Reduce the quantity of product packaging per £m revenue	Type of packaging materials used - % recyclable, % sustainable	301-2	
Increase the percentage of recyclable or sustainable packaging	% of raw materials from certified sources	301-1	
Waste			
We aim to have zero disposal of waste to landfill by 2030	Quantity of waste by waste stream	306-2	
Increase percentage of waste that is recycled or reuse	Quantity of waste to landfill	306-2	
Company-operated vehicles			
All Company-operated vehicles to be zero emissions by 2035	Percentage of Company vehicles that produce zero emissions		

Environment

Environmental policy continued

Target	Metric	GRI ref	UN SDG
Business travel			
Reduce travel-related greenhouse gas emissions by 5% year on year	Business travel carbon footprint	305-3-d	3 GOOD HEALTH AND WELL-BEING
	Business travel carbon footprint per employee	305-3-d	13 CLIMATE ACTION
Biodiversity			
When undertaking projects and maintenance schemes likely to result in disturbance or other impact to land and/or water, endeavour to avoid damaging wild species and their habitats	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by our operations	304-4	15 LIFE ON LAND
Collect and use significant biodiversity information, to inform planning and operational activities	Nature of significant direct and indirect impacts on biodiversity	304-2-a	

Environmental management system

Our production plant in Phichit, Thailand achieved ISO 14001:2015 registration in October 2021. Building on this we are committed to implementing ISO 14001:2015 compliant environmental management systems at all of our production facilities. An Environmental Systems Manager has been recruited and a phased implementation programme established. In the coming year we aim to have three more of our facilities complete certification.

Climate change

As a foundation towards Task Force on Climate-related Financial Disclosures (TCFD), a series of Group-wide climate change risk assessment workshops were held throughout FY 22. The workshops included a variety of stakeholders throughout the business and covered all geographical regions, led by our Group Health, Safety and Environment manager. The output from the workshops was collated and is summarised overleaf, which addresses key climate risks and resulting mitigations and controls for our business. The output from the workshops was validated against published national risk assessments. Moving forward we intend to complete a quantitative, scenario-based analysis of each location to enable reporting under TCFD requirements for FY23.

Case Study
Proactive environmental action at all our sites across the world

We are proud to have an Environmental Representative at each of our sites across the world to champion site level environmental program activities. With a culture of continuous improvement, the team review the environmental performance of their operations, share best practices and implement site level improvements. This year, projects included:

- **Energy efficiency and behavioural change initiatives**
  - LED lights have been installed throughout our Lønningdal, Norway site resulting in reduced energy consumption and lower maintenance costs.
  - A 'switch off' campaign to reduce energy use was launched at our shrimp genetics site in Fellsmere, Florida.
- **Waste reduction programmes**
  - A waste reduction effort on a CleanTreat® vessel resulted in 50% less waste.
  - In line with our commitment to reduce waste across the business during the opening event of our new salmon egg incubation centre in Iceland no single use plastics were used.
- **Recycling schemes**
  - Redundant IT equipment from our office in Bangkok, Thailand has been donated to a local temple.
  - Rainwater is collected at our office in Dendermonde, Belgium which is used for flushing toilets.

Collectively these smaller projects add up and make a difference in reducing Benchmark's environmental footprint.

Risk	Risk commentary	Risk mitigation and controls
Extreme weather	Extreme weather events are a key risk to our operations. Increase in frequency and/or severity of weather and extreme events, including coastal erosion, hurricanes, and flooding, result in both acute and chronic impacts to our sites and wider supply chain. These weather events translate to higher maintenance/operational costs and less reliable operations and transport, risking customer relationships and market presence.	• Site-level contingency plans for response to extreme weather events, to limit the impacts to our operations. • Maintenance and asset integrity programmes to ensure our buildings and equipment are robust, so sites remain operational through periods of disruption. • Monitoring changing weather patterns to anticipate the need to secure additional resources or transport alternatives.
Freshwater availability	As air temperatures increase, water evaporation also increases, intensifying hydrological cycle variability. This is a key risk for our operations as resulting changes to rainfall and/or winter snow melt patterns can mean less freshwater in local watercourses, risking operational continuity. Freshwater availability also directly impacts our wider supply chain, and changes to customer behaviour can be expected as their operational approach becomes less reliable.	• Group water risk assessment using the WRI Aqueduct Tool, which identified no key operational sites were in water stressed areas. • Site-specific water consumption reductions, through maintenance and asset integrity programmes, and financial/CAPEX investment. • Site specific investment to infrastructure supporting continuity of local freshwater supply.
Great Salt Lake	The GSL has reduced to half its original volume since first recorded in 1847, with the lowest water level ever recorded in 2021. At present the reduction is thought to be predominantly behaviour related, due to rising local population and industry. That said, contributions due to climate change must also be acknowledged. Increased salinity in the water may affect the Artemia harvest.	• Working closely with the GSL Co-Operative group to monitor the situation, and support mitigation and novel research projects. The state of Utah has responded with: - • Increasing water quality and management regulations for communities and industry local to the GSL. • Significant financial investment and programs to support water infrastructure, planning and management.
Fish feed availability	Supply of marine and non-marine ingredients for our fish feed is a concern, as population growth and climate change influence availability. Ocean acidification due to atmospheric CO_2 uptake and subsequent declining pH is projected to have an adverse impact on abundance of aquatic species.	• Best practices for feeding, including use of auto feed instrumentation, to ensure a low feed conversion ratio. • Responsible sourcing of marine and non-marine (soy) feed ingredients through robust supply chain management. • Working closely with research partners, into alternatives for marine-based ingredients.
Seawater temperature	As global temperatures increase, our oceans warm and biological risks to our sea farm customers intensifies. With this change, increased disease, more frequent algae blooms and lower oxygen concentration arise, with detrimental effect on production such as increased mortality and escapees and lower harvest weight.	• Optimising CleanTreat® operations for efficiency and availability, to support healthy oceans and maximise financial gains. • Working closely with customers to explore new land farm-based opportunities.
Transitional	New or increasing severity of regulations in response to tackling climate change poses various financial and operational risks. Tighter restrictions of GHG emissions, water and energy usage would increase costs, requiring technological investment, and risk geographical operational limitations for our customers. Increase in regulations and taxation of carbon would risk our products becoming less competitive in the market, particularly in transport of products and our CleanTreat® activities. Mandated movement towards renewable energy sources may be expected where policies tighten, with interim financial implications, particularly in geographical locations where the technology is not yet widely available. Rising markets for alternative plant-based protein sources may affect the competitive environment and potentially indirectly reduce demand for Benchmark's seafood products.	• Third party certification, including GLOBALG.A.P., and ISO management systems. • Science-based target approach to Net Zero emissions, and development of a yearly Group roadmap to realise this goal. • Investment in upgrading our facilities to increase energy efficiency and reduce our carbon footprint, such as LED lighting and upgrading equipment. • Investment into location-based renewable energy sources, including installation of solar panels on our sites. • Strong commercial marketing campaigns, promoting the nutritional benefits of blue food diets, and their contribution to achieving many of the UN SDGs, including sustainable consumer behaviour, ending hunger, and achieving Net Zero.

Environment

It cannot be ignored that climate change is a very real, 'here and now' situation. As a business we have experienced the impact of some of the physical risks identified above coming to fruition.

Extreme weather events including coastal erosion, hurricanes, and winter storm intensity, have caused small scale infrastructure damage to multiple locations. Where the local community is impacted, damage to transportation infrastructure has resulted in delays throughout the supply chain. It can be expected that extreme weather events will continue to worsen, and subsequently an increasing risk of damage and disruption to operations globally. Our sites manage small scale damage through robust maintenance programmes, and work closely with the wider supply chain to anticipate and minimise impact of delays in transportation to our customers.

Freshwater is an essential requirement for aquaculture operations, and therefore availability poses a significant risk to business continuity. In some locations, changes to the monsoon season have impacted customer production behaviour: current adaptations include moving to a more seasonal operational cycle, where previously operations were able to run year-round. Reduction in quantity of rain and winter snowfall has resulted in reduced freshwater availability in local watercourses for some of our locations. This physical effect of climate change is expected to continue and worsen if the situation does not improve globally. To mitigate long-term impacts of this risk to our operations, affected sites are responding by working with local government and communities to strengthen security in our supply of freshwater. Our Genetics site in Salten has gained approval to dam the local freshwater source, a project which both secures the supply for our operations but also the local community. Our Advanced Nutrition site in Salt Lake City is working closely with the Great Salt Lake cooperative on multiple projects to ensure the continued availability of freshwater for the local community and industry.

New initiatives

INVE Thailand energy reduction

The consultant appointed to study energy consumption at our Thailand factory reported their findings and recommendations. An implementation programme extending to FY26 has been developed and it is anticipated that a reduction of at least 1,900 tCO_2e will be achieved over this time.

Two key projects commenced during the year. Contracts were signed for the installation of a solar roof top, with a 950 kWh capacity, at the facility. The installation will annually provide over 1,400,000 kWh of solar energy and reduce carbon emissions by at least 700 tCO_2e. Installation work will get underway once a construction permit is issued, with an expected completion date of April 2023.

Approval has been given for the replacement of air-cooled chillers. Investment in high-efficiency chillers will result in an annual saving of 700,000 kWh of energy and at least a 300 tCO_2e reduction in emissions. A supplier has been selected and installation is planned to be completed in March 2023.

Together these projects will reduce emissions from the site by more than 20%. However, it is important to identify other areas of energy saving that, while delivering smaller returns, will also deliver emissions reductions. Throughout the year the site has continued to identify and work on smaller projects.

A production team proposed replacing the wet cleaning of crates with an equally effective dry cleaning process. Implementing the proposal has eliminated the need for a drying process saving 15,000kWh of energy per year and reducing emissions by 7tCO_2e. Additionally, this new process has reduced water usage, saved time and eliminated the use of disinfectants.

An imbalance in the three-phase power system has been identified which has been calculated to increase consumption by 1,200 kWh per year. During ongoing maintenance and equipment replacement works the three-phase supply will be rebalanced. An annual emissions reduction of 1.2 tCO_2e is anticipated.

TCFD

Task Force on Climate-Related Financial Disclosures (TCFD)

As a responsible operator with a mission to drive sustainability, Benchmark acknowledges the importance of providing transparent disclosure which enables its stakeholders to address the material sustainability factors affecting its business including climate risk. TCFD provides a framework and recommendations which enables companies and investors to measure and assess the risks and opportunities associated with climate risk in a transparent way and to promote effective risk management. Ahead of the mandatory requirement to report under the TCFD framework, Benchmark has put in place the key building blocks including a governance framework which enables the Company to consider climate issues, a Group-wide process to identify climate risks and opportunities and metrics and targets as set out throughout this ESG report. Looking forward we are developing future scenarios through which we will analyse and evaluate the possible implications on our business.

Pillar	Governance	Strategy	Risk management	Metrics and targets
Summary	Ensuring we have oversight and management of climate-related risks and opportunities	Understanding the impacts from climate change and planning accordingly for a range of climate scenarios	Setting in place a methodology for identifying climate risks and mitigate them accordingly	Disclosure of metrics and targets used to assess and manage relevant climate-related risks and opportunities
Our progress	We have a well established governance framework including a Board committee, a sustainability working group with broad Group representation and an embedded team of environmental representatives at each of our locations. This governance framework has been in place for two years with demonstrated efficacy in guiding our sustainability strategy, establishing priorities, directing resources and promoting transparency.	In 2022 we conducted a Group-wide climate risk assessment identifying risks at each of our sites and within each of our business areas. This allowed us to incorporate the assessment into our annual strategy review and development. This in turn led us to consider the adequacy of our business continuity and maintenance programmes to mitigate climate risks.	Our risks are identified through a series of Company-wide workshops held specifically to identify climate risk and opportunities, combined with robust internal research using national datasets and climate predictions for each geographic. Sources include the IPCC or the International Energy Agency. Risks and opportunities as well as mitigating actions and factors were qualitatively assessed.	We report on energy consumption and carbon emissions. In 2021 we set out Net Zero targets for 2030 and 2050 and in 2022 we are enhancing our disclosure by presenting a greenhouse gas emissions roadmap. In 2022 we developed a roadmap towards measuring our scope 3 emissions.

2018
Board sustainability Group committee established

2019
Disclosure of emissions And understanding of carbon footprint enhanced

September 2020
New sustainability governance framework put in place

2021
Net Zero targets adopted
Net Zero scope 1 and 2 by 2030

December 2021
New environmental policy issued

2022
Climate risk assessment conducted
Energy efficiency study completed in Thailand – implementation under way

Animal Health and Welfare

Benchmark is committed to designing and managing operations that respect natural resources and foster animal welfare.

Our aim is to achieve better conditions for all animals under our care. We also work with other industry participants to help develop aquaculture systems that promote animal welfare. Our animal welfare approach is based on the internationally recognised Five Freedoms.

Our animal welfare approach is based on the internationally recognised

Five Freedoms

Why it matters?

In addition to its intrinsic importance, animal health and welfare is a critical driver of productivity and sustainability for our customers. Healthier fish and shrimp result in better biological performance which directly leads to more profitable and sustainable aquaculture systems.

Areas of focus

To promote animal health and welfare we focus on four areas within our operations: training, health plans, protocols and antibiotic use. In addition, we engage with other industry players to promote animal health and welfare across the supply chain. This may involve offering external training, participating in collaborative research initiatives, and working with customers to improve practices supported by our technical services teams.

FY22 progress

- Training: 100% of our relevant employees were trained or are scheduled to be trained on animal welfare within an 18 month period cycle.
- Health plans – full compliance and implementation of central fish health register:
  - Full compliance with existing health plans which include water control and regular checks of appearance and behaviour by trained staff.
  - Implemented centralised fish health registration applying recently developed operative welfare indicators.
  - Modified parasite prevention and treatment protocols in tilapia reducing medicinal use.

- Protocols: We operate under a philosophy of continuous improvement identifying opportunities to improve our processes in ways that promote animal welfare. In 2022 these included:
  - Modifying the protocol for histopathology and growth tests in shrimp;
  - Limiting and reducing the number of animals used in tests; and
  - Modifying the protocol for DNA sampling for tilapia.

- Our protocols are subject to local regulatory oversight including from the USDA APHIS Animal Welfare.

- Antibiotic use: In alignment with our antibiotic policy we ran antibiotic free operations in 2022 and promoted the reduction in antibiotic use amongst our customers.

Training

100%

of our employees were trained or are scheduled to be trained within an 18 month period cycle

Sustainability

Tesco animal welfare standards

Striving for continuous improvements in animal welfare across the aquaculture industry is part of Benchmark's DNA. Benchmark is recognised in the industry as a leader in animal welfare, both through our own operations and welfare standards which we promote with our customers and our broader outreach in the industry.

As part of this engagement, this year we became a recognised trainer in Tesco welfare standards, which underpins the requirements to which producers, growers and suppliers must comply in order to supply aquatic products to Tesco.

> "We are delighted that the work of our technical service team has been recognised by Tesco as best practice animal welfare standards. This work adds to all that Benchmark is doing to improve the life and culture standards of all animals in our care throughout the entire production cycle."

Andy Shinn,
Global Technical Expert (Disease Management)

Industry impact

- We continued our ongoing effort to promote non-ablation in shrimp through participation in conferences and industry publications.
- We delivered animal welfare training for farmers in Asia as part of leading retailer Tesco's effort to promote animal welfare in their supply chain.
- We are collaborating with an external party to support the design of a stunner for shrimp adapted to small scale operations.

Our People and Communities

Our people are the key to our success, everything we do is aimed at creating the right environment in which they can be successful.

We value the rich diversity in our business and our culture is one in which everyone has a voice and every voice is heard; where people feel they belong, that the work they do has meaning, and that – at the end of the working day – they have a sense of satisfaction, a sense of energy, a sense of purpose and a feeling of wellbeing.

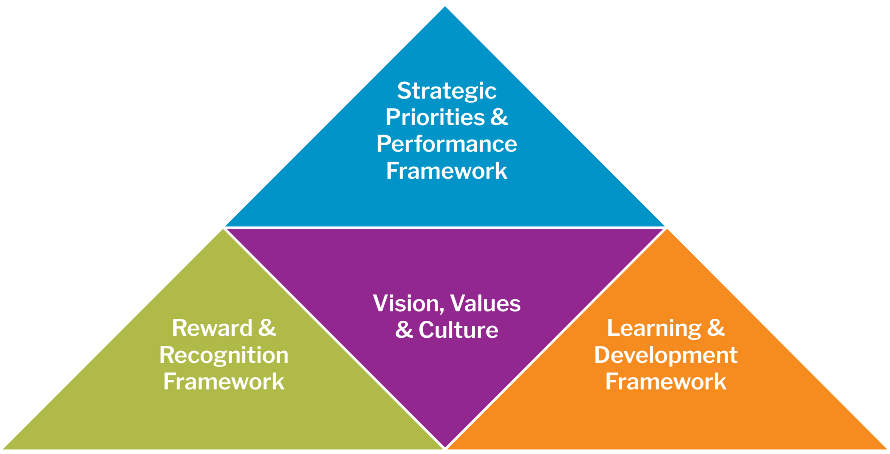
Our values

Our values are fundamental to all that we do. They define who we are, how we interact and guide our decision making.

It is through our ability to innovate, the passion we show in our work, the collaboration across traditional country and business boundaries and the commercial mindset we apply that sit at the core of our culture, the bed of our success in shaping a sustainable future for aquaculture.

> "I am proud of our people and progress this year. We have seen excellent engagement in our initiatives which embody our values and show that Benchmark really is a great place to work."

Corina Holmes,
Group Head of People



Employee engagement survey “Have Your Say, We Are Listening”

This year we conducted our third employee engagement survey, which enables us to embed ‘two-way feedback’ into our culture. We use the output to understand what is working well and what we could do better so that we continue to improve and enhance our culture. The survey has five key metrics:

- Purpose – what Benchmark stands for.
- Enablement – the conditions that enable individuals to do their job well.
- Autonomy – the influences of positive work and health.
- Reward – intrinsic and extrinsic rewards for workplace effort.
- Leadership – examining the way in which leaders listen, support, and enable positive change.

In FY22 there was a 4.5% increase in participation and another outstanding engagement score. We developed and launched an Action Planning Toolkit for managers and these were used to lead Action Planning workshops across the group, identifying key areas to focus our efforts, with plans being put in place at the local team and business area level.

92%
participation rate

70% ▲ 5%
My career development aspirations at Benchmark are being met

88%
Overall score, puts us in the top quartile of companies for employee engagement

80% ▲ 2%
I can get the training and development I need to do my job

85%
Of our people confirmed that Benchmark’s purpose made them feel good about the work they do

81% ▲ 10%
My health and safety at work is supported

Our people are our greatest asset

Our People and Communities

Communications and Engagement
In FY22 we launched our Global People Town Halls, an important internal global engagement channel, where we share updates on the work we are doing to develop the People Agenda for One Benchmark, discuss in more depth topics that matter to our people and their career, and provide an open and transparent forum for our people to have their say and ask questions.

Diversity and inclusion
We know that diversity unlocks innovation, and we will continue to strive to attract a diverse workforce and provide equal opportunities throughout the business.

We operate across 26 countries and we value the diversity that this brings across cultures, ethnicity, age, educational background, physical or mental abilities, sexual orientation and gender identity and perspectives. We create an open environment where everyone, from any background, can do their best work and most importantly where are people can be ourselves.

It was under the banner of Diversity and Inclusion that in FY22 we conducted our first ever Global benefits review.

FY22 Global Benefit Review
This is the first time we have undertaken such a substantial and far-reaching review, with the aim of ensuring that all our people have access to the right benefits fairly and equitably no matter where they are in the world.

Our benefit review encompassed information gathering and analysis of our existing local portfolios, their compliance with local regulations and their competitiveness against local market practice. Additionally, we have reviewed the way we help and support our employees in different circumstances and areas of their lives, and agreed on desired global minimum standards we want to implement across all locations, covering topics such as work flexibility, family-friendly policies, and health protection.

It covered all of our countries, 30+ types of benefits, and reviewed 600+ local provisions.

Diversity and Inclusion has been at the core of our work, as we have focused on identifying the implications for protection and well-being for our workforce. We have incorporated all inputs into our Company-wide Total Reward Strategy and will crystalise them into a Group Employee Value Proposition during FY23.

Training
We have also improved our focus on training and development for all. We have an online learning management system (LMS) which enables our people to access learning opportunities in their respective roles, as well as complete mandatory compliance training. All employees are expected to undertake six mandatory training sessions on LMS each year, available in their local language, to support with their understanding of key policies. During the period 6,017 modules were completed.

To support our managers in the implementation of our Performance Framework we delivered over 800 hours of training covering Objective setting, Development Planning, and Year End Reviews. In FY23 we will develop further training based on the lessons learnt during this year.

Employee turnover
Our culture has enabled employee turnover to remain stable at 13.64% in FY22, this was despite the phenomenon known as the 'Great Resignation', where globally there was an increase in people leaving their jobs post the COVID-19 pandemic, especially in the hourly paid market. We focused our retention efforts on these markets and are encouraged by our position.

Gender Balance Table

	Female	Male	Total of Employees	Total % of segment occupied by Females	Total % of segment occupied by Males
Exec Director	1	1	2	50%	50%
Exec Management Team	3	3	6	50%	50%
Senior Manager	19	48	67	28%	72%
Managers/Technical Experts	82	120	202	41%	59%
Employees	239	331	570	42%	58%
Grand Total	344	503	847	41%	59%

Performance Framework in Action

FY22 was the first full year of our new performance framework cycle, a four-stage process, with a different focus to the conversation each quarter: objective setting to align and set goals for the year ahead, development discussions to understand our people's aspirations and development needs, check-in sessions and a formal year-end review.

During the year there was a focus on upskilling our managers giving them the skills they need in the implementation of the framework.

This framework is directly linked to the Strategic Priorities Framework, and individual goals and objectives are ,therefore, directly linked to achieving the five Group SP's. This creates a line of sight, helping our people to see how the work they do directly contributes to the business success, something we scored well on in our employee engagement survey. It also creates a real sense of purpose in the business, underpinning our culture.

From a people perspective this framework has given us greater visibility to the capability and aspiration of our people and we saw an increase across the business of internal moves and promotions.

100%

of Performance ratings reviews were returned in FY22

Employee Wellbeing

One Benchmark A Healthier You – Our global wellbeing programme

One Benchmark
A Healthier You

This year we launched a Group wellbeing programme – "One Benchmark, A Healthier You" – to ensure our people are the best they can be in mind and body. We partner with international ICAS Employee Health and Wellbeing providers who delivered a series of webinars in English, Thai, and Spanish for our people around the world.

We also hosted our annual Global Health, Safety and Wellbeing Day which gained excellent engagement amongst all our people, in person and online. Participants were asked to identify positive and negative factors that impact their physical and mental health in the workplace. Short and long-term actions to improve wellbeing and strengthen the positive factors were discussed and put into an action plan. The findings were shared on our intranet platform achieving 80% engagement.

To further support the mental health of our employees, we conducted Global Mental Health Awareness training for our managers during the period. Over a third of managers have now participated in in-person training. We have 27 Mental Health First Aiders trained to support our employees and who cover all our sites.

Our People and Communities

Health and safety

We take the health and safety of our employees very seriously and have a health and safety management system in place that covers 100% of our operations. Every employee expects to return home from work unharmed and we believe that this responsibility is down to all of us as a responsible operator. We ask every employee to sign up to our health and safety commitment:

- Nothing is more important than health and safety;
- Nothing we do is worth being hurt for;
- Nothing is so important we cannot take time to do it safely; and
- We will never witness an unsafe act or condition without taking action.

We operate mandatory health and safety training for all new employees and the well-being of our people will always be a top priority within the Group; we are committed to upholding this.

Throughout the year we have taken deep dives to understand accident root causes while also focusing on training, near-miss reporting, and completing safety walks.

	FY22	FY21	FY20	FY19	FY18
Fatalities	**0**	0	0	0	0
Recordable accident rate	**0.91**	1.28	0.97	1.16	2.57

Ref: GRI disclosure 403-9 Work-related injuries and related definitions. Computation based on 200,000 hours worked.

Our Values

Innovative

We actively seek opportunities and find sustainable solutions to challenges and opportunities.

Passionate

We live our mission and strive for excellence – taking personal leadership and celebrating our achievements.

Collaborative

We are One Benchmark. We help and support each other. Our interactions are built on integrity, mutual trust and respect.

Commercial

We have a customer-focused, commercial mindset. We set targets and priorities and take responsibility for meeting our commitments.

Benchmark for Better (B4B)

Our Benchmark for Better initiative is our way of making a positive impact on our communities. We achieve this by making donations to projects and charitable organisations in countries where we are present and by giving our people the opportunity to dedicate two days per year to volunteering activities.

In 2022 we made donations and volunteered time to several causes including support for Ukrainian refugee families. Members of our team in Bergen took volunteer time out to help Ukrainian refugees living near our office by purchasing essentials and making starter packs for pregnant women and children starting school.

In Thailand, our team continues to support two local primary schools by donating books, sports equipment, funding scholarships, planting of trees, and setting up a first aid room. Our team was awarded the CSR-DIW Continuous Award 2022 by the Department of Industrial Works, Ministry of Industry, reflecting our strong commitment to social responsibility and sustainable development. The Federation of Thai Industries also awarded our Advanced Nutrition production facility with an ECO-Factory certificate for our sustainable practices.

In Colombia, we have an established relationship with a local school and this year we provided support by funding tutoring sessions to help bridge the educational gap created by the Covid-19 disruption. In Mexico, we established a new relationship with Fondo Guadalupe Musalem which funds education for underprivileged young women from rural communities.

One Benchmark 'Around the World Challenge'

Connecting our global communities

In June, we launched a virtual "Around the World Challenge" to raise funds for local charities and support our team who were taking part in the UK Challenge, a team-building event based on the Isle of Man. We believe that joining together to complete a challenge as a global team is a great way to bring us closer and to live our values of passion and collaboration, whilst creating a community spirit.

Our challenge was to collectively cover as much of the world's circumference (24,901 miles) as possible, in the month of June by running, walking, swimming, or cycling.

Participation was extremely high across all our locations. 210 people joined our online club and pictures being posted every day via our intranet platform. The challenge epitomised the passion that our people have for becoming healthy, working together in teams, and supporting colleagues while raising money for their communities.

The challenge culminated in 10,875 miles travelled. B4B matched a pound per mile and this sum was donated to a variety of chosen local charities.

Engaging with our stakeholders

The Board continued to focus on its duties under section 172 of the Companies Act 2006 towards its shareholders as well as having regard to the impact on the Group's other stakeholders.

The Board made its key decisions in the 2022 financial year having regard to the provisions of section 172. This requires the Board to act in the way most likely to promote the success of the Group for its shareholders' benefit and to have regard to matters set out in the table below.

Number	Relevant factors for the Board to consider:	How the Board had regard to these factors
1	The likely consequences of any decision in the long term;	When evaluating new projects and initiatives the Board assesses the long-term strategic, commercial and financial impacts. Projects considered by the Board in the year included capacity expansion projects, the development of new products and the entry into new markets.
2	The interests of the Company's employees;	An all-employee survey was completed and the results were presented to and discussed with the Board. The Company has an Employee Representative who participates in all meetings of the Extended EMT. They lead a group of employee champions who represent all employees in all countries. They meet throughout the year to discuss and input on the employee benefits per location, the implementation of the Group values, and more general topics such as meeting policies, work regime and how to promote One Benchmark. This year guest speakers have included Head of People, Rewards Manager, Health & Safety Director and Head of Legal and Compliance. Their overall feedback is presented to the Extended EMT and summarised to the PLC Board.
3	The need to foster the Company's business relationships with suppliers, customers and others;	See page 59 for table See pages 21,23 & 25 for case studies
4	The impact of the Company's operations on the community and the environment;	The Board's Sustainability Committee is responsible for overseeing the work carried out by the Company's Sustainability Working Group. This includes developing policies aligned with the Company's aim to minimise the impact on the environment and the communities in the regions where it operates. A network of Environmental Representatives at each site enables implementation of the policies and act as a conduit to raise and address any concerns arising. The Company's Health, Safety and Environment Director chairs a quarterly meeting with all Environmental Representatives. Specific areas of focus include emissions, waste management and freshwater use.
5	The desirability of the Company, maintaining a reputation for high standards of business conduct; and	The Company has compliance and conduct policies, which it regularly updates, on topics including the prevention of modern slavery, bribery and money laundering, and encourages its employees to report any concerns confidentially using its whistleblowing channel. Employees also receive training on the Company rules and procedures for these matters. The Group introduced a Supplier Code of Conduct approved by the PLC Board to support its commitment to corporate responsibility, ethical behaviour, environmental footprint and human rights.
6	The need to act fairly as between members of the Company.	The Company maintained a communication programme with all shareholders including quarterly presentations for institutional and retail shareholders. The Company made all presentations and webcasts held available through its website. In addition, the Company invited questions through its webcasts from institutional and retail shareholders. The Company complied with applicable market and disclosure rules concerning equality of information.

The Board is also conscious that the Group cannot grow and succeed without the support of our stakeholders, from customers and suppliers to shareholders and employees, and positive engagement with the communities in which we operate.

The table below sets out our key stakeholder groups and how we engaged with them during the year.

Stakeholder	Engagement	
Customers	**Who led the Group's engagement?** • Board, CEO, business area heads. **Why do we engage?** • Our customers help us develop and refine our products. • Building trust-based long-term relationships enables us to deliver innovative high quality products and services that help both Benchmark and our customers succeed. **What were the key actions and topics?** • Regular meetings and requests for feedback from key customers in each business area. • The Board receives regular updates from the CEO and the Executive Management Team. • The full Board visited customer' sites in Norway which fostered their knowledge of the salmon industry and main challenges.	**What were the key outcomes?** • Deepening of our understanding of Benchmark's perception and position in key markets. • Refinement of our Ectosan®Vet and CleanTreat® new business model and strategy in co-operation with key customers. • In FY22, the Group continued to face disruption in its supply chain caused mainly by COVID-19 and challenges faced by global supply chains including shortage of raw material, delivery lead time issues, port closures. In order to respond to these challenges, the Group decided to increase inventory holdings for some of its affiliates to mitigate delivery lead time and respond to customer demand. This approach has resulted on keeping services at a satisfactory level to our customers.
Suppliers	**Who led the Group's engagement?** • CEO, CFO, procurement directors and business area heads. **Why do we engage?** • Without suppliers that can deliver quality ingredients and components to the right place at the right time in our supply chain, Benchmark cannot serve its customers. • We want to ensure that all of our suppliers adhere to ethical business standards and treat their workers and communities with respect and fairness. • Engagement with suppliers is an important element in achieving our goal of improving sustainability in our operations across our supply chain including by ensuring that all soy used in our feeds has a sustainability certificate and by making progress towards meeting our Net Zero scope 1, 2 and 3 target by 2050. **What were the key actions and topics?** • Regular meetings with key suppliers, for example the CEO and CFO visited this year the Salt Lake Artemia Co-operative, which supplies our Nutrition business area with high-quality brine shrimp. • Improved compliance checks (including the launch of Supplier Code of Conduct) that enable us to ensure that we work with ethical suppliers. • Engagement with existing and potential new suppliers to explore ways to improve the sustainability of the Company's raw materials and packaging.	**What were the key outcomes?** • Learnings about the impact of COVID-19 on global supply chains and corresponding adjustment in our planning. The majority of inbound logistics for raw material and packaging material has returned to a 'normal' level, except in cost, which remains high in comparison to pre-COVID-19. • A better understanding of trends in our sector. • Establishment of new relationships which will help Benchmark deliver its strategy. • A developed supplier management system has allowed engagement with suppliers and setting our expectations via the Supplier Code of Conduct.

Benchmark's engagement with our key stakeholders: continued

Stakeholder | **Engagement**

Employees

Who led the Group's engagement?
- Chairman, CEO, CFO, People team.

Why do we engage?
- Our team members across the globe are critical to Benchmark's success.
- Our colleagues have brilliant ideas and we want to hear them.

What were the key actions and topics?
- Employee survey across all areas of the Group.
- Regular town halls on a Group and business area level.
- Development of new working practices in light of COVID-19.
- Mental health webinar.
- Launch of the Company's performance framework.
- With countries opening again, the Board members and the Executive Management Team were able to visit sites and offices again and to meet employees.
- One Benchmark – 30 days worldwide challenge.

What were the key outcomes?
- In our employee survey, the Company had an excellent participation rate of 92%, and with an overall engagement score of 88% the Company is very well-positioned in top quartile of companies globally for employee engagement.
- Town Halls provide a platform to engage directly with the panel on the topics of the meeting or any questions the colleagues have, the panel will do their best to answer honestly and accurately.
- The mental health and wellbeing webinars allow colleagues to review external provider materials and support in their roles.
- The Executive Management Team has met this year in Edinburgh and Bergen, allowing face to face discussions and opportunities to talk with the employees, along with the Board and Non-Executive Directors. The CEO and CFO also travelled to sites in the US and Thailand, to meet with teams within Genetics, Health and Advanced Nutrition. Furthermore the CEO travelled to Iceland for the incubation centre opening with all employees attending, as well as Belgium to participate in the Advanced Nutrition town hall allowing an open dialogue with employees.

Communities

Who led the Group's engagement?
- The Company's Sustainability Working Group which is overseen by the Board's Sustainability Committee.

Why do we engage?
- We want to contribute positively to the communities in which we operate.
- We can learn from our diverse communities and play our part as a global and responsible business.

What were the key actions and topics?
- Charitable and volunteering activities around the world under the Benchmark 4 Better programme. During the year the Company made donations and funded voluntary activities totalling £50,000.

What were the key outcomes?
- Through the B4B programme the Group donated to several charities.
- The volunteering programme was relaunched globally and encouraged within teams to take part.
- Scholarships at the Wat Than School, Thailand.
- We held an 'Around the World' challenge which involved employees being motivated to walk, run, or cycle the circumference of the globe, which we then matched from mileage as a charitable donation.
- Continuation of established programmes to support schools in our local communities in Thailand and in Colombia. In Colombia this took the form of financial donations specifically to provide dedicated tutoring to students who had been severely disadvantaged during the pandemic.
- In addition to our ongoing programmes we funded activities and causes including support for Ukrainian refugee families in our local community in Bergen and support for organisations in India and Mexico dedicated to education and wellbeing for children.

Shareholders

Who led the Group's engagement?
- Chairman, CEO, CFO.

Why do we engage?
- Our shareholders are the owners of our business and we manage it on their behalf.
- Our shareholders provide financial support and stewardship.

What were the key actions and topics?
- Shareholders General Meeting.
- Regular investor calls and meetings with the CEO and CFO.
- Chairman and NED calls with all major shareholders.
- Engagement on sustainability and ESG topics through our Head of IR and Sustainability.
- Webcast presentations with Q&A for institutional and retail shareholders.
- Soliciting feedback through the Company's advisers.

What were the key outcomes?
- Feedback received from shareholders was incorporated in the Company's annual strategy development and in the decision making process regarding the proposed listing in Oslo.

For any decision related to stakeholders please refer to the key activities of the Board.

Risk Management

Risk management framework

The Group's risk management framework and its implementation is led by the Chief Financial Officer. The Board is ultimately responsible for oversight of the Group's risk management systems, with the Audit Committee acting as a reviewing committee.

During the year, the Audit Committee received reports from the Chief Financial Officer regarding risk management, and from the Group's auditors regarding financial and management controls.

No major issues were identified.

Identification

Bottom-up risk review
Risks are identified in a bottom-up process involving local management, resulting in a risk register for each business.

PLC risk register
Risks capable of having an effect at Group level are identified and prioritised.

Assessment and evaluation

Risk weighting
Risks are assessed to give a gross risk weighting, taking into account likelihood of occurrence and severity of impact, and a net risk weighting, which also takes into account existing mitigating factors and controls.

Risk exposure
The risk exposure (net risk weighting) is evaluated and it is determined whether the relevant risk is within the Group's risk appetite.

Risk appetite
The Group's risk appetite, which varies depending on the type of risk, is determined. The risk tolerance limit, which allows for a level of deviation from risk appetite where warranted to achieve objectives, and risk capacity, which is the level of risk that the Group is able to handle, are also evaluated.

Mitigation

Actions
Where risk exposure is outside risk appetite, actions are agreed and implemented, with priority given to risks capable of having an effect at Group level and risks outside risk tolerance.

Monitoring

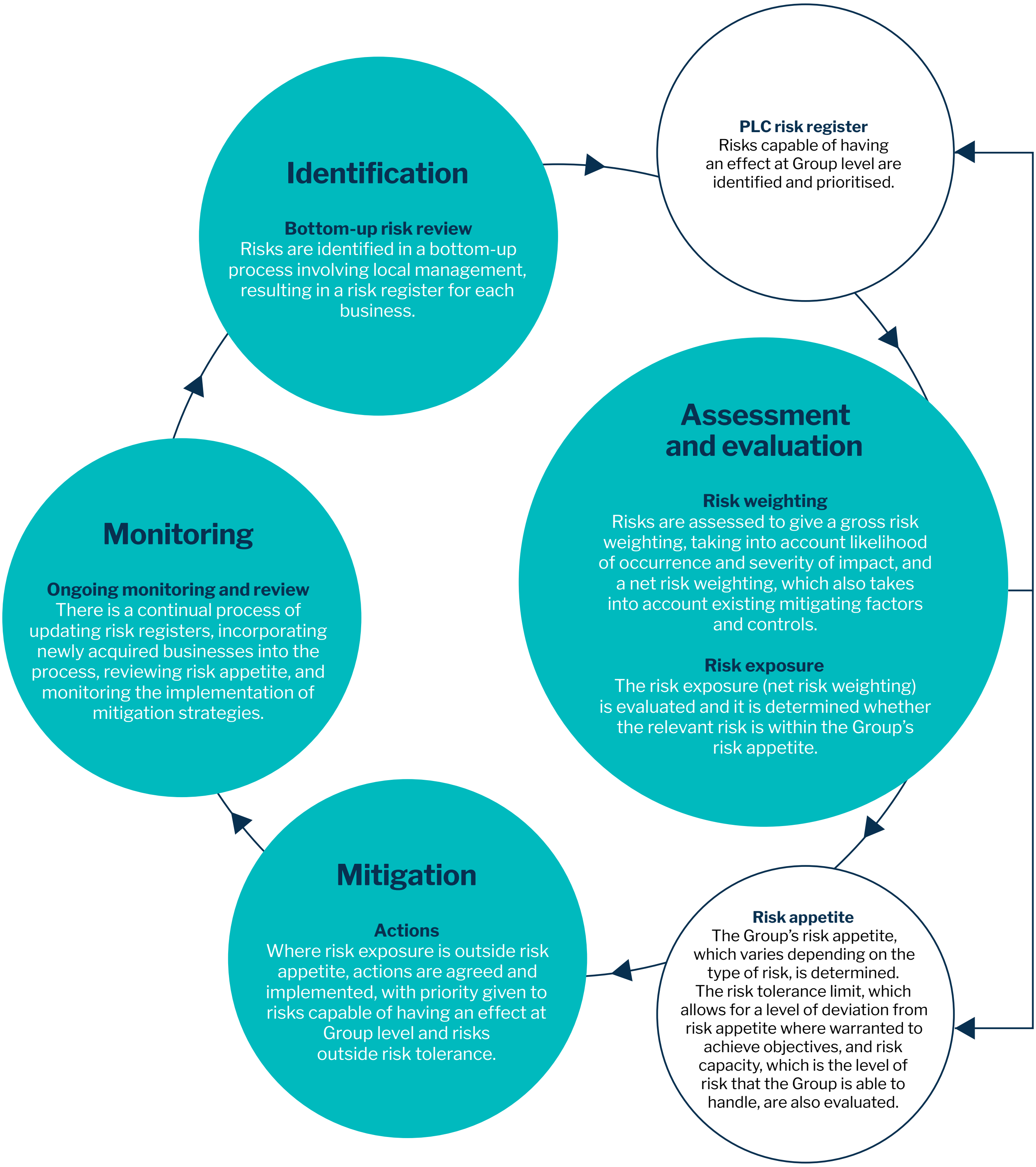
Ongoing monitoring and review
There is a continual process of updating risk registers, incorporating newly acquired businesses into the process, reviewing risk appetite, and monitoring the implementation of mitigation strategies.

The framework follows a bottom-up approach, through which local management lead the identification, assessment and evaluation, mitigation, and ongoing monitoring of risk. This process is followed in the context of guidelines regarding risk appetite in specified areas which are assessed and approved by the Board. The cycle of identification, assessment and evaluation, mitigation and ongoing monitoring is operated with a view to completing a full risk management cycle in each part of the business at least once every 24 months. The framework is designed to make risk management an integrated part of the Group's day-to-day operations. Risks capable of having an effect at Group level are prioritised and reported on to the Board.

During FY22, the Group undertook a bottom-up review of its risk registers and is continuing to update and evaluate the risks previously identified, as well as monitoring the progress of related mitigating actions.

The Chief Financial Officer also met on a quarterly basis with the Business Area Heads and Financial Directors to discuss and monitor risks relating to each Business Area.

The Company operates its established risk management framework, which is illustrated in the diagram below:



Risk appetite

The Group has decided not to make any amendments to its risk appetite, which is set out below:

"Benchmark operates in a highly regulated sector covering food safety, animal welfare and environmental responsibility. The Company has a very low tolerance to risks of breaching legal, regulatory or ethical standards or anything which could negatively impact on our people's health, safety and wellbeing, the communities where we are present, our reputation or that of our customers.

The nature of our business means that we are exposed to biological and climatic risks that are beyond our influence but where possible, we take steps to mitigate the impact of these risks on the business.

As an aquaculture biotechnology company, we develop solutions that tackle unsolved problems often by applying new technology. The technology risk we assume takes into consideration our stakeholders' interests and is commensurate with the potential returns from our product pipeline and intellectual property's assets.

The Group recognises the importance of its supply chain to serve its customers and to meet its ESG goals and seeks to minimise risks within its supply chain which would compromise quality and service for its customer.

The Group has a measured approach to projects and acquisitions and will take an appropriate level of risk commensurate with the potential returns and availability of capital."

Principal risks and uncertainties

The Group's principal risks are categorised as either strategic, operational, financial or emerging risks and are developed through the Audit Committee and Board's review of the Group's risk register, performance of our businesses and analysis of emerging global trends.

We have set out below each of FY22's Strategic Priorities, and the risk tables include a cross-reference to each individual risk's relevance to such Strategic Priorities.

1. Growth of Ectosan Vet® and CleanTreat® in Norway;
2. Commercial launch of SPR shrimp;
3. Reinstate BAN as a global leader in Artemia;
4. Deliver an integrated Group-wide ESG programme aligned to Benchmark commitment as a responsible operator and industry leader driving sustainability; and
5. Deliver a people agenda that continues to build the 'One Benchmark' Culture.

These are described in more detail on page 26.

Strategic risks

Risks	Risk commentary	Risk mitigation and controls	Business Areas affected	Strategic objectives
Competition and loss of competitive advantage	• Falling behind competitors with the development and commercialisation of new, innovative products. • Threat to market share and revenues.	• Innovative development focus and strong pipeline of products. • Intellectual Property ("IP") protection including patents. • Strong customer relationships with key account structure.	Advanced Nutrition, Health and Genetics	**1, 2, 3**
Reliance on continued success of existing products	• The Group is currently exposed to risk by limited diversity of revenue streams. • Risks associated with legal costs of protecting Group IP. • Group products require the holding of certain licences, accreditations or regulatory approvals that could be withdrawn. • Failure to gain additional claims on the labels for certain Group products which could result in reduced revenue from such products.	• Increasing number of products/ services from development pipeline is diversifying revenues. • Strong Group legal team with dedicated IP expertise. • Vigorous defence of own IP. • High levels of employee competency and stringent processes related to regulatory affairs.	Advanced Nutrition, Health and Genetics	**1, 2, 3**
Delivery of cross-Group synergies	• Risks associated with failure to fully realise operational synergies and cost benefits . • Lower profitability and cash generation, and slower returns than anticipated. • Risks on delivering the synergy within the timeline set.	• EMT continues tracking progress of the Group strategy on weekly basis. • Extended-EMT assists with planning and managing key projects.	Advanced Nutrition, Health and Genetics	**1, 2, 3, 4, 5**
New product and service commercialisation	• Risk that pipeline products may be delayed or fail technically before launch. • The Group's strategy has a significant focus on new products and services and a material failure to deliver would be damaging. • Risk inherent in timing and market penetration of new products and services.	• Close dialogue with regulators. • The innovation board (which includes the head of Group Innovation) monitors the R&D projects across the Group. • Experienced Group regulatory affairs team, commercial team and Marketing team. • Close dialogue with customers regarding their product and service satisfaction to enable efficient and appropriate reaction to their feedback and needs.	Advanced Nutrition, Health and Genetics	**1, 2, 3, 5**

Operational risks

Risks	Risk commentary	Risk mitigation and controls	Business Areas affected	Strategic objectives
Environmental risk and crisis management	• The nature of certain of the Group's operating activities exposes us to certain significant risks to the environment, such as incidents associated with releases of chemicals or hazardous substances when conducting our operations, which could result in liability, fines, risk to our product permissions and reputational damage. • There is a risk that natural disasters could lead to damage to infrastructure, loss of resources, products or containment of hazardous substances. • Our business activities could be disrupted if we do not respond, or are perceived not to respond, in an appropriate manner to any major crisis or if we are not able to restore or replace critical operational capacity.	• We have implemented standards and requirements which govern key risk management activities such as inspection, maintenance, testing, business continuity and crisis response.	Advanced Nutrition, Health and Genetics	**1, 2, 3, 4, 5**
Biological and climatic risks	• The Group is exposed to the risk of disease within the Group's own operations and disease in the market resulting in possible border closures. • Sales of the Group's sea lice medicines and other relevant solutions such as CleanTreat® are affected by the degree of sea lice challenge in the environment, which is driven by sea temperatures and other biological factors.	• The Group operates the highest levels of biosecurity. • The Group holds genetic stock at multiple sites; increasingly sources from its own land-based salmon breeding facilities. • The Group operates containment zones which mitigates the risk of border closures affecting its ability to import or export. • The Group has placed increased focus on insuring its biological stock. • The Group's product diversity across business areas offers some mitigation.	Advanced Nutrition, Health and Genetics	**1, 2, 3**
Volatility of end markets (salmon, sea bass and shrimp markets) and market and regulatory trends	• Market fluctuations in shrimp production volumes and pricing, often influenced by disease, drive customer and food services demand for shrimp. • Market and regulatory trends for tackling sea lice have an influence on customer demand for the Group's sea lice products.	• The geographic diversity of the business area's customer base offers some mitigation. • The Group's product diversity across business areas offers some mitigation.	Advanced Nutrition, Health and Genetics	**1, 2, 3, 4, 5**

Operational risks continued

Risks	Risk commentary	Risk mitigation and controls	Business Areas affected	Strategic objectives
Threats to the supply chain	• Benchmark is reliant on a small number of key raw materials and suppliers for important products. • The Group has R&D and production sites which are important to its current revenues and future success and which are leased. • Commissioning of new facilities could be delayed leading to late product deliveries. • Benchmark relies on third parties for importation authorisations required in certain jurisdictions for certain products.	• Dual supplies of raw materials where possible. • Supplies secured with contractual arrangements, and import authorisations in the process of being applied for where deemed material for the Group. • Seek long-term tenure of sites.	Advanced Nutrition, Genetics, Health	**1, 2, 3**
Health and well-being of employees	• Poor health or well-being impacts employees' lives and reduces productivity. • Some aquaculture activities have inherent operational risks.	• Well-developed health and safety management regime in place across the Group. • Senior level commitment to ESG programme Group-wide.	Advanced Nutrition, Genetics, Health	**1, 2**
Recruitment and retention of high-calibre people	• To maintain market leadership it is essential that the Group has and keeps people with key skills.	• Centralised people team delivering people strategy. • Succession planning process. • Remuneration policy designed to encourage retention.	Advanced Nutrition, Genetics, Health	**1, 2, 3, 4, 5**
Loss of key IT system	• The Group IT systems facilitate daily work, collaboration and hold Group IP and trade secrets. • Multiple risks of systems failure or cyber attack. • Loss of access or key information would be disruptive to the Group.	• Internal experienced IT team. • Increasing integration of software platforms to improve security and reliability. • The Group increased the frequency of phishing simulation exercises to ensure staff awareness of cyber security.	Advanced Nutrition, Genetics, Health	**1, 2, 3, 4, 5**
Geopolitical risk	• The diverse locations of our operations around the world expose us to a wide range of political developments and consequent changes to the economic and operating environment. Geopolitical risk is inherent to many regions in which we operate, and heightened political or social tensions or changes in key relationships could adversely affect the Group.	• We seek to manage this risk through development and maintenance of relationships with governments and stakeholders. We closely monitor events and implement risk mitigation plans where appropriate.	Advanced Nutrition, Genetics, Health	**1, 2, 3**
Application of appropriate standards of governance	• As an international business, the Group is required to comply with laws and regulations in several jurisdictions. • There is risk of non-compliance leading to potential fines, penalties, loss of revenues and damage to reputation.	• Experienced Group legal, finance, people, regulatory affairs, investor relations, health and safety and IT teams work closely with the business areas. • Training programme, whistleblowing policy, and informal routes by which concerns can be raised, are designed to identify and address potential non-compliance.	Advanced Nutrition, Genetics, Health	**1, 2, 3,4,5**

Risks	Risk commentary	Risk mitigation and controls	Business Areas affected	Strategic objectives
Brexit	• Primary risk to our Health supply chain because the R&D and manufacturing are based in the UK and products are/will largely be sold outside the UK. • There may be potential tariffs on UK cross-border supply of products and ongoing changes to the regulatory framework. • Requirement for manufacturing import authorities to be maintained for certain products to be imported into target jurisdictions.	• The majority of the Group's Health operations are located outside of the UK and do not trade with the UK so will be unaffected. • In terms of manufacturing and product registration, Health is accustomed to trading with multiple countries and different rules and legislation. • Our distribution and commercial model can adapt to changes in tariffs and duties. • Our business is naturally hedged and diversified, which helps in a period of economic uncertainty and exchange rate volatility. • We will monitor the impact on workforce and global mobility to maintain an effective system for resource planning. • The Group transferred UK-registered marketing authorisations for products that are sold in the EU to an EU entity and duplication of product release testing for products that was transferred between the UK and the EU. • The Group has undertaken various mitigation actions in response to Brexit which includes EU-based laboratory testing facilities for batch testing and the transfer of product registrations to an EU-domiciled legal entity within the Group.	Health	**1**

Financial and legal risks

Risks	Risk commentary	Risk mitigation and controls	Business Areas affected	Strategic objectives
Maintain liquidity and manage leverage	• Failure to identify and maintain sufficient liquidity headroom. • Risk to funding of key growth strategies.	• Close control of cash flows with regular update of short- and long-term projections. • The refinanced facilities provide greater covenant flexibility and headroom. • Group Treasury Manager oversees cash flow management. • Group treasury policy introduced to support how the Group manages cash.	Advanced Nutrition, Genetics, Health	**1, 2, 3**
Growth in trading results in higher investment in working capital	• Top-line growth through new products and markets can drive changing patterns of working capital. • Growth in some markets presents increased risk of slow paying or bad debts.	• Business area management of pricing and credit terms. • Close monitoring of investment in working capital by the EMT and Plc Board. • Key performance indicators include working capital measures.	Advanced Nutrition, Genetics, Health	**1, 2, 3**
Currency exchange	• The Group as a whole is also exposed to fluctuations in currency exchange rates. These impact sales volumes where products are priced by reference to USD but sold in local currencies; and impacts reported results when local results, assets and liabilities are converted to GBP for reporting purposes.	• The Group reduces its exposure to its principal foreign currency risks through the use of hedging instruments. • Group treasury policy explains how the Group should manage FX risk.	Advanced Nutrition, Genetics, Health	**1, 2, 3,**
Criminal activity, fraud, bribery and compliance risk	• Some countries where the Group operates may be exposed to high levels of risk relating to criminal activity, fraud, bribery and corruption. • There are a number of regulatory requirements applicable to the Group and its listing on the London and Oslo Stock exchanges.	• The Group provides compliance training programmes to all its employees through an online training platform and provide face-to-face and virtual training to higher risk teams. • The Group has introduced a code of conduct for its suppliers. • The CFO and Group Legal Counsel are involved in mitigating fraudulent activities in the Group. • The Group has access to competent and experienced external counsel. • Fraud response policy introduced.	Advanced Nutrition, Genetics, Health	**1, 2, 3, 4, 5**

Emerging risks

Risks	Risk commentary	Risk mitigation and controls	Business Areas affected	Strategic objectives
Climate change	• Climate change and the evolving regulatory environment may expose the Group to regulatory breaches, significant disruption, reputational risk or a reduction in supply for biological raw materials, and demand for products or services.	• The Group's Sustainability Committee reports to the Board regularly and its mandate is to ensure the Group's strategy and operations are carried out within the framework of caring for the environment, people, and animals. Its work aligns with major frameworks including the London Stock Exchange Guidance for Environmental, Social and Governance reporting and the UN Sustainable Development Goals. • New ESG strategy approved and implemented by the Group. • Plan adopted for reduction in the Group's carbon emissions and progressing according to timetable set.	Advanced Nutrition, Genetics, Health	**1, 2, 3, 4**
Environmental, Social and Governance responsibilities	• Increasingly our stakeholders are requiring reassurance that we are overseeing and responding to ethical and environmental issues across the Group's business.	• Code of Conduct in place. • New ESG strategy approved and in place. • Plan adopted for reduction in the Group's carbon emissions. • Code of conduct and ABC policies in place. • Green bond successfully launched and subscribed.	Advanced Nutrition, Genetics, Health	**4**

The Strategic Report was approved by the Board on 30 November 2022 and signed on its behalf by:

Trond Williksen
Chief Executive Officer

Board of Directors

Diverse leadership

Our Board and Leadership team are diverse and have a wealth of industry knowledge, skills and experience.

Peter George
Non-Executive Chairman

Appointed
May 2018

Independent
Yes, except for the period between 19 August 2019 – 31 July 2020 while Peter served as Executive Chairman

Skills and Experience
Peter has a strong track record in growing successful international life sciences businesses. He is most renowned for his achievements as CEO of Clinigen Group plc, the FTSE AIM global pharmaceutical and services company, which he founded in 2010 and grew into close to a £1bn market cap company having acquired several businesses and expanded its international footprint.

Peter also served as the chairman of Ergomed plc, the AIM-listed provider of clinical research, drug development and safety services internationally.

Prior to Clinigen, he held a number of senior roles in the pharmaceutical and healthcare sectors including chief executive officer and leading the MBO of Penn Pharmaceutical Services. He co-created Unilabs Clinical Trials International in 1997, which was successfully sold to Icon plc in 2000.

Other appointments
Peter is chairman of Oxford Quantum Circuits, non -executive director of Osler Diagnostics and a Health Sciences adviser at Oxford Science Enterprises, Gresham House, Ergomed Plc and Clinigen Group Limited. In addition, Peter has an investment fund, Enigma Holdings Group, and serves on a number of the boards of companies owned by the group. He also owns XPG Ltd, a building and development company.

Committee Membership

N Nominations Committee
R Remunerations Committee
A Audit Committee
D Disclosure Committee
S Sustainability Committee
Denotes Chair

Trond Williksen
Chief Executive Officer

Appointed
June 2020

Independent
No

Skills and Experience
Trond is highly experienced in the international aquaculture and seafood industries, having held senior executive positions in the sector for over 25 years. Most recently he was CEO of SalMar ASA, the Norwegian fish farm company being one of the world's largest producers of farmed salmon. Prior to Salmar, he was CEO of AKVA group ASA, the leading global aquaculture technology and service provider for six years. He previously held a number of executive roles in Aker ASA's Seafoods, Ocean Harvest and BioMarine companies as well as being the Managing Director of the Norwegian Fish farmers Association.

Other appointments
Trond is the Chairman at Ivan Ulsund Rederi AS (including Trønderbas AS, Brusøykjær AS, Ivan Ulsund Eiendom AS), an ocean fisheries company.

He is a board member at SinkabergHansen AS, a leading Norwegian salmon farming company, and a board member of Williksen Export AS, a Norwegian salmon export company. Trond also owns an investment company, KRING AS and was an adviser to FSN Capital, a leading Nordic private equity firm.

At the time of Trond's appointment, the Board reviewed Trond's other roles and were comfortable that these would still allow sufficient time to discharge his responsibilities effectively. The Board agreed that each role was not deemed to be significant and will continue to monitor such appointments.

Septima Maguire
Chief Financial Officer

Appointed
December 2019

Independent
No

Skills and Experience
Septima joined Benchmark from Dechra Pharmaceuticals PLC, the international provider of specialist veterinary pharmaceuticals and products, where she spent four years as group financial controller, acting group finance director and most recently corporate development director, overseeing all aspects of acquisition activities, strategic projects, business development and investment initiatives playing a significant role in supporting Dechra during a period of high growth.

Prior to Dechra, Septima held a number of senior finance roles at Ardagh Group S.A. (previously Impress Metal Packaging) over a period of six years. She has also held finance roles at UPC, CNH Capital and PricewaterhouseCoopers. Septima holds a Masters in European Union Law from the University of Leicester and is ACCA qualified.

Other appointments
None.

Susan Searle
Senior Independent Director

Appointed
December 2013

Independent
Yes

Skills and Experience
Susan has over 25 years' experience working in a variety of commercial, business development, manufacturing and operational roles including investing in growing technology businesses, acquisitions and the exploitation of new technologies. She co-founded Imperial Innovations plc, a leading technology investment business, and served as its CEO from 2002 to 2013. As part of that role Susan was ultimately responsible for risk assessment regarding investee companies and business continuity management.

She was previously chair of Mercia Technologies PLC, a regional technology and biotech investor and holds an MA in Chemistry from Exeter College, Oxford. She was also non-executive and remuneration chair of Horizon Discovery plc, a gene-editing biotech company, prior to its sale to Perkin Elmer. Susan was formerly chair of Schroders UK Public Private Trust plc, which invested in a wide range of technology companies with a key focus on biotech and sustainability.

Susan brings to Benchmark a wealth of experience of remuneration policy and financial risk management, and has served on a variety of company boards and audit committees.

Other appointments
Non-executive director of QinetiQ Group plc and Chair of Greenback Recycling Technologies Ltd.

Kevin Quinn
Non-Executive Director

Appointed
November 2016

Independent
Yes

Skills and Experience
Kevin is a qualified chartered accountant with over 30 years of financial experience in international business and the biosciences industry, including with FTSE 100 companies. Previously, Kevin was chief financial officer at Berendsen plc, the leading FTSE 250 European textile service business, where he was directly responsible for finance risk management, until the takeover of Berendsen by Elis SA in September 2017. In his role at Berendsen Kevin was also responsible for providing assurance on mitigating actions relating to operational risks. Kevin has also previously held senior finance positions within biosciences group Amersham plc and before that was a partner with PricewaterhouseCoopers (Prague). Kevin holds a BA in French from University College, Durham.

Other appointments
Kevin is also the chairman of Marlowe Plc, a leader in business-critical services and software focussed on assuring safety and regulatory compliance and risk management.

Yngve Myhre
Non-Executive Director

Appointed
November 2017

Independent
Yes

Skills and Experience
Yngve has more than 20 years' experience in the aquaculture sector as a senior executive, adviser and investor. Yngve was chief executive of leading Norwegian salmon producer Salmar, and of international white fish supplier Aker Seafood during periods of successful growth. In both these roles Yngve was involved in evaluation of operational risk management strategies. Yngve also acts as strategic adviser to investors in the aquaculture section. Yngve has a very strong track record in Benchmark's focus area of aquaculture, both in the Norwegian and international markets.

Other appointments
Yngve is a member of the board of Kime Akva, Aqua Site AS and other seafood-related companies. He is also chairman of Broodstock Capital and Chilean salmon producer Nova Austral. Yngve also acts as a strategic adviser to investors in the aquaculture sector.

Kristian Eikre
Non-Executive Director

Appointed
March 2019

Independent
No

Skills and Experience
Kristian has more than 15 years' experience as an investment professional with a particular focus on the aquaculture, pharmaceuticals, energy and renewables sectors. Kristian is currently an investment professional and co-head of Ferd Capital, a division of Ferd AS, a Norwegian investment company holding 26.33% of the Company's issued share capital. Prior to that, he was a partner at Herkules Capital, a leading private equity firm in Norway. Before this, he was a research analyst at First Securities, an investment banking firm. Kristian has held various board positions and is currently a board director of a number of companies including Fjord Line AS and Aibel AS.

Other appointments
Kristian has held various board positions and is currently a board director of a number of companies including Fjord Line AS and Aibel AS.

Committee Membership

- N Nominations Committee
- R Remunerations Committee
- A Audit Committee
- D Disclosure Committee
- S Sustainability Committee
- ◯ Denotes Chair

Atle Eide
Non-Executive Director

Appointed
November 2021

Independent
No

Skills and Experience
Atle has extensive experience in the seafood industry, he was formerly the Chairman of Salmar ASA and CEO of Mowi ASA. He is currently Chairman of Scale AQ, amongst other appointments. In addition to his extensive involvement in the seafood and aquaculture sectors, Atle has substantial experience as an investor as non-executive chairman, and later senior partner, at HitecVision, the leading Norwegian private equity company, for almost 20 years until 2020.

Other appointments
Given Atle's previous role as a director of Kverva AS, a significant shareholder in the Company, the Board has concluded that he is not an independent director of the Company.

Jennifer Haddouk
Company Secretary and Group Legal Counsel

Appointed
May 2019

Independent
No

Skills and Experience
Jennifer is a French qualified solicitor with over 10 years' experience. Jennifer previously worked in French law firm SCP de Poulpiquet & Co and more recently as an in-house legal counsel for KellyDeli, a European sushi retail company, where she gained experience in the salmon industry, focusing on commercial agreements, corporate and competition law.

Since joining Benchmark, Jennifer has been advising and supporting Group companies to execute their strategies. Jennifer holds a MA in Law from the university of Nice and 'Diplome de Notaire'.

Other appointments
None.

Our leadership team

Corina Holmes
Group Head of People

Corina is a global HR leader with over 25 years' experience living and working extensively across EMEA, Asia and the Americas. She has worked for both large and complex companies in technology, pharmaceuticals, and financial services as well as smaller entrepreneurial start-up businesses.

Throughout her career Corina has led global HR teams in creating values-based company cultures, creating and leading employee engagement and development programmes, and implementing reward and talent management strategies that support the achievement of business goals and objectives, together with acting as coach and mentor to senior leadership teams.

Corina joined Benchmark in January 2021 from Hyve Group Plc where she was chief people officer.

John Marshall
Head of Health

John joined Benchmark from Novartis Animal Health in January 2011 where he has held the positions of European Business unit Aquaculture and head of Global Technical Services – Aquaculture.

John has a degree in Agricultural and Environmental Science (Honours in Crop Protection) from The University of Newcastle-upon-Tyne and an MBA from The Open University (special focus on the International Business Finance) and Business Finance and Acquisition Strategy MBA modules from Harvard University.

John has 28 years of experience in the animal health industry (>20 focused on aquaculture health) working in R&D, sales and marketing, business development, business unit leadership and leads Benchmark's Health business area.

Jan-Emil Johannessen
Head of Genetics

Jan-Emil is Head of Benchmark Genetics and joined SalmoBreed – today part of Benchmark Genetics - as Chairman of the Board in 2011 and Managing Director in 2013. Prior to this he was working for ten years with the Norwegian branded food company Rieber (Toro) and for 15 years in the family-owned company Fossen AS (today Lerøy Fossen AS).

Fossen was one of the pioneers in Norwegian fish farming with a particular focus on trout and value-added products. Jan-Emil holds a MSc in Business Administration and Economics as well as university courses in aquaculture.

Patrick Waty
Head of Advanced Nutrition

Patrick is an experienced aquaculture leader and expert who had his first exposure to the sector in 2005, upon purchasing and growing Seagull NV, the Belgium-based fish processing company.

Patrick joined in November 2021 from SyAqua Group, an industry leader in early-stage nutrition and genetics for shrimp and tilapia, where he was chief executive officer pushing forward Asian market development. Prior to this Patrick spent six years in several key global leadership roles within BernAqua, Epicore Bionetworks, steering the company through a period of mergers, acquisitions, and integration, which significantly and strategically developed Neovia/ADM business as a global aquaculture director.

Trond Williksen
Chief Executive Officer

Septima Maguire
Chief Financial Officer

Jennifer Haddouk
Group Legal Counsel and Company Secretary

Biographies for the above individuals can be found on pages 71 and 73.

Ivonne Cantu
Director of Investor Relations and Corporate Development

Ivonne joined Benchmark in 2017 after 20 years as corporate finance adviser at Cenkos Securities and Merrill Lynch. Throughout her career Ivonne has advised UK and international companies across sectors on a broad range of corporate finance transactions including IPOs, fundraisings and M&A as well as on investor communications, corporate governance and regulatory matters.

Ivonne chairs the Sustainability Working Group and is a member of the Sustainability Committee.

Ivonne holds a BSc in Engineering and an MBA from the Wharton School of Business.

Ross Houston
Director of R&D and Innovation

Ross joined Benchmark in March 2022 as Director of R&D and Innovation in Benchmark Genetics, where he leads strategic R&D programmes, with a particular focus on applications of emerging technologies. He has been recently appointed as Chair of the Benchmark Innovation Board, which fosters exploitation of synergies across the Genetics, Health, and Advanced Nutrition business units.

Ross is an internationally leading scientist in the field of aquaculture genetics and biotechnology, having formerly been Personal Chair of Aquaculture Genetics, and Deputy Director for Translation and Commercialisation, at the Roslin Institute. He has authored or co-authored more than 100 scientific publications, with several of his discoveries applied in the aquaculture industry to improve animal health and performance.

Barbara Hostins
Employee Representative

Barbara joined Benchmark in 2017 as part of the Innovations department of Advanced Nutrition. She works as an R&D scientist, contributing to product development in the Health & Environment group. Barbara was appointed as Benchmark's Employee Representative in June 2021, giving continuity to the role and strengthening the employee voice in the board room, in line with the new Corporate Governance guidelines.

Barbara holds a PhD in Aquaculture from the Federal University of Rio Grande in Brazil, and the University of Ghent in Belgium.

Chairman's Governance Statement

Peter George
Chairman

Engaging with stakeholders and understanding their views is crucial to the Board and its decision-making."

Peter George
Chairman

I am pleased to report that Benchmark has continued to produce strong results and deliver on its strategy this year despite the challenging market conditions by successfully refinancing the Company through a green bond and pursuing the Company's listing on Euronext Growth Oslo. This will constitute a first step towards positioning the Company on the leading seafood and aquaculture listing venue globally.

Board changes and composition

In November 2021, Atle Eide was appointed as a Non-Executive Director. Atle has extensive experience in the seafood and aquaculture industry, he was formerly the chairman of Salmar ASA and CEO of Mowi ASA. In addition, Atle has substantial experience as an investor having been a director at Kverva AS between November 2017 and May 2021 and non-executive chairman, and senior partner, at HitecVision, the leading Norwegian private equity company, for almost 20 years until 2020.

Board evaluation

The Board decided that, in the light of the proposed Oslo listing, it was not appropriate to conduct an external evaluation in 2022 but will continue to keep the matter under review. Therefore, during the financial year, we conducted an extensive internal individual Board evaluation which was followed by delivery of the results in September 2022. It included a thorough internal evaluation of the Board and its Committees, with the aim of ensuring that they operate efficiently and effectively, with an appropriate mix of skills and experience in order to help deliver the Group's strategy within an appropriate risk framework. The anonymous evaluation allowed the Board to consider its composition, diversity and failures and successes. I am pleased to report that the conclusions of this evaluation were positive and confirmed that the Board, its Committees and each of its Directors continue to be effective. The Board has since acted on a number of recommendations to ensure that it is working effectively and acting on areas where opportunities for improvement were identified. Results and further information on this survey can be found on page 87 of this report.

Culture, ESG and stakeholder engagement

The Board is supportive of the UK Corporate Governance Code 2018 and in particular, its focus on boards demonstrating how the views of stakeholders are captured and considered when making decisions.

The Group's culture is a strategic focus area, and we believe that the right culture and values, supported by effective leadership and a consistent tone from the top, are crucial to the success of the Group. This year, the Board engaged closely with the implementation of the performance framework to create a culture of high performance and made various efforts to monitor Group culture, as described in more detail on page 80 of this report.

I am pleased to note that this financial year, in light of the importance of managing ethical and environmental issues across the Group, the Group further implemented its Environmental, Social and Governance ("ESG") strategy and a plan for the reduction of the Group's carbon emissions. The tremendous progress made by the Company on its commitment on ESG resulted in the issue of a green bond whereby the proceeds will be allocated to projects under our green framework and will support our Net Zero journey and work to improve sustainability in the supply chain.

Engaging with stakeholders and understanding their views is crucial to the Board and its decision-making. The Board receives regular updates throughout the year on engagement with our stakeholders, including feedback from colleague surveys, town halls, and shareholder meetings. During the year our Employee Representative regularly attended board meetings and Extended Executive Management Team meetings, to act as a voice from within the workforce. Additionally, further Employee Champions have been appointed across the business globally to voice the opinions and concerns of the workforce and report to the Employee Representative. Further information on this key role can be found on page 105 of this report.

Looking forward

We will continue to review our governance framework with a view to building on our strong foundations.

Peter George
30 November 2022

Customer visit in Norway – Peter George, Chairman; Geir Olav Melingen, Commercial Director, Salmon; Susan Searle, Senior Independent Director, Jennifer Haddouk, Group Legal Counsel.

Kristian Eikre and Atle Eide, Non-Executive Directors; Peter George, Chairman visiting a customer site

Peter George, Chairman and Karina Antonsen Hjelle, Deputy CEO, Bolaks.

Governance Framework

The Group's governance framework supports the Board in the delivery of the Group's strategy and long-term sustainable success in various ways as detailed below.

The Board

The Board is responsible for establishing the Company's purpose, values and strategy, promoting its culture, overseeing its conduct and affairs, and for promoting the success of the Company for the benefit of its members and stakeholders. It discharges some of its responsibilities directly and others with the support of its Committees. Terms of reference for the Board and its Committees are available on the Group's website. Execution of the strategy and day-to-day management of the Company's business is delegated to the Executive Management Team, with the Board retaining responsibility for overseeing, guiding and holding management to account.

The Board delegates certain matters to its committees

Nomination Committee	Audit Committee	Remuneration Committee	Sustainability Committee	Disclosure Committee
The Nomination Committee leads the process for and makes recommendations to the Board regarding the appointment of new Directors to the Board, reviews the composition and structure of the Board, evaluates the balance of skills, knowledge and experience of the Directors and oversees the Board's annual evaluation. In addition, the Nomination Committee supports the Board with the succession planning process.	The Audit Committee assists the Board in fulfilling its corporate governance obligations in relation to the Group's financial reporting, internal control and risk management systems.	The Remuneration Committee reviews and recommends the policy on remuneration of the Chairman, Executives and senior management team. In addition, it monitors the implementation of the Remuneration Policy and approves awards under the Group's Long-Term Incentive Plan.	The role of the Board's Sustainability Committee is to oversee the Company's ESG strategy and its implementation, ensuring alignment with the Company's commitment to act as a responsible operator driving sustainability. This includes setting and reporting on targets and KPI's, and developing ESG Group policies. The Committee is also responsible for ensuring that the Board takes into account relevant ESG factors in its decision making.	The Disclosure Committee ensures the legal and regulatory disclosure obligations and requirements arising from the listing of the Company's securities and bonds on the London and Oslo Stock Exchanges are met. This includes the timely and accurate disclosure to the market of all relevant information. The Disclosure Committee meets at such times as is necessary or appropriate.

Executive Management Team (EMT) and Extended-EMT

The Board delegates the execution of the Group's strategy and the day-to-day management of the business to the EMT and Extended-EMT, who are responsible for developing and delivering cross-Group opportunities, revenue and costs synergies, advancing integration, and overseeing the financial and operational performance of the Group as a whole.


B

Corporate Governance Statement

The Company is listed on AIM and is subject to the AIM Rules. The Board has voluntarily chosen to comply with the UK Corporate Governance Code 2018 ("the Code").

An overview of the Company's compliance with the Code, and an explanation of the Code provisions it has not implemented and why, is set out in the Directors' Report on pages 103 to 108.

The Company's Corporate Governance Statement sets out how it complies with the Code and the following sections highlight how the Board has applied the principles of corporate governance in a manner that is appropriate for the size and circumstances of the Company.

Board leadership and Company purpose

The Board 's primary role is to ensure the Company's long-term success by setting the Group's strategic direction, ensuring that strategy is aligned with the Group's purpose and culture, and promoting and protecting the Group's interests for the benefit of all our stakeholders. The Board is composed of highly experienced individuals who bring a range of skills, perspective and knowledge of the industry in which the Group operates.

The Board has delegated customary responsibilities to its five principal committees in order to enable the Board as a whole to dedicate time to the Group's key priorities and manage its time effectively. At each Board meeting (when required), the agenda includes sufficient time for each committee chair to report to the Board on such committee's activities and to provide recommendations.

In September 2022, the Board held its annual strategy day during which the Board held strategy discussions with senior management and conducted a thorough review of the Group's strategy. The discussions provided insight to the Board on the progress made on strategy so far, and allowed an assessment and review of the objectives set as well as giving management and each Board member (especially the Non -Executive Directors) an opportunity to challenge and provide input on the Group's strategy.

How governance supports our strategy

The Board recognises that it is responsible for promoting the long-term sustainable success of the Group and for delivering long-term value for stakeholders. The Board does this by providing effective leadership and by ensuring that the Group's business is conducted with high standards of ethical behaviour in a manner which contributes positively to wider society, having regard to the interests of its different stakeholders. To enable the business to meet its strategic priorities, the Board oversees the development of the Group's strategy and provides strong leadership and support to the Group. The Board continues to benefit from a strong mix of complementary skills and experiences, as well as dynamics that allow for open debate, challenge of existing assumptions and asking difficult questions.

For further information, please refer to our Strategic Report on page 59 and for an outline of how the Board's activities in FY22 contributed to the Group's strategic priorities please see page 82.

Culture

The Company's vision is to be the leading aquaculture biotechnology company and drive sustainability in aquaculture. In order to achieve this, we want to invest generously in our people and business partners. Development of the Group's culture is a strategic focus area and the Board believes that the right culture and values, supported by effective leadership and a consistent tone from the top, are crucial to the success of the Group. The integration of the Group's values and culture has been led by the CEO, Group Head of People and the EMT and followed by the Employee Representative, who meets with the Board to ensure that the Group's culture is lived by the employees. This year, the Board engaged closely with the new Company Performance Management Framework and the Chairman followed it for the performance review of the Executive Directors. Creating the environment, frameworks and tools for high performance, where the individual objectives of our people are directly linked to the strategic priorities of the Company constitutes a cornerstone of our culture.

How the Board monitors culture

In FY22, the Board monitored culture by:

- **Engaging with and listening to our people:** The Group conducted a global employee engagement survey. It allowed employees to share their views on key topics, which provides valuable insight into employee engagement and the Group's culture. The survey was conducted in April 2022 and the key findings were presented to the Board. Action plans have been prepared by the people team in collaboration with each business area to address the priority issues raised by this survey. The Board visited sites in Norway and Scotland, and spent time with the employees during its visits. In addition, the Employee Representative attended meetings, to update the Board on feedback from the employees through the channel of the employee champions.
- **Leading by example:** The Group's Directors and senior management act with integrity and lead by example, promoting the Group's culture to the workforce by living the Group's values.
- **Reviewing cultural indicators:** The Board regularly receives updates on health and safety metrics and employee turnover numbers, with a breakdown of the reasons given as to why employees have left the Group. This allows trends and changes in the culture of the Group to be monitored.
- **Monitoring ethics, whistleblowing, fraud and anti-bribery:** Mechanisms are in place to facilitate employees reporting incidents of wrongdoing on a named or confidential basis through a direct line to a Non-Executive Director in line with the Code's requirements. The Board, with the support of Group Legal Counsel, regularly monitors and reviews the Company's policies, incidents and trends arising from any such incidents and provides the Board with updates. The Non-Executive Director maintains confidentiality of the employee as per our policy guidelines, and the employee is protected in accordance with our whistleblowing policy.

Compliance

A strong focus has been made to educate and raise awareness to our employees of business ethics and compliance through methods of training, workshops and translations of policies into local languages. Whilst the Company communicates directly to all employees through Town Hall meetings, the Group has conducted a series of smaller group workshops to continue development in compliance policies within the Group. The employees have access to a range of training materials and videos on an internally built learning platform, which requires mandatory training to be undertaken on an annual basis. Each employee is requested to confirm they understand the policy and this allows the Group to monitor understanding globally on training requirements. The results are monitored within the compliance team and a compliance email address allows employees who dedicated in relation to each policy. During the course of FY22, each policy was also translated into several languages along with training videos using subtitles in the local language, to support further learning development.

Board and Committee attendance

The Board has a comprehensive annual agenda to monitor and review strategy across the Group and its business areas. Board agendas are carefully planned to ensure that sufficient time and consideration are given to the Group's strategic priorities and key monitoring activities as well as reviews of strategic issues. In advance of each meeting, the agenda, papers and relevant materials are provided to Directors via a secure cloud platform. The cloud based secure platform also supports the Board to access a library of relevant information relating to their role, information based on the Company and Board procedures.

During the year, the Board held six scheduled Board meetings, one scheduled comprehensive strategy day and sixteen additional Board meetings. The Chairman ensured that regular meetings were also held with the Non-Executive Directors without the presence of the Executive Directors. All Directors were expected to attend all Board and relevant Committee meetings unless prevented from doing so by illness or conflict of interest. The leadership team were invited, when appropriate, to attend Board meetings to make presentations on their strategic priorities and progress updates. All Directors recognise the requirement to commit sufficient time to fulfil their duties as included in each Letter of Appointment.

The majority of Board and Committee meetings took place using secure virtual meeting technology. In February, April and September 2022, the Board held physical meetings in UK and Norway where the Directors and leadership team were able to meet in person. For FY22 Board meetings and committee structure please refer the timeline on pages 82 and 83.

	Board	Audit Committee	Remuneration Committee	Nomination Committee	Sustainability Committee
Scheduled Meetings held during the year*	6	3	6	4	1
Peter George	6/6 (C)	N/A	5/6	4/4 (C)	N/A
Susan Searle	6/6	3/3	6/6 (C)	4/4	N/A
Kevin Quinn	6/6	3/3 (C)	6/6	4/4	1/1 (C)
Yngve Myhre	6/6	3/3	N/A	N/A	N/A
Trond Williksen	6/6	N/A	N/A	N/A	1/1
Septima Maguire	6/6	N/A	N/A	N/A	N/A
Kristian Eikre	6/6	N/A	N/A	N/A	N/A
Atle Eide**	5/5	N/A	N/A	N/A	N/A

(C) Chair of the Committee

* Additional Board meetings were held during the year.

** Atle Eide was appointed as a member of the Board on 29 November 2021.

Key activities of the Board in FY22

What the Board and Committees achieved in FY22

The Board met throughout FY22 with an agreed agenda in advance of each meeting. Each Board meeting has standing agenda items such as financial updates on performance.

The Company Secretary provides Board papers in advance of each meeting and ensures that Board feedback on such documentation is fed back to management for improvement. The Company Secretary provides minutes of each meeting. The Board continues to work closely with its AIM Nominated Adviser, Numis, to ensure compliance with AIM best practices.

Topic	Specific actions undertaken
Leadership and effectiveness	• Approved the appointment of Atle Eide as a member of the Board. • Performed an internal evaluation of the Board and its committees and agreed on the actions.
Legal, compliance and governance	• Approved the FY22 Annual Report and Accounts and interim results. • Approved the newly updated policies on anti-bribery, anti-money laundering, whistleblowing and the newly introduced policies on fair competition and supplier code of conduct. • Received regular legal, IP and compliance updates from the Group Legal Counsel and Company Secretary. • Continued to review the conflict of interest and other significant principal activities of the Directors of the Group, monitoring changes and developments.
Business development and strategy	• Received ongoing updates throughout the year from the CEO and business area heads on the implementation of the Group's strategy. • Reviewed and approved the Group's strategic priorities presented by the Executive Directors, the head of each business area, Group Head of People, Head of Investor Relations and Head of Innovation. • Approved the new performance framework in order to create a culture of success within the workforce. • Approved the raise of £20.7m (before expenses) by way of a placing from existing and new shareholders through the issue of 33,106,620 new ordinary shares. • Approved the Company's refinancing via a new unsecured floating listed green bond issue of NOK 750m (GBP 64m equivalent) and interest rate swaps and cross currency swaps associated with the new green bond. • Conducted a review to define the optimal structure and listing venue of the Company to support its growth and decided to pursue a listing on Euronext Growth in Oslo before the CY22 with the intention to potentially uplist the Company on Oslo Børs in H1 CY23, subject to market conditions. • Monitored the Group's sustainability targets and overall ESG strategy which was approved in FY21.

Board and Committee activity FY22 timeline

Meeting	Key	Number of Meetings in FY22
Audit	A	3
Nominations	N	4
Remuneration	R	6
Sustainability	S	1

Meeting	Key	Number of Meetings in FY22
AGM	G	1
PLC Board meeting	B	6
Strategy day	T	1

2021 Oct	Nov	Dec	2022 Jan	Feb	Mar
B R N	R R A	B R		B N G	S

Topic	Specific actions undertaken
Employees	• Reviewed the succession planning of the Executive Directors and senior management team. • Received annual update from the Employee Representative on employee engagement to continue successful promotion of the employee voice across the Group and the boardroom. • Received and discussed the results of the employee surveys. • Received verbal updates from the Remuneration Committee Chair on the key areas discussed and actions agreed.
Communicating with shareholders/ other stakeholders	• Attended ad hoc meetings with top shareholders, particularly as part of a consultation process in relation to a potential listing in Oslo. • Monitored investor engagement and received reports following meetings with shareholders throughout the year. • Reviewed regular investor relations reports.
Monitoring business performance	• Approved the FY23 budget. • Received regular updates on the Group's financial performance and cash flow position. • Reviewed the capital expenditure pipeline for the next five years and tracked expenditure and progress with significant capital investments.
Overseeing culture	• CEO and CFO held monthly town halls with employees throughout the year. • Received reports from the Head of People on matters including the implementation of a culture change centred around a new performance framework. • Reviewed results from the Employee Engagement survey.
Risk Management	• Received regular updates on health and safety. • Reviewed the Group's risk register which included an assessment of the Group's emerging and principal risks. • Received updates from the Senior IT manager on the Group's IT strategy and cyber security.

Apr	May	Jun	Jul	Aug	Sep
R B	A	B	A		B T R N N

Division of responsibilities

Roles within the Board

Role	Name	Responsibilities
Chairman	Peter George	• Lead the effective operation and governance of the Board. • Set agendas which support efficient and balanced decision-making. • Ensure effective Board relationships and a culture that supports constructive discussion, challenge and debate. • Understand the views of key stakeholders and seek assurance that they have been considered. • Oversee the annual Board evaluation and identify any actions required. • Lead initiatives to assess the culture across the Group and ensures the Board sets the correct tone.
CEO	Trond Williksen	• Lead the development and delivery of strategy and budget, to enable the Group to meet the requirements of its shareholders. • Oversee operation of the day-to-day business of the Group. • Lead and oversee the executive management team of the Group. • Establish an environment which allows the recruitment, engagement, retention and development of the people needed to deliver the Group's strategy.
CFO	Septima Maguire	• Support the CEO in developing and implementing strategy. • Provide financial leadership to the Group and align the Group's business and financial strategy. • Responsible for financial planning and analysis, treasury and tax functions. • Responsible for presenting and reporting accurate and timely historical financial information. • Manage the capital structure of the Group. • Investor relation activities, including communications with investors, alongside the CEO.
Senior Independent Non-Executive Director	Susan Searle	• Provide a 'sounding board' for the Chairman in matters of governance or the performance of the Board. • Be available to shareholders and other stakeholders if they have concerns which have not been resolved through the normal channels of communication with the Company. • To act as an intermediary for Non-Executive Directors when necessary and act as Chairman if the Chairman is conflicted.
Non-Executive Directors	Kevin Quinn Yngve Myhre Kristian Eikre Atle Eide	• Provide constructive challenge to the executives, help to develop proposals on strategy and monitor its execution. • Ensure that no individual or group dominates the Board's decision making. • Promote the highest standards of integrity and corporate governance throughout the Company and particularly at Board level. • Review the integrity of financial reporting and those financial controls and systems of risk management are robust.
Group Legal Counsel & Company Secretary	Jennifer Haddouk	• Ensure compliance with Board procedures and support the Chairman. • Secretary to the Board and its Committees. • Ensure the Board has high quality information, adequate time and the appropriate resources. • Advise and keep the Board updated on corporate governance developments. • Consider Board effectiveness in conjunction with the Chairman. • Provide advice, services and support to all Directors as and when required.

Independence

Independence of the Board

Board composition as at 30 September 2022

Chairman	1
Non-Executive Directors	5
Executive Directors	2

Board independence/roles as at 30 September 2022

Independent Chairman	1
Independent Non-Executive Directors	3
Non-independent Non-Executive Director	2
Executive Directors	2

Board tenure as at 30 September 2022

1-3 years	2
3-6 years	4
6-9 years	2

The Board considered each Non-Executive Director's independence on appointment and concluded that they were independent, with the exception of Kristian Eikre who is representing the Company's largest shareholder, FERD, on the Board and Atle Eide who used to be a director of Kverva AS, a significant shareholder of the Company, until May 2021. The Board reviews independence on an annual basis and has concluded that except for Kristian, and Atle, the Non-Executive Directors all remain independent. Following Peter George's return to his Non-Executive Chairman role on 1 August 2020, the Board also considers Peter to be independent.

Other external appointments

The Board takes into account a Director's other external commitments when considering them for appointment to satisfy itself that the individual can dedicate sufficient time to the Board and assess any potential conflicts of interest. Our Directors are required to notify the Chairman of any proposed changes to their external commitments and, in accordance with the Code, prior approval must be sought before any additional external appointments are undertaken.

Executive Directors may accept a non- executive role at another company with the approval of the Board. Currently, Trond Williksen (CEO) has other roles outside of the Company. The Board reviewed these positions at the time of Trond's appointment and was comfortable that these would still allow sufficient time for Trond to discharge his responsibilities as CEO effectively. The Board agreed that each role was not deemed to be significant and will continue to monitor such appointments.

When assessing additional directorships, the Board considers the number of public directorships held by the individual already and their expected time commitment for those roles (see biographies on pages 70 to 73). The Board takes into account guidance published by institutional investors and proxy advisers as to the maximum number of public appointments which can be managed efficiently.

Conflict of interest

Directors are obliged to seek authorisation from the Board before taking up any position which conflicts, or which may conflict, with the interests of the Company. The Board is empowered to authorise situations of potential conflict, where it sees fit, in order that a Director is not in breach of his/her duties. The interested Director is excluded from voting on the resolution to authorise the conflict. The Directors may resolve that any such transaction or arrangement be subject to such terms as they may determine.

All existing external appointments and other such situational conflicts of Directors have been considered and authorised by the Board.

Composition and Evaluation

Composition

Directors' appointment

Non-Executive Directors are engaged under the terms of a Letter of Appointment. For further details of Executive Directors' service contracts and termination arrangements, please refer to the Remuneration Report on pages 96 to 102.

Non-Executive Directors are appointed for specified term, subject to re-election by shareholders, and terms beyond six years are subject to rigorous review. Accordingly, Non-Executive Directors are appointed for a maximum of two additional terms of three years, and thereafter may serve for an additional period only at the invitation of the Board following scrutiny of their continued independence. However, Kristian Eikre, and Atle Eide are subject to a one-year term and any renewal of their respective terms are subject to Board review. All Directors are subject to annual re-election at the Company's AGM. Details of the Directors' length of service are set out on page 89.

Induction, business awareness and development

The Chairman is responsible for ensuring that new Directors receive a comprehensive induction which includes:

- An overview of the Group, its operations and governance framework.
- Briefings on Directors' responsibilities and compliance.
- Site visits to key locations.
- Detailed reviews of strategic projects and initiatives being pursued.
- One-to-one meetings with senior management.

On appointment, Directors receive a formal induction and meet the senior management team as part of the induction process.

Each year, Non-Executive Directors receive additional training and presentations from across the businesses to update their knowledge and develop their understanding of the Group. This year the Board received updates from:

- The Chief Executive Officer, regarding the Group's strategic priorities.
- The Heads of the Advanced Nutrition, Genetics and Health business areas, regarding their strategic priorities.
- The Chief Financial Officer, with respect to the business areas and Group budgets (which also involved a Q&A session with the business area heads).
- The Group Head of People regarding the Group's people strategy.
- The senior IT manager to provide update on the Group's IT strategy.

Business area heads attended Board meetings as appropriate for discussions that were relevant to their areas of business or for major initiatives which they were leading on.

Key strengths

The table below shows the range of our Board's key strengths based on their education/qualifications, professional background, current activity and expertise in each sector. In addition, further detailed biographies of each of the Group's Directors are shown on pages 71 to 73:

Directors	Aquaculture	Biotechnology	Sustainability	Financial	Governance, Risk Management and Control	People	Strategy	International	Capital Markets
Peter George		✓	✓	✓	✓	✓	✓	✓	✓
Susan Searle		✓	✓	✓	✓	✓	✓	✓	✓
Kevin Quinn		✓	✓	✓	✓	✓	✓	✓	✓
Yngve Myhre	✓			✓	✓	✓	✓	✓	✓
Kristian Eikre				✓	✓		✓		✓
Atle Eide	✓		✓	✓	✓		✓	✓	✓
Trond Williksen	✓		✓	✓		✓	✓	✓	✓
Septima Maguire		✓		✓	✓		✓	✓	✓

Annual Board evaluation

The 2022 Board evaluation process was undertaken in three phases:

Phase 1	Phase 2	Phase 3
The Chairman and Company Secretary created a comprehensive online Board evaluation questionnaire seeking the Directors' views on a number of topics. The questionnaire was designed to allow members of the Board to provide improvement suggestions. The themes covered by the internal evaluation included: • Board composition, diversity, skills and performance • Financial reporting and controls • Succession planning • Board functioning and material • Objectives, strategy and risk management • Culture and people • Director self-evaluation • Role of the Committees The questionnaire also included questions to be answered by the EMT, as the Board wanted to receive feedback on its performance from these stakeholders. The questionnaire was reviewed and approved by the Nomination Committee. Respondents completed the questionnaire confidentially and the results were collated and reported anonymously. A complementary questionnaire drafted by the Senior Independent Director covering the Chairman's performance was also issued.	Responses to all questions were sent to the Chairman and responses on the effectiveness of the Committees were also submitted to the respective Committee Chairs. A report on the evaluation process was prepared by the Company Secretary. The results of the evaluation process were reviewed by the Board and the Committees at their respective meetings in September 2022. The Chairman also provided individual feedback to each Director on their individual performance. The Senior Independent Director led the review of the Chairman's performance, and the results of the review were discussed during the Board meeting with the Chairman.	The output from this review was presented to the Board by the Group Head of People, who acted as a facilitator at the Board's September meeting. The Board evaluation also identified some opportunities for the Board to adapt its procedures and the Board is currently reviewing and implementing the recommendations. In addition, each Board Committee reviewed and discussed the key findings of this review.

Findings

The conclusions of the 2022 Board evaluation were positive and confirmed that the Board, its Committees and each of its Directors continue to be effective. The Board benefits from positive dynamics and a collegiate boardroom culture that allows for open discussion and constructive challenge. The Chairman continues to provide robust, effective and considerate leadership to the Board. The key recommendations and actions are set out below:

Recommendation	Status
Board composition and skills: **The Board acknowledged a gap of knowledge in the shrimp industry, Asian and LATAM markets.**	The Board agreed that in making future appointments it should consider the set of skills and experience relevant to the shrimp and Asian & LATAM markets. In the meantime, the Board will continue to receive bi-annual updates from the Head of Nutrition to further increase the Board's knowledge of these markets.

Nomination Committee Report

Peter George
Chair of the Nomination Committee

Composition as at 30 September 2022

The members of the Nomination Committee are:

Member	Number of meetings attended	Committee tenure
Peter George (Chair)	4/4	4 years
Susan Searle	4/4	8 years
Kevin Quinn	4/4	4 years

Only the members of the Nomination Committee have the right to attend committee meetings. The Group Head of People, Executive Directors, other Board members and advisers may be invited to attend and contribute on specific agenda items. The Company Secretary acts as secretary to the Nomination Committee. The Nomination Committee updates the Board following its meetings and invites contributions and views from the Board.

Responsibilities

The main responsibilities of the Nomination Committee are:

- To review the composition of the Board, having regard to its size, balance of skills, knowledge, experience and diversity.
- To lead the process for Board appointments and recommend the appointment of new Directors.
- To review the reappointment of Non-Executive Directors.
- To continue to review time commitments and independence of each Board member as well as reviewing any potential conflicts of interest.
- To make recommendations on the composition of Board Committees.
- To consider succession for Board members and senior management.

The Nomination Committee is responsible for reviewing the composition and effectiveness of the Board. It regularly reviews the composition of the Board and is responsible for leading a rigorous and transparent process for the identification and appointment of new Directors.

The Nomination Committee's terms of reference, which were updated in the light of the 2018 UK Corporate Governance Code, are available on the governance section of our website at **www.benchmarkplc.com/investors/corporate-governance.**

Activities during FY22:

The Nomination Committee:

- Reviewed the composition of the Board, having regard to its size, balance of skills, knowledge, experience and diversity;
- Developed a broader experience and understanding of our stakeholder groups;
- Recommended the appointment of Atle Eide as a member of the Board;
- Considered and recommended to the Board the re-election of all Directors at the 2022 Annual General Meeting;
- Reviewed and approved the succession planning of the Leadership Team with the support of the Group Head of People.

Achievements:

Reviewed the size, structure and composition of the Board

Board gender diversity as at 30 September 2022

25% Females

75% Males

- Females 2
- Males 6

Executive Management Team gender diversity as at 30 September 2022

50% Females

50% Males

- Females 4
- Males 4

The 2022 evaluation of the Board, its committees and individual Directors was internally facilitated by Corina Holmes, Group Head of People and there were no significant matters raised.

Succession planning for the Executive Director and leadership team

In FY22, the Nomination Committee received an update on the implementation of the talent health and succession planning approved in FY21. This included a change of some members of the Executive Management Team and the expansion of roles for the development of key talent. The talent health and the succession plan of the Executive Directors and Executive Management Team was updated and presented to the Nomination Committee for their review and consideration. This exercise was performed with the support of the CEO and Group Head of People. The Group has emergency succession plans in place with respect to its Executive Directors and Executive Management Team, as well as developing medium and long-term plans where internal talent pools have been identified for development and progression opportunities. As part of our Board evaluation process, gaps in knowledge were identified as priority areas for focus when recruiting Board members in the future.

On 9 December 2022, the term of non executive director Susan Searle was due to end as per her director mandate. The Board, with the recommendation of the Nomination Committee, has taken the decision to extend Susan Searle's directorship. The Board reviewed her independence and believe her to remain fully independent despite the fact that her tenure will soon exceed nine (9) years. Susan will be standing for re-election as director at the upcoming annual general meeting.

Diversity policy

The Company makes all Board appointments on individual merit, while recognising the benefits of Board diversity. Our diversity policy aims to ensure that we consider diversity in its broadest sense. A diverse Board has members with a wide range of skills, social and ethnic backgrounds, regional and industry experiences, and genders.

The Board, with the support of the Nomination Committee:

- Considers all aspects of diversity when reviewing the Board's composition;
- Encourages the development of high-calibre employees, to create a pipeline of potential Executive Directors;
- Considers a wide pool of candidates for appointment as NEDs;
- Ensures a significant portion of the long list for NED positions are women and candidates from different backgrounds; and
- Considers candidates against objective criteria and with regard to the benefits of Board diversity.

Gender diversity

Benchmark is mindful of the importance of gender diversity at all levels of the Group and welcomes the targets introduced by the Hampton-Alexander Review, which include a 33% target for female representation on boards and in senior management. Benchmark is committed to working toward achieving this target and to attracting the very best diverse talent to our Board and senior management. As at 30 September 2022, the percentage of female Directors on our Board stood at 25%, and the percentage of females in the leadership team stood at 50%. We are pleased with the steps we are taking with respect to gender diversity within the Group's talent pipeline and will continue to prioritise diversity as an important factor in Board composition as and when natural succession changes arise.

Actions for the coming year

Through FY23, the Nomination Committee will continue to monitor and receive reports on the implementation of the succession planning initiative within the Group. It will also continue to assess the size and composition of the Board to evaluate whether this is suitable for the Group's current stage of development, containing an appropriate balance of skills, knowledge and experience.

Peter George
Chair of the Nomination Committee

30 November 2022

Non-Executive Director tenure

The periods of service of our Non-Executive Directors are set out below as at 30 September 2022.

Name	Position	Date of appointment	Term
Peter George[1]	Chairman	8 May 2018	4 years, 4 months
Susan Searle	Senior Independent Director	18 December 2013	8 years and 9 months
Kevin Quinn	Non-Executive Director	25 November 2016	5 years, 10 months
Yngve Myhre	Non-Executive Director	6 November 2017	4 years, 10 months
Kristian Eikre	Non-Executive Director (not independent)	14 March 2019	3 years, 6 months
Atle Eide	Non-Executive Director (not independent)	29 November 2021	10 months

1 Peter George was a Non-Executive Director except between 19 August 2019 and 1 August 2020 where he stood in as Executive Chairman until the appointment of and handover to Trond Williksen as Chief Executive Officer.

Audit Committee Report

Kevin Quinn
Chair of the Audit Committee

Membership, meetings and attendance

The composition of the Audit Committee during the year was:

Member	Number of meetings attended	Committee tenure
Kevin Quinn (Chair)	3/3	5 years
Susan Searle	3/3	4 years
Yngve Myhre	3/3	1 years

All Committee members are independent Non-Executive Directors.

In addition to the Committee members, there are a number of regular attendees at each meeting. The Chief Financial Officer (CFO) and lead external Group Audit Partner normally attend all scheduled Audit Committee meetings. The Audit Committee members regularly take time before or after a meeting, without any Executive Directors or senior management present, to raise any questions and discuss issues with the external auditor. Furthermore, the Chairman of the Audit Committee frequently meets the CFO and the external auditor separately to review current issues and developments usually prior to each meeting of the Audit Committee and with such meetings often taking place by telephone.

The Audit Committee met three times during the year with all members of the Committee in attendance at each meeting.

Key objective

The Audit Committee acts on behalf of the Board and the shareholders to ensure the integrity of the Group's financial reporting, evaluate its systems of risk management and internal control and oversee the relationship and performance of the external auditors.

Responsibilities

The main roles and responsibilities of the Committee are:

- To review accounting policies and the integrity and content of the financial and narrative statements;
- To monitor disclosure controls around any formal announcements relating to the Company's financial performance and procedures and the Group's internal controls;
- To monitor the integrity of the financial and narrative statements of the Group, and to assist the Board in ensuring that the Annual Report and Accounts 2021/22, when taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- To consider the adequacy and scope of external audits;
- To review and monitor the objectivity, independence and effectiveness of the external auditor, including to develop and implement policy on the engagement of the external auditor to supply non-audit services, the scope and expenditure on non-audit work and approve the auditor remuneration and reporting to the Board as to how they have discharged these responsibilities. When appropriate to conduct the tender process for new auditor and make recommendations to the Board;
- To monitor and review the effectiveness of the Company's internal controls and in the absence of an internal audit function considering annually whether there is a need for one and make a recommendation associated with this to the Board;
- To review and recommend the statements to be included in the Annual Report on internal control and risk management; and
- To review and report on the significant issues and judgements considered in relation to the financial and narrative statements and how they are addressed.

The Committee's terms of reference are reviewed annually and a summary of these are available on the Governance section of our website at www.benchmarkplc.com.

Judgements and significant risks considered by the Audit Committee with respect to the Interim and Annual Reports are set out below.

Going Concern

The Committee was presented by management with an assessment of the Group's future cash forecasts and profit projections, available facilities, facility headroom, banking covenants and the results of a sensitivity analysis. Detailed discussions were held with management concerning the matters outlined in the basis of preparation in Note 1 to the financial statements, in particular the impact on the disclosures following the Group's refinancing exercise which took place in September 2022. The Committee discussed the assessment with management and was satisfied that the going concern basis of preparation continues to be appropriate for the Group and advised the Board accordingly.

Valuation of goodwill and intangible assets
The Committee considered the carrying value within the accounts of the Group's businesses, including goodwill and intangible assets. Management performed an annual impairment review on goodwill and other intangible assets held within the Group. The Committee reviewed management's recommendations, which were also reviewed by the external auditor, including an evaluation of the appropriateness the calculated weighted average cost of capital and of the identification of cash generating units and other assumptions applied in determining asset carrying values. The Committee was satisfied with the assumptions and judgements applied by management and agreed with the assessment that no impairments were necessary in FY22.

Presentation of results
At the request of the Board, the Committee reviewed the presentation of the Group's unaudited results for the six months to 31 March 2022 and the audited results for the year to 30 September 2022 to ensure they were fair, balanced and understandable and provide sufficient information necessary for shareholders and other users of the accounts to assess the Group's position and performance, business model and strategy. In conducting this review, focus was given to the disclosure included in the basis of preparation in Note 1 to the financial statements in relation to the Group's financial projections and the suitability of the going concern assumption, particularly in light of recovery from the financial and economic implications of the global COVID-19 pandemic and the current economic climate.

Particular attention continues to be paid to the presentation of the results in the income statement which uses alternative profit measures as indicators of performance. The Board considers current treatment which retains reference to "Adjusted EBITDA" and "EBITDA" to remain appropriate. "EBITDA" is "earnings before interest, tax, depreciation and amortisation, and "Adjusted EBITDA" is "EBITDA before exceptional items and acquisition related expenditure". "Adjusted Operating Profit/Loss", which adjusts Adjusted EBITDA to include depreciation and amortisation of capitalised development costs to reflect their part in the underlying performance of the Group is also used, as well as Adjusted EBITDA excluding fair value movement in biological assets, which adjusts Adjusted EBITDA by removing the change in value of biological assets related to fair value assumptions. The Board regards these measures as an appropriate way to present the underlying performance and development of the business, reflecting the continuing investment being made by the Group, particularly in relation to past and future acquisition activity, and this is how the Board monitors progress of the existing Group businesses.

Management override of internal controls
The Committee considered the inherent risk of management override of internal controls as defined by auditing standards. In doing so the Committee continues to review the overall robustness of the control environment, including consideration of the Group's whistleblowing arrangements and the review by the external auditor.

Revenue recognition
The Committee considered the inherent risk of fraud in revenue recognition as defined by auditing standards and was satisfied that there were no issues arising.

Valuation of biological assets
The Group holds significant biological assets on the balance sheet at fair value less costs to sell, with the valuation dependent on some subjective assumptions, including some which relate to future egg sales prices and volumes and seasonal variations. The Committee considered the accounting policy employed by the Group for biological assets, the assumptions used in the valuation calculations and the disclosures provided in the financial statements. The Committee was satisfied with the accounting policy in force and with the estimates and judgements applied by management in employing this policy which remains consistent with previous years.

Risk management
Effective risk management and control is key to the delivery of the Group's business strategy and objectives. Risk management and control processes are designed to identify, assess, mitigate and monitor significant risks, and can only provide reasonable and not absolute assurance that the group will be successful in delivering its objectives. The Board is responsible for the oversight of how the Group's strategic, operational, financial, human, legal and regulatory risks are managed and for assessing the effectiveness of the risk management and internal control framework but delegates the oversight for financial risk to the Audit Committee.

A description of the Group's risk management procedures and the work completed in the year is provided in the Principal Risks and Uncertainties section on page 61-69.

Internal audit
During the year, the Committee made the decision to pursue the recruitment of an internal audit function having determined that such a function would add significant value as a part of the integrated control environment currently in operation. This process is ongoing. In the meantime, internal assurance around risk is achieved through review of the controls being performed by each business area.

Safeguards and effectiveness of the external auditor
The Committee recognises the importance of safeguarding auditor objectivity. The following safeguards are in place to ensure that auditor independence is not compromised.

- The Audit Committee carries out an annual review of the external auditor as to its independence from the Group in all material respects and that it is adequately resourced and technically capable to deliver an objective audit to shareholders. Based on this review the Audit Committee recommends to the Board the continuation, or removal and replacement, of the external auditor;
- A tax adviser separate from the external auditor is engaged to provide tax-related services;
- The external auditor may provide audit-related services such as regulatory and statutory reporting as well as formalities relating to shareholder and other circulars;
- Non-audit services carried out by the external auditor are generally limited to work that is closely related to the annual audit or where the work is of such a nature that a detailed understanding of the business is beneficial;
- The Audit Committee reviews all fees paid for audit services on a regular basis to assess the reasonableness of fees, value of delivery and any independence issues that may have arisen or may potentially arise in the future;
- The external auditor reports to the Directors and the Audit Committee regarding their independence in accordance with Auditing Standards. KPMG's policy, in line with best practice, is that audit partners are required to be rotated every fifth year;
- Different teams are used on all other assignments undertaken by the auditor; and
- The Audit Committee monitors these costs in absolute terms and in the context of the audit fee for the year, to ensure that the potential to affect auditor independence and objectivity does not arise. The Committee does not adopt a formulaic approach to this assessment. The split between audit and non-audit fees for 2022 and information on the nature of the non-audit fees incurred is detailed in Note 6 accompanying the consolidated financial statements.

The Audit Committee monitors the effectiveness of the external audit. To comply with this requirement, the Committee reviews and comments on the external audit plans before it approves them. It then considers progress during the year by assessing the major findings of their work, the perceptiveness of observations, the implementation of recommendations and management feedback. At the request of the Board, the Committee also monitors the integrity of all financial and narrative statements in the Annual Report and half year results statements, and the significant financial reporting judgements contained in them. Further details of the Committee's procedures to review the effectiveness of the Group's systems of internal control during the year can be found in the section on effective risk management and internal control below.

The Committee recognises that all financial statements include estimates and judgements by management. The key audit areas are agreed with management and the external auditors as part of the year-end audit planning process. This includes an assessment by management both at business unit and at Group level of the significant areas requiring management judgement. These areas are reviewed with the auditors to ensure that appropriate levels of audit work are performed and the results of this work are reviewed by the Committee.

Effective risk management and internal control
One of the Board's key responsibilities is to ensure that management maintains a system of internal control which provides assurance of effective and efficient operations, internal financial controls and compliance with law and regulation. The Group's systems are designed to identify principal and emerging financial and other risks to the Group's business and reputation, and to ensure that appropriate controls are in place. Consideration is given to the relative costs and benefits of implementing specific controls.

Assurance
On behalf of the Board, the Audit Committee examines the effectiveness of:

- The systems of internal control, primarily through reviews of the financial controls for financial reporting of the annual, preliminary and half yearly financial statements and a review of the nature, scope and reports of external audit;
- The management of risk by reviewing evidence of risk assessment and management; and
- Any action taken to manage critical risks or to remedy any control failings or weaknesses identified, ensuring these are managed through to closure.

Where appropriate, the Audit Committee ensures that necessary actions have been, or are being taken to remedy or mitigate significant failings or weaknesses identified during the year either from internal review or from recommendations raised by the external auditor. The Group's internal controls over the financial and narrative reporting and consolidation processes are designed under the supervision of the CFO to provide reasonable assurance regarding the reliability of financial and narrative reporting and the preparation and fair presentation of the Group's published financial statements for external reporting purposes in accordance with IFRSs.

Because of its inherent limitations, internal control over financial and narrative reporting cannot provide absolute assurance and may not prevent or detect all misstatements whether caused by error or fraud. The Group's internal controls over financial and narrative reporting and the preparation of consolidated financial information include policies and procedures that provide reasonable assurance that transactions have been recorded and presented accurately.

Management regularly conducts reviews of the internal controls in place in respect of the processes of preparing consolidated financial information and financial and narrative reporting. During the year there were no changes to the internal controls over these processes that have or are reasonably likely to materially affect the level of assurance provided over the reliability of the financial statements.

Risk management and internal control system features

Risk management control system

As well as the risks that management identify through the ongoing processes of reporting and performance analysis, the Audit Committee has additional risk identification processes, which include:

- Risk and control process for identifying, evaluating and managing major business risks. A risk register is maintained defining each business risk identified and quantifying its likely impact to ensure adequate priority is given to each in turn;
- External audit reports, which comment on controls to manage identified risks and identify new ones; and
- A confidential whistle-blowing helpline and an email address available for employees to contact a designated Non-Executive Director in confidence.

Internal control system

The internal controls which provide assurance to the Committee of effective and efficient operations, internal financial controls and compliance with law and regulation include:

- A formal authorisation process for investments;
- An organisational structure where authorities and responsibilities for financial management and maintenance of financial controls are clearly defined;
- Anti-bribery and corruption policies and procedures and a dedicated email hotline, designed to address the specific areas of risk of corruption faced by the Group; and
- A comprehensive financial review cycle where annual budgets and subsequent reforecasts are formally approved by the Board and monthly variances are reviewed against detailed financial and operating plans.

Sustainability Committee Report

Kevin Quinn
Chair of the Sustainability Committee

Composition as at 30 September 2022
The members of the Sustainability Committee are:

Member	Number of meetings attended	Committee tenure
Kevin Quinn (Chair)	1/1	4 years
Trond Williksen	1/1	2 years
Ivonne Cantu	1/1	4 years

Introduction
FY22 was a year of significant progress in our sustainability programme across our three pillars - environment, animal welfare and people and communities. Highlights of the year include the completion of an energy efficiency study at our manufacturing plant in Thailand which has enabled us to set out a roadmap and take action towards achieving our Net Zero targets, the completion of our first Group-wide climate risk assessment - an important building block towards TCFD (Taskforce for Climate-Related Financial Disclosures), and the issuance of our first Green bond validating our ESG credentials and commitment.

Looking forward to FY23 our main focus will continue to be on reducing our carbon emissions in line with the Net Zero journey we have mapped, as well as on obtaining ISO14001 certification for our main production facilities, which will enhance our ability to monitor and improve our environmental KPI's.

Responsibilities of the Sustainability Committee
The Sustainability Committee, established in June 2018, is responsible for providing guidance and overseeing Benchmark's sustainability work. Acting on behalf of the Board, the Committee ensures that the focus and governance of the Company's sustainability work is aligned to its ESG principles and mission of driving sustainability in aquaculture. This is achieved through regular Committee meetings where strategic priorities, ongoing projects and emerging issues are reviewed.

The Committee is also responsible for maintaining a dialogue with the Company's stakeholders on ESG matters. This dialogue provides insights that inform the Company's ESG materiality assessment and priorities. In FY22 members of the Committee engaged with numerous shareholders, customers and industry associations on sustainability matters. Areas of focus for our stakeholders included sourcing of feed ingredients, carbon emissions, water management and supplier policy.

We welcome this increasing engagement and interest we are receiving particularly from investors, which reinforces the confidence that we have in the importance and relevance of our Company mission to drive sustainability in aquaculture.

FY22 Progress Report
FY22 was a successful year for our sustainability effort with the Company meeting all the objectives set out at the beginning of the year. Highlights in each of our three pillars are set out below.

Environment
In FY21 the Company set out an ambition to become Net Zero scope 1 and 2 by 2030 and Net Zero scope 1, 2 and 3 by 2050. Underpinning that commitment was a review of our carbon footprint across the Group which identified our operation in Thailand as the main contributor to our carbon footprint. In order to reduce emissions at this site, in FY22 we completed an energy efficiency study which led to the decision to install solar panels at the facility with the potential to reduce our carbon footprint by 10%. The solar panels will become operational in FY23. Greenhouse gas emissions for FY22 are 51tCO_2e (0.7%) lower than FY21. While this absolute reduction is only small it is set against the context of business growth and this is reflected in the intensity ratio of 41.54 tCO_2e, 21% lower than the previous financial year.

An important objective for the year was to implement our new environmental policy developed in FY22 across the Group. Aware of the fact that sustainability improvement results from the collective action of our people across the Group we implemented our new policy through a comprehensive programme of workshops that engaged our local teams in establishing a tailored adoption of our Group policy. As part of these workshops, we conducted a climate change risk assessment which formed the basis for an evaluation at Group level. This assessment covered both physical and transitional risks and opportunities as well as the suitability of our mitigating actions. The overall conclusion is that the foreseeable risks are adequately addressed through our ongoing facilities maintenance and contingency plans as well as planned investments.

Water management and freshwater use is an area of concern for our stakeholders. I am pleased to report that our total freshwater usage decreased year on year by 1.5% and when taking into account revenue growth the intensity ratio decreased by 19%.

Sourcing of feed ingredients, in particular soy, is another area of significant focus for stakeholders due to deforestation practices in soy production. Over the last 24 months our procurement team worked closely with our suppliers to ensure that all the soy we source comes from sustainable certified sources and this is now the case.

Animal Health and Welfare
FY22 was a continuation of the work we started in FY21 during the first year of operation of our Animal Welfare Committee. Our focus continued to be on training, on the improvement of operational and R&D protocols and on maintaining and operating health plans that support good animal health and welfare and excellent biosecurity. As a result of these efforts together with our antibiotic policy, no antibiotics were applied across the Group. During the year the Animal Welfare Committee conducted a review of our lumpfish operations, to assess the health and welfare at our facilities. The review was initiated by the Board in response to sustainability concerns raised by industry observers in relation to the use of lumpfish as a sea lice management tool. The review concluded that our protocols and operations adequately address the concerns raised.

People and Communities
Our Benchmark for Better programme brings together our volunteering activities and charitable donations. Through our policy employees can devote two days in the year to volunteering, whether as teams or individually. In addition, we provide monetary support to established programmes in some of our local communities including schools in Thailand and Colombia. Making Benchmark a Great Place to Work is a strategic priority for the Group and a pillar of our sustainability programme. As part of our effort to make Benchmark a Great Place to Work we conducted numerous engagement initiatives including a Wellbeing Day, an International Women's Day campaign and a Group-wide initiative which brought our 800 people together virtually to cycle, run, walk or swim collecting miles that translated into charitable donations. The high level of engagement was very encouraging but not surprising as it correlates to the high scores obtained in our annual Employee Engagement Survey.

I would like to thank the members of the Sustainability Committee, the sustainability working group, and all the people around the Group involved in our sustainability effort, for their continued commitment throughout the year. I look forward to continuing our work in 2022 to progress Benchmark's mission of driving sustainability in aquaculture.

Kevin Quinn
Chair of the Sustainability Committee

Remuneration Report for the year ended 30 September 2022

Susan Searle
Chair of the Remuneration Committee

Composition as at 28 November 2022

The members of the Remuneration Committee are:

Member	Number of meetings attended	Committee tenure
Susan Searle (Chair)	6/6	8 years
Kevin Quinn	6/6	5 years
Peter George	5/6	4 years

Statement from Susan Searle, Chair of the Remuneration Committee

Our performance in 2022 and pay outcomes in FY2022

The leadership team has successfully delivered against the Benchmark Group's strategic priorities this year, delivered significant growth in adjusted EBITDA and performed well in each of our three business areas. We have closed the year with a strong financial performance driven primarily by the Advanced Nutrition and Genetics businesses and underpinned by the focus on strategic priorities and running the business efficiently.

In Health, we made progress in the development of a new configuration and business model for CleanTreat®, obtained a variation to the Company's Marketing Authorisation from the Norwegian Medicines Agency ("NoMA") enabling a second use of treatment water and further obtained Marketing Authorisation in the Faroe Islands. In Advanced Nutrition we successfully recovered our leadership position in the global Artemia market and saw continued good financial performance driven by a strong commercial focus, cost discipline and better productivity and asset utilisation. In Genetics we saw the commercial launch of SPR shrimp and growing revenues alongside continued growth in salmon egg sales, boosted by the recent investment in the incubation unit in Iceland. Across the Group our People agenda continued to align activity under One Benchmark producing an Employee Engagement participation rate of 92% and a top quartile Employee Engagement score of 88%. The team continued its focus on the ESG agenda which is now well embedded in the business. Further information on our ESG strategy can be found on page 37.

The Group's financial performance and delivery against these strategic objectives was above target performance and close to stretch performance on most metrics. Bonus payments of 94.45% of maximum were approved by the Remuneration Committee for the Chief Executive Officer and 94.90% for the Chief Financial Officer. Further details are shown on page 98.

Performance shares in the form of nominal cost options were awarded under the Benchmark Holdings Company Share Option Scheme in December 2021. The shares normally vest three years from the date of grant and are subject to the performance criteria being met and continued service. Malus and clawback provisions apply for Executive Directors. The performance measures are EPS growth, where 25% vests at threshold performance and 100% vests at maximum performance and Relative Total Shareholder Return measured against the constituents of the FTSE AIM 100 Index, where 25% vests at a ranking of median rising to 100% for a ranking of upper quartile or higher. In the case of Executive Directors, any vested shares will be subject to a further two-year holding period from date of vesting. The Company's policy is to allocate an equal number of shares to each of the six members of the Executive Management Team to ensure an equitable distribution for the role, rather than according to salary.

No shares vested in the year as both the Chief Executive Officer and Chief Financial Officer have less than three years' service.

Looking forward to FY2023

The Remuneration Committee approved an average salary increase across the Group of 6.67% with effect from 1 January 2023. We have also reviewed our approach to the annual salary review process which drives new salaries from 1 January 2023, taking into account the inflationary environment and cost of living pressures facing all our people in the markets in which we operate. We have undertaken a more targeted approach and have used our salary increase budget to provide more support to those on lower salaries by awarding lower salary increases to those on higher salaries.

We announced during the year the Company's intention to pursue a listing on Euronext Growth Oslo with a view to listing on the Oslo Børs in the first half of 2023. This represents a crucial milestone for Benchmark Holdings which has wide-ranging implications for the way we think about Directors' pay and our share plans.

In light of the changes ahead we have decided to delay the making of awards under the long-term incentive scheme and do not therefore expect to make regular LTIP awards until later in the financial year 2023.

The Remuneration Committee seeks to abide by the UK Corporate Governance Code and continues to review and update our Directors' remuneration policy in the light of the Code.

We shall as usual be submitting the Directors' Remuneration Report, on a voluntary basis, for shareholder approval. We welcome the views of our shareholders on remuneration which the Remuneration Committee believes is key to the success of Benchmark Holdings.

Susan Searle
Chair of the Remuneration Committee

30 November 2022

Annual Report on Remuneration

An overview of the Remuneration Committee's membership and work

The composition of the Remuneration Committee during the year was:

- Susan Searle (Chair)
- Kevin Quinn
- Peter George

The Committee membership comprises two independent Non-Executive Directors and the Chairman who was independent on his appointment to the Board. The Company Secretary acts as secretary and the Group Head of People attends committee meetings. At appropriate times, the Committee has invited the views of the Chief Executive Officer and the Employee Representative. No individual is present when his or her own remuneration or fees are discussed. The Committee continues to seek professional, independent advice as and when it is required from FIT Remuneration Consultants LLP.

Key objectives: The key objectives of the Remuneration Committee are to develop the Company's policy on executive remuneration and to determine the remuneration of the Executive Directors, Chairman of the Board and the Group's most senior managers.

Responsibilities: The main responsibilities of the Committee are to:

- monitor and develop the Group's remuneration policy;
- determine the remuneration of the Executive Directors;
- approve the service agreements of the Executive Directors;
- determine the remuneration of senior management;
- determine the fee for the Chairman;
- review the Group's annual bonus proposals (including performance measures and targets) and to approve bonus payments for the Executive Directors and senior managers;
- approve the design of and oversee all awards under the Group's share incentive plans and to approve performance measures and targets;
- consider the Group's engagement with employees and review remuneration policies for all employees in Benchmark;
- consider risks to the Group in light of its remuneration policies; and
- consider the gender pay gap across the Group, evaluate what this means and plan action to close the gaps.

The Remuneration Committee's terms of reference, which were updated in light of the 2018 UK Corporate Governance Code, are available on the governance section of our website at www. benchmarkplc.com/investors/corporate-governance/.

Decisions and actions undertaken during the year:

During the year and the period prior to publication of the Annual Report, the Committee:

- approved base salary increases for the Executive Directors of 1.55% with effect from 1 January 2022;
- approved the award of performance shares to Executive Directors and senior management under the Group's Long-Term Incentive Plan;
- approved the award of performance shares to employees under the Group's Long-Term Incentive Plan. Over 62.6% of employees have outstanding share awards in the Company; and
- acted as a sounding board on topics such as talent management and succession planning, employee engagement, culture, diversity and values ahead of further detailed Board debate.

The Committee is provided with an overview of remuneration policies for employees throughout the business to assist in its consideration of remuneration packages of the executives and senior management to ensure consistency and alignment.

Although there is no statutory obligation for Benchmark to report on the gender pay gap we have done so on a voluntary basis for 2021.

Voting history

The Directors' Remuneration Report for the year ended 30 September 2021 was subject to an advisory vote at the Annual General Meeting held on 10 February 2022. The Remuneration Committee has chosen to ask shareholders to vote on the Report for several years even though it is not a requirement. The report was approved by 99.50%.

Single total figure of remuneration for the financial year ended 30 September 2022

The remuneration in respect of qualifying services of the Directors who served during the financial year ended 30 September 2022 is as set out below:

Executive Directors (audited)

	Salary (£) (a)	Bonus (£) (b)	Taxable benefits (£) (c)	Long-term incentive (£) (d)	Pension (£) (e)	Total fixed Remuneration (£) 2022	Total Variable Remuneration (£) 2022	Total Remuneration (£) 2022	Total fixed Remuneration (£) 2021	Total Variable Remuneration (£) 2021	Total Remuneration (£) 2021
Trond Williksen											
	410,000	388,190	1,916	–	40,940	**452,856**	**388,190**	**841,046**	450,145	367,379	817,524
Septima Maguire											
	261,000	248,638	1,408	–	26,100	**288,508**	**248,638**	**537,146**	291,959	234,202	526,161

(a) The base salary reported above reflects the 2022 increase of 1.55% (subject to rounding) with effect from 1 January 2022.

(b) Cash bonuses will be paid in January 2023 and are based on the salary at 30 September 2022.

(c) Benefits provided for all Executive Directors are medical insurance coverage for the Directors and their families, and death in service benefits.

(d) The Executive Directors did not make any gains on the exercise of any share options during both 2022 and 2021.

(e) The Executive Directors receive 10% employer pension contribution. This is paid into their respective pension funds with any excess to the annual or lifetime limits paid as an allowance

The Chairman and the Non-Executive Directors (audited)

	Fees (£) 2022	Fees (£) 2021
Kristian Eikre	**–**	–
Susan Searle	**53,018**	51,014
Kevin Quinn	**53,018**	51,014
Yngve Myhre	**45,518**	45,389
Atle Eide	**33,641**	–
Peter George	**121,380**	121,035

Other than the services fees noted in the above table, the Non-Executive Directors are not entitled to any other remuneration benefits.

Executive Directors' annual bonuses for the financial year ended 30 September 2022

The annual bonus scheme allows for up 100% of salary to be awarded based on the successful delivery of financial performance as measured by Adjusted EBITDA (70% of bonus) and five Strategic Priorities (30% of bonus) based on the delivery of key projects and organisational change. Performance against both the financial and strategic targets were near the stretch levels set and resulted in bonus payments of 94.45% of maximum to the Chief Executive Officer and 94.90% of maximum for the Chief Financial Officer.

Defined contribution pension scheme

All Executive Directors participate in defined contribution pension schemes which are in alignment with those available to employees in the UK and Norway respectively. Trond Williksen participates in a Norwegian pension scheme.

In accordance with the policy set out on page 101, the Company contributes10% of salary for each Executive Director.

Long-term incentive awards (LTIP)

In December 2021 performance shares were awarded to Septima Maguire and Trond Williksen in line with the Company's Remuneration Policy. These awards have a three-year vesting period and vesting is subject to continued service and performance criteria being met. A holding period of two years applies from the date of vesting. The performance measures used were:

- 50% relative total shareholder return ("TSR") – with 25% vesting for a median ranking, rising on a straight-line basis to full vesting for an upper quartile ranking versus the constituents of the FTSE AIM 100 Index.
- 50% earnings per share ("EPS") – with 25% vesting for threshold, rising on a straight-line basis to full vesting for maximum.

Executive Directors' external appointments

The Executive Directors who held non-executive directorships or external appointments with organisations other than the Company in the financial year ended 30 September 2022 are set out on pages 71 to 73.

Statement of implementation of our remuneration policy in 2022/3

Executive Directors' salaries

The change to the listing of Benchmark's shares will have implications for executive remuneration and share plans and we shall engage with shareholders on this at the appropriate time. Some decisions have, however, been made.

Salaries for the two current Executive Directors, CEO and CFO, will be increased by 5% and 6% respectively from 1 January 2023. These increases are in line with Benchmark's approach to market-linked increases applied to employees and are effective from 1 January 2023.

	Salary (£) 2023	Salary (£) 2022	Increase in salary 2022 to 2023 (%)
Trond Williksen	**431,500**	411,000	5
Septima Maguire	**277,750**	262,000	6

Bonus

The 2023 annual bonus will be implemented in line with the remuneration policy framework, with a maximum of 100% of salary payable. The metrics used will comprise 70% financial and 30% non-financial objectives. Bonuses based on financial objectives are paid out with a trigger point at 95% of the Group's financial budget, with a scale to 110% of financial budget at which point 100% of the bonus based on financial targets is paid. The financial measures for the 2023 financial year are directly linked to achievement of the budget and the non-financial measures relate to the strategic priorities, which in addition to three commercial objectives also include two objectives, one on ESG goals and one related to People and Culture.

The fees of the Chairman and the Non-Executive Directors for the financial year ended 30 September 2022

The Chairman's fee

The Chairman's fee was not increased for 2022, so remains £121,380 per year and will be increased to £127,500 from 1 January 2023.

The Non-Executive Directors' fees

The Non-Executive Directors' fees are determined by the Chairman and Executive Directors and were not increased for 2022, so remains £45,518, with the exception of Atle Eide who is not a member of a Committee and therefore receives a reduced fee of £40,000. In addition, Susan Searle and Kevin Quinn received an allowance of £7,500 to reflect their additional responsibilities as chairs of the Remuneration and Audit Committees respectively. The basic fees will be increased to £48,000 for 2023 with the exception of Atle Eide who will receive a fee of £42,000. There will be no change to the allowances.

Additional information on Directors' interests

Directors' interests under the Company's employee share plans (unaudited)

Details of the Executive Directors' interests in share awards under the employee share plans during the financial year ended 30 September 2022 are set out below:

	Share option scheme	Options held at 30 September 2021	Options exercised in year	Options forfeited in year	Options granted in year	At 30 September 2022	Exercise price	Grant date	Date from which exercisable
Septima Maguire	CSOP I	70,588	–	–		70,588	42.5p	21 February 2020	20 February 2023
Septima Maguire	CSOP II	329,412	–	–		329,412	42.5p	21 February 2020	20 February 2023
Septima Maguire	CSOP II	600,000	–	–		600,000	31.5p	2 June 2020	1 June 2023
Septima Maguire	CSOP II	380,597	–	–		380,597	0.1p	5 January 2021	4 January 2024
Septima Maguire	CSOP II	–	–	–	412,693	412,693	0.1p	7 December 2021	6 December 2024
Trond Williksen	CSOP II	1,500,000	–	–		1,500,000	31.5p	2 June 2020	1 June 2023
Trond Williksen	CSOP II	597,015	–	–		597,015	0.1p	5 January 2021	4 January 2024
Trond Williksen	CSOP II	–	–	–	647,360	647,360	0.1p	7 December 2021	6 December 2024

Directors' interests in ordinary shares (unaudited)

At 30 September 2022, the interests of the Directors and their connected persons in ordinary shares was as follows:

	Interests in ordinary shares at 30 September 2022	% of Company's issued share capital at 30 September 2022	Interests in ordinary shares at 30 September 2021
Trond Williksen	270,000	0.04	180,000
Septima Maguire	342,028	0.05	317,028
Peter George	3,145,719	0.45	3,085,719
Yngve Myhre	1,126,401	0.16	1,000,000
Susan Searle	224,625	0.03	224,625
Kevin Quinn	85,929	0.01	85,929
Atle Eide	120,000	0.02	–
Kristian Eikre	–	–	–

A summary of the Directors' remuneration policy

The Group's remuneration policy seeks to balance three key objectives:

- To pay competitively in the relevant talent markets to sustain motivation and commitment, in light of Benchmark's style and culture.
- To remunerate in a way that makes economic sense for the Company, ensuring there is a fair balance of return to the executive team, management, employees and shareholders for their contributions to the Company's success.
- To encourage the cooperative behaviours which promote business priorities and lead to high performance.

Remuneration policy

The UK Corporate Governance Code asks companies when determining their remuneration policies to have considered the following six factors:

1. Clarity
   a. Our policy has three clear key objectives as set out above.
   b. Each component of our policy (including its purpose, how it is operated, maximum potential and applicable performance measures) are set out in this report.
2. Simplicity
   a. Our policy reflects what we believe to be standard market practice for listed companies with the operation of an annual potential bonus and long-term incentive share plan.
   b. All incentive payments made are either in the form of cash or Benchmark Holdings plc shares.
3. Risk
   a. The Committee has the ability to use its discretion to override formulaic outcomes if considered appropriate.
   b. Our policy includes malus and clawback provisions which enable the recovery and/or withholding of payments if considered appropriate.
4. Predictability
   a. Appropriate limits are set out in the policy and applicable share plan rules so that outcomes can be predicted.
5. Proportionality
   a. The outcomes of our incentive schemes are aligned to our financial and non-financial targets.
   b. Outcomes are assessed against a variety of metrics to ensure performance is measured on a balanced basis.
6. Alignment of culture
   a. Our policy objectives look to recognise the Group's culture and encourage cooperative behaviours which promote strategic priorities and lead to high performance.

Pursuant to the remuneration policy approved in November 2020, the Executive Directors' remuneration comprises fixed elements in the form of a base salary, benefits and pension contributions and variable elements in the form of an annual cash bonus scheme and Long-Term Incentive Plan (LTIP).

Fixed elements of remuneration

The fixed elements of the Executive Directors' remuneration are designed to attract and retain Directors of the appropriate calibre, with the requisite knowledge, skills and experience, and to sustain motivation and commitment.

The Executive Directors may participate in defined contribution pension schemes with the Company contributing 10% of the Executive's salary. They may instead receive a cash allowance of up to 10% of salary or a combination. The Executive Directors also receive private medical insurance for themselves and their families and death in service benefits.

Variable elements of remuneration

Executive Directors are eligible for an annual performance bonus. The maximum award is 100% of salary. The bonus is designed to reward and incentivise success leading to sustainable long-term growth and to recognise the Directors' commitment and contribution to the business. The remuneration policy approved by the Remuneration Committee enables the use of discretion to override formulaic outcomes in line with the requirements of the UK Corporate Governance Code.

The Executive Directors are also eligible to participate in the Long-Term Incentive Plan with a maximum award of 100% of salary. The performance period in respect of the share awards is usually three years and in the case of the Executive Directors any vested shares will be subject to a holding period of two years.

Statement of consideration of employment conditions elsewhere in the Group

Historically, the salaries across the Group have been increased annually by reference to the consumer price index ("CPI") in each country in which the Company operates. In 2022, we applied the principles of rewarding a higher percentage increase to those employees in the lower quartile, funded by smaller increases for senior management. The average salary increase across the Group including senior management was 6.67%. This percentage rise included adjustments made for additional responsibilities taken on by employees, promotions and market adjustments.

All employees participate in an annual bonus plan with bonus potential determined in accordance with the remuneration policy.

The Company believes it is important to invest in, develop and reward the contribution of our senior managers and our Long-Term Incentive Plan aims to foster a culture of cooperation and shared participation in the Group's achievements. In December 2021 the Company issued 4,569,496 shares to 68 employees across the Group. Where we are unable to grant options a cash mirror scheme is operated to ensure consistent treatment of the teams globally.

Executive Directors' service contracts and remuneration on termination

The Company's policy is that the contracts of the Executive Directors are normally terminable by either party on six months' notice at any time, and by the Company at any time and without compensation in case of serious misconduct, breach of duty or in similar circumstances. In the event of termination by the Company without cause, the Executive Director is entitled to receive payment of salary for any unexpired notice period and any accrued holiday entitlement. This is the case for the Chief Financial Officer. In accordance with Norwegian law, however, Trond Williksen is entitled to receive an additional three months' salary in the event that his contract were to be terminated by the Company. An additional payment of three months' salary will also be payable should the Board decide to enforce the non-compete and non-solicit clauses of his employment contract, again in accordance with Norwegian law and irrespective of whether his contract is terminated with or without cause. In the event of termination for cause, the Director is not entitled to compensation in respect of salary.

The Executive Directors' bonuses are fully discretionary. In the event of termination during a bonus period, the Committee will consider payment of a bonus on a pro rata basis for the relevant portion of the year worked, having regard to the circumstances.

Under the Company's remuneration policy, Executives have an employment shareholding requirement of 100% of salary.

The terms of appointment of the Chairman and the Non-Executive Directors

The Chairman and the Non-Executive Directors hold office under letters of appointment. Each of the Non-Executive Directors are appointed for an initial term of three years, and are typically expected to serve two additional three-year terms, subject to re-election by shareholders, and terms in aggregate beyond six years are subject to rigorous review. However, Kristian Eikre and Atle Eide are subject to a one-year term and any renewal of their terms are subject to Board review.

Non-Executive Directors may serve for an additional period only at the invitation of the Board following scrutiny of their continued independence. Under the Non-Executive Directors' terms of appointment, they are all required to stand for re-election every year.

At the Company's last AGM held on 10 February 2022, Peter George, Kristian Eikre, Kevin Quinn, Susan Searle, Yngve Myhre and Trond Williksen were re-elected as Directors and Atle Eide was elected as a Director.

Either the Company or the Non-Executive Director may terminate the appointment on three months' notice (except Kristian Eikre and Atle Eide on one month's notice), and the appointments are subject to the Company's Articles of Association and to the Director being re-elected by shareholders upon retirement by rotation. On termination as a result of the Non-Executive Director not being re-elected by shareholders or under the Articles of Association for reasons connected with outside interests or independence, the appointment terminates immediately and the Non-Executive Director is not entitled to compensation. On termination in other circumstances, including on three months' notice (or one month's notice for Kristian Eikre and Atle Eide), a Non-Executive Director is entitled to accrued but unpaid Directors' fees to the date of termination but no other compensation.

The dates of appointment of and length of service for each Non-Executive Director and the Chairman are shown in the table below.

	Date of appointment	Length of service at date of Annual Report publication
Peter George	8 May 2018	4 year 6 months
Susan Searle	18 December 2013	8 years 11 months
Kevin Quinn	25 November 2016	6 years
Yngve Myhre	6 November 2017	5 years
Kristian Eikre	14 March 2019	3 year 8 months
Atle Eide	29 November 2021	1 year

Share dilution

The total number of ordinary shares issued and issuable in respect of options granted in any ten-year period under the Company's discretionary share option schemes (excluding pre-IPO options under the Enterprise Management Incentive ('EMI') scheme) is restricted to 10% of the Company's issued ordinary shares in any ten-year rolling period.

In the financial year ended 30 September 2022, the Company allocated 4,625,186 performance shares on 7 December 2021 (0.66% of issued share capital as at such date of grant) and 205,899 further performance shares on 25 May 2021 (0.03% of issued share capital as at such date of grant) to employees including senior management and Executive Directors as mentioned on page 101.

Susan Searle
Chair of the Remuneration Committee

30 November 2022

Directors' Report

The Directors present their Annual Report and audited financial statements of the Company and of the Group for the year ended 30 September 2022.

Benchmark Holdings plc is a public limited company, incorporated and domiciled in England and Wales. Its shares are admitted to trading on AIM, London Stock Exchange's international market for smaller growing companies.

The disclosure requirements of the Companies Act 2006, and where the Directors have deemed it appropriate, the UK Disclosure Guidance and Transparency Rules, have been met by the contents of this Directors' Report, along with the Strategic Report, Corporate Governance Report, Nomination Committee Report, Audit Report and Remuneration Report, which should be read in conjunction with this report.

UK Corporate Governance Code

The Company assesses its corporate governance arrangements and practice against the UK Corporate Governance Code 2018 (the "Code"). A copy of the Code is available from the website of the Financial Reporting Council ("FRC") at frc.org.uk. In accordance with the AIM Rules, we produce a statement setting out how the Company complies with the principles of the UK Corporate Governance Code, which is available on our website at benchmarkplc.com. The statements and table below set out how Benchmark complies with the Code, and where it deviates from the Code.

The Nomination Committee evaluates the performance of the Board as a whole and in doing so evaluates the performance of each of the Directors. An internal evaluation of the performance of individual Directors was undertaken in July 2022 this year with the results reviewed in September 2022, further details of which can be found on page 87.

Overview of compliance with principles of UK Corporate Governance Code 2018

The Board considers that it has complied with the Code during the financial year covered by this Annual Report, except that:

- The Company's remuneration policy was adopted in November 2020 and updated in November 2021 and applies to remuneration and awards made from November 2020 onwards. While the Company's remuneration policy has been introduced to ensure the Company's compliance with the new Code requirements relating to Directors' remuneration, there is one element of the Code's recommendations which have not been fully reflected by the new remuneration policy:
  - The new remuneration policy includes a mandatory shareholding requirement which the Executive Directors will be required to achieve during their employment. For the time being the Company has not introduced a mandatory post-employment shareholding requirement, however there is a two-year holding period applicable from the date of vesting, which continues to apply to executive directors' vested awards despite any termination of employment and will prevent the executive directors from immediately disposing of awarded shares which remain subject to this holding period post-employment.
  - The Company's board composition does not comply with the Provision 11 of the Code, as (excluding the Chairman) there are two executive directors, two non-independent non-executive directors and three independent non-executive directors. However, the Company has three significant shareholders, each holding more than 20 per cent. of the issued share capital of the Company, and so the Board believes that the current composition is appropriate for the Company and its shareholders as a whole.

Directors

The Directors who held office during FY22 were as follows:

- Trond Williksen
- Septima Maguire
- Peter George
- Kevin Quinn
- Susan Searle
- Yngve Myhre
- Kristian Eikre
- Atle Eide (since 29 November 2021)

The Directors benefitted from qualifying third-party indemnity provisions during the financial year and continue to do so at the date of this report.

Re-election of Directors

At the AGM held in February 2022, in accordance with Provision 18 of the Code, the appointments and re-elections (as applicable) of all the Directors of the Company in situ at the time were approved.

In accordance with Provision 18 of the Code, at the AGM to be held on 16 February 2022, all the Directors will be standing for re-election.

Substantial shareholders

The Company's issued share capital, together with details of movements during the year, are shown in Note 26 accompanying the financial statements. The Company has one class of ordinary share which carries no right to fixed income. Each ordinary share carries the right to one vote at general meetings of the Company.

As at 30 November 2022 the Company has been notified of the following substantial shareholdings under Rule 5 of the Disclosure Guidance and Transparency Rules:

Significant shareholders	% of issued share capital
Ferd AS	26.33
Kverva Finans AS	21.40
JNE Partners LLP	21.11
Harwood Capital	4.14

Power to allot shares

Each year at the AGM, the Directors seek authority to allot shares for the following year. At the last AGM held on 10 February 2022, shareholders authorised the Directors to allot relevant securities up to an aggregate nominal value of £469,191.34 representing approximately two thirds of the issued share capital, and £234,595.67 of this authority was reserved only for a fully pre-emptive rights issue, in accordance with investment Association guidance. Directors were authorised to allot for cash equity securities having a nominal value not exceeding in aggregate £35,189.35 (being 5% of issued share capital), and to further allot for cash equity securities having a nominal value not exceeding in aggregate £35,189.35 for the purpose of financing acquisitions and capital investments, in each case without first offering the securities to existing shareholders. The authorities expire at the conclusion of the next AGM.

At the forthcoming AGM similar authorities will be sought, although the disapplication of pre-emption rights will be sought on the basis of the most recent Statement of Principles on Disapplying Pre-Emption Rights published by the Pre-Emption Group.

Authority for the Company to purchase its own shares

At the Company's 2022 AGM, shareholders renewed the Company's authorities to make market purchases of up to 70,378,701 ordinary shares, representing approximately 10% of the Company's issued share capital as at 10 February 2022. These authorities were not used in the year. At the 2023 Annual General Meeting, shareholders will be asked to renew these authorities for another year, and the resolution will once again propose a maximum aggregate number of ordinary shares which the Company can purchase equal to 10% of the Company's issued ordinary share capital.

The Company held no treasury shares during the year, or at the date of this report.

Significant agreements - change of control

The Group's principal banking and loan note facilities include provisions that, in the event of a change of control of the Company, the Group could be obliged to repay the facilities together with penalties. Certain client and supplier contracts and joint venture arrangements also contain change of control provisions. Additionally, the company's Long-Term Incentive Plan and Employee Share Option Plan contain change of control provisions which potentially allow for the acceleration of the exercisability of awards in the event that a change of control occurs with respect to the Company.

Stakeholder engagement

During the 2022 financial year, with COVID-19 restrictions being lifted in Europe, the Board was able to travel to Norway and Edinburgh to meet customers by visiting customers' salmon farms and employees based on these offices. In addition, the Board continued to foster the Company's business relationships with suppliers, customers and other partners through other means, including through hosting and attending meetings and workshops, conducting surveys and attending seminars and trade shows. The Group has a diverse community of stakeholders which includes shareholders, employees, customers and supplier partners, as well as the communities in which the Group operates, and continues to listen to these stakeholders; insights help shape the Group's strategy and decisions. The Board also receives regular updates throughout the year on engagement with the Group's stakeholders, including feedback from employee surveys and engagement forums, discussing customer and supplier surveys, and details of stakeholder meetings.

Throughout the year, the Board considered the long-term consequences of the decisions it made, focusing on the interests of relevant stakeholders as appropriate. The key strategic items considered by the Board in 2022 included:

- Approving the strategic priorities of the Group: refocussing the Group's direction with a view to providing long-term sustainable growth for the benefit of shareholders, employees, suppliers and customers.
- Launching of the Group's performance framework: ensuring employee's performance is linked to the Group's achievement and their individual one in order to create a culture of success within the workforce.
- Approving the refinancing of the Company through the issuance of green bond: enabling the Company to refinance its main existing debt to allow the Group to focus on commercial execution of its growth strategy, while demonstrating its sustainability commitment.
- Pursuing the Company's listing on Euronext Growth Oslo: a first step towards positioning the Company on the leading seafood and aquaculture listing venue globally.
- Planning for the reduction of the Group's carbon emissions: taking steps to improve our sustainability as a business and reduce our impact on the environment for the benefit of our shareholders, employees, customers and community.

Workforce engagement

During FY22, the Employee Representative continued to report to the Board and extended-EMT to facilitate the Group's engagement with its workforce and strengthen the employee voice in the boardroom. Various Employee Champions have been identified throughout the sites at which the Group operates, who report to the Employee Representative on key issues affecting the workforce. During the financial year, the Employee Representative reported to the Board twice, and attended one Remuneration Committee meetings to discuss culture and provide remuneration policy feedback. The Employee Representative's duties include:

- Gathering feedback from employees through various channels;
- Attending Extended-EMT meetings and offering advice and opinions based on their knowledge of workforce opinions and concerns;
- Reporting to the Extended-EMT quarterly on key workstreams;
- Cascading non-confidential messages; and
- Reporting to the Board on matters relevant to this role.

Additionally, the Group has continued its series of focus groups and introduced monthly town halls and the launch of people town halls with the aims of:

- Establishing how informed people are about its strategy and developments at Benchmark;
- Assessing people buy-in to the Group's philosophy and values;
- Understanding the extent to which employees feel informed and motivated by communications from different sources;
- Capturing ideas around new initiatives;
- Identifying training needs;
- Giving employees an opportunity to speak up and be heard; and
- Promoting employee engagement and collaboration.

Shareholder engagement

The Board recognises that it is vital for the Group's success that shareholders understand the Group's strategy and the means by which it will be delivered. All Directors welcome regular and open engagement with shareholders.

A focus of the Company during the financial year was strengthening its engagement and communication with shareholders.

During the financial year, the Company had a regular programme of meetings with institutional shareholders led by Peter George (Chairman), Trond Williksen (Chief Executive Officer) and Septima Maguire (Chief Financial Officer), and also held ad hoc briefing sessions with certain shareholders as requested. The Board is provided with summary reports by its investor relations advisers which detail share price and share register movements and approves all significant announcements delivered to shareholders.

Viability statement

The Board assesses the Group's going concern and viability based on its cash flows and business plans, combined with downside scenarios of the principal risks described on pages 61-69 and other financial and performance factors that could threaten the Group's plans, performance and financial position including the nature of the business and its investment and planning periods. The outcome of this analysis and the appropriateness of the period over which the Board decided to provide its viability statement are described below.

Assessing our prospects

The Group's principal markets and strategy are described in detail in the Strategic Report. The key factors affecting the Group's prospects are:

- Clear strategic focus with vision for commercially led growth strategy.
- High growth global aquaculture market.
- Clear portfolio focus with strong market positions in aquaculture genetics and nutrition.
- Commercial ramp-up and modification to the business model of highly innovative and efficacious sea lice treatment Ectosan® Vet and CleanTreat®.
- Committed and talented team driven by the desire to make a difference.
- Innovative approach to delivering solutions for aquaculture customer challenges.
- Ability to meet our ESG commitments in line with our mission.

The Directors believe that the business model is sustainable, especially having resisted the headwinds presented by the COVID-19 pandemic and will continue to execute its strategy through its diversified and innovative product portfolio, its geographic footprint and investment in excellent facilities and technology platform creating a strong basis to exploit the growing markets and withstand any economic turbulence in the short term.

The assessment process and key assumptions

The Group's prospects are assessed primarily through its strategic and financial planning processes over a five-year time period. The strategic plan is supported by a five-year financial plan, both of which are updated annually by the Executive Management Team (EMT) and reviewed by the Board. The Board also reviews the Group's principal risks on a rolling basis throughout the year, based on updates from EMT and extended EMT members.

The strategic planning process is conducted over a five year time horizon and is updated annually. It:

- assesses market and environmental changes and the opportunities and threats such changes may present;
- considers risks to sales and cost forecasts for each part of the Group; and
- includes key assumptions to support longer term projections.

The financial plans are reviewed to confirm that adequate financing facilities are in place or there is a reasonable likelihood that alternate replacement facilities will be available should they be required. The Group successfully completed a new senior unsecured green bond issue of NOK 750 million on 27 September 2022, using the proceeds to refinance its existing NOK 850 million senior secured bonds and the USD15m RCF has been refinanced post year end with a new GBP20m RCF being agreed on 21 November 2022. The green bond has a three-year term maturing on 27 September 2025 and the RCF has a maturity in June 2025. Furthermore, the lenders of our NOK 180m loan (which was currently set to mature in October 2023) and our NOK 17.5m overdraft facility combined and refinanced these facilities and refinanced them into one NOK179.5m facility and extended the term for a further 5 years, to no later than 15 January 2028. Following all of these refinancing transactions, the Directors are satisfied there are sufficient facilities in place during the assessment period.

Progress against financial budgets, forecasts and key business objectives are reviewed through monthly business performance reviews at both Group and business unit levels. Mitigating actions are taken to address underperformance. The latest updates to the plans were reviewed in September 2022 and considered the Group's current position, its future prospects and reaffirmed the Group's stated strategy.

Assessment period

The Board has determined that a five-year period to 30 September 2027 is an appropriate period over which to provide its viability statement. This time period is supported by the Group's budget process, which includes detailed projections for the next two financial years, and broader projections from year three onwards of the five-year strategic planning process. The Board believes this provides a sound framework for providing reasonable assurance on the Group's viability given the inherent uncertainty associated with longer term forecasts.

Assessment of viability and going concern

In order to reach a conclusion on both the appropriateness of adopting the going concern basis of accounting in preparing the Annual Report and on our viability, the Board carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity.

Although the output of the Group's strategic and financial planning processes reflects the Board's best estimate of the future prospects of the business, the Group has also conducted stress testing to assess the liquidity impact of a range of downside scenarios. The key factors affecting the Group's prospects are the underlying conditions in our key markets, our ability to maintain our leading position in Genetics and Advanced Nutrition, the commercial delivery of our new products, including Ectosan® Vet/CleanTreat® and SPR shrimp as well as the resilience of the Group's key markets against any short-term economic uncertainty caused by the war in Ukraine.

A number of severe but plausible downside scenarios were considered around these factors, including modelling slower ramp up of the commercialisation of Ectosan® Vet and CleanTreat® through delayed roll-out of the revised operating model for the service, together with reductions in expected biomass treated and reduced treatment prices. Other key downside sensitivities modelled included assumptions on slower commercialisation of SPR shrimp, slower salmon egg sales growth both in Chile and to land-based farms in Genetics, along with sensitivities on sales price increases and potential supply constraints on CIS artemia in Nutrition. Mitigating measures within the control of management have been identified should they be required in response to these sensitivities, including reductions in areas of discretionary spend, deferral of capital projects and temporary hold on R&D for non-imminent products.

Under all of the above scenario analysis, the Group has sufficient liquidity and resources throughout the period under review while 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 financial statements.

Accordingly, the financial statements have been prepared on a going concern basis.

Also, based on this assessment, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period to September 2027.

Audit, risk and internal control

The Board is responsible to stakeholders for ensuring that the Company has in place effective procedures for the management of risk, and that the principal risks faced by the Group are identified, assessed, appropriately mitigated and monitored.

Responsibility for oversight of the Group's financial reporting procedures, internal controls and audit process is delegated to the Audit Committee, which also oversees the Group's risk management framework. The Audit Committee provides regular updates to the Board on such matters.

For further details on audit, risk management and internal control and the work of the Audit Committee, see pages 90-93.

Annual General Meeting

The AGM will be held within six months of the close of the financial year. The upcoming meeting will be conducted by the Board of Directors on 16 February 2023 at Travers Smith LLP, 10 Snow Hill, London, EC1A 2AL. Details of the AGM will be set out in the Notice of AGM which will be made available to shareholders in due course.

Shareholder voting

In accordance with section 338 and section 303 respectively of the Companies Act 2006:

- Shareholders of the Company can require the Company to circulate a resolution to be voted on at the Company's AGM where such a request is made by either:
  - Shareholders representing at least 5% of the total voting rights of all shareholders who have a right to vote on the resolution at that AGM; or
  - 100 shareholders who have a right to vote on the resolution at that meeting and hold shares that have been paid up an average of at least GB£100 per shareholder.
- A shareholder or group of shareholders representing at least 5% of voting rights can request the Directors of the Company to call a special general meeting.

Length of notice of general meetings

The Company has taken authority under the Companies Act 2006 to call general meetings of the Company, other than AGMs, on 14 days' notice. The 14 days' notice period will only be used where the flexibility is merited by the business of the meeting and is thought to be in the best interests of shareholders as a whole. The Company offers the facility for shareholders to vote by electronic means. This facility is open to all shareholders and would be available if the Company were to call a meeting on 14 clear days' notice.

Employees with disabilities

The Group values diversity and aims to make best use of everyone's skills and abilities. We are therefore committed to equal opportunities at every stage of our employees' careers. Our policy on employees with disabilities is to fully and fairly consider people with disabilities for all vacancies.

We interview and recruit people with disabilities and endeavour to retain employees if they become disabled while they work for us. Where possible, we will retrain employees who become disabled and adjust their working environment, so they can maximise their potential.

Employee share ownership

The Group has a policy of encouraging share ownership and 62.28% of the Group's employees hold shares or options in the Company.

Political contributions

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the current or prior year.

Auditor

In accordance with section 489 of the Companies Act 2006, a resolution for the reappointment of KPMG LLP as auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Branches outside the UK

The Company dissolved its only branch in Switzerland in October 2022.

Reporting requirements:

The following sets out the location of additional information forming part of the Director's Report:

Reporting requirements		**Pages**
Financial instruments	Details of the Group's financial risk management objectives and policies including the Group's policy for hedging, and the exposure of the Company and its subsidiaries to price risk, credit risk, liquidity risk and cashflow risk.	137 to 142
Important events	Particulars of important events affecting the Company and its subsidiaries.	61 to 69
Post-balance sheets events	Description of post-balance sheet refinancing of debt facilities.	169
Future developments	Likely future developments in the business of the Company or its subsidiaries.	26 to 27
R&D	Details of the R&D activities of the Company and its subsidiaries.	20 to 25
Risk management	Details of the risk management framework, activities in the year and principal risk and uncertainties.	61 to 69
Directors' remuneration and interests	Details of Director's remuneration, interests in shares of the Company, share options and pension arrangements.	98 to 102
Principal activities and business review	Business review, details of 2022 results, key performance indicators, outlook for future years.	18 to 27
Financial risk management	Objectives and policies for management of financial risk.	90 to 93
Share capital	Details of the issued share capital and movements during the year.	103 to 104
Stakeholder engagement	Details on how the Company engaged with its stakeholders (including employees and shareholders).	58 to 60
Greenhouse gas emissions	Details on greenhouse gas emissions and environmental protection.	40 to 49
Statement on Corporate Governance	Details of the corporate governance report, the Audit Committee report, Nomination Committee Report and Director's remuneration report.	76 to 102

This report was approved by the Board on 30 November 2022 and signed on its behalf:

Jennifer Haddouk
Company Secretary

30 November 2022

Directors' Responsibilities

Statement of Directors' responsibilities in respect of the Annual Report and the financial statements

The Directors are responsible for preparing the Annual Report and the Group and Parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Parent Company financial statements for each financial year. Under the AIM Rules of the London Stock Exchange they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law and they have elected to prepare the Parent Company financial statements on the same basis.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the Group's profit or loss for that period. In preparing each of the Group and Parent Company financial statements, the directors are required to:
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors have decided to prepare voluntarily a Directors' Remuneration Report in accordance with Schedule 8 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 made under the Companies Act 2006, as if those requirements applied to the Company. The Directors have also decided to prepare voluntarily a Corporate Governance Statement as if the Company were required to comply with the Listing Rules and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority in relation to those matters.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report and a Directors' Report that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

We consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

The Director Responsibilities was approved by the Board on 30th November 2022 and signed on its behalf by:

Trond Williksen
Chief Executive Officer

30 November 2022

Independent Auditor's Report

to the member of Benchmark Holdings plc

1. Our opinion is unmodified

We have audited the financial statements of Benchmark Holdings plc ("the Company") for the year ended 30 September 2022 which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and Company Statement of Cash Flows, and the related notes, including the accounting policies in note 1.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 September 2022 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent Company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed entities. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Overview

Materiality: group financial statements as a whole		£1,534,000 (2021: 1,070,000) 1% (2021: 0.9%) of Group revenue
Coverage		90% (2021: 88%) of Group revenue
Key audit matters		**vs 2021**
Recurring risks	Recoverability of goodwill and acquired intangibles	◀▶
	Recoverability of Parent Company's investments in subsidiaries and intercompany indebtedness	◀▶
	Valuation of biological assets	◀▶
	Going Concern	▼

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows:

	The risk	Our response
Recoverability of Group goodwill and intangibles Goodwill: £114,724,000 (2021: £98,697,000) Intangibles: £130,540,000 (2021: £130,343,000) *Refer to page 90 and 91 (Audit Committee Report), page 131 and 132 (accounting policy) and page 154 (financial disclosures).*	**Forecast based assessment:** The carrying value of goodwill and intangibles, depend on assumptions of future financial performance which inherently contain an element of estimation uncertainty. In addition, certain cash generating units of the Group, containing these goodwill and intangible assets balances, are at risk of impairment as they contain immature products or markets. Significant areas of judgement include sales growth rates and the discount rate applied to future cash flows. The effect of these matters is that, as part of our risk assessment, we determined that the value in use of the CGUs, have a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. The financial statements (note 16) disclose the sensitivity estimated by the Group.	We performed the tests below rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures included: • **Data comparisons:** We compared the Group's impairment model against the board approved budgets and forecast to confirm consistency of assumptions; • **Methodology implementation:** We tested the Group's impairment model to ensure it performs the intended calculation; • **Benchmarking assumptions:** We challenged group's assumptions by comparing them to externally derived data in relation to key inputs such as projected growth and discount rates; • **Our valuation expertise:** With the assistance of our own valuation specialists, we assessed the discount rate assumption by comparing it with our sector knowledge; • **Sensitivity analysis:** We performed analysis of changes in key assumptions, such as, reducing forecast revenue from the Group's sea lice treatment, reducing forecast revenue from SPR shrimp, slower salmon egg sales growth along with sensitivities on sales price increases and potential supply constraints to understand the sensitivity of the value in use calculation to changes in these key assumptions; • **Historical comparison:** We compared the prior periods' prospective financial information against the prior period's actual results and compared the current period's prospective financial information with the post-year end actual results to assess historical reliability of the forecasting; • **Comparing valuations:** We compared the sum of the discounted cash flows for each CGU to the carrying value of its assets, to assess the reasonableness of these cashflows and their ability to support the carrying value of those assets; and • **Assessing transparency:** We assessed whether the Group's disclosures about the sensitivity of the outcome of the impairment assessment to changes in key assumptions reflects the risks inherent in the valuation of goodwill and intangibles.

	The risk	Our response
Valuation of biological assets Salmon broodstock: £30,501,000 (2021: £26,700,000) *Refer to page 91 (Audit Committee Report), page 135 (accounting policy) and page 163 (financial disclosures).*	**Forecast based assessment:** The Group holds significant biological assets, primarily at Benchmark Genetics Iceland and Benchmark Genetics Salten (Norway). Under relevant accounting standards these are required to be held at fair value less cost to sell. Salmon broodstock are classified as level 3 within the fair value hierarchy. The calculation of fair value includes a number of assumptions relating to the future (e.g. egg sales prices, sales volumes) which are significant areas of estimation uncertainty. The effect of these matters is that, as part of our risk assessment, we determined that fair value of the salmon broodstock within biological assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole. The financial statements (note 20) disclose the sensitivity estimated by the Group.	We performed the tests below rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures included: • **Data comparisons:** We compared the Group's valuation model against the board approved budgets and forecast to confirm consistency of assumptions; • **Methodology implementation:** We tested the Group's valuation model to ensure it performs the intended calculation; • **Benchmarking assumptions:** We compared the Group's assumptions to externally derived data in relation to key inputs such as selling price of eggs and historical sales volumes; • **Assessing transparency:** We considered the adequacy of the Group's disclosures, including the sensitivity disclosures, in respect of the valuation of biological assets; and • **Independent reperformance:** We considered an alternative valuation model. We compared the output of the model with the Group's valuation to assess whether it would yield a materially different valuation.

	The risk	Our response
Going Concern *Refer to page 90 (Audit Committee Report) and page 127 and 128 (accounting policy)*	**Accounting basis:** The financial statements explain how the Directors have formed a judgement that it is appropriate to adopt the going concern basis of preparation for the Group and Parent Company. That judgement is based on an evaluation of the inherent risks to the Group's and Company's business model and how those risks might affect the Group and Company's financial resources or ability to continue operations over a period of at least a year from the date of approval of the financial statements. The risks most likely to adversely affect the Group's and Company's available financial resources over this period were: • the ability to refinance the existing facilities; and • the uncertainty in the cashflows in relation to future sales. There are also less predictable but realistic second order impacts, such as the impact of foreign exchange fluctuations. The risk for our audit is whether or not those risks are such that they amounted to a material uncertainty that may cast significant doubt about the ability to continue as a going concern. If there were such risks, then the fact would have been required to be disclosed, along with a description of the circumstances.	We performed the tests below rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures included: • **Our sector experience:** With the assistance of our specialists we challenged the key assumptions in the prospective financial information by reference to our knowledge of the business and general market conditions; • **Our valuation expertise:** With the assistance of our own valuation specialists, we assessed the discount rate assumption by comparing it with our sector knowledge; • **Funding assessment:** We obtained and inspected financing agreements to ascertain the committed level of financing, its duration and related covenant requirements; • **Key dependency assessment:** We considered the facilities due to expire in the going concern period with reference to the Group's history of successful refinancing, extent of funding needed, forecast cashflows and financial health, conditions of the credit markets and status of management's arrangements for planned funding sources. • **Historical comparisons:** We compared the prior periods' prospective financial information against the prior and current period's actual results and compared the current period's prospective financial information with the post-year end actual results to assess historical reliability of the forecasting; • **Sensitivity analysis:** We performed analysis of changes in key assumptions. This included a slower ramp up in the commercialisation of the Group's sea lice treatment (Ectosan and CleanTreat) through delayed roll-out of the revised operational model, a slower commercialisation of SPR shrimp, slower salmon egg sales growth along with sensitivities on sales price increases and potential supply constraints to understand the sensitivity of the cash flow forecasts in relation to available facility headroom and covenant compliance; and • **Assessing transparency:** We considered whether the going concern disclosure in note 1 to the financial statements gives a full and accurate description of the Directors' assessment of going concern, including the identified risks and the availability of funding. We assessed the completeness of the going concern disclosure.

	The risk	Our response
Recoverability of Parent Company's investment in subsidiaries/intercompany indebtedness Investments (Parent Company): £251,368,000 (2021: £250,648,000) Intercompany indebtedness: Group entities (Parent Company): £212,230,000 (2021: £195,286,000) *Refer page 135 and 136 (accounting policy) and page 162 (financial disclosures).*	**Forecast-based assessment** The carrying amount of the Parent Company's investments in subsidiaries and intercompany indebtedness are significant and at risk of irrecoverability due to the inherent estimation uncertainty in the assumptions of future financial performance. As a result, the estimated recoverable amount of these balances is subjective. In addition, certain cash generating units of the group are at risk of impairment as they contain immature products or markets. Significant areas of judgement include sales growth rates and the discount rate applied to future cash flows. The effect of these matters is that, as part of our risk assessment, we determined that the recoverable amount of the cost of investment in subsidiaries has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount.	We performed the tests below rather than seeking to rely on any of the Company's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures included: • **Tests of detail:** Comparing the carrying amount of 100% of investments, which includes intercompany indebtedness, with the relevant subsidiaries' financial statements to identify whether their net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount and assessing whether those subsidiaries have historically been profit-making. • **Comparing valuations:** For the investments where the carrying amount exceeded the net asset value, comparing the carrying amount of the investment with the value in use recoverable amount of each CGU. • The value in use recoverable amount of each CGU has been tested as described within the Recoverability of Group goodwill and intangibles key audit matter on page 111.

3. Our application of materiality and an overview of the scope of our audit

Materiality for the Group financial statements as a whole was set at £1,534,000 (2021: £1,070,000), determined with reference to a benchmark of Group revenue, of which it represents 1.0% (2021: 0.9%). We consider revenue to be the most appropriate benchmark as it provides a more stable measure year on year than loss before tax.

Materiality for the parent company financial statements as a whole was set at £900,000 (2021: £500,000), which is the component materiality for the parent company determined by the group audit engagement team. This is lower than the materiality we would otherwise have determined with reference to a benchmark of Parent Company total assets, of which it represents 0.2% (2021: 0.1%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 75% (2021: 75%) of materiality for the financial statements as a whole, which equates to £1,150,000 (2021: £800,000) for the Group and £675,000 (2021: £375,000) for the Parent Company. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £76,000 (2021: £50,000) in addition to other identified misstatements that warranted reporting on qualitative grounds.

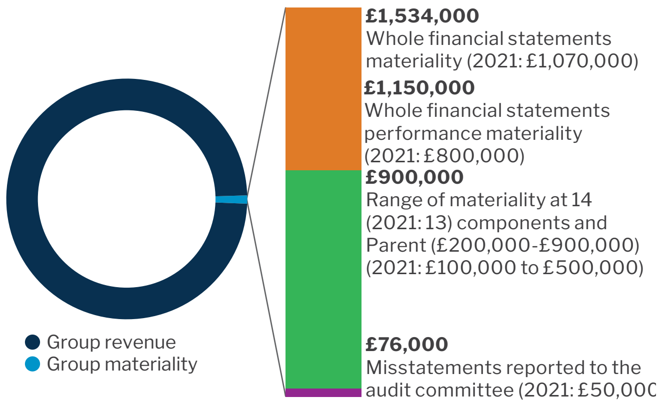
Of the Group's 63 (2021: 63) reporting components, we subjected 12 (2021: 11) to full scope audits for group purposes and 2 (2021: 2) to specified risk-focused audit procedures. The latter were not individually financially significant enough to require a full scope audit for group purposes, but did present specific individual risks that needed to be addressed. We subjected 1 (2021: 1) component to specified risk-focused audit procedures over purchases and 1 (2021: 1) component to specified risk-focused audit procedures over biological assets.

The components within the scope of our work accounted for the percentages illustrated opposite.

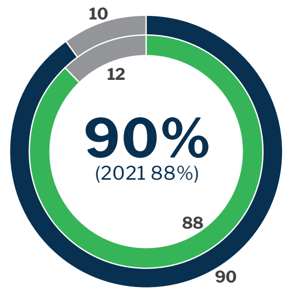
The remaining 10% (2021: 12%) of total Group revenue, 7% (2021: 18%) of Group loss before tax and 9% (2021: 10%) of total Group assets is represented by 49 (2021: 50) of reporting components, none of which individually represented more than 3% (2021: 3%) of any of total Group revenue, Group loss before tax or total Group assets. For these components, we performed analysis at an aggregated group level to re-examine our assessment that there were no significant risks of material misstatement within these.

Group revenue
£158,819,000
(2021: £125,062,000)

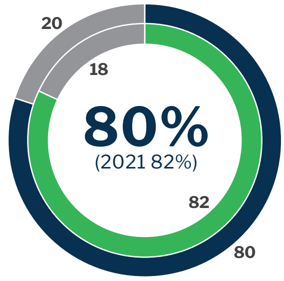
Group materiality
£1,534,000
(2021: £1,070,000)



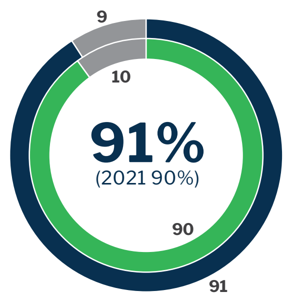
Group revenue



Group loss before tax (absolute)



Group total assets



- Full scope for group audit purposes 2022
- Specified risk-focused audit procedures 2022
- Full scope for group audit purposes 2021
- Specified risk-focused audit procedures 2021
- Residual components

The Group team instructed component auditors as to the significant areas to be covered, including the relevant risks detailed above and the information to be reported back. The Group team approved the component materialities, which ranged from £200,000 to £900,000 (2021: £100,000 to £500,000), having regard to the mix of size and risk profile of the Group across the components. The work on 12 of the 14 components (2021: 11 of the 13 components) was performed by component auditors and the rest, including the audit of the Parent Company, was performed by the Group team.

The Group team held calls with all in scope component auditors to assess the audit risk and strategy as part of the planning process. During these, the audit approach to key risk areas were discussed.

Physical visits of component locations were not performed. Instead, video and telephone conference meetings were held with all in scope component auditors. During these, the findings reported to the Group team were discussed in more detail, and any further work required by the Group team was then performed by the component auditor. The scope of the audit work performed was predominately substantive as we placed limited reliance upon the Group's internal control over financial reporting.

4. Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

An explanation of how we evaluated management's assessment of going concern is set out in section 2 of our report.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Company's ability to continue as a going concern for the going concern period; and
- we have nothing material to add or draw attention to in relation to the directors' statement in note 1 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Company's use of that basis for the going concern period, and we found the going concern disclosure in note 1 to be acceptable.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

5. Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Directors and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and relevant Committee meeting minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. This included communication from the Group audit team to in-scope component audit teams of relevant fraud risks identified at the Group level and request to in-scope component audit teams to report to the Group audit team any instances of fraud that could give rise to a material misstatement at the Group level.

As required by auditing standards, and taking into account possible pressures to meet performance targets and debt covenants, we perform procedures to address:

- the risk of management override of controls
- the risk of fraudulent revenue recognition, in particular the risk that revenue is overstated by recording in the wrong period and the risk that Group and component management may be in a position to make inappropriate accounting entries,
- the risk of bias in accounting estimates and judgements such as valuation of Group goodwill, other intangibles and of the Parent Company's investment in subsidiaries/intercompany indebtedness.

We also identified a fraud risk related to valuation of biological assets in response to possible pressures and opportunity to meet performance targets. Further detail on the procedures performed over this balance is set out in the key audit matter disclosures in section 2 of this report.

We performed procedures including:

- Identifying journal entries and other adjustments to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included entries posted by infrequent users and those posted to unusual/unrelated accounts.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.
- Identifying revenue transactions on either side of year end date to test for all full scope components based on risk criteria and comparing the identified transactions to supporting documentation to ensure revenue is recognised in correct accounting period.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the Directors and management (as required by auditing standards) and from inspection of the Group's Board meeting minutes, and discussed with the Directors and management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. This included communication from the Group audit team to in-scope component audit teams of relevant laws and regulations identified at the Group level, and a request for full-scope component auditors to report to the Group team any instances of non-compliance with laws and regulations that could give rise to a material misstatement at Group.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's license to operate in respective sectors and territories. We identified the following areas as those most likely to have such an effect: health and safety, GDPR, anti-bribery, employment, environmental protection and Medicines and Healthcare products Regulatory Agency (MHRA) regulation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

6. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and directors' report

Based solely on our work on the other information:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Disclosures of emerging and principal risks and longer-term viability

We are required to perform procedures to identify whether there is a material inconsistency between the directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the directors' confirmation within the Viability statement (page 105) that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the Principal Risks and Uncertainties disclosures describing these risks and how emerging risks are identified, and explaining how they are being managed and mitigated; and
- the directors' explanation in the Viability statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Company's longer-term viability.

Corporate governance disclosures
We are required to perform procedures to identify whether there is a material inconsistency between the directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- the section of the annual report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.

7. We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects

8. Respective responsibilities

Directors' responsibilities
As explained more fully in their statement set out on page 109, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

9. The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Johnathan Pass
(Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
30 November 2022

Consolidated Income Statement
for the year ended 30 September 2022

	Notes	2022 £000	2021 £000
Revenue	4	**158,277**	125,062
Cost of sales		**(75,149)**	(59,477)
Gross profit		**83,128**	65,585
Research and development costs		**(6,691)**	(7,010)
Other operating costs		**(44,661)**	(38,221)
Share of loss of equity-accounted investees, net of tax		**(595)**	(905)
Adjusted EBITDA[2]		**31,181**	19,449
Exceptional – restructuring/acquisition-related items	10	**16**	(184)
EBITDA[1]		**31,197**	19,265
Depreciation and impairment	5	**(19,897)**	(8,359)
Amortisation and impairment	5	**(19,161)**	(16,283)
Operating loss		**(7,861)**	(5,377)
Finance cost	9	**(20,057)**	(7,987)
Finance income	9	**4,741**	4,185
Loss before taxation		**(23,177)**	(9,179)
Tax on loss	11	**(7,274)**	(2,397)
Loss for the year		**(30,451)**	(11,576)
(Loss)/profit for the year attributable to:			
– Owners of the parent		**(32,087)**	(12,891)
– Non-controlling interest	28	**1,636**	1,315
		(30,451)	(11,576)
Earnings per share			
Basic loss per share (pence)	12	**(4.60)**	(1.93)
Diluted loss per share (pence)	12	**(4.60)**	(1.93)

1 EBITDA - earnings before interest, tax, depreciation, amortisation and impairment.
2 Adjusted EBITDA - EBITDA before exceptional and acquisition-related items.

The accompanying notes form part of the financial statements.

Consolidated Statement of Comprehensive Income
for the year ended 30 September 2022

	2022 £000	2021 £000
Loss for the year	**(30,451)**	(11,576)
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss		
Foreign exchange translation differences	**47,606**	(9,929)
Cash flow hedges - changes in fair value	**2,627**	3,054
Cash flow hedges – reclassified to profit or loss	**2,546**	709
Total comprehensive income for the year	**22,328**	(17,742)
Total comprehensive income for the year attributable to:		
– Owners of the parent	**20,326**	(19,329)
– Non-controlling interest	**2,002**	1,587
	22,328	(17,742)

The accompanying notes form part of the financial statements.

Consolidated Balance Sheet
as at 30 September 2022

	Notes	2022 £000	2021 £000
Assets			
Property, plant and equipment	13	**81,900**	78,780
Right-of-use assets	14	**27,034**	25,531
Intangible assets	15	**245,264**	229,040
Equity-accounted investees	17	**3,113**	3,354
Other investments		**15**	15
Biological and agricultural assets	20	**20,878**	21,244
Non-current assets		**378,204**	357,964
Inventories	19	**29,813**	20,947
Biological and agricultural assets	20	**25,780**	17,121
Trade and other receivables	21	**56,377**	46,498
Cash and cash equivalents	34	**36,399**	39,460
Current assets		**148,369**	124,026
Total assets		**526,573**	481,990
Liabilities			
Trade and other payables	22	**(44,324)**	(46,668)
Loans and borrowings	23	**(17,091)**	(10,654)
Corporation tax liability		**(10,211)**	(5,634)
Provisions	24	**(1,631)**	(563)
Current liabilities		**(73,257)**	(63,519)
Loans and borrowings	23	**(93,045)**	(109,737)
Other payables	22	**(8,996)**	(911)
Deferred tax	25	**(27,990)**	(28,224)
Non-current liabilities		**(130,031)**	(138,872)
Total liabilities		**(203,288)**	(202,391)
Net assets		**323,285**	279,599
Issued capital and reserves attributable to owners of the parent			
Share capital	26	**704**	670
Additional paid-in capital	26	**420,824**	400,682
Capital redemption reserve	27	**5**	5
Retained earnings	27	**(185,136)**	(154,231)
Hedging reserve	27	**(703)**	(5,876)
Foreign exchange reserve	27	**77,705**	30,465
Equity attributable to owners of the parent		**313,399**	271,715
Non-controlling interest	28	**9,886**	7,884
Total equity and reserves		**323,285**	279,599

The financial statements on pages 119 to 182 were approved and authorised for issue by the Board of Directors on 30 November 2022 and were signed on its behalf by:

Septima Maguire
Chief Financial Officer

Company number: 04115910

The accompanying notes form part of the financial statements.

Company Balance Sheet
as at 30 September 2022

	Note	2022 £000	2021 £000
Assets			
Non-current assets			
Property, plant and equipment	13	**50**	59
Right-of-use assets	14	**18**	77
Intangible assets	15	**25**	28
Investments	18	**251,368**	250,648
Trade and other receivables	21	**212,023**	195,085
Total non-current assets		**463,484**	445,897
Current assets			
Trade and other receivables	21	**2,220**	2,042
Cash and cash equivalents	34	**3,210**	9,003
Total current assets		**5,430**	11,045
Total assets		**468,914**	456,942
Liabilities			
Current liabilities			
Trade and other payables	22	**(48,832)**	(45,219)
Loans and borrowings	23	**(4,019)**	(49)
Total current liabilities		**(52,851)**	(45,268)
Non-current liabilities			
Trade and other payables	22	**(8,387)**	–
Loans and borrowings	23	**(61,054)**	(75,496)
Total non-current liabilities		**(69,441)**	(75,496)
Total liabilities		**(122,292)**	(120,764)
Net assets		**346,622**	336,178
Issued capital and reserves attributable to owners of the parent			
Share capital	26	**704**	670
Additional paid-in capital	26	**420,824**	400,682
Capital redemption reserve	27	**5**	5
Hedging reserve	27	**(176)**	(5,736)
Retained earnings	27	**(74,735)**	(59,443)
Total equity and reserves		**346,622**	336,178

The financial statements on pages 119 to 182 were approved and authorised for issue by the Board of Directors on 30 November 2022 and were signed on its behalf by:

Septima Maguire
Chief Financial Officer

Company number: 04115910

The accompanying notes form part of the financial statements.

Consolidated Statement of Changes in Equity
for the year ended 30 September 2022

	Share capital £000	Additional paid-in share capital* £000	Other reserves £000	Hedging reserve £000	Retained earnings £000	Total attributable to equity holders of parent £000	Non-controlling interest £000	Total equity £000
As at 1 October 2020	668	399,601	40,683	(9,651)	(142,170)	289,131	6,309	295,440
Comprehensive income for the year								
(Loss)/profit for the year	–	–	–	–	(12,891)	(12,891)	1,315	(11,576)
Other comprehensive income	–	–	(10,213)	3,775	–	(6,438)	272	(6,166)
Total comprehensive income for the year	–	–	(10,213)	3,775	(12,891)	(19,329)	1,587	(17,742)
Contributions by and distributions to owners								
Share issue	2	1,081	–	–	–	1,083	–	1,083
Share-based payment	–	–	–	–	830	830	–	830
Total contributions by and distributions to owners	2	1,081	–	–	830	1,913	–	1,913
Changes in ownership								
Acquisition of NCI	–	–	–	–	–	–	(12)	(12)
Total changes in ownership interests	–	–	–	–	–	–	(12)	(12)
Total transactions with owners of the Company	2	1,081	–	–	830	1,913	(12)	1,901
As at 30 September 2021	670	400,682	30,470	(5,876)	(154,231)	271,715	7,884	279,599
Comprehensive income for the year								
(Loss)/profit for the year	–	–	–	–	**(32,087)**	**(32,087)**	**1,636**	**(30,451)**
Other comprehensive income	–	–	**47,240**	**5,173**	–	**52,413**	**366**	**52,779**
Total comprehensive income for the year	–	–	**47,240**	**5,173**	**(32,087)**	**20,326**	**2,002**	**22,328**
Contributions by and distributions to owners								
Share issue	**34**	**20,704**	–	–	–	**20,738**	–	**20,738**
Share issue costs recognised through entity	–	**(562)**	–	–	–	**(562)**	–	**(562)**
Share-based payment	–	–	–	–	**1,182**	**1,182**	–	**1,182**
Total contributions by and distributions to owners	**34**	**20,142**	–	–	**1,182**	**21,358**	–	**21,358**
Changes in ownership								
Total changes in ownership interests	–	–	–	–	–	–	–	–
Total transactions with owners of the Company	**34**	**20,142**	–	–	**1,182**	**21,358**	–	**21,358**
As at 30 September 2022	**704**	**420,824**	**77,710**	**(703)**	**(185,136)**	**313,399**	**9,886**	**323,285**

* See Note 26.

The accompanying notes form part of the financial statements.

Company Statement of Changes in Equity
for the year ended 30 September 2022

	Share capital £000	Additional paid-in share capital* £000	Capital redemption reserve £000	Hedging reserve £000	Retained earnings £000	Total attributable to equity holders £000
As at 1 October 2020	668	399,601	5	(9,013)	(56,367)	334,894
Comprehensive income for the year						
Loss for the year	–	–	–	–	(3,906)	(3,906)
Other comprehensive income	–	–	–	3,277	–	3,277
Total comprehensive income for the year	–	–	–	3,277	(3,906)	(629)
Contributions by and distributions to owners						
Share-based payment	–	–	–	–	830	830
Share issue	2	1,081	–	–	–	1,083
Total contributions by and distributions to owners	2	1,081	–	–	830	1,913
At 30 September 2021	670	400,682	5	(5,736)	(59,443)	336,178
Comprehensive income for the year						
Loss for the year	**–**	**–**	**–**	**–**	**(16,474)**	**(16,474)**
Other comprehensive income	**–**	**–**	**–**	**5,560**	**–**	**5,560**
Total comprehensive income for the year	**–**	**–**	**–**	**5,560**	**(16,474)**	**(10,914)**
Contributions by and distributions to owners						
Share-based payment	**–**	**–**	**–**	**–**	**1,182**	**1,182**
Share issue	**34**	**20,704**	**–**	**–**	**–**	**20,738**
Share issue costs recognised through entity	**–**	**(562)**	**–**	**–**	**–**	**(562)**
Total contributions by and distributions to owners	**34**	**20,142**	**–**	**–**	**1,182**	**21,358**
At 30 September 2022	**704**	**420,824**	**5**	**(176)**	**(74,735)**	**346,622**

* See Note 26.

The accompanying notes form part of the financial statements.

Consolidated Statement of Cash Flows
for the year ended 30 September 2022

	Notes	2022 £000	2021 £000
Cash flows from operating activities			
Loss for the year		**(30,451)**	(11,576)
Adjustments for:			
Depreciation and impairment of property, plant and equipment	5	**8,602**	5,017
Depreciation and impairment of right-of-use assets	5	**11,295**	3,342
Amortisation and impairment of intangible fixed assets	5	**19,161**	16,283
(Profit)/loss on sale of property, plant and equipment	5	**(43)**	46
Finance income	9	**(319)**	(1,442)
Finance costs	9	**18,437**	7,987
Increase in fair value of contingent consideration receivable		**(1,203)**	–
Share of loss of equity-accounted investees, net of tax		**595**	905
Foreign exchange losses/(gains)		**(3,985)**	(1,800)
Share-based payment expense	31	**1,182**	830
Other adjustments for non-cash items		**(276)**	–
Tax expense	11	**7,274**	2,397
Increase in trade and other receivables		**(8,511)**	(8,178)
Increase in inventories		**(5,406)**	(3,554)
Increase in biological and agricultural assets		**(6,099)**	(5,427)
Increase in trade and other payables		**6,946**	5,547
Increase in provisions		**1,058**	–
		18,257	10,377
Income taxes paid		**(7,447)**	(4,587)
Net cash flows generated from operating activities		**10,810**	5,790
Investing activities			
Purchases of investments		**(378)**	(578)
Receipts from disposal of investments		**1,544**	9
Purchases of property, plant and equipment		**(10,808)**	(17,683)
Purchases of intangibles		**(205)**	(225)
Capitalised research and development costs		**(1,708)**	(4,813)
Proceeds from sale of fixed assets		**220**	112
Interest received		**119**	88
Net cash flows used in investing activities		**(11,216)**	(23,090)
Financing activities			
Proceeds of share issues		**20,737**	750
Share-issue costs recognised through equity		**(562)**	–
Acquisition of NCI		**–**	(12)
Proceeds from bank or other borrowings (net of borrowing fees)		**67,939**	–
Repayment of bank or other borrowings		**(74,874)**	(3,106)
Interest and finance charges paid		**(9,629)**	(7,699)
Repayments of lease liabilities		**(10,533)**	(4,602)
Net cash flows used in financing activities		**(6,922)**	(14,669)
Net decrease in cash and cash equivalents		**(7,328)**	(31,969)
Cash and cash equivalents at beginning of year		**39,460**	71,605
Effect of movements in exchange rate		**4,267**	(176)
Cash and cash equivalents at end of year	34	**36,399**	39,460

The accompanying notes form part of the financial statements.

Company Statement of Cash Flows
for the year ended 30 September 2022

	Notes	2022 £000	2021 £000
Cash flows from operating activities			
Loss for the year		**(16,474)**	(3,907)
Adjustments for:			
Depreciation and impairment of property, plant and equipment	13	**29**	750
Depreciation of right-of-use assets	14	**59**	176
Amortisation of intangible fixed assets	15	**3**	2
Finance income		**(4,130)**	(1,812)
Finance expense		**16,862**	5,326
Foreign exchange gains		**(365)**	(2,621)
Share-based payment expense		**463**	213
Tax expense		**2**	5
Increase in trade and other receivables		**(3,710)**	(82)
Increase in trade and other payables		**602**	1,831
		(6,659)	(119)
Income taxes paid		**(2)**	(5)
Net cash flows used in operating activities		**(6,661)**	(124)
Investing activities			
Loans to subsidiary undertakings		**(12,859)**	(34,838)
Receipts from the disposal of investments		**1,544**	-
Purchases of property, plant and equipment		**(20)**	(25)
Purchases of intangible assets		–	(30)
Interest received		**206**	18
Dividends received		**3,924**	1,489
Net cash (used in)/generated from investing activities		**(7,205)**	(33,386)
Financing activities			
Proceeds of share issues		**20,737**	750
Share issue costs recognised through equity		**(562)**	–
Proceeds from bank borrowings (net of borrowing fees)		**67,939**	–
Payment of lease liabilities		**(48)**	(179)
Repayment of bank borrowings		**(73,235)**	(245)
Interest paid		**(6,956)**	(5,631)
Net cash (used in)/generated from financing activities		**7,875**	(5,305)
Net (decrease)/increase in cash and cash equivalents		**(5,991)**	(38,815)
Cash and cash equivalents at beginning of period		**9,003**	47,825
Effect of movements in exchange rate		**198**	(7)
Cash and cash equivalents at end of year	34	**3,210**	9,003

The accompanying notes form part of the financial statements.

Notes Forming Part of the Financial Statements
for the year ended 30 September 2022

1 Accounting policies
Corporate information
Benchmark Holdings plc (the "Company") is a public limited company, which is listed on the Alternative Investment Market ("AIM"), a sub-market of the London Stock Exchange. The Company is incorporated and domiciled in England. The registered company number is 04115910 and the registered office is at Benchmark House, Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH. The Group is principally engaged in the provision of technical services, products and specialist knowledge that support the global development of sustainable food and aquaculture industries.

Basis of preparation
The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated. The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's Statement, the Strategic Report, the FY22 Financial Review and the Audit Committee Report.

These Group and parent company financial statements were prepared and approved by the Directors in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006 as it applies to companies reporting under those standards ("Adopted IFRS"). The Group reports earnings before interest, depreciation and amortisation ("EBITDA") and EBITDA before exceptional and acquisition related items ("Adjusted EBITDA") to enable a better understanding of the investment being made in the Group's future growth and provide a better measure of our underlying performance.

The preparation of financial statements in compliance with adopted IFRSs requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in Note 2.

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: certain financial assets and financial liabilities (including contingent consideration receivable and derivatives) and biological assets measured at fair value. Non-current assets and disposal groups held for sale are stated at the lower of previous carrying amount and fair value less costs to sell.

Going concern
As at 30 September 2022 the Group had net assets of £323.3m (2021: £279.6m), including cash of £36.4m (2021: £39.5m) as set out in the Consolidated Balance Sheet on page 121. The Group made a loss for the year of £30.5m (2021: £11.6m). As at 30 September 2022 the Company had net assets of £346.6m (2021: £336.2m), including cash of £3.2m (2021: £9.0m) as set out on the Company Balance Sheet on page 122. The Company made a loss for the year of £16.5m (2021: £3.9m).

As noted in the Strategic Report, we have seen a year of strong performance following an extended period impacted by COVID-19, with improvements throughout the year in all of our three business areas. The Directors have reviewed forecasts and cash flow projections for a period of at least 12 months including downside sensitivity assumptions in relation to trading performance across the Group to assess the impact on the Group's trading and cash flow forecasts and on the forecast compliance with the covenants included within the Group's financing arrangements.

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

The year ended with the successful refinancing of its NOK 850 million bond which was due to mature in June 2023 with the issue of a NOK 750 million unsecured green bond maturing in September 2025. This was achieved against a backdrop of challenging macroeconomic and market conditions and places the Group in a much stronger position in light of the ongoing market environment. Additionally, following the year end, the USD15m RCF was refinanced with the agreement of a new GBP20m RCF on 21 November 2022 with a maturity of June 2025. Furthermore, our NOK 216m loan facility (which had NOK 165.6m outstanding at the year end) which was set to mature in October 2023 was combined with our NOK 17.5m overdraft facility into a new loan facility of NOK 179.5m on 1 November 2022, with a new maturity date in a further 5 years no later than 15 January 2028. Following all of these refinancing transactions, the Directors are satisfied there are sufficient facilities in place during the assessment period.

1 Accounting policies continued

The global economic environment has recently experienced turbulence largely as a result of the conflict in Eastern Europe with supply issues in a number of industries impacted and inflation at high levels. Against this backdrop, the Group shows resilience against these pressures in its forecasts, with financial instruments in place to fix interest rates and with opportunities available to mitigate globally high inflation rates, such that even 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 financial statements. Based on their assessment, the Directors believe it remains appropriate to prepare the financial statements on a going concern basis.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries at 30 September 2022. Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtained control, and continue to be consolidated until the date when such control ceases.

Where the Company has power, either directly or indirectly, over another entity or business and the ability to use this power to affect the amount of returns, as well as exposure or rights to variable returns from its involvement with the investee, it is classified as a subsidiary. The consolidated financial statements present the results of the Company and its subsidiaries (the 'Group') as if they formed a single entity. Inter-company transactions, balances, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the Consolidated Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date.

Non-controlling interests, presented as part of equity, represent a proportion of a subsidiary's profit or loss and net assets that is not held by the Group. The total comprehensive income or loss of non-wholly-owned subsidiaries is attributed to owners of the Parent and to the non-controlling interests in proportion to their respective ownership interests.

A separate income statement for the Company is not presented, in accordance with section 408 of the Companies Act 2006. The loss for the year for the Company was £16,475,000 (2021: £3,906,000).

Standards issued but not effective

A number of new standards, amendments to standards and interpretations are not yet effective, and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below:

- Amendments to IAS 37: Onerous Contracts – Cost of Fulfilling a Contract
- Annual Improvements to IFRS Standards 2018-2020
- Amendments to IAS 16: Property, Plant and Equipment: Proceeds before Intended Use
- Amendments to IFRS 3: Reference to the Conceptual Framework
- IFRS 17 Insurance Contracts
- Amendments to IAS 1: Classification of liabilities as current or non-current
- Amendments to IFRS 17
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies
- Amendments to IAS 8: Definition of Accounting Estimate
- Amendments to IAS 12 Income Taxes: Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction
- Amendments to IFRS 17: Initial Application of IFRS 17 and IFRS 9 – Comparative Information
- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Directors do not expect that the adoption of the above standards and interpretations will have a material impact on the financial statements of the Group in future periods.

New standards and interpretations applied for the first time

The following standards which are effective for periods beginning on or after 1 January 2021 have been adopted without any significant impact on the amounts reported in these financial statements:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS4, and IFRS 16: Interest Rate Benchmark Reform
- Amendment to IFRS 16: COVID-19 Related Rent Concessions beyond 30 June 2021

Revenue

Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is measured at the fair value of the consideration and excludes intra-group sales and value added and similar taxes. The primary performance obligation is the transfer of goods to the customer. Revenue from the sale of goods is recognised when control of the goods is transferred to the customer, at an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods.

As sales arrangements differ from time to time (for example by customer and by territory), each arrangement is reviewed to ensure that revenue is recognised when control of the goods has passed to the customer.

This review and the corresponding recognition of revenue encompass a number of factors which include, but are not limited to the following:

- reviewing delivery arrangements and whether the buyer has accepted title, recognising revenue at the point at which full title has passed; and/or
- where distribution arrangements are in place, recognising revenue when control has passed either to the third party customer or the distributor (for example by consideration of any rights of return) at the point at which title has passed.

Within Genetics, revenue from the sale of eggs is recognised when the control of the goods has transferred to the customer or distributor, either on despatch or on receipt of goods by customer in line with the commercial terms governing the transaction.

Within Advanced Nutrition, revenue of products is recognised when the control of the goods has transferred to the customer or distributor, either on despatch or when goods are loaded onto the freight vessel, in line with the commercial terms of the transaction and relevant local regulations.

Within Health, revenue from the sale of licensed veterinary treatments, vaccines and vaccine components is recognised when the control of the goods has transferred to the customer or distributor, either on despatch or upon treatment of biomass by the customer in line with commercial terms of the transaction. Where the buyer has a right of return, revenue and cost of sales are adjusted for the value of the expected returns based on historical results, taking into consideration the specifics of each arrangement.

Rendering of services

Services including technical consultancy and water purification following medicinal bath treatments are provided by Genetics, and Health. Genetics also licenses production of its genetic lines to certain salmon farmers and receives royalties based on the number of eggs produced by those farmers.

Within each contract, judgement is applied to determine the extent to which activities within the contract represent distinct performance obligations to be delivered. Judgement is applied to determine first whether control passes over time and if not, then the point in time at which control passes. Where control passes at a point in time then revenue is recognised at that point. For all the services currently provided by the Group, control passes at a point in time upon delivery of the service and revenue is recognised at that point. Royalty income from the licensed production of the Group's genetic lines is recognised during the period the farmer produces the eggs.

Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Transaction costs, other than share and debt issue costs, are expensed as incurred. In accordance with IFRS 3: Business Combinations, the Group has a 12-month period in which to finalise the fair values allocated to assets and liabilities determined provisionally on acquisition.

Contingent consideration is measured at fair value based on an estimate of the expected future payments. Deferred consideration is measured at the present value of the obligation.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in the Consolidated Income Statement.

1 Accounting policies continued

Foreign currency

The Group's consolidated financial statements are presented in UK Pounds Sterling, which is also the Parent Company's functional currency. The Group determines the functional currency of each of its subsidiaries and items included in the financial statements of each of those entities are measured using that functional currency.

Transactions entered into by Group entities in a currency other than the currency of the primary economic environment in which they operate (their 'functional currency') are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in the Consolidated Income Statement.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations, including goodwill arising on the acquisition of those operations, are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income and accumulated in the foreign exchange reserve.

Exchange differences recognised in the Income Statement in the Group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the overseas operation concerned are reclassified to other comprehensive income and accumulated in the foreign exchange reserve on consolidation.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are transferred to the Consolidated Income Statement as part of the profit or loss on disposal.

Financial assets

The Group has measured all of its financial assets (trade receivables and cash and cash equivalents), except for contingent consideration receivable, at amortised cost.

Financial assets arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. To determine whether financial assets may be measured at amortised cost or fair value through other comprehensive income, management assesses whether the cash flows represent solely payments of principal and interest on the principal amount (SPPI). Assets meeting the SPPI criterion are recognised at amortised cost using the effective interest rate method, less provision for impairment, while assets that do not meet SPPI are measured at fair value through profit and loss.

Impairment provisions for receivables, in accordance with IFRS 9, are calculated using an expected credit loss model. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within operating costs in the Consolidated Income Statement. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Amounts owed by subsidiaries are classified and recorded at amortised cost and reduced by allowances for expected credit losses. Estimated future credit losses are first recorded on initial recognition of a receivable and are based on estimated probability of default. Individual balances are written off when management deems them not to be collectible. Amounts owed by subsidiaries are unsecured, have no fixed date of repayment and are repayable on demand with sufficient liquidity in the group to flow funds if required. Therefore expected credit losses relating to receivables and loans form subsidiary companies are considered to be immaterial.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less from inception, and for the purpose of the statements of cash flows, bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the Consolidated Balance Sheet.

Any gain or loss arising on derecognition of a financial asset is recognised directly in the income statement. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial assets fair value through profit and loss

Contingent consideration receivable is recognised at fair value with movements recognised in the Consolidated Income Statement.

Financial liabilities

The Group classifies its financial liabilities as other financial liabilities which include the following items:

- Bank borrowings which are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the Consolidated Balance Sheet.
- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Any gain or loss arising on derecognition of a financial liability is recognised directly in the income statement. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

Financial liabilities fair value through profit and loss
Contingent consideration is recognised at fair value with movements recognised in the Consolidated Income Statement. For financial contracts which are designated as a fair value hedge, the fair value of the derivative is recognised in the Consolidated Income Statement.

Financial liabilities fair value through hedging reserve
For financial contracts which are designated as a cash flow hedge, the effective portion of changes in the fair value of the derivative is recognised in the Statement of Other Comprehensive Income ("OCI") and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge.

Share capital
The Group's ordinary shares are classified as equity instruments.

Derivative Financial Instruments
The Group uses derivative financial instruments to manage its exposure to foreign exchange rate risks and interest rate risks. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for speculative purposes. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are remeasured to fair value at each reporting date.

Cash Flow Hedges
Changes in the fair value of derivative financial instruments designated as cash flow hedges are recognised in other comprehensive income to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised immediately in the income statement. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in other comprehensive income remains there until the forecast transaction occurs.

Net Investment Hedge
For hedges of net investments in foreign operations where the hedge is effective, movements are recognised in other comprehensive income. Ineffectiveness is recognised in the income statement. Gains and losses accumulated in equity are included in the income statement when the foreign operation is partially disposed of or sold.

Retirement benefits: defined contribution schemes
Contributions to defined contribution pension schemes are charged to the income statement in the year to which they relate.

Share-based payments
Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the Consolidated Income Statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the Consolidated Income Statement over the remaining vesting period.

Where equity-settled share options are awarded to employees of subsidiaries, in the Company accounts a credit is made to equity which is equal to the expense that should be recognised in the relevant subsidiary's (and Group's) accounts and an equal increase in investments in subsidiaries is made. The credit to equity in the Parent will not be a realised profit and will not therefore be available for distribution.

Goodwill
Goodwill is initially measured at cost, being the excess of the cost of a business combination over the total acquisition date fair value of the identifiable assets, liabilities and contingent liabilities acquired. Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the Consolidated Income Statement. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the Consolidated Income Statement on the acquisition date.

1 Accounting policies continued

Externally acquired intangible assets

Externally acquired intangible assets are initially recognised at cost and subsequently amortised over their useful economic lives as outlined below, on a straight-line basis from the time they are available for use.

Intangible assets are recognised on business combinations if they are separable from the acquired entity or give rise to other contractual/legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques.

In-process research and development programmes acquired in such combinations are recognised as an asset, even if subsequent expenditure is written off because it does not meet the criteria specified in the policy for development costs below.

The significant intangibles recognised by the Group, their useful economic lives and the methods used to determine the cost of intangibles acquired in a business combination are as follows:

Intangible asset	Useful economic life	Validation method
Websites	5 years	Assessment of estimated revenues and profits
Patents	2–5 years	Cost to acquire
Trademarks	2–5 years	Cost to acquire
Contracts	3–20 years	Assessment of estimated revenues and profits
Licences	3–20 years	Cost to acquire, or if not separately identifiable, assessment of estimated revenues and profits
Intellectual property	Up to 20 years	Cost to acquire, or if not separately identifiable, assessment of estimated revenues and profits
Customer lists	Up to 26 years	Assessment of estimated revenues and profits
Genetic material and breeding nuclei	10–40 years	Cost to acquire, or if not separately identifiable, assessment of estimated revenues and profits
Development costs	Up to 10 years	Cost to acquire

Impairment of non-financial assets (excluding inventories and biological assets)

The carrying values of all non-current assets are reviewed for impairment, either on a stand-alone basis or as part of a larger cash-generating unit ("CGUs"), when there is an indication that the assets might be impaired. Additionally, goodwill, intangible assets with indefinite useful lives and intangible assets which are not yet available for use are tested for impairment annually. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows: its CGUs. Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from the synergies of the combination giving rise to the goodwill.

Impairment charges are included in the Consolidated Income Statement, except to the extent they reverse gains previously recognised in other comprehensive income. An impairment loss recognised for goodwill is not reversed.

Internally generated intangible assets (development costs)

Expenditure on internally developed products is capitalised if it can be demonstrated that:

- it is technically feasible to develop the product for it to be sold;
- adequate resources are available to complete the development;
- there is an intention to complete and sell the product;
- the Group is able to sell the product;
- sale of the product will generate future economic benefits; and
- expenditure on the project can be measured reliably.

Capitalised development costs are recognised at cost, less accumulated amortisation and impairment losses and are amortised over the period the Group expects to benefit from selling the products developed.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in the Consolidated Income Statement as incurred.

Finance income and costs
Finance costs include interest payable, finance charges on lease liabilities recognised in profit or loss using the effective interest method, amortisation of capitalised borrowing fees, unwinding of the discount on provisions, ineffective portions of the fair value movement of derivative financial instruments and net foreign exchange losses that are recognised in the income statement. Finance income comprises interest receivable on funds invested, dividend income and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Current tax
Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax
Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the balance sheet differs from its tax base, except for differences arising on:
- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised. The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/assets are settled/recovered.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:
- the same taxable Group company; or
- different Group entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Uncertain tax positions
In respect of uncertain tax positions, where an outflow of funds is believed to be probable and a reliable estimate of the outcome can be made, management provides for its best estimate of the liability. Such provisions are measured using either the most likely outcome method, or the expected value method depending on management's judgement of which method better predicts the resolution of the uncertainty. The methodology will be reviewed in each case upon the receipt of any new information.

Property, plant and equipment
Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognised within provisions.

Freehold land is not depreciated. Assets in the course of construction which have not yet been brought into use are not depreciated until fully commissioned and available for use. Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives. It is provided at the following rates:

Freehold property	– 2%–10% per annum straight line
Long-term leasehold property improvements	– 2%–10% per annum straight line
Plant and machinery	– 15% per annum reducing balance/10%–33% per annum straight line
Motor vehicles	– 25% per annum reducing balance
E commerce infrastructure	– 10% per annum straight line
Other fixed assets	– 15%–33% per annum straight line

1 Accounting policies continued

IFRS 16: Leases

The Group leases various properties, plant, equipment and vehicles with a wide range of rental periods.

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable.
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date.
- Amounts expected to be payable by the Group under residual value guarantees.
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option.
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- Where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third-party financing was received.
- Uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the lessee which does not have recent third-party financing.
- Makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group entities use that rate as a starting point to determine the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The lease liability is remeasured when there is a change in future lease payments arising from a change in the Group's assessment of whether it will exercise a purchase, extension or termination option or if there is a revised lease term for an existing lease. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability.
- Any lease payments made at or before the commencement date less any lease incentives received.
- Any initial direct costs.
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets, such as IT equipment, are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

Inventories
Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The recoverability of the cost of inventories is assessed every reporting period, by considering the expected net realisable value of inventory compared to its carrying value. Management considers the nature and condition of the inventory and considers expected sales of work in progress, finished goods and goods for resale and future usage of raw materials. Where the net realisable value is lower than the carrying value, a provision is recorded.

Biological assets
Biological assets comprise the asset types:
- Salmon eggs
- Salmon broodstock
- Salmon milt
- Lumpfish fingerlings
- Shrimp

Biological assets are, in accordance with IAS 41: Agriculture, measured at fair value, unless the fair value cannot be measured reliably.

The categorisation, for each of the above asset types, of the level in the fair value hierarchy set out in IFRS 13 is detailed in Note 20.

For any biological assets where fair value cannot be measured reliably, the assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Non-current biological assets are those biological assets which will not be sold or produce saleable progeny within 12 months of the balance sheet date. Further details of the valuation of biological assets are given in Note 20.

Government grants
Government grants received on capital expenditure are included in the balance sheet as deferred income and released to the income statement over the life of the asset. Grants for revenue expenditure are netted against the cost incurred by the Group. Where retention of a government grant is dependent on the Group satisfying certain criteria, it is initially recognised as deferred income. When the criteria for retention have been satisfied, the deferred income balance is released to the Consolidated Income Statement or netted against the asset purchased.

Provisions
A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. The Group has recognised provisions for liabilities of uncertain timing or amount, including those for leasehold dilapidations and future unavoidable costs of dismantling and removing items of equipment from leased items. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date, discounted at a pre-tax rate reflecting current market assessments of the time value of money and risks specific to the liability.

Investments in subsidiary undertakings
Investments in subsidiaries are stated at cost less provision for impairment.

1 Accounting policies continued

Investments in equity-accounted investees

A joint venture is an entity over which the Group has joint control, under a contractual agreement. An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of joint ventures and associates are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, investments in joint ventures and associates are carried in the Consolidated Balance Sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the joint venture or associate, less any impairment in the value of the investment. Losses of a joint venture or associate in excess of the Group's interest in that entity are not recognised. Additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture or associate.

The activities of the Group's equity accounted investees are closely aligned with the Group's principal activities, usually being set up to exploit opportunities from the Intellectual Property ("IP") held within the Group. As a result, the Group's share of the results of these entities is included within Operating Profit to provide more meaning to the operating results.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the joint venture or associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statements of cash flows.

Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when declared by the Directors. In the case of final dividends, this is when approved by the shareholders at the Annual General Meeting ("AGM").

Assets held for sale

Any non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held for sale or held for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss. Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

2 Critical accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimates

(a) Fair value measurement

A number of assets and liabilities included in the Group's financial statements require measurement at, and/or disclosure of, fair value.

The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the "fair value hierarchy"):

- Level 1: Quoted prices in active markets for identical items (unadjusted).
- Level 2: Observable direct or indirect inputs other than Level 1 inputs.
- Level 3: Unobservable inputs (i.e. not derived from market data).

2 Critical accounting estimates and judgements continued

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The key sources of estimation uncertainty in items the Group measures at fair value are in biological assets (Note 20), these are the estimation of sales volumes and sales prices for uncontracted future sales of salmon eggs. This applies to salmon eggs and broodstock with a fair value of £16,042,000.

(b) Impairment of goodwill

The Group is required to test, on an annual basis, whether goodwill has suffered any impairment. The recoverable amount is determined based on value-in-use calculations. The use of this method requires the estimation of future cash flows and the choice of a discount rate in order to calculate the present value of the cash flows. More information including carrying values is included in Note 16.

Judgements

Recognition of deferred tax

Deferred tax is provided in full on temporary differences under the liability method using substantively enacted rates to the extent that they are expected to reverse. Provision is made in full where the temporary differences result in liabilities, but deferred tax assets are only recognised where the Directors believe it is probable that the assets will be recovered. Judgement is required to determine the likelihood of reversal of the temporary differences in establishing whether an asset should be recognised.

3 Financial instruments – risk management

The Group is exposed through its operations to the following financial risks:

- Credit risk
- Fair value or cash flow interest rate risk
- Foreign exchange risk
- Liquidity risk

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements. There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables
- Bank overdrafts
- Floating-rate bank loans
- Floating rate NOK Bond ("FRN")
- Cross-currency swap ("CCS")
- Interest rate swaps ("IRS")
- Contingent consideration

The Group's interest rate risk is primarily in relation to floating rate borrowings, which generates interest cost volatility. The Group's policy is to mitigate, to an acceptable level, this possible cost volatility.

To manage this risk, the Group took out a NIBOR floating-to-fixed IRS in 2019 to fix a proportion of the interest payments on the NOK 165.5m (2021: NOK 180m) term loan in Benchmark Genetics Salten. The IRS fully matches the tenor of the loan and further information on the underlying loan can be found in Note 23.

Following the issue of the NOK 750m FRN (Green Bond) in 2022 a floating-to-fixed CCS was entered which fully matches the timing and tenor of the underlying FRN. The CCS converted NOK 450m (60%) to US dollars. The Group also took out a floating-to-fixed IRS for the remaining NOK 300m. Further information on the CCS and IRS can be found in Note 23.

3 Financial instruments – risk management continued

The CCS and IRS will be carried at fair value on the balance sheet. The effective portion of changes in fair value of the CCS will either be taken directly to the income statement or to equity within the hedging reserve and recycled to profit or loss as the hedged FRN impacts the profit or loss. To the extent that any ineffectiveness results, the ineffective portion of the gain or loss will be recognised in profit or loss within finance expense. To measure actual ineffectiveness the change in fair value of the hedged item is calculated using a hypothetical derivative method.

The main sources of ineffectiveness relating to interest rate risk hedges are differences in the critical terms, differences in repricing dates and credit risk.

Hedges of the Group's net investment in foreign operations principally comprise borrowings in the currency of the investment's net assets. This enables gains and losses arising on retranslation of these foreign currency borrowings to be charged to other comprehensive income, providing a partial offset in equity against the gains and losses arising on translation of the net assets of foreign operations.

During the year the Group designated NOK 300m of the issued NOK 750m green bond as a net investment hedge of NOK net assets. Any ineffective portion of the change in fair value is recognised immediately in the income statement.

As at September 2022	Notional Value of contracts thousands	Average fixed rate	Change in fair value of hedging instrument during reporting period used for measuring ineffectiveness £000	Fair value recognised in balance sheet (Assets) £000	Fair value recognised in balance sheet (Liabilities) £000	Change in fair value of hedged item during reporting period used for measuring effectiveness £000	Ineffectiveness recognised in the period £000
Interest rate risk – NOK	**NOK 82,800**	**5.13%**	**529**	**375**	**–**	**(529)**	**–**
Interest rate risk – NOK	**NOK 300,000**	**10.15%**	**176**	**176**	**–**	**(176)**	**–**
Cross-currency risk – USD	**NOK 450,000**	**8.03%**	**(1,855)**	**–**	**(8,563)**	**1,855**	**–**

As at September 2021	Notional Value of contracts thousands	Average fixed rate	Change in fair value of hedging instrument during reporting period used for measuring ineffectiveness £000	Fair value recognised in balance sheet (Assets) £000	Fair value recognised in balance sheet (Liabilities) £000	Change in fair value of hedged item during reporting period used for measuring effectiveness £000	Ineffectiveness recognised in the period £000
Interest rate risk – NOK	NOK 90,000	2.01%	486	–	(153)	(486)	–
Cross-currency risk – GBP	NOK 637,500	6.42%	3,277	–	(5,736)	(3,277)	–
Cross-currency risk – USD	NOK 212,500	7.28%	2,063	–	(972)	(2,063)	–

The line item in the balance sheet that the above hedging instruments is included in is trade and other payables. The item in the profit and loss account that includes the recognised hedge ineffectiveness is finance cost.

Further information is shown in Note 23.

A summary of the financial instruments held by category is provided below:

Group
Financial assets

	2022 £000	2021 £000
Financial assets not measured at fair value		
Cash and cash equivalents (Note 34)	**36,399**	39,460
Trade and other receivables (Note 21)	**28,470**	22,033
	64,869	61,493
Financial assets at fair value through profit and loss		
Other receivables – contingent consideration	**887**	1,028
Total financial assets	**65,756**	62,521

Group continued
Financial liabilities

	2022 £000	2021 £000
Financial liabilities measured at amortised cost		
Trade and other payables (Note 22)	**44,711**	40,556
Loans and borrowings (Note 23)	**110,136**	120,391
	154,866	160,947
Financial liabilities at fair value through Hedging Reserve		
Financial contracts – hedging instrument (Note 22)	**21**	5,889
	21	5,889
Financial liabilities at fair value through profit and loss		
Financial contracts – hedging instrument (Note 22)	**7,991**	972
Total financial liabilities	**162,859**	167,808

Company
Financial assets

	2022 £000	2021 £000
Financial assets not measured at fair value		
Cash and cash equivalents (Note 34)	**3,210**	9,003
Trade and other receivables (Note 21)	**212,230**	195,286
Financial assets at fair value through profit and loss	**215,440**	204,289
Other receivables – contingent consideration	**886**	1,028
Total financial assets	**216,326**	205,317

Financial liabilities

	2022 £000	2021 £000
Financial liabilities at amortised cost		
Trade and other payables (Note 22)	**48,832**	38,511
Loans and borrowings (Note 23)	**65,073**	75,545
	113,905	114,056
Financial liabilities at fair value through Hedging Reserve		
Finance contracts – hedging instrument (Note 22)	**396**	5,736
	396	5,736
Financial liabilities at fair value through profit and loss		
Finance contracts – hedging instrument (Note 22)	**7,991**	972
Total financial liabilities	**122,292**	120,764

There were no financial instruments classified as available for sale.

3 Financial instruments – risk management continued

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function.

The Board receives monthly reports from the Group's Chief Financial Officer through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group for debts past due. It is Group policy, implemented locally, to assess the credit risk of new customers before entering contracts.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit-risk characteristics, and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 24 months before 30 September 2022 and the corresponding historical losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. At 30 September 2022 the risk is considered to have increased in response to the global economic pressures caused by the conflict in Eastern Europe.

The loss allowance provision as at 30 September 2022 and 30 September 2021 is determined as follows:

30 September 2022	Not due £000	Past due (up to one month) £000	Past due (one to three months) £000	Past due(three to twelve months) £000	Past due(over twelve months) £000	Total £000
Expected loss rate	**0.99%**	**0.99%**	**3.86%**	**11.83%**	**101.56%**	
Gross carrying amount – trade receivables	**22,606**	**3,754**	**2,021**	**530**	**2,310**	**31,219**
Loss allowance	**(225)**	**(37)**	**(78)**	**(63)**	**(2,346)**	**(2,748)**
Specific loss allowance	**–**	**–**	**–**	**–**	**–**	**–**
Total loss allowance	**(225)**	**(37)**	**(78)**	**(63)**	**(2,346)**	**(2,748)**

30 September 2021	Not due £000	Past due (up to one month) £000	Past due (one to three months) £000	Past due(three to twelve months) £000	Past due (over twelve months) £000	Total £000
Expected loss rate	0.25%	0.65%	4.33%	16.36%	100.00%	
Gross carrying amount – trade receivables	18,859	1,932	786	669	2,280	24,526
Loss allowance	(46)	(13)	(34)	(109)	(2,280)	(2,482)
Specific loss allowance	–	–	–	(11)	–	(11)
Total loss allowance	(46)	(13)	(34)	(120)	(2,280)	(2,493)

The movement in Group provision for impairment of trade receivables is shown in Note 21.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating 'A' are accepted.

Fair value and cash flow interest rate risk
During the year the Group had borrowings denominated in US Dollars and Norwegian Krone. If interest rates on US Dollar and Norwegian Krone denominated borrowings had been 100 basis points higher/lower with all other variables held constant, loss after tax for the year ended 30 September 2022 would be £956,000 higher/lower (2021: £962,000 higher/lower). The Directors consider that 100 basis points is the maximum likely change in the relevant interest rates over the next year, being the period up to the next point at which the Group expects to make these disclosures.

A fundamental review and reform of major interest rate benchmarks is being undertaken globally. The Group renegotiated the terms of its LIBOR Revolving Credit Facility in December 21 to Sterling Overnight Index Average Rate (SONIA). The impact of this was not material.

The only interest rate benchmarks which the Group is predominantly exposed to and that is subject to reform is NIBOR. These exposures relate to the FRN, Revolving Credit Facility, Benchmark Genetics Salten Term Loan and the associated floating-to-fixed IRS and CCS. At present the Norwegian regulatory bodies have provided no further updates on NIBOR transition and no formal cessation date has been agreed.

The Group continues to engage with its finance partners whilst closely monitoring the market and output from various industry working groups managing the transition to new benchmark interest rates.

Foreign exchange risk
Foreign exchange risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency (principally Sterling, Norwegian Krone, Icelandic Krona, Euro, US Dollars and Danish Krone). The Group's policy is, where possible, to allow Group entities to settle liabilities denominated in their functional currency with the cash generated from their own operations in that currency. Where Group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them), cash already denominated in that currency will, where possible, be transferred from elsewhere within the Group.

The following table shows the impact of a 10% increase and reduction in Sterling against the relevant foreign currencies, with all other variables held constant, on the Group's profit before tax and equity. A greater or smaller change would have a pro rata effect. The movements in profit arise from retranslation of foreign currency denominated monetary items held at the year end, including the foreign currency revolving credit facility, foreign currency bank accounts, trade receivables, trade and other payables. The movements in equity arise from the retranslation of the net assets of overseas subsidiaries and the intangible assets arising on consolidation in accordance with IFRS 10: Consolidated Financial Statements.

Foreign exchange risk

	£/$		£/€		£/NOK		£/ISK		£/THB	
Increase/(decrease)	Profit £000	Equity £000	Profit £000	Equity £000	Profit £000	Equity £000	Profit £000	Equity £000	Profit £000	Equity £000
2022 10% increase in rate	**(1,310)**	**(14,886)**	**(344)**	**(2,952)**	**6,085**	**(1,614)**	**5**	**(3,781)**	**(520)**	**(2,277)**
2022 10% reduction in rate	**1,601**	**18,194**	**420**	**3,608**	**(7,438)**	**1,973**	**(6)**	**4,621**	**635**	**2,783**
2021 10% increase in rate	99	(14,824)	(53)	(2,422)	6,816	(926)	5	(2,787)	41	(1,887)
2021 10% reduction in rate	(121)	18,119	64	2,961	(8,331)	1,131	(6)	3,406	(50)	2,306

Liquidity risk
Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, the Group seeks to maintain cash balances (or agreed facilities) sufficient to meet expected requirements detailed in rolling three-month cash flow forecasts, and in long-term cash flow forecasts for a minimum period of not less than 12 months.

3 Financial instruments – risk management continued

The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities:

Group

As at September 2022	Up to 3 months £000	Between 3 and 12 months £000	Between 1 and 2 years £000	Between 2 and 5 years £000	Over 5 years £000
Trade and other payables	**36,097**	**7,630**	**96**	**–**	**888**
Financial contracts – hedging instruments	**77**	**24**	**12**	**7,899**	**–**
Loan notes and bank borrowings	**2,005**	**5,962**	**21,086**	**69,455**	**1,420**
Lease liabilities	**3,071**	**10,374**	**10,861**	**2,091**	**–**
Total	**41,250**	**23,990**	**32,055**	**79,445**	**2,308**

As at September 2021	Up to 3 months £000	Between 3 and 12 months £000	Between 1 and 2 years £000	Between 2 and 5 years £000	Over 5 years £000
Trade and other payables	32,489	7,156	–	–	911
Financial contracts – hedging instruments	232	416	6,060	153	–
Loan notes, bank borrowings and other loans	1,614	4,803	77,264	15,853	1,849
Lease liabilities	3,271	5,936	6,902	10,444	274
Total	37,606	18,311	90,226	26,450	3,034

Company

As at September 2022	Up to 3 months £000	Between 3 and 12 months £000	Between 1 and 2 years £000	Between 2 and 5 years £000	Over 5 years £000
Trade and other payables	**46,548**	**2,283**	**–**	**–**	**–**
Financial contracts	**77**	**24**	**12**	**8,724**	**–**
Loan notes	**1,613**	**4,786**	**6,416**	**68,319**	**–**
Lease liabilities	**9**	**10**	**–**	**–**	**–**
Total	**48,247**	**7,103**	**6,428**	**77,043**	**–**

As at September 2021	Up to 3 months £000	Between 3 and 12 months £000	Between 1 and 2 years £000	Between 2 and 5 years £000	Over 5 years £000
Trade and other payables	37,191	1,320	–	–	–
Financial contracts	232	416	6,060	–	–
Loan notes	1,211	3,594	75,652	–	–
Lease liabilities	22	28	19	–	–
Total	38,656	5,358	81,732	–	–

Capital management

The capital structure of the Group consists of debt, as analysed in Note 23, and equity attributable to the equity holders of the Parent Company, comprising share capital, share premium, merger reserve, capital redemption reserve, hedging reserve, foreign exchange reserve, retained earnings, and share-based payment reserve, and non-controlling interest as shown in the consolidated statement of changes in equity. The Group manages its capital with the objective that all entities within the Group continue as going concerns while maintaining an efficient structure to minimise the cost of capital and ensuring that the Group complies with the banking covenants associated with the external borrowing facilities. These covenants are related to minimum liquidity, equity and borrowing ratios. The Group is not restricted by any externally imposed capital requirements.

4 Revenue

The Group's operations and main revenue streams are those described in Note 1. 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 8).

Sales of goods and provision of services

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

Year ended 30 September 2021	Genetics £000	Advanced Nutrition £000	Health £000	Corporate £000	Inter-segment sales £000	Total £000
Sale of goods	41,947	70,458	6,135	–	–	118,540
Provision of services	4,825	–	1,697	–	–	6,522
Inter-segment sales	25	72	–	4,820	(4,917)	–
	46,797	70,530	7,832	4,820	(4,917)	125,062

Primary geographical markets

Year ended 30 September 2022	Genetics £000	Advanced Nutrition £000	Health £000	Corporate £000	Inter-segment sales £000	Total £000
Norway	**34,666**	**965**	**15,571**	**–**	**–**	**51,202**
India	**619**	**12,001**	**–**	**–**	**–**	**12,620**
Singapore	**–**	**7,044**	**–**	**–**	**–**	**7,044**
Turkey	**–**	**6,419**	**–**	**–**	**–**	**6,419**
Ecuador	**18**	**6,472**	**–**	**–**	**–**	**6,490**
Greece	**2**	**6,197**	**–**	**–**	**–**	**6,199**
Faroe Islands	**5,465**	**9**	**587**	**–**	**–**	**6,061**
UK	**4,318**	**93**	**199**	**–**	**–**	**4,610**
Chile	**1,006**	**15**	**871**	**–**	**–**	**1,892**
Rest of Europe	**7,110**	**4,056**	**–**	**–**	**–**	**11,166**
Rest of World	**4,747**	**36,920**	**2,907**	**–**	**–**	**44,574**
Inter-segment sales	**57**	**95**	**–**	**5,120**	**(5,272)**	**–**
	58,008	**80,286**	**20,135**	**5,120**	**(5,272)**	**158,277**

4 Revenue continued

Year ended 30 September 2021	Genetics £000	Advanced Nutrition £000	Health £000	Corporate £000	Inter-segment sales £000	Total £000
Norway	27,129	570	3,689	–	–	31,388
UK	3,843	117	622	–	–	4,582
Faroe Islands	5,636	18	348	–	–	6,002
Ecuador	–	4,066	–	–	–	4,066
India	–	12,166	3	–	–	12,169
Greece	25	6,108	–	–	–	6,133
Singapore	–	7,544	–	–	–	7,544
Chile	437	7	2,335	–	–	2,779
Turkey	–	5,977	–	–	–	5,977
Rest of Europe	6,922	4,208	26	–	–	11,156
Rest of World	2,780	29,677	809	–	–	33,266
Inter-segment sales	25	72	–	4,820	(4,917)	–
	46,797	70,530	7,832	4,820	(4,917)	125,062

In 2021 and 2022 no customer accounted for more than 10% of revenue.

5 Expenses by nature

	2022 £000	2021 £000
Changes in inventories of finished goods and work in progress	**(3,955)**	(999)
Fair value movement in biological assets	**(1,595)**	(3,323)
Other movements in biological assets	**(4,532)**	(2,104)
Write-down of inventory to net realisable value	**(14)**	(87)
Raw materials and consumables used	**60,794**	52,007
Transportation expenses	**5,302**	3,111
Staff costs (see Note 7)	**44,256**	37,993
Motor, travel and entertainment	**2,439**	783
Premises costs	**8,672**	5,424
Advertising and marketing	**1,352**	1,077
Professional fees	**6,895**	6,108
Losses on disposal of property, plant and equipment	**(43)**	46
Exceptional – restructuring/acquisition related items (see Note 10)	**(16)**	184
Other research and development costs	**2,741**	3,037
Depreciation and impairment of PPE	**8,602**	5,017
Depreciation and impairment of right-of-use assets	**11,295**	3,342
Amortisation and impairment of intangible assets	**19,161**	16,283
Net impairment (reversed)/recognised on trade receivables	**101**	(583)
Other costs	**5,430**	3,663
	166,885	130,979
Other income – included within operating costs	**(1,342)**	(1,445)
Total cost of sales, operating costs, depreciation, amortisation and impairment	**165,543**	129,534

Other income

	2022 £000	2021 £000
Research and development expenditure credit	**199**	429
Grant	**114**	58
Royalties and compensation	**458**	493
Other	**571**	465
	1,342	1,445

6 Auditor's remuneration

	2022 £000	2021 £000
Audit of these financial statements	**564**	423
Additional charges relating to the audit of the FY21/20 financial statements	**35**	19
Amounts receivable by auditors and their associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	**510**	435
Audit related assurance services	**5**	4
All other services	**6**	4
	1,120	885

7 Staff costs

	2022 £000	2021 £000
Staff costs (including Directors) comprise:		
Wages and salaries	**36,884**	30,486
Social security contributions and similar taxes	**3,829**	4,323
Defined contribution pension cost	**2,360**	2,354
Share-based payment expense (Note 31)	**1,182**	830
	44,255	37,993

During the year the Group received government grants totalling £70,858 (2021: £261,700) in relation to the UK's Coronavirus Job Retention Scheme and similar schemes in other countries. The above staff costs are shown net of these grants.

7 Staff costs continued

	2022 Number	2021 Number
The average monthly number of employees, including Directors, during the year was as follows:		
Production	**656**	613
Administration	**101**	112
Management	**80**	95
	837	820

Directors' remuneration

Directors' emoluments and pension payments are detailed in the Single total figure of remuneration for the financial year ended 30 September 2022 table on page 98 and the Directors' share options are detailed in the Directors' interests under the Company's employee share plans table on page 100 in the Remuneration Report. These two tables form part of these audited financial statements.

In addition to the above, there was an accounting charge for share-based payments in respect of the Directors £209,000 (2021: £113,000). No options were exercised by the Directors during the current or prior year. The cost of employer National Insurance contributions in relation to the Directors was £216,000 (2021: £105,000).

The key management of the Group are deemed to be the Board of Directors and Executive Management Team who have authority and responsibility for planning and controlling all significant activities of the Group. Further information in relation to remuneration of key management team personnel can be found in Note 31.

8 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** – following the divestment programme completed in the previous year the segment now focuses on providing health products to the global aquaculture market.

In order to reconcile the segmental analysis to the Consolidated Income Statement, corporate and inter-segment sales are also shown. Corporate sales represent revenues earned from recharging certain central costs to the operating business areas, together with unallocated central costs.

Measurement of operating segment profit or loss

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

Year ended 30 September 2022	Genetics £000	Advanced Nutrition £000	Health £000	Corporate £000	Inter-segment sales £000	Total £000
Revenue	**58,008**	**80,286**	**20,135**	**5,120**	**(5,272)**	**158,277**
Cost of sales	**(25,971)**	**(37,733)**	**(11,544)**	**4**	**95**	**(75,149)**
Gross profit/ (loss)	**32,037**	**42,553**	**8,591**	**5,124**	**(5,177)**	**83,128**
Research and development costs	**(4,329)**	**(1,990)**	**(372)**	**–**	**–**	**(6,691)**
Operating costs	**(11,133)**	**(21,546)**	**(8,111)**	**(9,048)**	**5,177**	**(44,661)**
Share of profit of equity-accounted investees, net of tax	**(595)**	**–**	**–**	**–**	**–**	**(595)**
Adjusted EBITDA	**15,980**	**19,017**	**108**	**(3,924)**	**–**	**31,181**
Exceptional – restructuring/acquisition related items	**–**	**(220)**	**18**	**218**	**–**	**16**
EBITDA	**15,980**	**18,797**	**126**	**(3,706)**	**–**	**31,197**
Depreciation and impairment	**(5,322)**	**(2,236)**	**(12,251)**	**(88)**	**–**	**(19,897)**
Amortisation and impairment	**(1,695)**	**(15,000)**	**(2,463)**	**(3)**	**–**	**(19,161)**
Operating profit/(loss)	**8,963**	**1,561**	**(14,588)**	**(3,797)**	**–**	**(7,861)**
Finance cost						**(20,057)**
Finance income						**4,741**
Loss before tax						**(23,177)**

Year ended 30 September 2021	Genetics £000	Advanced Nutrition £000	Health £000	Corporate £000	Inter-segment sales £000	Total £000
Revenue	46,797	70,530	7,832	4,820	(4,917)	125,062
Cost of sales	(20,866)	(34,562)	(4,118)	2	67	(59,477)
Gross profit/(loss)	25,931	35,968	3,714	4,822	(4,850)	65,585
Research and development costs	(4,865)	(1,948)	(197)	–	–	(7,010)
Operating costs	(8,933)	(19,918)	(6,202)	(8,018)	4,850	(38,221)
Share of profit of equity-accounted investees, net of tax	(605)	(300)	–	–	–	(905)
Adjusted EBITDA	11,528	13,802	(2,685)	(3,196)	–	19,449
Exceptional – restructuring/acquisition related items	850	(356)	(515)	(163)	–	(184)
EBITDA	12,378	13,446	(3,200)	(3,359)	–	19,265
Depreciation and impairment	(4,166)	(2,154)	(1,871)	(168)	–	(8,359)
Amortisation and impairment	(1,338)	(13,896)	(1,047)	(2)	–	(16,283)
Operating profit/(loss)	6,874	(2,604)	(6,118)	(3,529)	–	(5,377)
Finance cost						(7,987)
Finance income						4,185
Loss before tax						(9,179)

8 Segment information continued
Non-current assets by location of assets

	2022 £000	2021 £000
Belgium	**173,135**	156,998
Norway	**83,752**	86,545
UK	**42,373**	44,629
Iceland	**39,448**	35,062
Rest of Europe	**953**	1,062
Rest of world	**38,543**	33,668
	378,204	357,964

9 Net finance costs

	2022 £000	2021 £000
Interest received on bank deposits	**319**	88
Foreign exchange gains on financing activities	**4,422**	786
Foreign exchange gains on operating activities	**–**	1,957
Cash flow hedges – reclassified from OCI	**–**	(709)
Cash flow hedges – ineffective portion of changes in fair value	**–**	2,063
Finance income	**4,741**	4,185
Finance leases (interest portion)	**(1,744)**	(1,076)
Cash flow hedges – reclassified from OCI	**(2,546)**	–
Cash flow hedges – ineffective portion of changes in fair value	**(4,475)**	–
Foreign exchange losses on operating activities	**(1,620)**	–
Interest expense on financial liabilities measured at amortised cost	**(9,672)**	(6,911)
Finance costs	**(20,057)**	(7,987)
Net finance costs recognised in profit or loss	**(15,316)**	(3,802)

10 Exceptional items – restructuring/acquisition related items
Items that are material because of their nature, non-recurring or 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.

	2022 £000	2021 £000
Acquisition related items	**–**	(850)
Exceptional restructuring costs	**1,229**	480
Cost in relation to disposals	**(1,245)**	554
Total exceptional items	**(16)**	184

Acquisition-related items are costs incurred in investigating and acquiring new businesses. In 2021 contingent consideration of £850,000 was released in relation to the purchase of Benchmark Genetics (USA) Inc.

Exceptional costs include: £843,000 (2021: £nil) of legal and professional costs in relation to preparing for listing the Group on the Oslo stock exchange, and £276,000 (2021: £480,000) relating to restructuring costs.

Costs in relation to disposals includes a credit of £1,203,000 (2021: £nil) in relation to additional contingent consideration received and receivable from disposals in previous years (£294,000 relating to the disposal of Aquaculture UK on 7 February 2020, and £909,000 relating to the disposal of Improve International Limited and its subsidiaries on 23 June 2020) together with legal fees, lease costs and disposal items (net of proceeds received) totalling £42,000 relating to additional costs and disposals proceeds relating to disposals that occurred in 2020.

11 Taxation
Amounts recognised in profit or loss

	2022 £000	2021 £000
Current tax expense		
Analysis of charge in period		
Current tax:		
Current income tax expense on profits for the period	**11,727**	5,383
Adjustment in respect of prior periods	**(39)**	502
Total current tax charge	**11,688**	5,885
Deferred tax expense		
Origination and reversal of temporary differences	**(4,414)**	(3,228)
Deferred tax movements in respect of prior periods	**–**	(260)
Total deferred tax credit (Note 25)	**(4,414)**	(3,488)
Total tax credit	**7,274**	2,397

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the UK applied to profits for the year are as follows:

	2022 £000	2021 £000
Accounting loss before income tax	**(23,177)**	(9,179)
Expected tax credit based on the standard rate of UK corporation tax at the domestic rate of 19.0% (2021: 19.0%)	**(4,404)**	(1,744)
Income not taxable	**(181)**	(133)
Expenses not deductible for tax purposes	**1,235**	358
Deferred tax not recognised	**9,299**	3,775
Adjustment to tax charge in respect of prior periods	**(39)**	242
Effects of changes in tax rates	**–**	(6)
Different tax rates in overseas jurisdictions	**1,364**	(95)
Total tax charge	**7,274**	2,397

As at 30 September 2022, the Group held a current provision within corporation tax of £1.0m (2021: £1.0m) in respect of uncertain tax positions. The resolution of these tax matters may take many years. The range of reasonably possible outcomes within the next financial year is £nil to £1.2m.

Deferred tax not recognised of £9,299,000 (2021: £3,775,000) mainly relates to current year losses which largely originate in the UK, and for which there is insufficient evidence that taxable profits will be available against which they can be utilised and so no deferred tax asset is recognised.

In FY21, the adjustment to tax charge in respect of prior periods includes a credit of £260,000 relating to deferred tax on intangible assets that should have been recognised at 30 September 2020. No adjustment was made in the current year.

11 Taxation continued

Changes in tax rates and factors affecting the future tax charge

The UK Finance Bill 2021 substantively enacted on 24 May 2021, included an increase in the main rate of UK corporation tax from 19% to 25%, effective 1 April 2023. UK deferred tax assets and liabilities as at 30 September 2022 have been recalculated accordingly, based on the Group's best estimate of the timing of the unwind of existing temporary differences.

Deferred taxation is measured at tax rates that are expected to apply in the periods in which temporary timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date, in the territories in which they arose.

There was no deferred tax recognised in other comprehensive income in the year (2021: £nil).

12 Loss per share

Basic 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.

	2022	2021
Loss attributable to equity holders of the parent (£000)	**(32,087)**	(12,891)
Weighted average number of shares in issue (thousands)	**698,233**	669,459
Basic loss per share (pence)	**(4.60)**	(1.93)

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. This is done by calculating the number of shares that could have been acquired at fair value based on the monetary value of the subscription rights attached to outstanding share options and warrants.

A total of 6,240,304 potential ordinary shares have not been included within the calculation of statutory diluted loss per share for the year (2021: 4,615,712) as they are anti-dilutive and reduce the loss per share. However, these potential ordinary shares could dilute earnings per share in the future.

13 Property, plant and equipment

Group

	Freehold Land and Buildings £000	Assets in the course of construction £000	Long Term Leasehold Property Improvements £000	Plant and Machinery £000	Office Equipment and Fixtures £000	Total £000
Cost						
Balance at 1 October 2020	57,856	1,213	5,967	25,149	2,596	92,781
Additions	4,461	4,118	841	7,608	955	17,983
Reclassification	(2,075)	(371)	38	2,414	(6)	–
Increase/(decrease) through transfers from assets in the course of construction	3,080	(3,080)	–	–	–	–
Exchange differences	(5)	(73)	(22)	(1,107)	(206)	(1,413)
Disposals	(290)	–	(403)	(1,171)	(588)	(2,452)
Disposals through sale of subsidiary	–	–	–	–	–	–
Balance at 30 September 2021	63,027	1,807	6,421	32,893	2,751	106,899
Balance at 1 October 2021	**63,027**	**1,807**	**6,421**	**32,893**	**2,751**	**106,899**
Additions	**4,025**	**1,616**	**283**	**4,546**	**338**	**10,808**
Re-classification to inventory	**–**	**–**	**–**	**(1,514)**	**–**	**(1,514)**
Increase/(decrease) through transfers from assets in the course of construction	**251**	**(1,275)**	**–**	**995**	**29**	**–**
Exchange differences	**1,924**	**116**	**432**	**2,377**	**146**	**4,995**
Disposals	**(224)**	**–**	**–**	**(131)**	**(126)**	**(481)**
Balance at 30 September 2022	**69,003**	**2,264**	**7,136**	**39,166**	**3,138**	**120,707**
Accumulated Depreciation						
Balance at 1 October 2020	6,481	–	4,984	14,669	1,046	27,180
Depreciation charge for the year	2,120	–	192	2,379	486	5,177
Reversal of impairment in the year	–	–	–	(160)	–	(160)
Exchange differences	(541)	–	(63)	(986)	(196)	(1,786)
Disposals	(231)	–	(390)	(1,096)	(575)	(2,292)
Balance at 30 September 2021	7,829	–	4,723	14,806	761	28,119
Balance at 1 October 2022	**7,829**	**–**	**4,723**	**14,806**	**761**	**28,119**
Depreciation charge for the year	**2,387**	**–**	**197**	**5,411**	**607**	**8,602**
Exchange differences	**792**	**–**	**256**	**1,200**	**141**	**2,389**
Disposals	**(84)**	**–**	**–**	**(102)**	**(117)**	**(303)**
Balance at 30 September 2022	**10,924**	**–**	**5,176**	**21,315**	**1,392**	**38,807**
Net book value						
At 30 September 2022	**58,079**	**2,264**	**1,960**	**17,851**	**1,746**	**81,900**
At 30 September 2021	55,198	1,807	1,698	18,087	1,990	78,780
At 1 October 2020	51,375	1,213	983	10,480	1,550	65,601

13 Property, plant and equipment continued
Company

	Office equipment and fixtures £000
Cost	
Balance at 1 October 2020	1,326
Additions	25
Disposals	–
Balance at 30 September 2021	1,351
Balance at 1 October 2021	**1,351**
Additions	**20**
Disposals	–
Balance at 30 September 2022	**1,371**
Accumulated Depreciation	
Balance at 1 October 2020	542
Depreciation charge for the year	284
Impairment charge for the year	466
Balance at 30 September 2021	1.29
Balance at 1 October 2021	**1,292**
Depreciation charge for the year	**29**
Balance at 30 September 2022	**1,321**
Net book value	
At 30 September 2022	**50**
At 30 September 2021	59
At 1 October 2020	784

14 Leases
Group

Right-of-use-assets	2022 £000	2021 £000
Leasehold property	**9,389**	9,859
Plant and machinery	**17,582**	15,541
Office equipment and fixtures	**63**	131
	27,034	25,531

Lease liabilities	2022 £000	2021 £000
Current	**11,522**	9,042
Non-current	**14,765**	14,945
	26,287	23,987

Depreciation charge of right-of-use assets

	2022 £000	2021 £000
Leasehold property	**1,383**	1,449
Plant and machinery	**9,176**	1,718
Office equipment and fixtures	**72**	75
	10,631	3,242

Additional information

	2022 £000	2021 £000
Additions to right-of-use assets	**497**	18,721
Modifications to right-of-use assets	**10,884**	–
Impairment of leasehold property right-of-use asset	**664**	100
Interest expense	**1,744**	1,076
Expense relating to short-term leases	**152**	371
Expense relating to leases of low-value leases	**151**	58
Total cash outflow for leases	**10,533**	6,107

Benchmark Animal Health Limited modified the existing leases for two PSV vessels, the FS Aquarius and the FS Pegasus to extend the lease term only. These two assets constitute £15,741,399 of the net book value and £15,358,543 of the lease liability at the year end.

Company

Right-of-use-assets	2022 £000	2021 £000
Leasehold property	**16**	74
Office equipment and fixtures	**2**	3
	18	77

Lease liabilities	2022 £000	2021 £000
Current	**19**	49
Non-current	**–**	18
	19	67

Depreciation charge of right-of-use assets

	2022 £000	2021 £000
Leasehold property	**57**	175
Office equipment and fixtures	**1**	1
	58	176

Additional information

	2022 £000	2021 £000
Additions to right-of-use assets	**–**	–
Lease interest (expense and amount paid)	**2**	8
Expense relating to short-term leases	**–**	92
Expense relating to leases of low-value leases	**1**	1
Total cash outflow for leases	**51**	280

15 Intangible assets

Group

	Websites £000	Goodwill £000	Patents and Trademarks £000	Intellectual Property £000	Customer Lists £000	Contracts £000	Licences £000	Genetics £000	Development costs £000	Total £000
Cost or valuation										
Balance at 1 October 2020	201	144,346	270	138,718	5,497	6,561	35,559	22,182	23,057	376,391
Additions – externally acquired	115	–	68	–	–	–	42	–	–	225
Additions – internally developed	–	–	–	–	–	–	–	–	4,813	4,813
Exchange differences	3	(4,291)	–	(5,517)	(226)	41	(1,122)	454	(291)	(10,949)
Balance at 30 September 2021	319	140,055	338	133,201	5,271	6,602	34,479	22,636	27,579	370,480
Balance at 1 October 2021	**319**	**140,055**	**338**	**133,201**	**5,271**	**6,602**	**34,479**	**22,636**	**27,579**	**370,480**
Additions – externally acquired	**94**	**–**	**111**	**–**	**–**	**–**	**–**	**–**	**–**	**205**
Additions – internally developed	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1,708**	**1,708**
Exchange differences	**34**	**24,619**	**3**	**27,206**	**1,107**	**(27)**	**5,841**	**599**	**1,935**	**61,317**
Balance at 30 September 2022	**447**	**164,674**	**452**	**160,407**	**6,378**	**6,575**	**40,320**	**23,235**	**31,222**	**433,710**
Accumulated amortisation and impairment										
Balance at 1 October 2020	26	43,101	81	63,163	1,005	6,114	11,376	3,431	1,091	129,388
Amortisation charge for the period	41	–	53	12,707	199	66	1,909	622	299	15,896
Impairment	–	–	–	–	–	–	–	–	387	387
Exchange differences	–	(1,743)	(1)	(2,329)	(38)	30	(208)	58	–	(4,231)
Balance at 30 September 2021	67	41,358	133	73,541	1,166	6,210	13,077	4,111	1,777	141,440
Balance at 1 October 2021	**67**	**41,358**	**133**	**73,541**	**1,166**	**6,210**	**13,077**	**4,111**	**1,777**	**141,440**
Amortisation charge for the period	**67**	**–**	**70**	**13,574**	**215**	**102**	**2,027**	**636**	**2,165**	**18,856**
Impairment	**–**	**–**	**–**	**305**	**–**	**–**	**–**	**–**	**–**	**305**
Exchange differences	**9**	**8,592**	**3**	**16,966**	**275**	**(19)**	**1,839**	**139**	**41**	**27,845**
Balance at 30 September 2022	**143**	**49,950**	**206**	**104,386**	**1,656**	**6,293**	**16,943**	**4,886**	**3,983**	**188,446**
Net book value										
At 30 September 2022	**304**	**114,724**	**246**	**56,021**	**4,722**	**282**	**23,377**	**18,349**	**27,239**	**245,264**
At 30 September 2021	252	98,697	205	59,660	4,105	392	21,402	18,525	25,802	229,040
At 1 October 2020	175	101,245	189	75,555	4,492	447	24,183	18,751	21,966	247,003

Group continued

Description	Category	NBV 2022 £000	NBV 2021 £000	Remaining life 2022
Acquistion of INVE in 2015				
Goodwill	Goodwill	**87,585**	72,385	**–**
Harvesting rights	Licences	**22,449**	19,599	**13**
Product technology	Intellectual property	**446**	1,843	**0**
Product rights	Intellectual property	**39,390**	42,571	**3**
Brand names	Intellectual property	**12,976**	11,533	**13**
In-process R&D	Intellectual property	**847**	915	**3**
Customer relationships	Customer lists	**4,723**	4,105	**19**
Total relating to acquisition of INVE		**168,416**	152,951	
Acquisition of Salmobreed AS (Now part of Benchmark Genetics Norway AS) in 2014				
Goodwill	Goodwill	**6,523**	6,703	**–**
Genetic material and breeding nuclei	Genetics	**9,911**	10,500	**32**
Total relating to acquisition of Salmobreed AS		**16,434**	17,203	
Acquisition of Stofnfiskur (Now Benchmark Genetics Iceland) in 2014				
Goodwill	Goodwill	**12,467**	11,394	**–**
Genetic material and breeding nuclei	Genetics	**8,147**	7,677	**32**
Total relating to acquisition of Stofnfiskur		**20,614**	19,071	
Acquisition of Akvaforsk Genetics Center AS (Now part of Benchmark Genetics Norway AS) in 2015				
Goodwill	Goodwill	**7,348**	7,552	**–**
Licences	Licences	**292**	662	**1**
Contracts	Contracts	**282**	392	**3**
Total relating to acquisition of Akvaforsk Genetics Center AS		**7,922**	8,606	
Capitalised development costs				
Ectosan®Vet/CleanTreat®	Development costs	**15,840**	17,621	**9**
Live food alternative diets	Development costs	**4,115**	3,318	**Not yet ready for use**
SPR Shrimp	Development costs	**6,686**	4,863	**9**
Total capitalised development costs		**26,641**	25,802	
Other purchased material intangible assets	Intellectual Property	**1,497**	1,586	**17**
Total relating to other purchased intangible assets		**1,497**	1,586	
Other individually immaterial goodwill and intangibles		**3,740**	3,821	
Total net book value at 30 September		**245,264**	229,040	

15 Intangible assets continued
Company

	Patents and trademarks £000
Cost	
Balance at 1 October 2020	–
Additions	30
Balance at 30 September 2021	30
Balance at 1 October 2021	**30**
Additions	**-**
Balance at 30 September 2022	**30**
Accumulated Depreciation	
Balance at 1 October 2020	–
Amortisation charge for the year	2
Balance at 30 September 2021	2
Balance at 1 October 2021	**2**
Depreciation charge for the year	**3**
Balance at 30 September 2022	**5**
Net book value	
At 30 September 2022	**25**
At 30 September 2021	28
At 1 October 2020	–

16 Impairment testing of goodwill and other intangible assets
The Group tests goodwill and other intangibles not yet ready for use annually for impairment, or more frequently if there are indications that goodwill or the other intangible assets might be impaired. Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from the business combination. The only intangible assets not yet ready for use are generally the capitalised development costs on internally developed products. Following the commercial launch of the SPR Shrimp product in Genetics, amortisation of these development costs commenced during the year. The development costs included in the table below represents only those that are not yet ready for use.

Due to the interdependence of the operations within each of the business areas and the way in which they are managed, management have determined the CGUs are the business areas themselves – Health, Genetics and Advanced Nutrition. These are the smallest groups of assets that independently generate cashflows and whose cashflows are largely independent of those generated by other assets. Goodwill and capitalised development costs arise across the Group, and are allocated specifically against the CGUs as follows:

	Genetics 2022 £000	Advanced Nutrition 2022 £000	Health 2022 £000	Total 2022 £000
Benchmark Genetics Norway AS	**6,523**	–	–	**6,523**
Benchmark Genetics Iceland HF	**12,467**	–	–	**12,467**
Akvaforsk Genetic Center*	**8,150**	–	–	**8,150**
INVE Aquaculture Group	–	**87,585**	–	**87,585**
Goodwill	**27,140**	**87,585**	–	**114,725**
Other intangibles not yet ready for use – development costs	–	**4,115**	–	**4,115**

* Includes goodwill arising from the joint acquisition of Akvaforsk Genetics Center AS (which was transferred into Benchmark Genetics Norway AS) and Benchmark Genetics USA Inc (formerly Akvaforsk Genetics Center Inc).

	Genetics 2021 £000	Advanced Nutrition 2021 £000	Health 2021 £000	Total 2021 £000
Benchmark Genetics Norway AS	6,702	–	–	6,702
Benchmark Genetics Iceland HF	11,394	–	–	11,394
Akvaforsk Genetic Center*	8,216	–	–	8,216
INVE Aquaculture Group	–	72,385	–	72,385
Goodwill	26,312	72,385	–	98,697
Other intangibles not yet ready for use – development costs	4,863	3,318	–	8,181

* Includes goodwill arising from the joint acquisition of Akvaforsk Genetics Center AS (which was transferred into Benchmark Genetics Norway AS) and Benchmark Genetics USA Inc (formerly Akvaforsk Genetics Center Inc).

The recoverable amounts of the above CGUs have been determined from value-in-use calculations. These calculations used Board approved cash flow projections from five-year business plans based on actual operating results and current forecasts. These forecasts were then extrapolated into perpetuity taking account of specific terminal growth rates for future cash flows, using individual business operating margins based on past experience and future expectations in light of anticipated economic and market conditions. The pre-tax cash flows that these projections produced were discounted at pre-tax discount rates based on the Group's beta adjusted cost of capital, further adjusted to reflect management's assessment of specific risks related to the markets and other factors pertaining to each CGU. Forecasts also include any costs in relation to the Group's climate change strategy and climate change factors have been considered when setting the long-term growth rates.

The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

Specific assumptions used are as follows:

Genetics

Amortisation of the development costs relating to the business area's new SPR Shrimp product commenced in the period. The pre-tax cashflows from the five-year projections were discounted using a pre-tax discount rate of 14.7% (2021: 10.9%). CAGR of revenue of 15% (2021: 14%) is implied by the five-year plan and a long-term growth rate of 2.5% (2021: 2.5%) has been used to extrapolate the terminal year cashflow into perpetuity.

Having conducted a sensitivity analysis of key assumptions, no reasonably possible changes that would result in the elimination of all headroom were identified.

Advanced Nutrition

The pre-tax cashflows from the five-year projections were discounted using a pre-tax discount rate of 15.6% (2021: 10.3%). CAGR of revenue of 10% (2021: 6%) is implied by the five-year plan and a long-term growth rate of 3.5% (2021: 3.5%) has been used to extrapolate the terminal year cashflow into perpetuity. Market analysis reports predict long-term growth rates of c5.0%, and the health benefits of shrimp are still very much in evidence. Management have used a long-term growth rate of 3.5% to represent both a prudent and consistent approach for the CGU.

The value in use assessment is sensitive to changes in the key assumptions used. All other assumptions being unchanged a decrease in the long-term growth rate to 1.8% or an increase in the pre-tax discount rate to 16.8%, either of which are considered to be reasonably possible, would reduce the headroom on the Advanced Animal Nutrition CGU of £21.6m to nil. Should the discount rate increase further than this, then an impairment of the goodwill or development costs would be likely.

In the work done during the year in assessing the risks caused by climate change as noted on page 69 there is a risk associated with the water levels in the Great Salt Lake which is a key source of artemia for the Group. The mitigating actions noted in that review mean that this is not currently a trigger event causing our forecasts to be sensitised for this risk. However, should the water levels fall to a level that could not sustain production of artemia, this might lead to an impairment. Were this to occur, other mitigating actions available to the Group including obtaining artemia from other globally available sources and exploiting our Diets portfolio to reduce the use of artemia in our feed programmes would be explored. As a result, management believe that no impairment to the carrying value of the intangible assets is required.

16 Impairment testing of goodwill and other intangible assets continued

Health

The pre-tax cashflows from the five-year projections were discounted using a pre-tax discount rate of 16.4% (2021: 12.6%). An assumed CAGR of revenue of 27% (2021: 70%) in the five-year plan reflects the importance of the successful commercial ramp-up of the business area's new sea lice treatment in the forecast period. A long-term growth rate of 0.0% (2021: 0.0%) has been used to extrapolate the terminal year cashflow into perpetuity. The prudent assumption in the long-term growth rate is intended to reflect that the business area's new sea lice treatment is the principal source of cash generation, and only benefits from patent protection against generic competitors for a finite period of time.

The valuation of the Health cash generating unit indicates sufficient headroom such that a reasonably possible change to key assumptions is unlikely to result in an impairment in related development costs.

While the valuation of the Health cash-generating unit indicates sufficient headroom such that any reasonably possible change to key assumptions is unlikely to result in an impairment in related development costs, commercialisation is at an early stage and in the unlikely event that this is not successful, impairment could result.

17 Equity-accounted investees

	2022 £000	2021 £000
Interest in joint venture	**1,106**	1,608
Interest in associates	**2,007**	1,746
	3,113	3,354

Joint ventures

Salmar Genetics AS (SGA) is a joint venture in which the Group has joint control and a 50% ownership interest.

SGA is structured as a separate vehicle and the Group has a residual interest in the net assets of SGA. Accordingly, the Group has classified its interest in SGA as a joint venture. SGA is a provider of breeding and genetics services related to Atlantic salmon and as such is strategically aligned to the Group.

The Group's interest in SGA is 50% of its net assets, including 50% of its result and total comprehensive income each year.

The company is registered in Norway and the registered address is 7266 Kverva, Frøya, Norway.

Associates

The Group has a 22% interest in an associate Great Salt Lake Brine Shrimp Cooperative, Inc (the 'Cooperative'). The Cooperative is one of the Group's strategic suppliers and is an aquacultural cooperative organised for the purpose of harvesting, processing, manufacturing, and marketing Artemia cysts and Artemia feeds.

The Group's interest in the Cooperative represents the aggregate of the cost of the investment in the Cooperative and the post acquisition movements in the Group's share of the unallocated and allocated equity reserves.

The company is registered in USA and the registered address is 1750 West 2450 South, Ogden, Utah.

The Group also has a 44% interest in an associate Benchmark Genetics (Thailand) Limited ("BGTL"). BGTL engages in shrimp production in the form of a multiplication centre by selecting and growing marine shrimp species products (including broodstock, nauplii and post-larvae, based on Benchmark's and its Affiliates' genetic strains) which are locally optimised for Thailand.

The company is registered in Thailand and the registered address is No. 471, Bond Street Road, Bangpood Sub-district, Pakkred District, Nonthaburi Province, Thailand.

The Group also has a 34% interest in an associate Baggfossen Mikrokraft AS ("BMAS"). BMAS is a power generation business and provides electricity to Benchmark Genetics Salten AS.

The company is registered in Norway and the registered address is Salmobreed Salten AS Sorfjordmoen 34, 8264 Engan.

18 Subsidiary undertakings

The direct and indirect subsidiary undertakings of Benchmark Holdings plc, all of which have been included in these consolidated financial statements, are as follows:

Company name	Registered address	Country of incorporation	Direct/ indirect Group interest	Share class	% of share capital/voting rights held by Group companies	Note
Genetics						
Benchmark Genetics Brasil Cultivo de Especies Aquaticas Ltda	Rua Dr Ribamar Lobo 451, Fortaleza, Ceara, Brazil, CEEP 60.192-230	Brazil	Indirect	ordinary	80%	a
Akvaforsk Genetic Center Spring Mexico, SA de CV (dormant)	Caguama 3023, Loma Bonita, Zapopan, Jalisco CP 45086, Mexico	Mexico	Indirect	ordinary	80%	a
Benchmark Genetics USA Inc	21200 SW 177th Ave Miami FL 33187 USA	USA	Indirect	ordinary	80%	a
Benchmark Genetics Chile SpA	Santa Rosa 560 Oficina 25 B, Puerto Varas, Chile	Chile	Indirect	shares	100%	
Benchmark Genetics Limited	Benchmark House, 8 Smithy Wood Drive, Sheffield, S35 1QN	United Kingdom	Direct	£1 ordinary	100%	
Benchmark Genetics Colombia SAS	Cra 2 # 11 41 of 1002 Torre Grupo Area Bocagrande, Cartagena 13001, Colombia	Colombia	Indirect	ordinary	100%	
Benchmark Genetics Norway AS	Bradbenken 1, 5003 Bergen	Norway	Indirect	ordinary	100%	
Icecod A Islandi EHF (dormant)	Bæjarhraun 14 – 220 Hafnarfjörður, Iceland	Iceland	Indirect	ordinary	88.87%	
Benchmark Genetics Salten AS	Sørfjordmoen, Kobbelv, 8264 Engan	Norway	Indirect	ordinary	75%	
Spring Genetics SRL	Calle Los Alemanes, Condominium Condado de Baviera, APT 703A, LOC 380409452, San Rafael, Escazu, San Jose, Costa Rica	Costa Rica	Indirect	ordinary	80%	a
Stofnfiskur Chile Limitada (dormant)	(As Icecod address above)	Chile	Indirect	ordinary	89.48%	
Benchmark Genetics Iceland HF	(As Icecod address above)	Iceland	Indirect	ordinary	89.53%	
Stofngen EHF (dormant)	(As Icecod address above)	Iceland	Indirect	ordinary	89.48%	
Sudourlax EHF (dormant)	(As Icecod address above)	Iceland	Indirect	ordinary	89.48%	
Advanced Nutrition						
Fortune Ocean Americas, LLC	3528 W 500 South, Salt Lake City, Utah 84104	USA	Indirect	N/A	100%	
Fortune Ocean Technologies Ltd (dormant)	25/F., OTB Building 160 Gloucester Road, Wanchai	Hong Kong	Indirect	1 HKD ordinary	100%	
Golden West Artemia	3528 W 500 South, Salt Lake City, Utah 84104	USA	Indirect	$1 shares	100%	
Inland Sea Incorporated	3528 W 500 South, Salt Lake City, Utah 84104	USA	Indirect	shares	100%	
INVE (Thailand) Ltd.	No. 79/1 Moo 1, Nakhon Sawan-Phitsanulok Road, Tambon Nong Lum, Wachirabarami, Phichit, Thailand, 66220	Thailand	Indirect	THB 1,000 shares	100%	
Inve Animal Health, S.A.	Policarpo Sanz 12, 4º, 36202 Vigo, Pontevedra	Spain	Indirect	10€ shares	100%	
Inve Aquaculture Europe Holding B.V.	Verlengde Poolseweg 16,4818 CL Breda	Netherlands	Indirect	1€ shares	100%	
Benchmark Holding Europe B.V.	Verlengde Poolseweg 16, 4818 CL Breda	Netherlands	Direct	$1 shares	100%	
Inve Aquaculture México, S.A. de C.V.	Avenida Camaron Sabalo # 51, Local 6, Interior, Plaza Riviera, Zona Dorada, Mazatlán Sinaloa 82110	Mexico	Indirect	MXN $1,000 shares	100%	
Inve Aquaculture NV	Hoogveld 93, 9200 Dendermonde	Belgium	Indirect	shares	100%	
Inve Aquaculture Temp Holding B.V.	Verlengde Poolseweg 16, 4818 CL Breda	Netherlands	Indirect	1€ shares	100%	

18 Subsidiary undertakings continued

Company name	Registered address	Country of incorporation	Direct/ indirect Group interest	Share class	% of share capital/voting rights held by Group companies	Note
INVE Aquaculture, Inc.	3528 W 500 South, Salt Lake City, Utah 84104	USA	Indirect	shares	100%	
Inve Asia Ltd	25/F., OTB Building, 160 Gloucester Road, Wanchai	Hong Kong	Indirect	$1 shares	100%	
INVE Asia Services Ltd.	471 Bond Street, Tambon Bangpood, Amphur Pakkred, Nonthaburi, Thailand, 11120	Thailand	Indirect	THB 100 shares	100%	
Inve do Brasil Ltda.	Rua Augusto Calheiros, n° 226, Messejana, Fortaleza, Ceará, Zip Code 60.863-290	Brazil	Indirect	BRL 1 shares	100%	
Inve Eurasia SA	Karacaoğlan Mahallesi 6170 Sokak No. 17/B Işikkent/Izmir	Turkey	Indirect	6.25 TL shares	100%	
Inve Hellas S.A.	93 Kiprou Str., 16451, Argyroupoli	Greece	Indirect	$29.35 shares	100%	
Inve Latin America B.V.	Verlengde Poolseweg 16, 4818 CL Breda	Netherlands	Indirect	10€ shares	100%	
Inve Technologies NV	Hoogveld 93, 9200 Dendermonde	Belgium	Indirect	shares	100%	
INVE USA Holdings, Inc.	3528 W 500 South, Salt Lake City, Utah 84104	USA	Indirect	$0.001 shares	100%	
Inve Vietnam Company Ltd	8FI-19 Tan Canh, Ward 1, Tan Binh District, Ho Chi Minh City	Vietnam	Indirect	N/A	100%	
Invecuador S.A.	CDLA. Las Conchas, MZ A-11 No. Lot 8, Salinas, Santa Elena	Ecuador	Indirect	$1 shares	100%	
Inveservicios, S.A. de C.V.	Avenida Camaron Sabalo # 51, Local 6, Interior, Plaza Riviera, Zona Dorada, Mazatlán Sinaloa 82110	Mexico	Indirect	shares	100%	
Maricoltura di Rosignano Solvay S.r.l.	Rosignano Marittimo (LI), in via Pietro Gigli, 57013, Solvay Loc. Lillatro	Italy	Indirect	shares	100%	
PT. Inve Indonesia	Ruko Prominence Blok 38E No.7 Jl. Jalur Sutera Boulevard Panunggangan Timur Pinang 15143 Kota Tangerang Banten	Indonesia	Indirect	A shares & B shares	100%	
Salt Creek Holdings, Inc	3528 W 500 South, Salt Lake City, Utah 84104	USA	Indirect	$0.001 shares	100%	
Salt Creek, Inc.	3528 W 500 South, Salt Lake City, Utah 84104	USA	Indirect	$0.05 shares	100%	
Sanders Brine Shrimp Company, L.C.	3528 W 500 South, Salt Lake City, Utah 84104	USA	Indirect	N/A	100%	
Tianjin INVE Aquaculture Co., Ltd	Room 605-607, Building #10, Binhai Information Security Industrial Park, No.399 Huixiang Road, Tanggu Ocean Science and Technology Park, Binhai High-Tech Zone, Tianjin	China	Indirect	shares	100%	
United Aquaculture Technologies, LLC	3528 W 500 South, Salt Lake City, Utah 81404	USA	Indirect	N/A	100%	

Health						
Benchmark Animal Health Group Limited	Benchmark House, 8 Smithy Wood Drive, Sheffield, S35 1QN	United Kingdom	Direct	£1 ordinary	100%	
Benchmark Animal Health Limited	Benchmark House, 8 Smithy Wood Drive, Sheffield, S35 1QN	United Kingdom	Indirect	£1 ordinary	100%	
Benchmark Vaccines Limited	Benchmark House, 8 Smithy Wood Drive, Sheffield, S35 1QN	United Kingdom	Indirect	£1 ordinary	100%	
Benchmark R&D (Thailand) Limited	471 Bond Street, Bangpood Subdistrict, Pakkred District, Nonthaburi Province	Thailand	Indirect	THB 10 ordinary	100%	
Benchmark Animal Health Inc	800 René-Lévesque Boulevard West, Suite 2220, Montréal (Québec), H3B 1X9	Canada	Indirect	CAD 1 ordinary	100%	
Benchmark Animal Health US, Inc	Severin M. Beliveau, Corporation Service Company, 45 Memorial Circle, Augusta, ME 04330	USA	Indirect	$10 common stock	100%	
Benchmark Animal Health Chile SpA	Santa Rosa 560, of. 26, Puerto Varas	Chile	Indirect	$1.20 ordinary	100%	
Benchmark Animal Health Norway AS	Bradbenken 1, 5003 Bergen	Norway	Indirect	NOK 100 ordinary	100%	
Knowledge Services						
FAI Aquaculture Limited	Benchmark House, 8 Smithy Wood Drive, Sheffield, S35 1QN	United Kingdom	Direct	£1 ordinary	100%	b
FAI do Brasil Criação Animal LTDA	Fazenda Santa Terezinha, S/N – Zona Rural, Jaboticabal/SP, CEP: 14870-000	Brazil	Indirect	R$1 ordinary	100%	

Notes

a A put and call option agreement is in place to acquire the remaining 20% of Benchmark Genetics USA Inc, so the Group controls 100% of that company and its wholly-owned subsidiaries despite having an 80% equity holding.

b FAI Aquaculture Limited (company number 04450207) is exempt from the requirements of the Companies Act 2006 under S479A-479C relating to the audit of individual accounts. Benchmark Holdings plc will guarantee the debts and liabilities of FAI Aquaculture Limited in accordance with Section 479C of the Companies Act 2006.

18 Subsidiary undertakings continued

Company

	Investments in subsidiary companies £000
Cost or valuation	
Balance at 1 October 2020	255,719
Additions	617
Disposals	(1,051)
Balance at 1 October 2021	**255,285**
Additions	**720**
Disposals	**(2,427)**
Balance at 30 September 2022	**253,578**
Provisions	
Balance at 1 October 2020	(5,688)
Disposals	1,051
Balance at 1 October 2021	**(4,637)**
Disposals	**2,427**
Balance at 30 September 2022	**(2,210)**
Net book value	
At 30 September 2022	**251,368**
At 30 September 2021	250,648
At 1 October 2020	250,031

During 2022, £720,000 (2021: £617,000) of the charge associated with share options relates to employees of the subsidiary companies, and so this amount has been treated as an investment by the Company. There were no other additions in the year (2021: £nil).

In the year the following companies were dissolved: Dust Collective Limited £317,000, 5M Enterprises Inc £nil, 5M Enterprises Limited £2,100,000, and Bark SPV £10,000, all of which were fully impaired (2021: Disposals of £1,051,000 all of which were fully impaired).

For impairment testing purposes, the Group has determined that the Parent Company's net assets exceed the Group's net assets which is a trigger for an impairment review. Management have performed an impairment review of the investments in subsidiaries at the period end taking into account both net assets of the subsidiaries and value-in-use calculations using assumptions consistent with those disclosed in Note 16. The impairment testing is performed at a CGU level due to the interdependence of the operations within each of the business areas and they way in which they are managed. The sensitivity testing conducted did not sufficiently reduce the NPV of any of the CGUs to a level where they would not support the investments in any of the Company's subsidiaries.

19 Inventories

Group	2022 £000	2021 £000
Raw materials	**7,107**	5,232
Work in progress	**3,722**	1,488
Finished goods and goods for resale	**18,984**	14,227
Total inventories at the lower of cost and net realisable value	**29,813**	20,947

During 2022, £60,780,000 (2021: £51,920,000) was recognised as an expense for inventories carried at net realisable value. This is recognised in cost of sales. The cost of inventories recognised as a credit includes £14,000 (2021 credit: £87,000) in respect of write-downs of inventory to net realisable value.

The Company did not have any inventories at the year end (2021: £nil).

20 Biological assets

Book value of biological assets recognised at fair value

Group	2022 £000	2021 £000
Salmon eggs	**14,037**	9,830
Salmon broodstock	**30,501**	26,700
Salmon milt	**606**	365
Lumpfish fingerlings	**1,090**	1,104
Shrimp	**424**	366
Total biological assets 30 September	**46,658**	38,365
Analysed as		
Current	**25,780**	17,121
Non-current	**20,878**	21,244
Total biological assets 30 September	**46,658**	38,365

Change in book value of biological assets

	2022 £000	2021 £000
Biological assets 1 October	**38,365**	32,469
Increase from production	**48,067**	36,872
Reduction due to sales	**(43,535)**	(34,768)
Other movements in biological assets (see Note 5)	**4,532**	2,104
Foreign exchange movement before fair value adjustment	**1,704**	311
Change in fair value through income statement (see Note 5)	**1,595**	3,323
Foreign exchange impact on fair value adjustment	**462**	158
Biological assets 30 September	**46,658**	38,365

Assumptions used for determining fair value of biological assets

IAS 41 requires that biological assets are accounted for at the estimated fair value net of selling and harvesting costs. Fair value is measured in accordance with IFRS 13 and is categorised into levels in the fair value hierarchy which are described in Note 2.

The fair value inputs for salmon eggs are categorised as level 2. The calculation of the fair value of the salmon eggs is based upon the current seasonally adjusted selling prices for salmon eggs less transport and incubation costs and taking account of the market capacity. The valuation also takes account of the mortality rates of the eggs and expected life as sourced from internally generated data.

The fair value inputs for salmon broodstock are categorised as level 3. The broodstock contain generations of genetic improvements and cannot be valued purely on the market weight of salmon. The Group does not sell its broodstock commercially so there is no observable input in this respect. Therefore, the calculation of the estimated fair value of salmon broodstock is primarily based upon its main harvest output being salmon eggs, which are priced upon the current seasonally adjusted selling prices for the Group's salmon eggs. These prices are reduced for harvesting costs, freight costs, incubation costs and market capacity to arrive at the net value of broodstock. The valuation also reflects the internally generated data to arrive at the biomass. This includes the weight of the broodstock, the yield that each kilogram of fish will produce and mortality rates. The fish take four years to reach maturity, and the age and biomass of the fish is taken into account in the fair value. Finally, the valuation takes account of future expected sales volumes.

20 Biological assets continued

Change in book value of salmon broodstock

	2022 £000	2021 £000
Biological assets 1 October	**26,700**	21,051
Increase from production	**28,720**	22,428
Transfer to salmon eggs following harvesting	**(26,509)**	(19,602)
Foreign exchange movement before fair value adjustment	**1,326**	169
Change in fair value through income statement	**(31)**	2,530
Foreign exchange impact on fair value adjustment	**295**	124
Biological assets 30 September	**30,501**	26,700

Significant unobservable inputs used in the valuation of salmon broodstock

	2022	2021
Number of eggs valued in broodstock (m units)	**222**	192
Average selling price per egg (GBP)	**0.135**	0.128
Future costs per egg (GBP)	**(0.021)**	(0.015)

The fair value inputs for lumpfish fingerlings and shrimp are categorised as level 2. The calculation of the fair value of lumpfish fingerlings and shrimp is valued on current selling prices less transport costs. Internally generated data is used to incorporate mortality rates and the weight of the biomass.

The fair value inputs for salmon milt are categorised as level 3. Where we have identified individual salmon carrying particular traits or disease resistance, semen (milt) can be extracted and deep-frozen using cryopreservation techniques (the process of freezing biological material at extreme temperatures in liquid nitrogen). The calculation of the fair value of milt is based on production and freezing costs and, where appropriate, an uplift to recognise the additional selling price that can be achieved from eggs fertilised by premium quality milt.

There is a presumption that fair value can be measured reliably for a biological asset. However, we sometimes face a situation where alternative estimates of fair value are determined to be clearly unreliable (for example, where we establish a new broodstock farm in a new territory). In such a case, that biological asset shall be measured at its cost less any accumulated impairment losses. In the year this applied to £1,969,000 of broodstock in Chile. As at 30 September the gross carrying amount was £4,704,000 (2021: £4,674,000) and the accumulated impairment losses were £2,735,000 (2021: £2,507,000).

The valuation models by their nature are based upon uncertain assumptions on sales prices, market capacity, weight, mortality rates, yields and assessment of the discounts to reflect the stages of maturity. The Group has a degree of expertise in these assumptions but these assumptions are subject to change. Relatively small changes in assumptions would have a significant impact on the valuation. A 1% increase/decrease in assumed selling price would increase/decrease the fair value of biological assets by £445,000. A 10% increase/decrease in the biomass of salmon broodstock and the quantity of salmon eggs valued would increase/decrease the fair value of those biological assets by £4,450,000.

The Group is exposed to financial risks arising from changes in the market value of the salmon eggs, lumpfish fingerlings and shrimp broodstock that it sells. The Group does not anticipate that prices will decline significantly in the foreseeable future and, therefore, has not entered into derivative or other contracts to manage the risk of a decline in the price of its products. The Group reviews its outlook for salmon eggs, lumpfish fingerlings and shrimp broodstock prices regularly in considering the need for active financial risk management.

Risk management strategy related to aquaculture activity
The Group is exposed to the following risks relating to its aquaculture activities. These risks and management's strategies to mitigate them are described below:

Regulatory and environmental risks
The nature of certain of the Group's operating activities exposes us to certain significant risks to the environment, such as incidents associated with releases of chemicals or hazardous substances when conducting our operations, which could result in liability, fines, risk to our product permissions and reputational damage. There is a risk that natural disasters could lead to damage to infrastructure, loss of resources, products or containment of hazardous substances. Our business activities could be disrupted if we do not respond, or are perceived not to respond, in an appropriate manner to any major crisis or if we are not able to restore or replace critical operational capacity.

In mitigation we have implemented standards and requirements which govern key risk management activities such as inspection, maintenance, testing, business continuity and crisis response.

Biological risks
The Group is exposed to the risk of disease within the Group's own operations and disease in the market resulting in possible border closures. In mitigation, the Group:
- Operates the highest levels of biosecurity.
- Holds genetic stock at multiple sites and increasingly sources from its own land-based salmon breeding facilities.
- Operates containment zones which mitigates the risk of border closures affecting its ability to import or export.
- Has placed increased focus on insuring its biological stock.

Outputs and quantities held
Total output of aquaculture activity in the year was:

	2022	2021
Salmon eggs	**291.1m units**	242.0m units
Lumpfish fingerlings	**2.0m units**	2.4m units

Total quantities held at 30 September were:

	2022	2021
Salmon eggs	**103.9m units**	79.9m units
Salmon broodstock	**1,737 tonnes**	1,577 tonnes
Lumpfish fingerlings	**0.7m units**	2.6m units

The Company did not hold any biological assets during the year or the prior year.

21 Trade and other receivables

Group	2022 £000	2021 £000
Trade receivables	**31,218**	24,526
Less: provision for impairment of trade receivables	**(2,748)**	(2,493)
Trade receivables – net	**28,470**	22,033
Total financial assets other than cash and cash equivalents measured at amortised cost	**28,470**	22,033
Other receivables – contingent consideration	**887**	1,028
Total financial assets other than cash and cash equivalents classified as measured at fair value through profit and loss	**887**	1,028
Prepayments	**14,989**	11,114
Other receivables	**12,031**	12,323
Total trade and other receivables	**56,377**	46,498

Other receivables relate to the following items: VAT recoverable £4,386,000 (2021: £2,650,000), research and development expenditure tax credits and similar items £154,000 (2021: £472,000), the right to receive an agreed proportion of a key supplier's harvest* £5,249,000 (2021: £7,302,200), accrued income of £1,377,000 (2021: £348,000) and other amounts receivable of £865,000 (2021: £1,551,000).

21 Trade and other receivables continued

*A financial liability of £5,249,000 (2021: £7,302,200) is recognised (within trade payables) for the amount invoiced and remaining outstanding at the year-end in relation to the Group's contractual obligation to pay for a specified share of the harvest of a supplier, regardless of delivery and without recourse to the supplier. As at 30 September, as the Group has not taken physical delivery of the harvested product and as the Group does not control the harvested product, an 'other receivable' of £5,249,000 (2021: £7,302,200) has been recorded in relation to the Group's right to receive the product in the future.

The financial asset at fair value through profit and loss relates to contingent consideration outstanding from the disposal of Improve International Limited in FY20. This relates to deferred cash consideration dependent on the delivery of certain future revenues in the financial year ended 30 September 2022 and the fair value is derived from the likely receivable amount based on current expectations of performance against the targets.

The fair values of trade and other receivables measured at amortised cost are not materially different to their carrying values. As at 30 September 2022 trade receivables of £5,943,000 (2021: £3,060,000) were past due but not impaired. They relate to customers with no default history. The ageing analysis of these receivables is as follows:

	2022 £000	2021 £000
Up to 3 months overdue	**5,761**	2,703
3 to 6 months overdue	**218**	211
6 to 12 months overdue	**(36)**	146
	5,943	3,060

Movements on the Group provision for impairment of trade receivables are as follows

	2022 £000	2021 £000
At 1 October	**2,493**	3,216
Provided during the year	**281**	54
Unused provisions reversed	**(180)**	(637)
Receivable written off during the year as uncollectable	**–**	(22)
Foreign exchange movements	**154**	(118)
At 30 September	**2,748**	2,493

The movement on the provision for impaired receivables has been included in the operating costs line in the Consolidated Income Statement.

Other classes of financial assets included within trade and other receivables do not contain impaired assets.

Company	2022 £000	2021 £000
Loan and receivables due from subsidiary company	**212,230**	195,286
Total financial assets other than cash and cash equivalents measured at amortised costs	**212,230**	195,286
Other receivables – contingent consideration	**886**	1,028
Total financial assets other than cash and cash equivalents classified as measured at fair value through profit and loss	**886**	1,028
Prepayments	**888**	592
Other receivables	**239**	221
Total trade and other receivables	**214,243**	197,127
Less: non-current portion: loans provided to subsidiary companies	**(212,023)**	(195,085)
Current portion	**2,220**	2,042

The balance of loans provided to subsidiary companies include a provision for impairment of £11,504,000 (2021: £13,489,000). During the year £1,985,000 of these provisions have been released, £1,909,000 relating to 5M Enterprises Limited as the loan has been waived, and £76,000 relating to FAI Aquaculture Limited due to some of the loan being repaid (2021: £1,709,000 relating to £416,000 loan waiver and £1,293,000 loan repayment).

For all the loans provided to subsidiary companies outstanding at 30 September 2022 no interest is payable. No interest was payable on loans provided to subsidiary companies outstanding at 30 September 2021.

Loans and receivables due from subsidiary companies of £212,023,000 (2021: £195,085,000) have been classified as non-current assets, even though these balances are repayable on demand, as at 20 September 2022 the Company did not expect to realise them in the next 12 months.

22 Trade and other payables

Group	2022 £000	2021 £000
Trade payables	**22,149**	20,690
Other payables	**1,127**	1,978
Accruals	**17,636**	15,812
Other payables – tax and social security payments	**3,799**	2,076
Financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	**44,711**	40,556
Financial contracts – hedging instrument	**7,991**	972
Financial liabilities, excluding loans and borrowings, classified as financial liabilities at fair value through profit or loss	**7,991**	972
Financial contracts – hedging instrument	**21**	5,889
Financial liabilities, excluding loans and borrowings, classified as financial liabilities at fair value through Hedging Reserve	**21**	5,889
Deferred income	**597**	162
Total trade and other payables	**53,320**	47,579
Less: non-current: contingent consideration in other payables and financial contracts	**(8,996)**	(911)
Current portion	**44,324**	46,668

Book values approximate to fair value at 30 September 2022 and 2021.

Of the financial contracts £8,387,000 (2021: £6.708,000) relates to a NOKUSD floating to fixed cross-currency interest rate swap (CCS) and a NOK interest rate swap (IRS), both of which were entered to fully match the timing and tenor of the underlying new senior secured floating rate listed bond issue of NOK 750m.

The floating-to-fixed NOK IRS (notional NOK 300m) is designated a cash flow hedge where any changes in the fair value of the swap will be taken directly to equity within the hedging reserve and recycled to profit or loss as the bond impacts the profit or loss.

The NOKUSD CCS (notional NOK450m) has been separated into two synthetic swaps; the first is a floating-to-fixed NOKGBP interest rate swap, being a cash flow hedge of the foreign exchange and interest rate risk on NOK denominated debt. The fair value of this synthetic swap is posted to the hedging reserve in equity. The second synthetic swap is a fixed-to-fixed GBPUSD swap designated as a net investment hedge in the USD net assets in the consolidated accounts of Benchmark Holdings plc. The fair value of this leg is posted to the foreign exchange translation reserve in equity.

22 Trade and other payables continued

Company	2022 £000	2021 £000
Trade payables	**460**	608
Loans received from subsidiary companies	**44,447**	34,623
Accruals	**3,713**	3,162
Other payables – tax and social security payments	**212**	118
Financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	**48,832**	38,511
Financial contracts – hedging instrument	**7,991**	972
Financial liabilities, excluding loans and borrowings, classified as financial liabilities at fair value through profit or loss	**7,991**	972
Financial contracts – hedging instrument	**396**	5,736
Financial liabilities, excluding loans and borrowings, classified as financial liabilities at fair value through Hedging Reserve	**396**	5,736
Total trade and other payables	**57,219**	45,219
Less: non-current: financial contracts	**(8,387)**	–
Current portion	**48,832**	45,219

The amount within loans received from subsidiary companies is the balance due to Inve Aquaculture Holding B.V., the loan is repayable on demand and interest is incurred at a rate of 2% plus LIBOR per annum.

Book values approximate to fair value at 30 September 2022 and 2021.

23 Loans and borrowings

Group

	2022 £000	2021 £000
Non-Current		
2025 750m NOK Loan notes	**61,054**	–
2023 850m NOK Loan notes	–	75,478
Bank borrowings	**17,226**	19,314
Lease liabilities (Note 14)	**14,765**	14,945
	93,045	109,737
Current		
Bank borrowings	**5,569**	1,612
Lease liabilities (Note 14)	**11,522**	9,042
	17,091	10,654
Total loans and borrowings	**110,136**	120,391

At 30 September 2022 the fair value of the unsecured floating rate listed green bond of NOK 750m was not materially different to the nominal value and has not been separately disclosed. At 30 September 2021 the fair value of 2023 850m NOK Loan notes was £73,981,000.

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

A USD 15m Revolving Credit Facility ("RCF") has been provided by DNB Bank ASA (50%) and HSBC UK Bank PLC (50%). At 30 September 2022 £4,000,000 was drawn on this facility. The facility was undrawn at 30 September 2021.

Group continued

Benchmark Genetics Salten AS had the following loans (which are ring-fenced debt without recourse to the remainder of the Group) at 30 September 2022:

- Term loan with a balance of NOK 165.6m (2021: NOK 180.0m) provided by Nordea Bank Norge Abp. The loan is a five-year term loan ending November 2023 at an interest rate of 2.5% above three-month NIBOR.
- NOK 20.0m 12-month working capital facility provided by Nordea Bank Norge Abp. This was undrawn at 30 September 2022 (2021: undrawn).
- An additional NOK 17.5m overdraft facility was provided by Nordea Bank Norge Abp during the year with maturity in December 2022. This facility was undrawn at 30 September 2022.
- Term loan with a balance of NOK 40.1m (2021: NOK 44.7m) provided by Innovasjon Norge. The loan is a 12-and-a-half-year term loan maturing in March 2031. The interest rate on this loan at 30 September 2022 was 4.95%. The interest rate on this loan is variable.
- NOK 21.75m loan provided by Salten Aqua ASA (the minority shareholder). The loan attracts interest at 2.5% above three-month NIBOR and is repayable on maturity of the Nordea term loan above.

Subsequent to the year end on 1 November 2022, the Nordea Bank term loan above was refinanced together with an existing undrawn overdraft facility into a new loan facility of NOK 179.5m with a new maturity date in a further five years no later than 15 January 2028. Other terms remain the same.

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

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

The currency profile of the Group's loans and borrowings is as follows:

	2022 £000	2021 £000
Sterling	**16,619**	13,912
Norwegian Krone	**80,712**	97,389
Thai Baht	**954**	1,258
Euro	**272**	351
US Dollar	**10,888**	6,508
Icelandic Krone	**545**	750
Other	**146**	223
	110,136	120,391

23 Loans and borrowings continued

Company

The book value and fair value of loans and borrowings are as follows:

	2022 £000	2021 £000
Non-Current		
2025 750m NOK Loan notes	**61,054**	–
2023 850m NOK Loan notes	–	75,478
Lease liabilities (Note 14)	–	18
	61,054	75,496
Current		
RCF	**4,000**	–
Lease liabilities (Note 14)	**19**	49
	4,019	49
Total loans and borrowings	**65,073**	75,545

At 30 September 2022 the fair value of of the unsecured floating rate listed green bond of NOK 750m was not materially different to the nominal value and has not been separately disclosed. The fair value of 2023 850m NOK loan notes as at 30 September 2021 was £73,981,000.

The currency profile of the Company's loans and borrowings is as follows:

	2022 £000	2021 £000
Sterling	**19**	248
US Dollar	**4,000**	–
Norweigan Krone	**61,054**	75,497
	65,073	75,745

Reconciliation of movements of liabilities to cash flows arising from financing activities
Group
Year ended 30 September 2022

	Loans and borrowings £000	Share capital/ additional paid-in capital £000	Non-controlling interest £000	Total £000
Balance at 1 October 2021	**120,391**	**401,352**	**7,884**	
Changes from financing cash flows				
Proceeds of share issues	–	**20,175**	–	20,175
Proceeds from bank or other borrowings	**67,939**	–	–	67,939
Repayment of bank or other borrowings	**(74,874)**	–	–	(74,874)
Interest and finance charges paid	**(9,629)**	–	–	(9,629)
Payments to finance lease creditors	**(10,533)**	–	–	(10,533)
Total changes from financing cash flows	**(27,097)**	**20,175**	–	(6,922)
The effect of changes in foreign exchange rates	**(6,087)**	–	–	
Other changes – liability-related				
Interest expense	**9,488**	–	–	
Capitalised borrowing fees	**1,937**	–	–	
New leases	**11,380**	–	–	
Interest accrual movement	**124**	–	–	
Total liability-related other changes	**22,929**	–	–	
Total equity-related other changes	–	**1**	**2,001**	
Balance at 30 September 2022	**110,136**	**421,528**	**9,885**	

Year ended 30 September 2021

	Loans and borrowings £000	Share capital/ additional paid-in capital £000	Non-controlling interest £000	Total £000
Balance at 1 October 2021	109,158	400,269	6,309	
Changes from financing cash flows				
Proceeds of share issues	–	750	–	750
Acquisition of NCI	–	–	(12)	(12)
Repayment of bank or other borrowings	(3,106)	–	–	(3,106)
Interest and finance charges paid	(7,699)	–	–	(7,699)
Payments to finance lease creditors	(4,602)	–	–	(4,602)
Total changes from financing cash flows	(15,407)	750	(12)	(14,669)
The effect of changes in foreign exchange rates	(681)	–	–	
Other changes – liability-related				
Interest expense	7,711	–	–	
Capitalised borrowing fees	1,012	–	–	
New leases	18,610	–	–	
Interest accrual movement	(12)	–	–	
Total liability-related other changes	27,321	–		
Total equity-related other changes	–	333	1,587	
Balance at 30 September 2021	120,391	401,352	7,884	

23 Loans and borrowings continued

Company

Year ended 30 September 2022

	Loans and borrowings £000	Share capital/ additional paid-in capital £000	Total £000
Balance at 1 October 2021	**75,545**	**401,352**	
Changes from financing cash flows			
Proceeds of share issues	–	**20,175**	**20,175**
Proceeds from bank or other borrowings	**67,939**	–	**67,939**
Repayment of bank borrowings	**(73,235)**	–	**(73,235)**
Interest and finance charges paid	**(6,956)**	–	**(6,956)**
Repayments of lease liabilities	**(48)**	–	**(48)**
Total changes from financing cash flows	**(12,300)**	**20,175**	**7,875**
The effect of changes in foreign exchange rates	**(7,065)**	–	
Other changes – liability-related			
Interest expense	**6,832**	–	
Capitalised borrowing fees	**1,937**	–	
Interest accrual movement	**124**	–	
Total liability-related other changes	**8,893**	–	
Total equity-related other changes	–	**1**	
Balance at 30 September 2022	**65,073**	**421,528**	

Year ended 30 September 2021

	Loans and borrowings £000	Share capital/ additional paid-in capital £000	Total £000
Balance at 1 October 2020	75,745	400,269	
Changes from financing cash flows			
Proceeds of share issues	–	750	750
Repayment of bank borrowings	(245)	–	(245)
Interest and finance charges paid	(5,631)	–	(5,631)
Repayments of lease liabilities	(179)	–	(179)
Total changes from financing cash flows	(6,055)	750	(5,305)
The effect of changes in foreign exchange rates	(788)	–	
Other changes – liability-related			
Interest expense	5,643	–	
Capitalised borrowing fees	1,012	–	
Interest accrual movement	(12)	–	
Total liability-related other changes	6,643	–	
Total equity-related other changes	–	333	
Balance at 30 September 2021	75,545	401,352	

24 Provisions

	Repairs provision £000	Other provisions £000	Total £000
At 1 October 2020	–	–	–
Provisions made during the year	–	(563)	(563)
At 1 October 2021	**–**	**(563)**	**(563)**
Provisions made during the year	**–**	**(1,127)**	**(1,127)**
Provisions used	**–**	**69**	**69**
Unused provisions reversed	**–**	**(10)**	**(10)**
At 30 September 2022	**–**	**(1,631)**	**(1,631)**
Current	**–**	**(1,631)**	**(1,631)**
Non-current	**–**	**–**	**–**
At 30 September 2022	**–**	**(1,631)**	**(1,631)**
Current	–	(563)	(563)
Non-current	–	–	–
At 30 September 2021	–	(563)	(563)

Other provisions

During the year, £700,000 (2021: £300,000) was provided in respect of costs relating to contractural commitments in leases entered into during the year to restore certain leased assets to their original condition at the end of the lease period. The costs have been capitalised and are being depreciated over the life of the relevant asset.

During the year a provision of £472,000 was made in relation to committed running costs, incremental to the lease obligations, for the remainder of the lease period on a leased production site which is no longer needed by the business.

No provisions were held by the Company at the year end (2021: £nil).

25 Deferred tax

Deferred tax is calculated in full on temporary differences under the liability method using the substantively enacted rates in the relevant territories in which the temporary differences and tax losses are expected to reverse.

The movement on the net deferred tax account is as shown below:

Group	2022 £000	2021 £000
At 1 October	**(28,224)**	(32,647)
Recognised in income statement		
Tax credit	**4,414**	3,488
Exchange differences	**(4,180)**	935
At 30 September	**(27,990)**	(28,224)

The Company did not have a deferred tax balance at the year end (2021: £nil).

There was no deferred tax recognised in other comprehensive income.

25 Deferred tax continued

Deferred tax assets have been recognised in respect of all tax losses and other temporary differences giving rise to deferred tax assets where the Directors believe it is probable that these assets will be recovered. The Directors believe there is sufficient evidence that the amounts recognised will be recovered against future taxable profits in the relevant tax jurisdiction. The Group did not recognise deferred tax assets of £44,576,000 (2021: £36,713,000) in respect of losses amounting to £146,241,000 (2021: £120,790,000) and temporary differences of £28,145,000 (2021: £25,185,000), mainly originating in the UK and for which there was insufficient evidence that taxable profits will be available in the near term against which they can be utilised. Of the unused tax losses on which no deferred tax is recognised, £112,601,000 have no expiry date and £33,640,000 expire between 2028 and 2035.

No deferred tax is recognised on the unremitted earnings of overseas subsidiaries and joint ventures. The aggregate amount of temporary differences associated with investments in subsidiaries, branches and associates and interests in joint arrangements, for which deferred tax has not been recognised is £125,225,000. As the earnings are continually reinvested by the Group and there is no intention for these entities to pay dividends, no tax is expected to be payable on them in the foreseeable future.

The movements in deferred tax assets and liabilities (prior to the offsetting of balances within the same jurisdiction as permitted by IAS 12) during the period, together with amounts recognised in the Consolidated Income Statement and amounts recognised in other comprehensive income are as follows:

Group	Asset 2022 £000	Liability 2022 £000	Net 2022 £000	(Charged)/ credited to profit or loss 2022 £000	(Charged)/ credited to equity 2022 £000
Accelerated capital allowances	**–**	**(25,511)**	**(25,511)**	**4,076**	**–**
Biological assets	**–**	**(4,109)**	**(4,109)**	**(850)**	**–**
Other temporary and deductible differences	**1,560**	**–**	**1,560**	**1,169**	**–**
Available losses	**–**	**–**	**–**	**(5)**	**–**
Fair value of share options	**70**	**–**	**70**	**24**	**–**
Net tax assets/(liabilities)	**1,630**	**(29,620)**	**(27,990)**	**4,414**	**–**

Group	Asset 2021 £000	Liability 2021 £000	Net 2021 £000	(Charged)/ credited to profit or loss 2021 £000	(Charged)/ credited to equity 2021 £000
Accelerated capital allowances	–	(25,408)	(25,408)	3,908	–
Biological assets	–	(3,258)	(3,258)	(740)	–
Other temporary and deductible differences	391	–	391	402	–
Available losses	5	–	5	(96)	–
Fair value of share options	46	–	46	14	–
Net tax assets/(liabilities)	442	(28,666)	(28,224)	3,488	–

The Company did not have any deferred tax in the profit or loss or balance sheet at the year end (2021: £nil). The Company has not recognised deferred tax assets of £16,520,000 (2021: £14,653,000) in respect of losses amounting to £39,010,108 (2021: £ 20,002,700) and temporary differences of £25,827,000 (2021: £ 37,397,700) for which there is insufficient evidence that taxable profits will be available in the near term against which they can be utilised.

26 Share capital and additional paid-in capital

Allotted, called up and fully paid	Number	Share Capital £000	Share Premium £000
Ordinary shares of 0.1 penny each			
Balance at 30 September 2020	667,685,612	668	399,601
Exercise of share options	2,152,600	2	748
Shares issued through placing and open offer	536,272	–	333
Balance at 30 September 2021	**670,374,484**	**670**	**400,682**
Exercise of share options	**184,694**	**–**	**73**
Shares issued through placing and open offer	**33,401,620**	**34**	**20,069**
Balance at 30 September 2022	**703,960,798**	**704**	**420,824**

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

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

On 29 November 2021, the Company issued 33,401,620 new ordinary shares of 0.1 pence each by way of a placing and subscriptions at an issue price of 62.0 pence per share. Gross proceeds of £20.7m were received for the placing and subscription shares. Non-recurring costs of £0.6m were in relation to the share issues and this has been charged to the share premium account (presented within Additional paid-in share capital).

During the year ended 30 September 2021, the Group issued a total of 2,152,600 ordinary shares of 0.1p each to certain employees of the Group relating to share options, of which 426,182 were exercised at a price of 0.1 pence, 1,626,436 were exercised at a price of 42.5 pence and 99,982 were exercised at a price of 58.5 pence.

In the prior year, contingent consideration totalling USD 450,000 (£333,000) became payable relating to an acquisition from 2016 and this was paid in ordinary shares in the Group with the issue of 536,272 ordinary shares of 0.1p each on 13 January 2021.

27 Reserves

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Share premium reserve	Amount subscribed for share capital in excess of nominal value.
Merger reserve	Under merger relief, the amount in excess of nominal value attributed to shares issued as consideration in an acquisition where the Group has secured at least a 90% equity holding in the other company.
Capital redemption reserve	Amounts transferred from share capital on redemption of issued shares.
Foreign exchange reserve	Gains/losses arising on retranslating the net assets of overseas operations into Sterling.
Hedging reserve	Comprises the effective portion of the cumulative net change in fair value of hedging instruments used in cash flow hedges pending subsequent recognition on profit or loss or directly included in the initial cost or other carrying amount of a non-financial asset or non-financial liability.
Retained earnings	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere. To simplify presentation, the share-based payment reserve has been combined with the retained earnings reserve. The share-based payment reserve recognised the value of equity-settled share-based payment transactions provided to employees, including management personnel, as part of their remuneration. Refer to Note 31 for further details of these plans.

The balance of additional paid-in share capital includes the merger reserve balance of £33,188,000, the balance being the share premium reserve. The merger reserve arose due to the Company issuing 38,635,671 shares of 0.1p each at 86p as part consideration for the acquisition of INVE Aquaculture Holdings B.V. on 30 December 2015.

28 Non-controlling interest

The following table summarises the information relating to each of the Group's subsidiaries that has a material non-controlling interest ("NCI"), before any intra-group eliminations.

Year ended 30 September 2022	Benchmark Genetics Iceland HF £000	Benchmark Genetics Salten AS £000	Total £000
NCI percentage	**10%**	**25%**	
Non-current assets	**18,836**	**38,212**	
Current assets	**35,606**	**13,977**	
Non-current liabilities	**(3,548)**	**(17,510)**	
Current liabilities	**(4,796)**	**(14,463)**	
Net assets	**46,098**	**20,216**	
Net assets attributable to NCI	**4,826**	**5,060**	**9,886**
Revenue	**26,103**	**15,676**	
Profit	**7,522**	**3,390**	
OCI	**3,517**	**(8)**	
Total comprehensive income	**11,039**	**3,382**	
Profit allocated to NCI	**787**	**849**	**1,636**
OCI allocated to NCI	**368**	**(2)**	**366**
Cash flows from operating activities	**6,210**	**5,578**	
Cash flows used in investment activities	**(2,779)**	**(1,302)**	
Cash flows (used in)/from financing activities (dividends to NCI: £nil)	**(481)**	**(2,795)**	
Net increase in cash and cash equivalents	**2,950**	**1,481**	

Year ended 30 September 2021	Benchmark Genetics Iceland HF £000	Benchmark Genetics Salten AS £000	Total £000
NCI percentage	10%	25%	
Non-current assets	15,992	39,604	
Current assets	27,102	9,757	
Non-current liabilities	(3,072)	(19,505)	
Current liabilities	(4,964)	(13,023)	
Net assets	35,058	16,833	
Net assets attributable to NCI	3,671	4,213	7,884
Revenue	21,554	13,651	
Profit	6,085	2,708	
OCI	399	920	
Total comprehensive income	6,484	3,628	
Profit allocated to NCI	637	678	1,315
OCI allocated to NCI	42	230	272
Cash flows from operating activities	6,918	4,782	
Cash flows used in investment activities	(5,016)	(778)	
Cash flows (used in)/from financing activities (dividends to NCI: £nil)	(663)	(3,972)	
Net increase in cash and cash equivalents	1,239	32	

29 Retirement benefits

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost represents contributions payable by the Group and amounted to £2,361,000 (2021: £2,354,000). Contributions totalling £1,126,000 (2021: £1,051,000) were payable to the fund at the balance sheet date and are included in other payables.

30 Capital commitments

At 30 September 2022, the Group and Company had capital commitments as follows:

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Contracted for but not provided within these financial statements	**1,476**	1,297	**–**	–

31 Share-based payment

Share options

The Group operates equity-settled share-option schemes for certain employees. The vesting period is three years. If the options remain unexercised after a period of ten years from the date of grant the options expire. Options are forfeited, other than in limited circumstances, if the employee leaves the Group before the end of the vesting period. In these limited circumstances options will be exercisable in a specified period following termination of employment after which they will lapse.

For options granted in 2021 and 2022 additional performance measures apply. The performance measures are EPS growth, where 25% vests at threshold performance and 100% vests at maximum performance and Relative Total Shareholder Return measured against the FTSE AIM 100 index, where 25% vests at a ranking of median rising to 100% for a ranking of upper quartile or higher. In the case of Executive Directors, any vested shares will be subject to a two-year holding period.

The share options under the scheme are as follows:

Year ended 30 September 2022:

	No. of options						
Year	As at 1 October 2021	Granted in 2022	Exercised in 2022	Forfeited in 2022	As at 30 September 2022	Option Price[1]	Exercise Period
2013	**42,000**	**–**	**–**	**–**	**42,000**	**0.10p**	**August 2016 to July 2023**
2015	**93,197**	**–**	**–**	**–**	**93,197**	**0.10p**	**March 2018 to February 2025**
2015	**46,553**	**–**	**–**	**(2,480)**	**44,073**	**0.10p**	**July 2018 to June 2025**
2016	**376,203**	**–**	**(12,509)**	**(3,112)**	**360,582**	**0.10p**	**March 2019 to February 2026**
2017	**115,172**	**–**	**–**	**–**	**115,172**	**0.10p**	**March 2020 to February 2027**
2018	**5,373,668**	**–**	**–**	**(572,557)**	**4,801,111**	**69.5p**	**January 2021 to January 2028**
2019	**6,014,383**	**–**	**–**	**(672,983)**	**5,341,400**	**58.5p**	**January 2022 to January 2029**
2020	**10,328,359**	**–**	**(172,185)**	**(1,094,377)**	**9,061,797**	**42.5p**	**February 2023 to February 2030**
2020	**2,100,000**	**–**	**–**	**–**	**2,100,000**	**31.5p**	**June 2023 to June 2030**
2021	**3,737,134**	**–**	**–**	**(366,876)**	**3,370,258**	**0.10p**	**January 2024 to January 2031**
2021	**205,899**	**–**	**–**	**–**	**205,899**	**0.10p**	**May 2024 to May 2031**
2022	**–**	**4,569,496**	**–**	**(301,582)**	**4,267,914**	**0.10p**	**December 2024 to December 2031**

1 The option price is the nominal value of the Parent Company's shares for options issued except for the options issued in 2018, 2019 and 2020 for which the option price is the market price of the share on the date the options were granted.

31 Share-based payment continued

Year ended 30 September 2021:

	No. of options						
Year	As at 1 October 2020	Granted in 2021	Exercised in 2021	Forfeited in 2021	As at 30 September 2021	Option Price[1]	Exercise Period
2013	212,000	–	(145,000)	(25,000)	42,000	0.10p	August 2016 to July 2023
2015	235,840	–	(74,558)	(68,085)	93,197	0.10p	March 2018 to February 2025
2015	49,963	–	(3,410)	–	46,553	0.10p	July 2018 to June 2025
2016	524,001	–	(115,950)	(31,848)	376,203	0.10p	March 2019 to February 2026
2017	222,536	–	(87,264)	(20,100)	115,172	0.10p	March 2020 to February 2027
2018	7,920,876	–	–	(2,547,208)	5,373,668	69.5p	January 2021 to January 2028
2019	10,026,600	–	(99,982)	(3,912,235)	6,014,383	58.5p	January 2022 to January 2029
2020	13,675,329	–	(1,626,436)	(1,720,534)	10,328,359	42.5p	February 2023 to February 2030
2020	2,100,000	–	–	–	2,100,000	31.5p	June 2023 to June 2030
2021	–	3,817,762	–	(80,628)	3,737,134	0.10p	January 2024 to January 2031
2021	–	205,899	–	–	205,899	0.10p	May 2024 to May 2031

1 The option price is the nominal value of the Parent Company's shares for options issued except for the options issued in 2018 and 2019 for which the option price is the market price of the share on the date the options were granted.

Of the total number of options outstanding at 30 September 2022, 11,267,925 (2021: 6,515,149) were exercisable. In addition to all of the outstanding share options from 2013 to 2019, the balance of options exercisable also included nil options (2021: 274,283) from 2019, 246,555 options (2021: 194,073) from 2020, 63,772 options (2021: nil) from 2021, and 7,063 options (2021: nil) from 2022 which had vested early, not been exercised and had not lapsed. The early vests were due to employees leaving the Group as part of the structural efficiencies programme and the restructuring of management.

Options exercised in 2022 resulted in 184,694 shares being issued at a weighted average price of 40.3p. The related weighted average share price at the time of exercise was 62.5p per share. Options exercised in 2021 resulted in 2,152,600 shares being issued at a weighted average price of 36.8p. The related weighted average share price at the time of exercise was 57.8p per share.

The fair value of all of the equity-settled share-options granted above is estimated at the date of grant using the Black-Scholes Merton model taking into account the terms and conditions on which the options were granted. The weighted average fair value of the share options granted during the period was 51p (2021: 54.3p). Other inputs used in the fair value measurement include:

Inputs	2022	2021
Expected share price volatility	**39.61%**	37.75%
Risk-free rate	**0.39%**	(0.11)%
Expected dividend yield	**0.00%**	0.00%

The expected price volatility is based on the historic volatility (based on the remaining life of the options).

Share options continued

The total charge reflected in the consolidated income statement in relation to the share-base transactions listed in the table below. The share based payment expense comprises:

Share options issued	Weighted average exercise price	Weighted average remaining contractual life	2022 £000	2021 £000
August 2013	0.1p	One years	–	–
March 2015 and July 2015	0.1p	Two years	–	–
March 2016	0.1p	Three years	–	–
March 2017	0.1p	Four years	–	–
January 2018	69.5p	Five years	–	58
January 2019	58.5p	Six years	**101**	321
February 2020	42.5p	Seven years	**330**	249
June 2020	31.5p	Seven years	**57**	61
January 2021	0.1p	Eight years	**293**	133
May 2021	0.1p	Eight years	**16**	8
December 2021	0.1p	Nine years	**385**	–
Equity-settled schemes			**1,182**	830
Total share-based payment charge			**1,182**	830

The expense recognised above has been recognised in the income statement and included within operating costs.

The Group did not enter into any other share-based payment transactions with parties other than employees during the current or previous period.

The total charge recognised in the Company's income statement was £463,000 (2021: £212,000), all charged to operating costs in both years.

32 Related party transactions

All related party transactions were made on terms equivalent to those that prevail in arm's lenth transactions.

Subsidiaries

Transactions between the Company and its subsidiary undertakings (see Note 18), which are related parties, amounted to £5,120,000 in the year (2021: £4,761,000). These transactions related to inter-company recharges. Balances with subsidiary undertakings are shown in Notes 21 and 22. Details of transactions between the Group and other related parties are disclosed in the following note.

Other related party transactions

Upon refinancing our Bond debt in September 2022, some related parties participated, at arms length, in the newly issued unsecured green bond. Those related parties and the amounts invested were as follows: FERD AS (NOK 6.5m), Kverva Finans AS (NOK 20.0m), JNE Partners LLP (NOK 6.5m), each of whom are deemed to be substantial shareholders of Benchmark Holdings PLC, and Atle Eide (NOK 5.0m) who is a Non-Executive Director of Benchmark Holdings PLC.

In addition, Group entities entered into the following trading transactions with related parties during the year that are not members of the Group:

32 Related party transactions continued

	Transaction values for the year ended 30 September		Balance outstanding as at 30 September	
	2022 £000	2021 £000	2022 £000	2021 £000
Sales of goods and services				
Salmar Genetics AS[1]	**93**	126	**26**	–
Benchmark Genetics (Thailand) Limited[2]	**23**	–	**60**	–
Great Salt Lake Brine Shrimp Cooperative, Inc[2]	**473**	285	**142**	111
Andromeda S.A.[3]	**–**	–	**–**	760
Baggfossen Mikrokraft AS[2]	**–**	20	**–**	10
NovAustral[4]	**–**	–	**89**	–
Purchases				
Great Salt Lake Brine Shrimp Cooperative, Inc[2]	**24,583**	25,634	**5,961**	7,640
Baggfossen Mikrokraft AS[2]	**21**	–	**–**	–
Marco Polo Events Ltd[5]	**8**	–	**–**	–
Kontali Analyse AS[6]	**1**	–	**–**	–

1 Joint venture.
2 Associate.
3 A Director is a director of the parent undertaking of Andromeda S.A.
4 A director is KMP of NovAustral.
5 A director is a director of Marco Polo Events Ltd.
6 A director is a director of Kontali Analyse AS.

Remuneration of key management personnel

The aggregate remuneration of the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures. In 2022 and 2021 the key management personnel of the Group were considered to be the Board of Directors and the Executive Management Team.

	2022 £000	2021 £000
Salary	**1,799**	1,465
Bonus	**1,422**	1,019
Social security	**459**	251
Taxable benefits	**24**	11
Pension	**124**	100
Fees	**307**	285
Share-based payment	**404**	200
Total	**4,539**	3,331

Parent and ultimate controlling party

The Company is controlled by the shareholders. There is no single controlling party.

33 Contingent liabilities

There is a full cross guarantee in respect of certain borrowings of other Group undertakings. Total such borrowings of other Group undertakings at 30 September 2022 were £nil (2021: £nil).

34 Notes supporting statement of cash flows

Cash and cash equivalents for the purposes of the statement of cash flows comprises:

	2022 £000	2021 £000
Group		
Cash at bank and in hand	**36,399**	39,460
Cash and cash equivalents	**36,399**	39,460
Company		
Cash at bank and in hand	**3,210**	9,003
Cash and cash equivalents	**3,210**	9,003

35 Alternative profit measures and other metrics

Alternative profit measures

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

EBITDA, a widely used measure, which reflects profitability, is earnings before interest, tax, depreciation, amortisation and impairment and is shown on the income statement.

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 of intangible assets excluding development costs as reconciled below.

Adjusted profit before tax is earnings before tax, amortisation and impairment of acquired intangibles, 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 to operating loss

	2022 £000	2021 £000
Revenue	**158, 277**	125,062
Cost of sales	**(75,149)**	(59,477)
Gross profit	**83,128**	65,585
Research and development costs	**(6,691)**	(7,010)
Other operating costs	**(44,661)**	(38,221)
Depreciation and impairment	**(19,897)**	(8,359)
Amortisation of capitalised development costs	**(2,165)**	(299)
Share of loss of equity accounted investees net of tax	**(595)**	(905)
Adjusted operating profit	**9,119**	10,791
Exceptional including acquisition related items	**16**	(184)
Amortisation and impairment of intangible assets excluding development costs	**(16,996)**	(15,984)
Operating loss	**(7,861)**	(5,377)

35 Alternative profit measures and other metrics continued

Reconciliation of loss before tax to adjusted (loss)/profit before tax

	2022 £000	2021 £000
Loss before taxation	**(23,177)**	(9,179)
Exceptional including acquisition-related items	**(16)**	184
Amortisation and impairment of intangible assets excluding development costs	**16,996**	15,984
Adjusted (loss)/profit before tax	**(6,197)**	6,989

Other metrics

Total R&D Investment	2022 £000	2021 £000
Research and development costs	**6,691**	7,010
Internal capitalised development costs (Note 15)	**1,708**	4,813
Total R&D investment	**8,399**	11,823

	2022 £000	2021 £000
Adjusted EBITDA excluding fair value movement in biological assets		
Adjusted EBITDA	**31,181**	19,449
Exclude fair value movement	**(1,595)**	(3,323)
Adjusted EBITDA excluding fair value movement	**29,586**	16,126

Liquidity

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

	2022 £000
Cash and cash equivalents	**36,399**
Undrawn bank facility	**9,398**
Liquidity	**45,797**

The undrawn bank facility relates to the RCF facility (Note 23). At 30 September 2022, £4,000,000 (2021: £nil) of the RCF was drawn, leaving £9.4m undrawn.

36 Net debt

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

	2022 £000	2021 £000
Cash and cash equivalents	**36,399**	39,460
Loans and borrowings (excluding lease liabilities) – current	**(5,569)**	(1,612)
Loans and borrowings (excluding lease liabilities) – non-current	**(78,280)**	(94,792)
Net debt excluding lease liabilities	**(47,450)**	(56,944)
Lease liabilities – current	**(11,522)**	(9,042)
Lease liabilities – non-current	**(14,765)**	(14,945)
Net debt	**(73,737)**	(80,931)

Glossary

Adjusted EBITDA	EBITDA before exceptional and acquisition costs (see income statement)
Adjusted Operating Profit	Adjusted Operating Profit is operating loss before exceptional items including acquisition-related items and amortisation and impairment of intangible assets excluding development costs (see Note 36)
AEBITDA	EBITDA before exceptional and acquisition costs (see income statement)
AER	Actual exchange rate
AGM	Annual General Meeting
AIM	Alternative Investment Market
APHIS	Animal and Plant Health Inspection Service
ASC	Aquaculture Stewardship Council
Breeders	Broodstock shrimp
CAGR	Compound Annual Growth Rate
CCS	Cross-currency swap
CEO	Chief Executive Officer
CER	Constant exchange rate
CFO	Chief Financial Officer
CGU	Cash-Generating Unit
CleanTreat®	Benchmark's water purification system that removes medicines from treatment water
CO2	Carbon Dioxide
Constant currency	2021 figures in GBP converted using average foreign exchange rates prevalent in 2020
EBITDA	Earnings before interest, tax, depreciation, and amortisation (see income statement)
Ectosan®Vet	Sea Lice veterinary medicinal treatment used together with CleanTreat®
ESG	Environmental, Social, Governance
FAO	Food and Agriculture Organisation
FAWC	Farm Animal Welfare Council
FRN	Floating rate NOK Bond
GHG	Greenhouse Gas Emissions
GRI	Global Reporting Initiative. Organisation producing reporting standards.
GSI	Global Salmon Initiative
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
Investing Activities	Investing Activities are those activities which have no associated income stream in the current period, but which are intended to provide the Group with income-generating operations in future periods. Includes exceptional items, R&D expenditure, pre-operational expenses for new ventures and costs of acquiring new businesses
IP	Intellectual Property
IRS	Interest rate swap
ISO	International Organisation for Standardisation
LIBOR	London Interbank Offered Rate
Liquidity	Undrawn bank facilities plus cash and cash equivalents
LMS	Learning Management System
LTIP	Long-Term Incentive Plan

MWh	MegaWatt hours. Unit of measure for energy.
Net debt	Net debt is cash and cash equivalents less loans and borrowings
Net zero	A net zero organisation will set and pursue an ambitious 1.5 °C aligned science-based target for its full value-chain emissions. Any remaining hard-to-decarbonise emissions can be compensated using certified greenhouse gas removal
NIBOR	Norwegian Interbank Offered Rate
R&D	Research & Development
Salmosan®Vet	Benchmark's sea lice bath treatment
SASB	Sustainability Accounting Standards Board
Sea lice	Parasite in salmon farming causing significant economic loss and welfare issues
SECR	Streamlined Energy of Carbon Reporting. The requirement to report carbon emissions annually
SONIA	Sterling Overnight Index Average Rate
SPR	Specific Pathogen Resistant
SSP	Sustainable Shrimp Partnership
tCO_2e	Tonnes of CO_2 equivalent. Unit of measure for reporting all greenhouse gas emissions in a common way
TCFD	Task Force on Climate-Related Financial Disclosures
Total Adjusted EBITDA	Adjusted EBITDA for continuing and discontinued operations (see income statement)
USDA	U.S. Department of Agriculture
WRI	World Resources Institute

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APPENDIX C

CONSOLIDATED FINANCIAL STATEMENTS 2021

Benchmark®

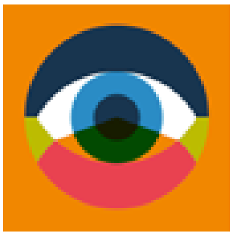
Driving sustainability in aquaculture

Benchmark Holdings plc
Annual Report and Accounts 2021

Our mission is to enable aquaculture producers to improve their sustainability and profitability

Benchmark® is a leading aquaculture biotechnology Company. We deliver products and solutions in Genetics, Advanced Nutrition and Health to help aquaculture producers improve their yield, quality and animal welfare.

Guided by our values


Innovative


Passionate


Collaborative


Commercial

We contribute to a sustainable aquaculture future in ways that feed the world without harm.

See pages 40-51 for Sustainability Report

* Front Cover Image provided by Happy Prawns AS

2020/21 Highlights

Financial highlights[4]

- Revenue 18% ahead of FY20
- Adjusted EBITDA from continuing operations 34% above FY20
- Operating loss significantly narrowed to £5.4m (FY20: £10.9m loss)
- Significant investment in the year; tangible capex of £18.0m (FY20: £5.9m)

Revenue from continuing operations (£m)

£125.1m

Gross margin from continuing operations (%)

52%

Adjusted EBITDA[1] from continuing operations (£m)

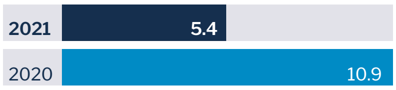
£19.4m

Adjusted EBITDA[1] margin from continuing operations (%)

16%

Operating loss from continuing operations (£m)

£5.4m



Total loss after tax (£m)

£11.6m

Total invested in R&D[2] (£m) (expensed and capitalised – continuing and discontinued operations)

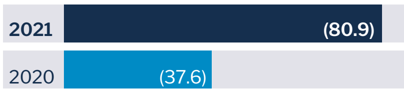
£11.8m

Tangible capex (£m)

£18.0m

Net debt[3] (£m)

£(80.9)m



1 Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, impairment and exceptional and acquisition-related items. See income statement.
2 See Note 36.
3 See Note 37.
4 Continuing operations unless otherwise noted.

Operational highlights

Genetics

Salmon: We continued the ramp-up of our facility in Salten, completed the first local salmon egg production and sales in Chile and constructed a new biosecure incubation centre in Iceland to meet periods of peak demand.

SPR shrimp: We prepared for the commercial launch by continuing test market sales in Asia and by expanding our breeding facility in Fellsmere, US, increasing our capacity to 100,000 shrimp breeders.

Tilapia: We commenced investment to increase the production capacity at our facility in Miami, allowing us to serve the local US market and deliver tilapia fingerlings year round.

Sustainability: We invested in energy-efficient systems in our shrimp facility in Fellsmere, which are expected to reduce current energy consumption by 50%, contributing towards our net zero targets.

Advanced Nutrition

Commercial focus: We strengthened our commercial team under new leadership, implemented processes that bring us closer to our customers and developed new digital tools. Together, this translated into an excellent performance in the year and good momentum going forward.

Investing in our facilities: We made a significant investment in our largest manufacturing plant located in Thailand, improving its safety, resilience, and energy efficiency. We are proud to have maintained excellent supply and customer service levels throughout the construction works.

Driving sustainability in our supply chain: We continued to drive sustainability in our supply chain by working with our existing and new suppliers to increasingly source ingredients from sustainable certified sources.

Health

Innovation: With the commercial launch and delivery of the first **Ectosan® Vet** and **CleanTreat®** treatments to our customers, we brought a solution to one of the industry's biggest challenges while protecting fish welfare and the oceans.

Sustainability: **CleanTreat®** received the highest level of recognition for environmental protection and sustainability by the Aquaculture Stewardship Council ("ASC"), the world's leading certification scheme for farmed aquaculture.

Driving sustainability in aquaculture

The challenge:
Aquaculture plays a crucial role in global food security. To feed a human population expected to reach almost ten billion people by 2050, aquaculture needs to continue to grow sustainably.

Benchmark's mission:
Our mission is to drive sustainability in aquaculture by delivering products and solutions that improve sustainability and profitability for aquaculture producers through better yield, quality, and animal health and welfare.

Our business is powered by committed people driven by the desire to make a difference. Guided by our values – innovative, passionate, collaborative and commercial – we contribute to a sustainable aquaculture future in ways that feed the world without harm.

See pages 40-51 for ESG report

Responsible Operator

See pages 30-31 for case study

Proactive Industry Leader

See pages 28-29 for case study

Real Impact Across the Value Chain

How do we achieve this?

We focus on three complementary business areas that are critical to the productivity and sustainability of aquaculture across the production cycle.

Genetics

Professional genetics provide a crucial starting point in aquaculture.

Through Benchmark's specialist genetics, fish and shrimp grow faster and live healthier lives using less resources – thus improving sustainability across the value chain, from egg to plate.

We apply the latest genomic tools in our salmon, shrimp and tilapia breeding programmes to deliver genetic traits that drive growth, quality and disease resistance.

Through our team of world-class geneticists we are the leading provider of aquaculture genetics services, building experience with 20 species in 16 countries.

Revenue from continuing operations

£46.8m

2020: £41.5m

See pages 18–19 for the Genetics Business Area Review

Advanced Nutrition

Early stage nutrition plays a critical role in the development of fish and shrimp up until the time of harvest.

We specialise in the early stages of production. We have a broad portfolio of nutritional, health and environmental solutions based on our proprietary technology which, together with our expert technical support, enable our customers to optimise their production. We are the leading provider of Advanced Nutrition solutions to hatcheries worldwide.

Revenue from continuing operations

£70.5m

2020: £59.4m

See pages 20-21 for the Advanced Nutrition Business Area Review

Health

Sea lice is one of the biggest sustainability challenges in salmon farming, affecting yield and animal welfare whilst constraining growth.

In FY21, we launched our breakthrough solution Ectosan® Vet and CleanTreat® in Norway, adding to Salmosan® Vet, our existing solution for sea lice.

Ectosan® Vet and CleanTreat® is highly efficacious, has an environmental profile and improves animal welfare.

We are working on expanding the use of CleanTreat®, our innovative purification system, more broadly in the industry to purify water from medicinal bath treatments before it is returned to the ocean.

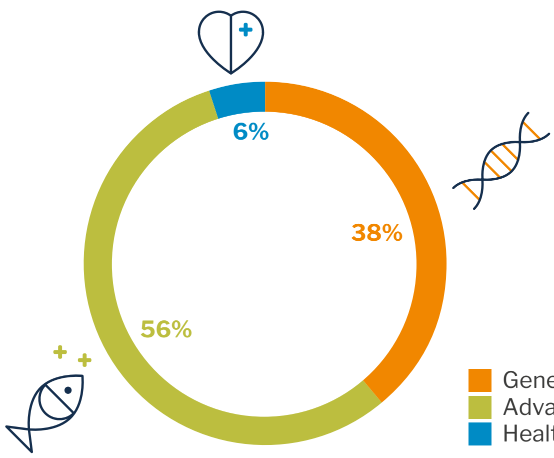
Revenue from continuing operations

£7.8m

2020: £5.2m

See pages 22-23 for the Health Business Area Review

Group revenue by business area



Revenue from continuing operations

£125.1m

2020: £105.6m

Genetics **38%**
Advanced Nutrition **56%**
Health **6%**

See pages 06-07 for Business Model

Driving sustainability in aquaculture

Global footprint with capacity for growth

Our locations
Benchmark is active in all the world's main aquaculture markets

Kollafjördur, Iceland

Salmon Freshwater Hatchery

- 200 families /80k smolt

Vogar, Iceland

Incubation Centre

- 200m eggs

Kalmanstjörn and Vogar, Iceland
Salmon Broodstock Farms

- 200t broodstock

Hafnir, Iceland

Lumpfish Hatchery

- 2.3m lumpfish

Salt Lake City, USA
Production Facility

- GSL Artemia
- Probiotics
- Diets packing

Miami, USA

Closed Breeding Nucleus Production Centre Spring Tilapia®

- 200 families/6m fingerlings

Fellsmere, USA
Elite Multiplication Centre

- 60m PL/96k broodstock

Punta Canoa, Colombia
Shrimp Breeding Nucleus

- 20 families + 10k breeders
- 20m PL/month

Pisa, Italy
R&D Facility

- Sea bass/bream trials
- Artemia and live feeds

Curacalco, Chile

Salmon Grow out Centre

- 15K smolt/25g juveniles

Ensenada, Chile
Salmon Breeding Nucleus and Incubation Centre

- 200 families/50m eggs

Capacity (year operational for Benchmark)

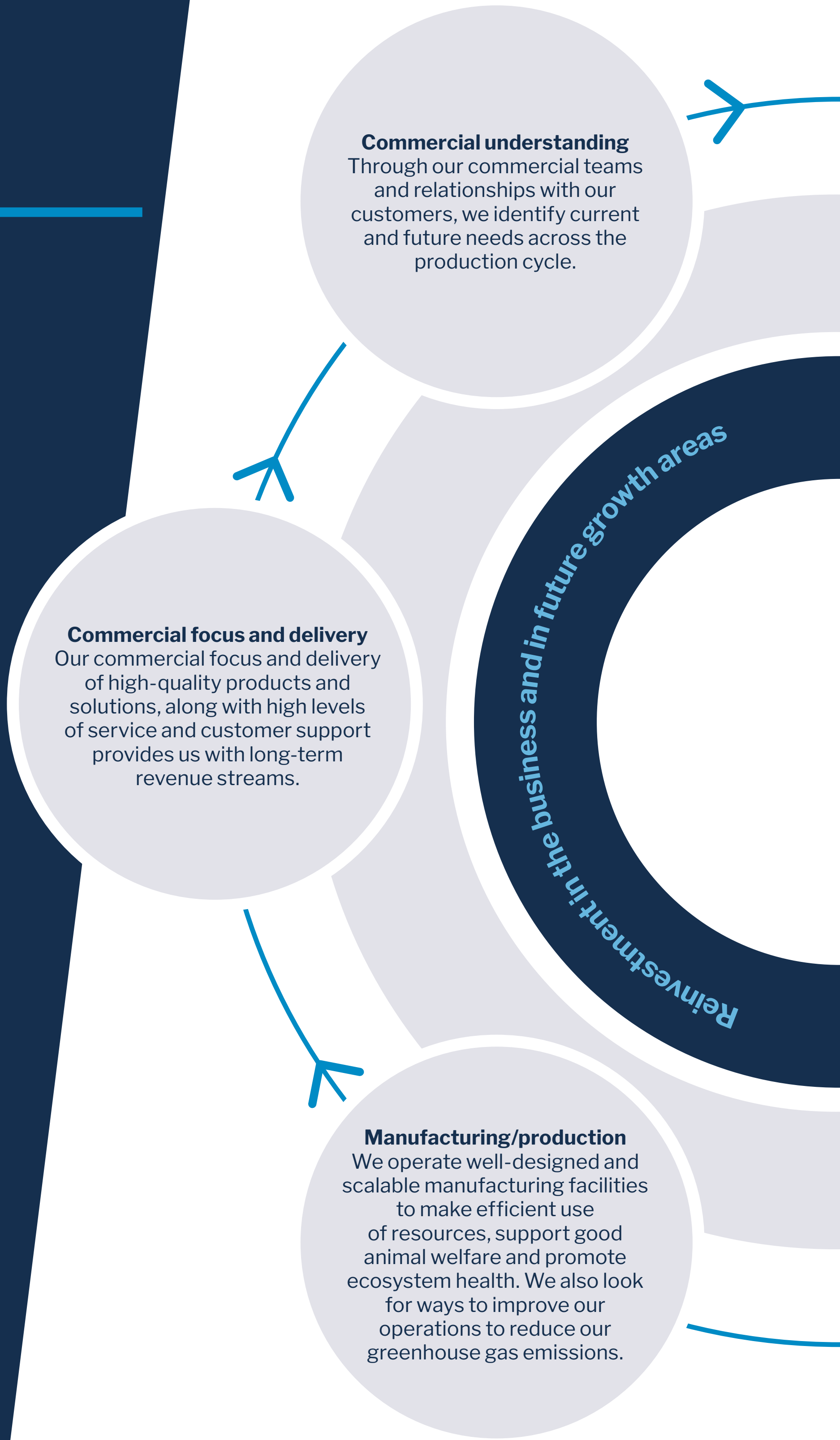

Salten, Norway
Land based Salmon Ova Production ("JV")
• 150m eggs/200t broodstock
Sunndalsøra, Norway
Genetics Centre and Breeding Programmes
• Expert team of geneticists
Lønningdal, Norway
Salmon Breeding Nucleus
• 350 salmon families/ 0.5 smolt
Dendermonde, Belgium
R&D Facility
• Experimental laboratories, Artemia
Phichit, Thailand Production Facility
• Artemia products and probiotics
• Compound feeds
Chonburi, Thailand R&D Facility
• Shrimp (larvae) culture trials
Nonthaburi, Thailand SPR Shrimp Multiplication centre ("JV")
• 40k shrimp broodstock
Production Sites and R&D – Genetics
Production Sites and R&D – Nutrition
Commercial Offices

Business Model

Our aim is to be the leading aquaculture biotechnology Company driving sustainability

What we do

We deliver products and solutions that enable aquaculture producers to improve their productivity and sustainability, helping address the need for sustainable aquatic food to feed a growing population.



What sets us apart

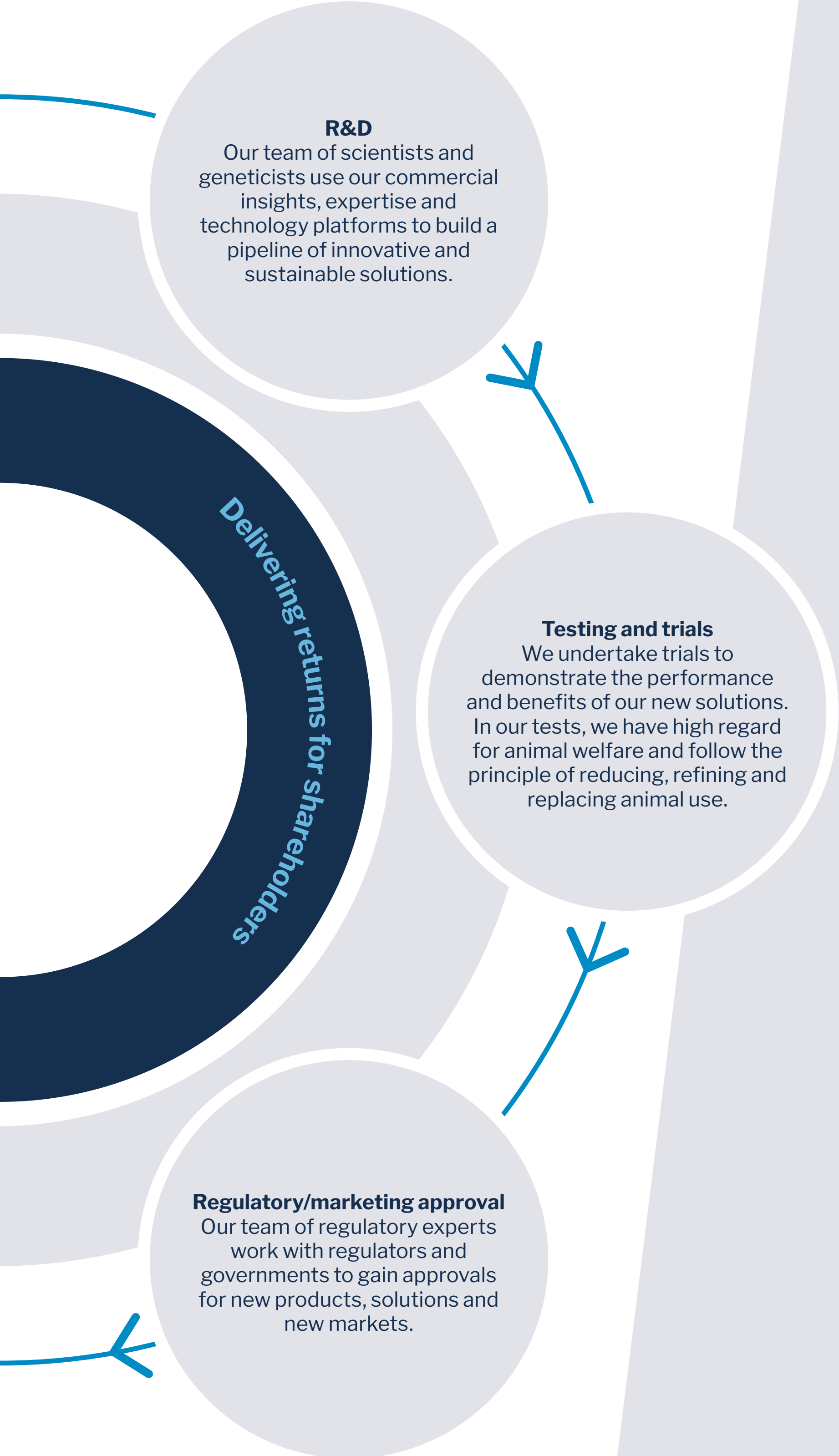
Expertise and insights
Our industry knowledge, customer relationships and experienced commercial teams in key aquaculture markets provide us with deep insight into the needs and sustainability challenges faced by aquaculture producers.

Intellectual property and innovation
We have a world-class team of scientists who develop innovative products and solutions for our customers. Our portfolio of products has robust intellectual property ("IP"), including 15 patent families and 136 patents.

People
Our people sit at the core of our organisation and drive everything we do. We have an accomplished management team with extensive experience, leading a team of more than 700 committed people working together towards the same goals.

Purpose and values
Our people are committed to our sustainability purpose and guided by our values – innovative, passionate, collaborative and commercial.

Collaborative approach
Through our collaborative approach with customers, suppliers, innovators and industry associations, we support and develop initiatives that promote sustainability across the aquaculture food chain.



The value we create for our stakeholders

The products and solutions we develop play an important role in meeting the needs of aquaculture producers and consumers for an ethical, reliable and nutritious source of animal protein in fish and shrimp.

For food producers
We make an important contribution to worldwide sustainable food production, delivering products and solutions that improve sustainability and performance for aquaculture producers through better yield, quality and animal health and welfare.

For consumers
Our products and solutions enable consumers to enjoy affordable, ethically sourced, high-quality food of high provenance.

For employees
We offer rewarding careers in a purpose-driven business with a culture of inclusiveness, where employees are motivated and inspired to make a difference.

For society
We contribute through job creation and training, investment in infrastructure, local sourcing and the taxes we pay. We also advance environmental stewardship in aquaculture.

For shareholders
We are committed to delivering long-term growth and returns for our shareholders.

See pages 52–54 for Stakeholder engagement

Chairman's Statement

A year of delivery

I am proud of Benchmark's performance in this financial year which is a reflection on our renewed commercial focus, the significant culture change undertaken by our new management team, and the commitment and dedication of our 796 people around the world.

Peter George
Chairman

Adjusted EBITDA

£19.4m

2020: £14.5m

See pages 34-39 for Financial Review

Performance

2021 was a very successful year for Benchmark with much accomplished financially, operationally and strategically. The Group delivered a strong financial performance across its three business areas with Revenue and Adjusted EBITDA 18% and 34% above last year respectively, reflecting our renewed commercial focus and supported by improving conditions in our core shrimp market. We reported a loss before tax of £9.2m which narrowed significantly from £22.6m in 2020, taking us a step closer to becoming profitable.

The COVID-19 pandemic remained a predominant feature throughout the year, presenting challenges including regional lockdowns, significant supply chain disruptions and increases in the cost of logistics. This called for continuous operational flexibility, the dedication and focus of our teams around the world, and a sustained effort to support the health, safety and well-being of our people. We remained resilient and able to serve our customers in the face of significant logistical challenges affecting many sectors of the global economy.

Strategically, we achieved an important milestone for the Group and for the aquaculture industry with the launch of our sea lice treatment Ectosan® Vet and CleanTreat®, a solution that addresses one of the largest sustainability challenges in salmon production as well as an important environmental challenge by avoiding ocean contamination. We continued to invest with discipline to grow organically in our core established areas including salmon genetics and Advanced Nutrition, as well as in new growth markets such as SPR shrimp and tilapia genetics.

Strategy
The Board continues to review the near and longer term opportunities available to the Group, and the means and resources required to realise these. Our strategy is unchanged. We remain focused on our goals to become the leading aquaculture biotechnology Company driving sustainability and to deliver profitable growth for our shareholders. We will continue to focus on our three business areas – Genetics, Advanced Nutrition and Health – which all play a critical role in the aquaculture value chain and represent attractive growing markets. The importance of an integrated sustainability approach across the aquaculture value chain is increasingly recognised, and this represents an important opportunity for Benchmark through our positioning in genetics, specialist nutrition and health, three critical areas for our customers.

We will continue to invest with discipline in our established businesses to grow from our core, building on our strong market positions. Projects in this area include the expansion of our facility in Iceland and investment in our tilapia facility in the US. We will also continue to invest in the new areas of growth which we are currently pursuing, including the roll-out of Ectosan® Vet and CleanTreat® and SPR shrimp, and continue to develop further growth opportunities.

Having an optimal capital structure will be a critical enabler of our strategy creating flexibility for the business, and this year the Board commenced a review of our capital structure in the context of the approaching maturity of the NOK 850m bond in 2023 and funding in the short term for investment opportunities to accelerate business area growth.

Going concern
The Board has reviewed the Group's forecast for the period to September 2023 and while there is material uncertainty surrounding renewal or replacement of the Group's financing facilities in 2023, the Directors are confident that these can be renewed or replaced before they expire, with trading going well despite the headwinds of the pandemic and relationships with finance providers strong. The Board therefore concluded that it remains appropriate to prepare the financial statements on a going concern basis.

Our people and our culture
Our talented, diverse team is one of our most important assets and an area of focus for the Board this year. Following the significant reorganisation in 2020, it was essential to realign our culture to our new strategic goals. Core elements of this effort included redefining our corporate values and implementing a new performance management framework and remuneration policy across the organisation. Our people embraced the change, demonstrated in excellent results in the employee engagement survey conducted during the year. We are proud of our inclusive culture which promotes diversity at all levels of the organisation - an important ESG factor for our business.

Board
Hugo Wahnish retired from the Board on 9 February 2021. A Board review conducted during the year shows there is a good balance of skills amongst Board members, and each is performing both their fiduciary and other Board roles to a high standard. The Board culture is good, supportive but challenging of management, steering the Company to a sustainable future.

Sustainability
Benchmark is a business with a purpose – to drive sustainability in aquaculture. Aquaculture plays an increasingly important role in safeguarding the world's food supply in a way that contributes to sustainable development. Driven by committed people with a desire to make a difference, our solutions make the aquaculture industry more efficient and sustainable by improving yield, resource efficiency and animal welfare, while mitigating the environmental impact. ESG considerations are embedded in our strategy and decision-making, and in our governance structure through our Board's sustainability committee. We operate responsibly, aiming for continuous improvement, and are committed to report on our ESG progress in a transparent way. A tangible example of our work this year is the development of a roadmap towards achieving our net zero goals leading to investments in several of our facilities in this area and commencing a climate risk assessment for the Group in alignment with TCFD recommendations ("Task Force for Climate-Related Financial Disclosures").

Outlook
We have laid solid foundations for our business with a clear strategy, financial discipline, culture and operational focus. Together with the good momentum we are seeing in each of our business areas and the growing need in our markets for sustainable aquaculture solutions, this creates a positive outlook in the near and the long term. We remain focused on becoming profitable and on delivering profitable growth for our shareholders through disciplined investment.

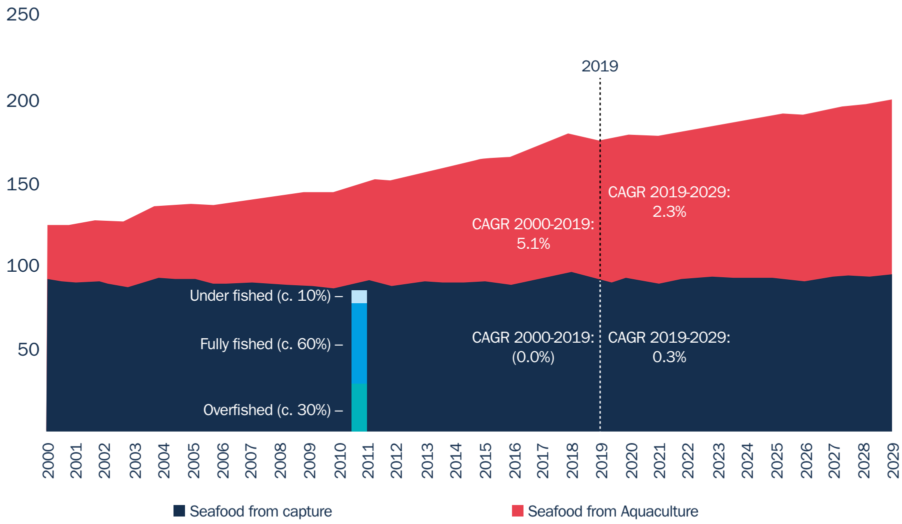
On behalf of the Board I would like to congratulate our management team and all our employees for an excellent performance and to thank our customers and shareholders for their continued support.

Peter George
Chairman

Market Overview

Attractive growing markets

Global Seafood production in million metric tonnes



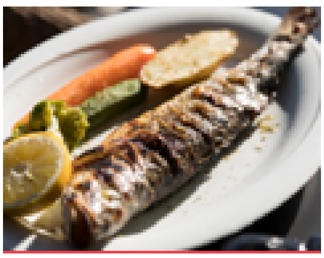
Source Rabobank, adapted from OECD-FAO Agricultural Outlook (2021-2030)

+527%

Rise in global aquaculture production from 1990 to 2018

+122%

Rise in total food fish consumption from 1990 to 2018



Despite the short-term impact from COVID-19, total aquaculture production is projected to reach 109 million tonnes in 2030 – an increase of 32% (26 million tonnes) over 2018[1].

Fish provides about 3.3 billion people with almost 20% of their average per capita intake of animal protein. In 2017, fish accounted for about 17% of total animal protein consumed globally[1].

In per capita terms, food fish consumption rose from 9.0kg (live weight equivalent) in 1961 to 20.3kg in 2017. The latest available estimates for 2018 currently stand at 20.5kg[1].

Today, aquaculture accounts for approximately 52% of the world's fish consumed for food, and this is expected to continue to increase.

What is driving this increase?

- Rising population.
- Growing middle class.
- Adoption of new technologies and production systems.
- Increased awareness of health benefits.
- Increased awareness of sustainability challenges.

There is growing recognition of the role that aquaculture can play in achieving the UN Sustainable Development Goals ("SDGs"). Farmed fish and shrimp are increasingly recognised not only as some of the healthiest foods, but also as some of the least impactful farmed animal protein for environment. For these reasons, they play a big part in future food security and nutrition strategies worldwide, and it is critical to maximise its benefits by implementing sustainable solutions that support growth.

Where is the growth coming from?

By species, aquaculture growth is mainly driven by crustacean and freshwater fish farming in developing economies – particularly in Asia – and by Atlantic salmon in the west[2].

Looking forward, a shift from dominant freshwater species, such as carp, to shrimp, tilapia and new species is expected, alongside continuous steady growth in salmon.

Geographically, Asia will continue to be the dominant region of production but significant growth is anticipated in Africa and Latin America[1].

1 FAO State of the World's Fisheries and Aquaculture 2020.
2 Rabobank (2018) 100 Billion Dollar Baby: Aquaculture Keeps Growing.

Species at a glance Salmon

Maturity level: high

Atlantic salmon has the highest level of industrialisation amongst aquaculture species.

Production[1]:

Volume:	2.7 million tonnes
Value:	$14 billion
Market growth:	5% (2021e)

1 Kontali, Pareto Securities, Company (2021)
2 Kontali 2019

Atlantic salmon represents the technical, operational and financial frontier of aquaculture. It is a semi-consolidated industry with expected global growth of 3 to 7% per annum. Coastal farming is the dominating paradigm, with land and ocean farming developing as new vectors. Growth in the industry is highly regulated due to environmental concerns; this limits the growth in supply, while growth in demand is expected to continue. This market dynamic highlights the importance of solutions to increase yield and sustainability.

COVID-19 impact

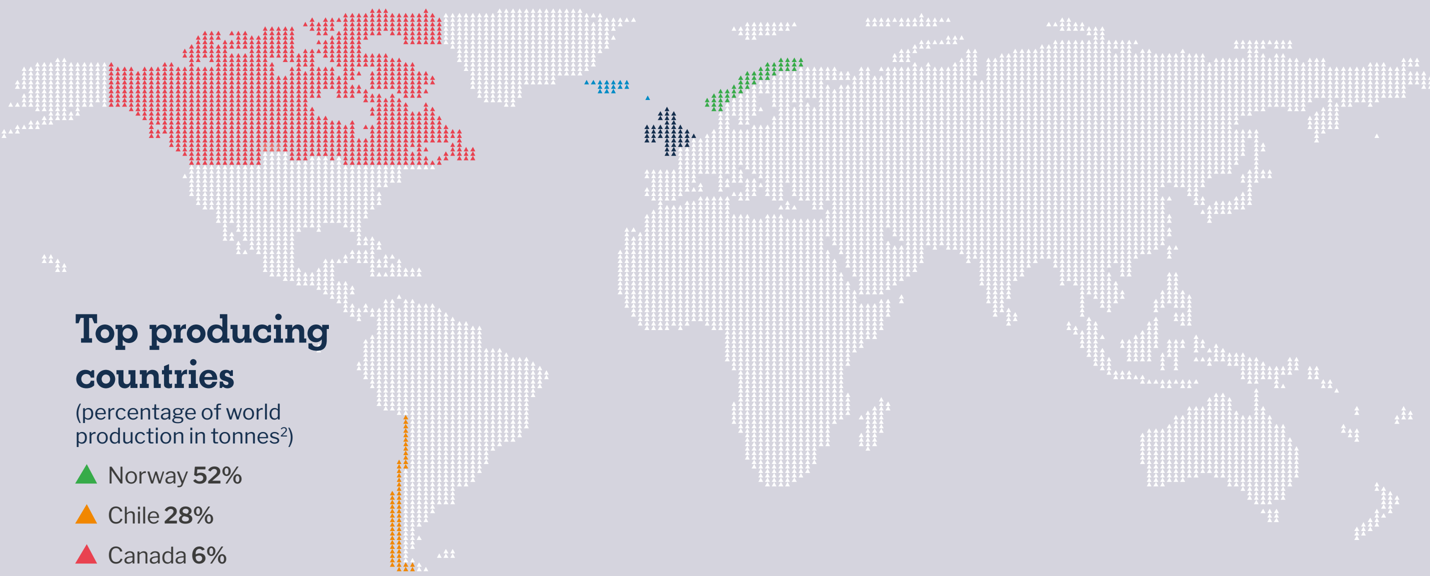
The salmon industry proved resilient through the COVID-19 pandemic. The industry was supported by its low dependence on the catering sector (30%), a long production cycle and strong industry players. In some countries, the sector benefited from an increase in home consumption.

Trends

- Continued strong emphasis on genetically robust salmon means that innovation in genetics will continue to play an important role in the industry.
- Increased focus on biosecurity, disease control, and the identification of effective solutions will remain a core focus.
- Development of land-based and recirculating aquaculture systems ("RAS") will open up new opportunities for future production growth.
- Increasing environmental challenges due to climate change; sea temperature changes can lead to new diseases and algal blooms.
- Development of novel feed ingredients.
- Increased awareness of the role of probiotics and health products in antimicrobial management and general fish health, as well as growing interest on organic production.
- Pressure is increasing from consumers/retailers for traceability of food back through the value chain supported by trusted certification.

Outlook

Growth is expected to continue. By 2040, production is expected to increase to 5.8 to 6.5 million tonnes across production paradigms (coastal, ocean and land-based) driven by demand growth and continued innovation across the value chain.



Top producing countries

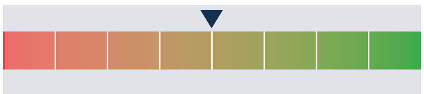
(percentage of world production in tonnes[2])

- Norway **52%**
- Chile **28%**
- Canada **6%**
- UK **6%**
- Iceland & Faroes **4%**

Market Overview continued

Species at a glance Mediterranean sea bass and sea bream

Maturity level: medium



Production processes and standards are developing quickly in the Mediterranean sea bass and bream sectors, with more farms adopting certification schemes, such as Aquaculture Stewardship Council ("ASC") standards, and increased awareness of health management and biosecurity.

Production[1]:

Volume sea bass:	194,000 tonnes
Volume sea bream:	223,000 tonnes
Total value:	$2.5 billion
Market growth:	2% (2021e)

1 BMK Hatchery Production MI data (2021)
2 Rabobank, Kontaly (2021)

Overview

The Mediterranean sea bass and sea bream industry is semi-consolidated and partly integrated. There is a high level of standardisation in some aspects of the industry, such as feeding protocols, and we have seen an increased focus on breeding programmes to produce robust fry. Sustainability initiatives such as reducing antibiotic use and regulating the supply chain are also considered increasingly important.

COVID-19 impact

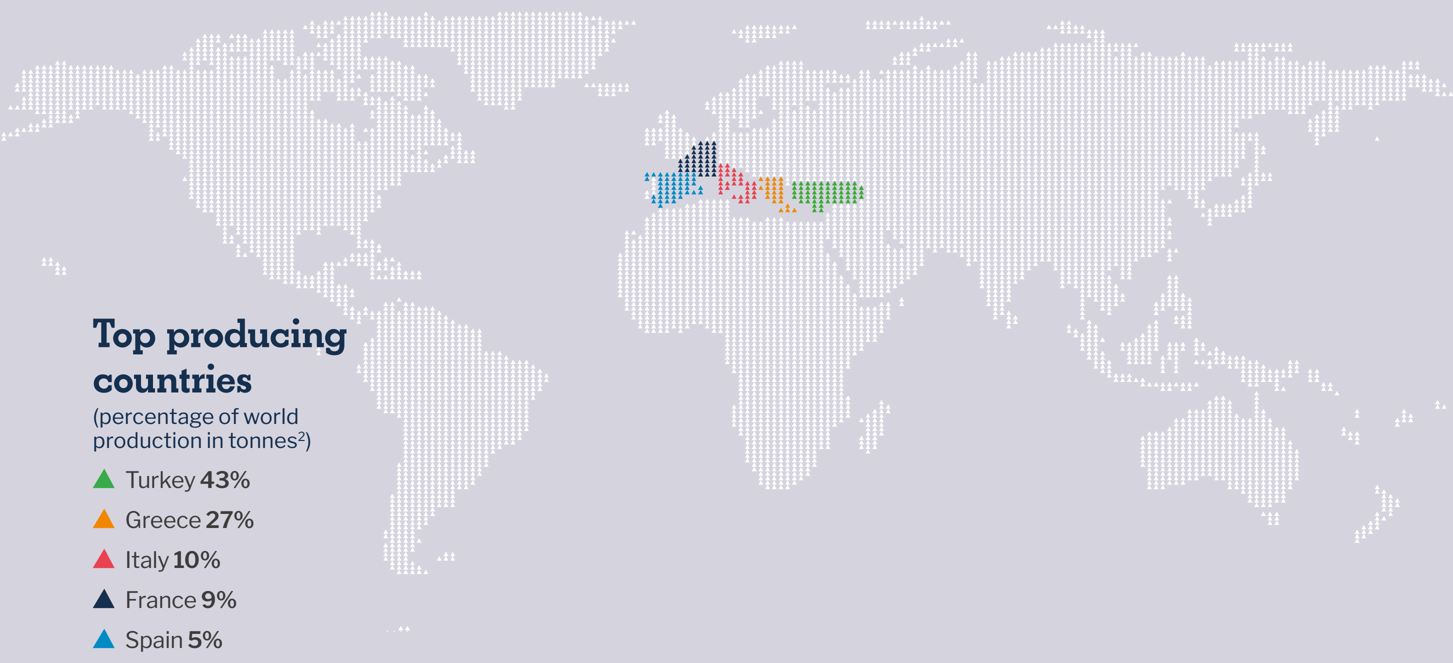
Like with shrimp, the Mediterranean sea bass and bream industry is closely tied to food services, but benefits from a longer production cycle and, therefore, suffered fewer adverse consequences as a result of the COVID-19 pandemic and has recovered well.

Trends

- Automation and standardisation are increasing across the industry.
- Data management across the supply chain is coming into focus to improve efficiency, health management and traceability.
- There is an increasing focus on breeding programmes to produce robust fry.
- Ongoing consolidation of producers and supply chain participants is driving efficiency.
- Certification is likely to become increasingly important throughout the supply chain as consumer awareness of sustainability grows.
- Opportunities are arising for product innovation and marketing to drive demand.
- Some producers are considering new warm water species such as Corvina, Seriola and Pagrus.

Outlook

The industry is expected to grow following the easing of national restrictions from the COVID-19 pandemic. The trend for consolidation into larger professional farms is likely to continue due to the need to increase efficiency throughout the industry.



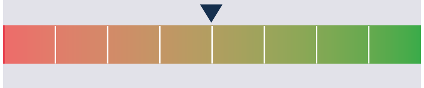
Top producing countries

(percentage of world production in tonnes[2])

- Turkey **43%**
- Greece **27%**
- Italy **10%**
- France **9%**
- Spain **5%**

Species at a glance
Shrimp

Maturity level: medium



Shrimp farming systems are very diverse in their management, size and ownership structure from small family-operated farms to significant industrial producers; some have adopted indoor production systems and increased environmental control.

Production[1]: est.

Volume:	2.8 million tonnes
Value:	$14 billion
Market growth:	6% (2021e)

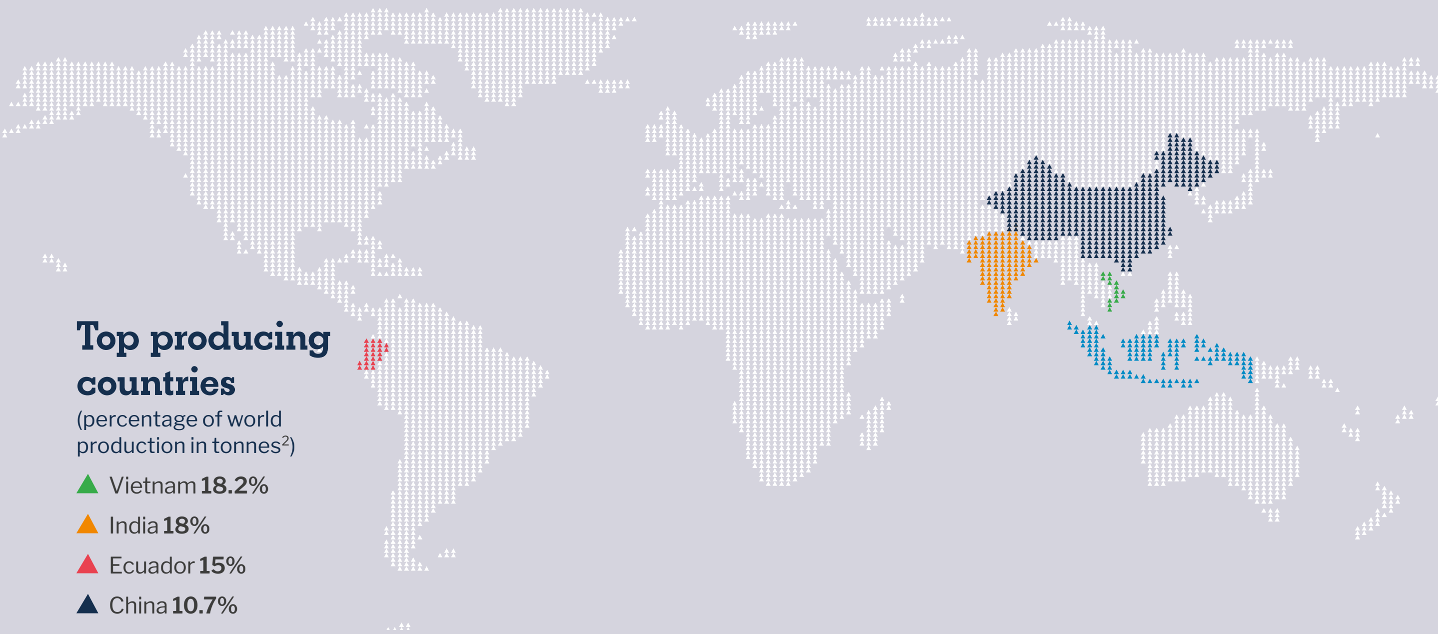
Overview
The shrimp industry consists of a large and diverse range of players with different production systems and degrees of integration. Geographically, the sector is spread primarily across Asia and the Americas. The main producing countries include China, Ecuador, India, Vietnam and Indonesia. The industry is facing increasing sustainability issues because of environmental and disease-related concerns, leading to more demand for certification and traceability, as well as holistic solutions. This trend highlights opportunities for the integration of sustainable solutions and technologies.

COVID-19 impact
Shrimp aquaculture was significantly affected by COVID-19 due to its reliance on the hospitality sector. After an estimated supply drop of 10% in 2020, growth returned in 2021 and is expected to continue.

Trends
- Innovation in the supply chain is growing: technologies including probiotics, bioflocs and genetics are increasingly being adopted by the sector to improve yield, reduce mortality and address environmental concerns.
- Intensification and new availability of land is driving growth in all key producing countries.
- There is an increasing interest in new shrimp species.
- Sustainability considerations are growing across the market, leading to increased certification and traceability and a global move towards shorter supply chains for environmental reasons.
- There is a growing focus on how artificial intelligence and technology can benefit the whole value chain.
- There is a general push to reduce fish meal and fish oil in aquafeeds.

Outlook
The industry is recovering as we emerge from the COVID-19 pandemic. Demand and prices are rising, leading producers to increase their stocking levels. Innovation, including enhanced breeding and deep biosecure ponds, will continue to drive future growth.

1 Rabobank
2 FAO



Top producing countries
(percentage of world production in tonnes[2])

- Vietnam **18.2%**
- India **18%**
- Ecuador **15%**
- China **10.7%**
- Indonesia **6.7%**

Market Overview continued

Species at a glance Tilapia

Maturity level: low

Tilapia aquaculture is a large, fragmented industry with significant potential to benefit from solutions that reduce mortality and increase yield.

Production[1]:

Volume:	6.3 million tonnes
Value:	$6.3 billion
Est. market access:	30%
Market growth:	3% (2021)

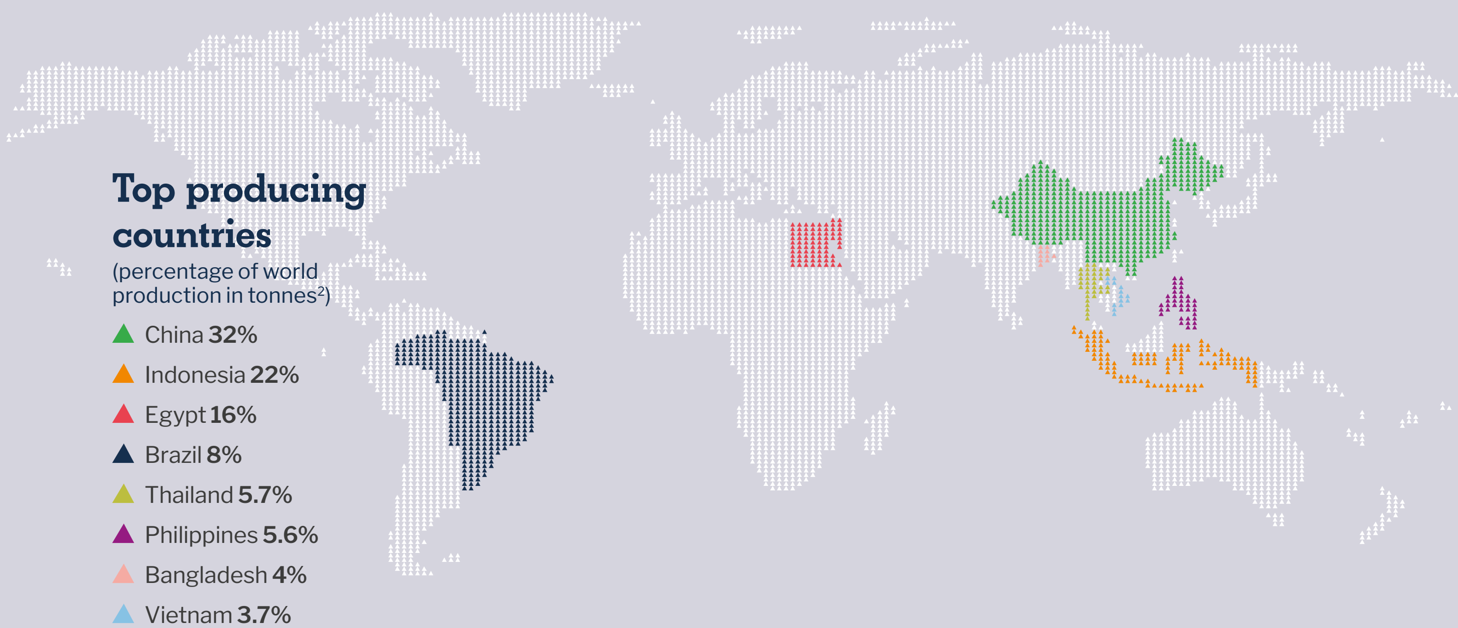
1 BMK Company estimates (2021)
2 Anuario Peixe BR da Piscicultura 2021

Overview
The tilapia aquaculture industry is large and early in its development. It is highly fragmented with producers ranging in size and level of industrialisation. This, in turn, has led to variability in production conditions and output. Historically, it has been an industry with low margins; however, it is seeing increasing integration to create efficiency and increase profitability.

COVID-19 impact
The tilapia industry experienced a fall in growth as a result of the COVID-19 pandemic. As we re-emerge from the pandemic, growth is expected to resume. Given the fragmented nature of the industry, the rate of recovery will vary across markets and producers.

Trends
- Increase in professionalism in some markets (for example, Brazil), but other large markets have not seen the same adoption of technologies.
- High mortality levels and the emergence of new disease challenges, imposing cost pressures on suppliers, producers and processors.
- Consumers are increasingly concerned about the use of hormones, antibiotics and non-sustainable farming practices.
- Trade barriers and protectionism are increasing due to a growing desire for local production coupled with policy decisions.
- Although consumer prices are low, the US tilapia market is seeing some initiatives to add premium qualities to retail shelves, such as organic or Made-in-US products.
- Consumer habits are driving an increase in the commercial importance of fillet yield, resulting in a higher proportion of tilapia harvested for fillets.
- Increasing investment is being made in West and Sub-Saharan African production regions.

Outlook
The tilapia industry is in the early stages of development with significant potential. It is expected to resume its growth following the COVID-19 pandemic. However, there are challenges that need to be overcome to realise its potential – such as high mortality levels, disease challenges and low margins.



Chief Executive Officer's Review

A year of financial and strategic delivery

FY21 was a year of establishing firm foundations with a new strategic identity and commercial focus contributing to our strong results. There is good momentum in the business and positive dynamics in our industry creating significant opportunities to deliver value for all our stakeholders.

Trond Williksen
Chief Executive Officer

Group Revenue

£125.1m

2020: £105.6m

See pages 18-23 for Business Area Review

FY21 was a year of laying firm foundations following a substantial reorganisation. We have reached our targets, establishing the base from which we can realise the potential Benchmark has with its unique position in the market.

In FY21, we embedded a new strategic identity and undertook a significant culture transformation. We developed new corporate values and a performance management framework aligned to our strategy, creating a shift towards a more commercial and focused organisation. With the benefit of a streamlined Group and increased management focus as well as recovery in our core shrimp markets, we delivered revenues of £125.1m and Adjusted EBITDA of £19.4m, 18% and 34% above last year respectively. On a constant currency basis, revenue grew by 24% and Adjusted EBITDA increased by 43%. Loss before tax improved from £22.6m in 2020 to £9.2m in 2021.

Our strategic priorities framework enabled us to direct management time and resources, and as a result we made significant progress across the board. A top priority this year was the launch of our innovative sea lice treatment Ectosan®Vet and CleanTreat® in Norway and this was achieved in August 2021. The launch was the culmination of a rigorous regulatory process including the ratification of the Maximum Residue Limit ("MRL") and a Marketing Authorisation in Norway. We are now in a position where we can look forward to benefit from a new income stream and earnings in our Health business – which has been an area of consistent investment over the years.

A second priority in FY21 was to strengthen our position in the shrimp hatchery market, particularly in Artemia. Under new leadership, we implemented a new commercial model focused on performance, increasing the use of digital channels, technical services and specialist education to engage with our customers. This resulted in an increase in Artemia revenues of 22%, significantly offsetting the impact of a tactical price reduction implemented in FY20.

The integration of the Group continues to be a priority in order to realise the potential that our unique strategic positioning provides. During the year, we made good progress bringing together our innovation, strategy development and sustainability efforts across our three business areas. In addition, we simplified our corporate structure and co-located activities in a number of countries in which we are present.

We made progress towards the launch of our SPR shrimp, continuing our test market sales and building the infrastructure required to support a commercial launch in FY22.

Looking forward to FY22 and beyond, we have significant opportunities which will make Benchmark a cash- generative, profitable, and growing Group. We will keep our focus on the execution of our near-term growth opportunities, while maintaining our strong position in our established markets supported by disciplined investment and cost control. This will enable us to achieve our goal to become profitable and deliver value for all of our stakeholders.

Business area reviews

Genetics

Genetics reported revenue from continuing operations of £46.8m, 13% above last year, driven primarily by higher salmon egg sales. Adjusted EBITDA of £11.5m was 20% below FY20. The Adjusted EBITDA result primarily reflects costs in our new genetics growth areas and normalised R&D investment.

Strategically, we continued to invest to build on our stronghold in salmon to cover all production paradigms including land-based and ocean farming. To this end, we built a new incubation centre in Iceland in the year which will allow us to meet periods of peak demand, and represents the first step to increase capacity in Iceland to meet the demand from the emerging land-based sector where we have built a dominant position. We continued with the test market for our shrimp genetics while we increased capacity in our Fellsmere facility to 100,000 breeders and commenced seeding of JV multiplication centre in Thailand in preparation for a gradual commercial launch in FY22. We revisited our strategy in tilapia with the goal of maintaining a small but profitable presence in key tilapia markets and growing as the market matures. Our genetics consultancy services play an important role in maintaining our competitive position, giving us visibility and access to state-of-the-art technologies as well as strongly positioning the Group to enter new aquaculture species in the future.

Advanced Nutrition

Advanced Nutrition reported revenue from continuing operations of £70.5m, 19% ahead of FY20 driven by increased sales in the three product areas – Artemia, Health and Diets – with significant growth in Asia, India and Indonesia in particular, offsetting a drop in the Americas due to poor market conditions, particularly in Ecuador. Adjusted EBITDA of £13.8m more than doubled (FY21: £6.4m) as a result of higher sales and margins and continued cost control.

Our strategy in Advanced Nutrition is to stay highly specialised, addressing areas where our technology-rich solutions can have significant impact for our customers. By focusing on the early stages of aquaculture production with specialised nutrition and health solutions we can increase the productivity and sustainability throughout the production cycle, creating value for our customers. We will build on our unique competencies – our leading market position and distribution infrastructure – through a stronger commercial drive and ongoing investment in innovation. We will also invest selectively in our facilities to support our growth and align the energy efficiency in our operations towards achieving our net zero goals.

Health

In Health, we reported revenue from continuing operations of £7.8m, 50% ahead of the prior year reflecting the Group's first Ectosan®Vet and CleanTreat® sales and higher sales of Salmosan® Vet. Adjusted EBITDA loss was £2.7m (FY20: £3.7m) with the improvement resulting from higher sales and lower R&D investment which offset higher operating costs relating to the launch of Ectosan®Vet and CleanTreat®.

The roll-out in Norway of Ectosan®Vet and CleanTreat® will continue to be our main priority. It is fair to say that we are still in the early stages of commercialisation, working with existing and potential customers to help them integrate the solution into their sea lice treatment strategy. As expected, this takes both effort and time. The good news is that the interest for the solution is good and that the experience so far confirms the excellent efficacy of the medicine and the technical performance of the CleanTreat® system.

We are also pursuing an extension of the Marketing Authorisation in Norway which will allow us to achieve higher margins in the coming years. We have completed the first step in the process which is making a regulatory submission.

In addition, we are working on developing the potential for CleanTreat® as a platform for sustainable bath treatments which would represent an important development for the aquaculture industry as a whole. Post period end, CleanTreat® received the highest level of recognition for environmental protection and sustainability by the Aquaculture Stewardship Council, a significant achievement.

Outlook

There is good momentum in our business supported by positive conditions in our markets. The salmon markets are stable with positive outlook for continuous growth, while the shrimp markets experienced significant recovery in FY21 and are expected to continue to grow.

More broadly, aquaculture is one of the fastest growing areas in food production owing to a rise in population and wealth as well as health and climate change awareness. In order for the industry to grow sustainably and meet the increasing demand, sustainable solutions are required that address fish health and welfare, resource efficiency, antimicrobial resistance, environment and biodiversity. There is increasing recognition of the importance of an integrated approach to sustainability across the aquaculture value chain, and Benchmark is uniquely positioned through our solutions positioned in the critical stages of production.

Trond Williksen
Chief Executive Officer

Business Area Review:
Genetics

"In a demanding year with the world impacted by COVID-19, we have managed to continue developing our business and are well-positioned to further grow our market shares in salmon, shrimp and tilapia genetics in the years to come."

Jan-Emil Johannessen
Head of Benchmark Genetics

Revenue from continuing operations[1]

£46.8m

2020: £41.5m

1 See Note 36.

Delivering continued genetic improvement to aquaculture worldwide.

We are a leader in aquaculture genetics with in-house, family-based breeding programmes in salmon, shrimp and tilapia. Our strategy is innovation-led and customer-focused, using modern breeding techniques such as quantitative trait loci ("QTL") in genomic selection. Our long-standing collaborations and partnerships with leading aquaculture producers are as important as technology when working on genetic improvements and developing new products and services. Our technical support team of experts is critical to ensuring that our customers take full advantage of the potential of our genetics.

Overview
Strategic progress

Salmon
- We continued the successful ramp-up of our land-based salmon egg facility in Salten, Norway, which has a capacity to produce 150 million eggs. In FY21, 110 million eggs were sold – up from 90 million eggs in 2020.
- We celebrated the first local salmon egg production and sales of our SagaChile strain in Chile, in line with our strategy to deliver a tailor-made, fully adapted range of products at the highest level of biosecurity in each of our markets.
- We commenced the construction of a new biosecure incubation centre in Iceland in the first step towards expanding our production capacity. The new incubation facility will allow us to meet periods of peak demand within the existing capacity and grow market share.
- We established a leading position in the emerging land-based salmon segment, winning multiple new contracts for future delivery as our customers' facilities currently under construction come into production.

Shrimp
- We continued to test market sales of our shrimp breeders in Asia, focusing on Vietnam, Thailand, Indonesia and China. The results from our test market inform the development of our tailored offering ahead of a commercial launch. Our goal is to develop a portfolio of products adapted to the individual environmental conditions and needs of our customers in different countries.
- We expanded our breeding facility in Fellsmere, US, in preparation for the commercial launch of our shrimp genetics. The development increased our capacity to 100,000 shrimp breeders per year.
- The construction of the multiplication centre in Thailand under our joint venture was impacted by delays caused by COVID-19 but has resumed. Shrimp production at the facility, which will have a capacity of 30,000 breeders per year, commenced in October 2021, with the first deliveries in April 2022.
- We obtained an import licence for our shrimp broodstock from Florida to India – the second largest shrimp breeder market globally.

Tilapia
- We commenced investment to increase the production capacity of tilapia fingerlings at our facility in Miami, Florida. The increase in capacity will allow us to serve the local US market and to supply fingerlings on broodstock contracts. The investment will also enable us to deliver fingerlings all year round – an important enhancement to our current offering.
- This summer, we produced the tenth generation of genetically improved tilapia since the start of our programme. Since the first generation, we have achieved significant advances in production efficiency and delivery of disease resistance traits.

COVID-19
- Our salmon business remained stable and resilient throughout the pandemic, although activities in Chile were temporarily affected.
- The shrimp market showed a recovering trend as the hospitality sector reopened improving the outlook for the commercial roll-out of our SPR shrimp.

Sustainability
Our genetics products have a positive impact on the sustainability of aquaculture. Genetics are the very starting point of the production chain. Every improvement in efficiency or survivability contributes to a more sustainable end product.

In addition, we aim to continuously improve the sustainability of our operations. During the year, we reached some important milestones:
- We invested in energy-efficient heating systems in our shrimp facility in Fellsmere, which are expected to reduce current energy consumption by 50%, contributing towards our net zero targets
- Our facility in Salten, which has been recognised for its energy efficiency, minimises its environmental footprint by using close to 100% renewable energy as well as sending fish and sludge waste for biodigestion.
- We expanded our animal health and welfare activities, identifying ways to improve our protocols, conducting awareness raising workshops and developing a new training programme focused on shrimp.

Business Area Review:

Advanced Nutrition

Adding value at key points in the production cycle.

"Over the past 12 months we have made significant progress in focusing on our customers' needs to help drive growth. The whole organisation has come together to meet and achieve expectations and position ourselves for further growth."

Phil Doyle
Commercial Director

Revenue from continuing operation[1]

£70.5m

2020: £59.4m

1 See Note 36.

Larvae quality is one of the main drivers for successful and sustainable fish and shrimp farming. This is why we develop sustainable solutions that help larvae, fry and postlarvae exploit their full potential throughout the production cycle.

Our nutritional solutions, including our range of Artemia products and technologies, specialist diets, antimicrobial solutions, such as probiotics; and our environmental products such as water and soil treatments, all of which contribute to more successful, consistent and sustainable production. To complement our range of products and solutions, our technical support team work closely with our customers to develop nutritional and environmental protocols that are tailored to a specific production system and specific environmental conditions to achieve optimal results. Our expert technical team have many decades of combined experience across geographies and production systems which differentiates us in the market.

Overview

Strategic progress

Commercial focus

We made significant steps towards our goal of getting closer to our customers – the real users of our products and services.

- We strengthened our commercial team under new leadership, implementing processes and methodologies that focus on performance and impact, driving excellent performance in the year.
- We launched new, information-rich websites and increased our use of digital channels to communicate globally. Going forward, these advances will continue to be an important pillar of our customer engagement complementing our face-to-face activities.
- We enhanced our specialist education to customers developing content and delivering webinars in local languages.

Investing in our facilities

- Throughout the year we invested £3.2 million to improve safety, fire resilience and energy efficiency at our manufacturing plant in Thailand. The Thailand plant is our largest facility, responsible for the production of our Artemia-enriched products and specialist diets, and runs at close to capacity. We are proud to have maintained excellent supply and service levels throughout the construction works.

Innovation and collaboration

- Our collaboration with the Center for Microbial Ecology and Technology (CMET, Ghent University) culminated in the publication of research in microbial management, revealing potential for improvements in farming efficiency. In aquaculture, the presence of bacteria in farming water influences nutrient cycles, metabolic waste degradation, digestion and health, so managing microbes – including through the use of Benchmark's products and future innovation – is important for the industry.
- As part of our ongoing relationships with university and research institutions, we opened our virtual doors to students from the Rotterdam School of Management to develop a sustainability scorecard for our products, bringing a new independent perspective. This work is also part of our effort to share knowledge and create awareness of the importance of sustainability amongst the future generation of professionals.

COVID-19

- Challenges ranged from changes in consumer end markets, to the restrictions in movements impacting inventory, to reduced operations or temporary closure of processing and packaging facilities in some countries.
- Significant challenges existed around logistics; securing container routes and countering delays in departure and arrival in key ports. We've mitigated impacts by working closely with them and logistic companies to ensure delivery.

Sustainability

- This year we have focused on driving sustainability in our supply chain. We initiated an effort within our procurement team to further increase the proportion of marine and plant ingredients from sustainable certified sources by selecting new suppliers or working with existing ones. The long-lasting benefits of this ongoing effort will become evident in the years to come.
- We have progressed further towards our goal of net zero. Our facility in Thailand is responsible for a significant proportion of the Group's GHG emissions and as such is an area of focus in our environmental programme. During the year, we commissioned an independent energy efficiency review to identify opportunities to reduce our carbon footprint. While the review suffered some delays as a result of constraints in the region due to COVID-19, it is now progressing and we expect to consider the recommendations in H1 FY22.

Business Area Review:
Health

Delivering sustainable solutions to some of aquaculture's most pressing challenges in animal health.

"2021 was a milestone year for Benchmark Health with the commercial launch of Ectosan® Vet and CleanTreat®. The launch is the culmination of more than a decade of innovation, research and extensive trials to bring to the industry a sustainable solution that addresses one of the main biological challenges – sea lice. I am proud of the talented and committed multidisciplinary team who worked together to achieve this."

John Marshall
Head of Health

Revenue from continuing operations[1]

£7.8m
2020: £5.2m

1 See Note 36.

Following the reprioritisation that took place in 2020, Benchmark Health's near-term focus is on the commercial roll-out of Ectosan® Vet and CleanTreat® in Norway and on expanding the use of CleanTreat® to bring to the industry a solution to purify treatment water from other medicinal bath treatments before it is returned to the ocean.

Overview
Strategic progress

Ectosan® Vet and CleanTreat®

While the ultimate achievement in the year was the commercial launch and delivery of the first Ectosan® Vet and CleanTreat® treatments to our customers, there were many significant milestones achieved during the year, each worth mentioning as they show the stringent review process that was carried out to ensure the safety of our breakthrough solution for our customers, the consumer, the fish and the environment.

- In March 2021, we signed the first customer contract for CleanTreat®, confirming the need in the market for our solution.
- In April 2021, the MRL ("Maximum Residue Limit") was ratified under European Law. The MRL confirms the safety of Ectosan® Vet for consumers and represented a significant milestone in the regulatory approval process towards the commercial launch in Norway.
- On 2 July 2021, we received the Marketing Authorisation ("MA") for Ectosan® Vet from the Norwegian Medicines Agency.
- On 15 July 2021, the MRL ("Maximum Residue Limit") was ratified under Norwegian Law.
- On 11 August 2021, we successfully conducted the first commercial Ectosan® Vet treatments and CleanTreat® water purification in Norway.
- In September 2021, we received the highest level of recognition for environmental protection and sustainability, by the Aquaculture Stewardship Council ("ASC") for CleanTreat®.

CleanTreat®

- Completed a development plan for use of CleanTreat® with Salmosan® Vet treatments.
- Awarded Scottish project funding for Salmosan® Vet and CleanTreat® development project with industry partners (customers and academia) to progress in the new financial year.
- Increased the efficiency of CleanTreat® in order to optimise working hours.

Sustainability

- As mentioned above CleanTreat® received the highest level of recognition for environmental protection and sustainability, by the ASC. The ASC is the world's leading certification scheme for farmed aquaculture. Following an extensive review, the ASC have included CleanTreat® as a mitigation tool in their current 'Weighted Number of Medicinal Treatments'. ASC concluded that any treatments performed in a closed contained system, that then applies water purification steps via CleanTreat® to remove the veterinary medicine, will receive a score of 'zero' – the best score possible.
- We will continue to optimise our CleanTreat® operation as part of our commitment to continuously improve the environmental footprint of our activities and increase the efficiency of our customers. We are passionate in helping our customers and the wider industry take a responsible approach to medicine use and meet the highest standards of sustainability.

Strategic Framework and Priorities

Driving growth and performance

Having completed an extensive restructuring in 2020, it was time to evaluate our strategic framework and priorities, and align them to our goals of reaching profitability and creating long-term value for our stakeholders.

Therefore, in FY21 we implemented a new strategic framework which enables us to identify the Group's top priorities and focus our time and resources accordingly.

Strategic principles

True to core

- Focused on our three business areas
- Leveraging existing competencies
- Developing our technology base
- Maintaining a well-invested footprint

+

Financial discipline

- Cost and cash management
- Disciplined investment
- Capital allocation aligned to strategy

+

Execution

- Culture of delivery
- Aligned incentives and performance management
- Strategic priority framework

+

Profitable growth

- Organic development in existing and new areas
- Leverage Group capabilities
- Complementary partnerships and add-on acquisition
- Disciplined opportunism

Delivery and progress

Strategic priorities

Aligned to these strategic principles, we have set strategic priorities for each of our business areas and support functions. By identifying the most important priorities for the Group, we have focused our efforts and aligned our resources towards achieving our objectives.

Strategic Pillars	2021 Strategic Priority	2021 Delivery	2022 Strategic Priority
Maintain and grow our leadership position in each of our established markets	Maintain our leadership in the shrimp hatchery segment by regaining Artemia market share and through continuing innovation	Through a new commercial focus and strategy and the relaunch of our technologies, we regained market share in Artemia delivering a significant (22%) increase in sales	We will build on the positive momentum in our Advanced Nutrition business to grow our market share across all our product areas with the objective of achieving a leading position in each of our product areas and markets. We will do this through a continuation of the commercial strategies and processes being implemented together with our ongoing innovation effort.
Grow organically through the launch of new products and entry into new markets	Launch of Ectosan Vet® and CleanTreat® in Norway	We obtained Marketing Authorisation in Norway and commenced commercial operations. Our first phase of the roll-out is progressing well showing excellent efficacy and customer satisfaction	We will continue the roll-out of our sea lice solution in Norway, working closely with our customers to optimise the use of our solution for their specific requirements based on their production systems, schedules and environmental conditions. We will continue to progress our regulatory work to obtain a label extension to our existing Marketing Authorisation which will enable us to achieve higher margins in the future.
	Launch of SPR shrimp	We continued our test market sales in Asia which have informed our product strategy ahead of the commercial launch. In addition, we expanded our facility in Fellsmere, US, increasing capacity to achieve commercial readiness. Construction of our JV multiplication centre in Thailand completed	Commercial launch of SPR shrimp. First production at JV multiplication centre in Thailand.
'One Benchmark' – continue to integrate the Group and embed our new culture aligned to our strategic goals	Implement simplified corporate and organisational structure	We simplified our corporate structure and co-located operations in Norway and Chile	Our FY22 objective is to deliver an integrated Groupwide ESG programme aligned to Benchmark's commitment as a responsible operator and industry leader driving sustainability.
	Align People processes towards delivery of Strategic Priorities and One Benchmark	As part of our effort to transform our culture, we developed and launched new corporate values, remuneration policy and performance management framework	Deliver a People Agenda that continues to build the 'One Benchmark' Culture and makes the company a 'Great Place to Work'.

Strategy in Action: Creating a One Benchmark culture

Following the Company's reorganisation in 2020, we set a clear priority: to create a One Benchmark culture aligned with our new strategic identity and goals. We are promoting an environment in which our people are engaged; where they can develop, feel motivated and contribute their time and talents effectively towards our goals.

In 2021, we implemented a new **strategic priorities framework**, aligning the Group's efforts towards the same goals. We reset our **values**, recognising our new commercial identity, and developed new **remuneration and performance management frameworks**. In addition, we created **cross-Group initiatives** in strategic areas, including innovation and sustainability.

Our values underpin who we are at Benchmark, how we interact and how we make decisions. To establish values that truly resonate with people across our diverse Group, we sought input from Benchmark's teams around the globe. Employee champions in 18 countries shaped the values proposed by the leadership team, incorporating suggestions from people in all areas of the business. In an approach carefully designed to strengthen the One Benchmark community, the final set of values was introduced to teams through 35 local, highly interactive workshops.

We have already seen improvements since introducing the One Benchmark culture. The overwhelmingly positive responses to our employee engagement survey, for example, demonstrates progress in several important areas. Some highlights from the survey results include:

- An overall score of 88% puts us in the top quartile of companies for employee engagement.
- 85% of our people confirmed that Benchmark's purpose made them feel good about the work they do.
- 80% of our people believe that our leadership provides a clear vision of Benchmark's direction; this was 16% higher than in the 2019 survey, before our restructuring and management changes.

One Benchmark

Top quartile of companies for employee engagement

88%

"I have been extremely impressed with the high level of engagement and enthusiasm that all our people have shown in embracing new global initiatives and programmes which are all key in driving our journey towards a true One Benchmark culture."

Corina Holmes
Group Head of People

See pages 40-51 for Sustainability

Strategy in Action: Proactive Industry Leader

Ectosan® Vet and CleanTreat®: a transformative solution

In 2021, Benchmark reached a momentous milestone. The launch of Ectosan® Vet and CleanTreat® was the culmination of more than ten years of research, development, innovation and rigorous trials, as well as substantial investment. Ectosan® Vet is the first veterinary medicinal sea lice treatment introduced to the Norwegian salmon market in over a decade and – together with CleanTreat®, our water purification system – it represents a transformative solution for the industry.

The next generation of sea lice treatment
Ectosan® Vet is a bath treatment for pre-adult and adult sea lice on Atlantic salmon and rainbow trout and meets the highest standards of efficacy, safety and fish welfare.

Environmental stewardship
The treatment is applied exclusively in a contained environment on wellboats and used solely with our water purification system, **CleanTreat®**. This ensures that all treatment water is retained in the wellboat and the medicine is removed from the treatment water before safely returning clean water to the sea. The system also removes organic material from the treatment water, including sea lice – an essential step in combating parasitic resistance to medicines.

The Aquaculture Stewardship Council ("ASC") have included CleanTreat® as a mitigation tool in their 'Weighted Number of Medicinal Treatments', awarding it a score of 'zero' – the best score possible. CleanTreat® supports farmers in meeting key ASC criteria, providing a valuable tool which does not increase the 'Weighted Number of Medicinal Treatments'. Importantly, this supports farmers to use Integrated Pest Management strategies, which are crucial for effective and robust sea lice management.

Commercial launch in Norway in partnership with our customers
In July 2021, Benchmark received Marketing Authorisation for Ectosan® Vet in Norway and we successfully conducted our first treatments with market-leading Norwegian salmon producers in August. By providing insight into their needs and participating in commercial trials, our customers have been instrumental in the development of this breakthrough solution.

We continue to work closely with our customers throughout all treatment stages, assisting in treatment optimisation and in the development of best practices. With this collaborative approach, we will continue to drive sustainability in the salmon industry.

Proactive industry leader

Crew in front of our Platform Supply Vessel during the installation phase of our CleanTreat® system

Technician adjusting the valve orientation on the CleanTreat® system

"We have been delighted with the positive response from the industry to the approved use of this cutting-edge treatment in Norway. We have added a significant tool to the industry to enable predictable health management and therefore growth of the industry for years to come. The team and I are looking forward to the months and years ahead, supporting the sustainable growth of the aquaculture industry."

John Marshall
Head of Health

See pages 40-51 for Sustainability

Strategy in Action: Being a responsible operator

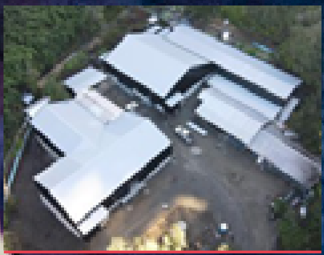
2021 was a year of significant investment across our facilities globally. Benchmark is committed to operating well-designed, safe facilities that make efficient use of resources, support good animal health and welfare and promote ecosystem health. We continually look for ways to improve our operations to reduce our GHG emissions and overall environmental footprint.

In 2021, we invested a total of £18.0m in expansion and maintenance projects in our facilities around the world to support our growth and meet our ESG commitments as a responsible operator:

- In Thailand, we invested £3.2 million to improve our safety, fire resilience and environmental impact of our facility. Our plant in Phichit, Thailand is our largest manufacturing site in Advanced Nutrition and runs at close to capacity; we are proud of our team who were able to maintain supply and customer service levels throughout the construction works.
- In Fellsmere, US, we invested £0.9 million in the first phase of a 40% capacity expansion project to produce around 100,000 shrimp breeders per year. In line with our environmental goals, we are installing energy efficient heating systems, which are expected to reduce current energy consumption by 50% – an improvement that will make a significant contribution towards our net zero targets.
- In Iceland, we invested £4.0 million in a new biosecure salmon egg incubation centre to meet periods of peak demand within our existing facility. The new facility will use 100% renewable energy.
- In Chile, we invested £0.8 million in a new salmon genetics broodstock unit equipped with the highest standards of biosecurity and technology. We are seeking, on a voluntary basis, a disease-free certification as part of our commitment to animal health and welfare. We have received the first selected breeders to produce new generations from our SagaChile strain.

Investing in our facilities

Our Fellsmere Team



Curacalco and Ensenada Chile – the new Salmon Broodstock Unit

"The new incubation centre in Iceland is based on Benchmark's production philosophy: to ensure the highest levels of biosecurity and supply of high-quality, genetically improved eggs year round."

Jonas Jonasson
Head of Production in Benchmark Genetics

See pages 40-51 for Sustainability

Investment Case

We are a leading aquaculture biotechnology Company uniquely positioned to address the need for sustainable aquatic food production

More information on our ESG strategy can be found on pages 40-51

An important and growing industry with attractive market dynamics and clear opportunities for growth

+

Leading market positions and competitive advantages in three complementary areas with high barriers to entry

+

International, multi-species, commercial business model

+

Underpinned by proprietary technology and expertise of our people and partners

+

Clear strategy and capital allocation to deliver profitability, growth and long-term value

+

We are a purpose-driven business powered by an experienced and committed team

Our on-board analytical team work 24/7 to monitor the CleanTreat® process and confirm the purification of the treatment water

Aquaculture plays a crucial role in global food security, meeting the needs of a growing population for healthy, nutritious food. Today, aquaculture accounts for around 50% of the fish for human consumption and is the fastest growing animal protein production sector. This growth is set to continue, driven by a rising middle class, shift in consumer habits, increase in production base, technological innovation and improvements along the value chain.

As the sector grows to feed a human population expected to reach almost 10 billion by 2050, it is imperative that it does so sustainably, creating a need for solutions that improve sustainability through resource efficiency, reduced environmental impact and improved animal welfare. This is where Benchmark's solutions positioned in key stages of the aquaculture production cycle come in.

Benchmark has a unique position in the sector with leading market positions and a well-established commercial footprint in three complementary areas with significant entry barriers.

Benchmark is:

- The market leader in salmon genetics across all production paradigms, underpinned by a world-class team of geneticists, 20+ year breeding programmes and biosecure facilities.
- The number one specialist nutrition provider to the global shrimp hatchery market, supported by proprietary technology, expert technical services and local presence in every important shrimp market.
- A ground breaker in bringing a sustainable solution to sea lice: the biggest biological challenge in salmon production.

We are present in every major aquaculture market and cover the main aquaculture species – salmon, shrimp, Mediterranean sea bass/sea bream and tilapia. This enables us to leverage our knowledge, customer insights and footprint to grow and develop new solutions for the benefit of all of our stakeholders.

Our broad coverage and collaborative culture enables us to have a bigger impact on the aquaculture industry in our mission to drive sustainability.

We have leading proprietary technology and know-how in each of our three business areas, as well as a team of world-leading scientists in all the fields in which we operate. Our innovation board brings together our R&D efforts across the Group to develop a focused pipeline of solutions.

Our technology and know-how can be applied across multiple aquaculture species, leveraging our capabilities and investment. We have a collaborative approach and work together with universities and research institutions to develop new solutions.

Following a substantial restructuring, our goal is to become cash generative and sustainably profitable. We have put in place financial and commercial disciplines, which – together with a new, clear strategy – are delivering results. This year, we delivered excellent trading performance and achieved a major strategic milestone with the successful launch of our flagship sea lice solution: Ectosan® Vet and CleanTreat®.

We have significant opportunities in each of our three business areas which, supported by disciplined investment, will generate growth and create value for our stakeholders for many years to come.

We act with purpose and we are committed to operating in a responsible and sustainable way. We safely and ethically conduct our activities in ways that respect and support our people, neighbouring communities, suppliers, customers and the environment. We set targets in areas that matter to our stakeholders and are committed to delivering on them.

We have an experienced management team with a strong track record and a dedicated, capable team of over 700 individuals powering our business.

Financial Review

Strong and positive performance in the year

I am delighted to deliver very strong trading results along with significant progress on our strategic objectives in a year focused on investing for growth.

Septima Maguire
Chief Financial Officer

Continuing revenue
£125.1m
2020: £105.6m

Continuing AEBITDA[2]
£19.4m
2020: £14.5m

See pages 101-167 for Financial Statements

Introduction

Strong operational delivery together with progress on strategic objectives
I am pleased that we have been able to deliver a strong set of results based on clear commercial focus in all business areas while progressing our strategic objectives. We made significant investments in the year across our three business areas, both to maintain our strong position in our well-established businesses as well as to develop new areas of growth. We made capital investments totalling £23.0m in the year of which £11.3m related to our established businesses, mainly improvements to our Advanced Nutrition facility in Thailand and a new incubation centre in Iceland. Looking forward, we will leverage off this year's investment to grow and progress our in path to profitability and cash generation which we remain committed to.

Financial highlights
- Revenues from continuing operations were 18% above the prior year resulting from:
  - 19% increase in Advanced Nutrition revenues (+27% in constant currency) showing good signs of recovery and strong commercial focus.
  - Good performance in Genetics with revenues 13% above the prior year (+15% in constant currency).
  - Higher revenues in Health due to the first sales of Ectosan®Vet and CleanTreat®.
- Adjusted EBITDA[2] from continuing operations was £19.4m against £14.5m the prior year reflecting strong revenues in Advanced Nutrition, with a strong second half for Genetics and first sales from Ectosan®Vet and CleanTreat® in Health.

- Liquidity and net debt
Liquidity[6] (cash and available facility) decreased to £50.6m (2020: £83.2m) and cash at year end of £39.5m (2020: £71.6m).
  - Net debt increased to £80.9m (2020: £37.6m) reflecting a programme of investments in the year and working capital to support momentum in the business.
- Loss before tax decreased from £22.6m to £9.2m.

Overview of reported financial results
During 2021, the Group's focus was on delivering a strong commercial result and advancing the strategic priorities of the Group.

Advanced Nutrition returned to growth in 2021 despite continuing challenging conditions in some key shrimp markets. Genetics also experienced strong sales in the year resulting in an increase in Group revenue from continuing operations of 18% to £125.1m in the year (2020: £105.6m). This increase in sales meant that Gross Profit from continuing operations increased to £65.6m (2020: £55.0m). Gross Margin was flat at 52% (2020: 52%). Using the same foreign exchange rates experienced in 2020 (constant currency[5]) revenue from continuing operations increased by 24%.

As Reported (£m unless otherwise stated)	2021	2020	% AER	% CER[5]
All figures are from continuing operations unless stated				
Total revenue – including discontinued operations	125.1	120.4	4%	9%
Revenue	125.1	105.6	18%	24%
Operating loss	(5.4)	(10.9)	50%	60%
Loss before tax	(9.2)	(22.6)	59%	65%
Loss for the period – including discontinued operations	(11.6)	(31.9)	64%	67%
Basic loss per share (p)	(1.93)	(5.26)	63%	–

Adjusted Measures (£m unless otherwise stated)	2021	2020	% AER	% CER[5]
Gross profit	65.6	55.0	19%	24%
Gross profit %	52%	52%	–	–
Adjusted EBITDA[2]	19.4	14.5	34%	43%
Total Adjusted EBITDA[2]	19.4	5.8	234%	259%
Adjusted EBITDA[2] margin %	16%	14%	–	–
Adjusted Operating Profit[3]	10.8	7.9	37%	52%
Net debt[4]	(80.9)	(37.6)	(115%)	–

Business area performance

	Revenue				AEBITDA[2]					
Continuing Operations Revenue (£m)	Actual 2021	Actual 2020	% AER	% CER[5]	Actual 2021	Actual 2020	% AER	% CER[5]	AEBITDA margin % 2021	AEBITDA margin % 2020
Genetics	46.8	41.5	13%	15%	11.5	14.4	(20%)	(20%)	25%	35%
Advanced Nutrition	70.5	59.4	19%	27%	13.8	6.4	116%	132%	20%	11%
Health	7.8	5.2	50%	50%	(2.7)	(3.7)	27%	30%	(35%)	(71%)
All other segments	–	–	–	–	–	(0.5)	100%	100%		
Corporate	4.8	4.9	(2%)	(2%)	(3.2)	(2.1)	(52%)	(52%)		
Inter-segment sales	(4.8)	(5.4)	(11%)	(11%)	–	–	–	–		
Total Group	125.1	105.6	18%	24%	19.4	14.5	34%	43%	16%	14%
Genetics excluding FV uplift	46.8	41.5	13%	15%	8.2	11.1	(26%)	(26%)	18%	27%
Group Exc FV uplift	125.1	105.6	18%	24%	16.1	11.2	44%	54%	13%	11%

We continued to manage costs across the Group very closely during the year. Operating costs from continuing operations increased by 15% to £38.2m (2020: £33.3m) due to the investment in new growth areas, mainly the ramp up of activities for the launch of Ectosan®Vet and CleanTreat®. Expensed R&D from continuing operations decreased by 4% to £7.0m (2020: £7.3m).

Adjusted EBITDA from continuing operations increased by 34% to £19.4m (2020: £14.5m) driven by increased sales in Advanced Nutrition and first sales for Ectosan®Vet and CleanTreat® in Health as well as ongoing cost control.

1 EBITDA is earnings/(loss) before interest, tax, depreciation and amortisation and impairment. See income statement.
2 Adjusted EBITDA is EBITDA[1], before exceptional items and acquisition-related expenditure. See income statement.
3 Adjusted Operating Profit is operating loss before exceptional items including acquisition-related items and amortisation of intangible assets excluding development costs. See Note 36
4 Net debt is cash and cash equivalents less loans, borrowings and lease obligations. Net debt includes £24.0m (FY20: £10.5m) relating to lease obligations. See Note 37.
5 % CER is the change year on year translating current figures using last year's foreign exchange rates.
6 Alternative performance measures and other metrics are included in Note 36 of the financial statements.

Continuing Gross Profit

£65.6m

2020: £55.0m

Net Debt[4]

(£80.9)m

2020: (£37.6)m

Financial Review continued

Adjusted measures (see Note 36)

We continue to use adjusted results as our primary measures of financial performance. We believe that these adjusted measures enable a better evaluation of our underlying performance. This is how the Board monitors the progress of the Group.

In line with many of our peers in the sector we highlight expensed R&D on the face of the income statement separate from operating expenses. Furthermore, we report earnings before interest, tax, depreciation and amortisation ("EBITDA") and EBITDA before including exceptional and acquisition- related items ("Adjusted EBITDA"). The activities of the Group's equity accounted investees are closely aligned with the Group's principal activities, as these arrangements were set up to exploit opportunities from the Intellectual Property ("IP") held within the Group. As a result, to ensure that adjusted performance measures are more meaningful, the Group's share of the results of these entities is included within Adjusted EBITDA. In addition, in line with the Salmon industry, we also report AEBITDA excluding fair value uplift under IAS 41. We also report this adjusted measure after depreciation and amortisation of capitalised development costs ("Adjusted Operating Profit") as the Board consider this reflects the result after taking account of the utilisation of the recently expanded production capacity. Available liquidity, being cash and undrawn facilities, is an important metric for management of the business as it gives a measure of the available liquid funds and is also a key financial covenant in the Group's main debt facilities.

Genetics

Genetics delivered good growth in revenue driven by sales of salmon eggs where volumes increased by 14% to 242 million eggs. Revenues of £46.8m were up 13% (2020: £41.5m), +15% in constant currency.

Demand for eggs in Norway increased significantly by 42% during the year, this increase was partly offset by the expected decrease of demand for eggs from Scotland where we had benefitted in 2020 from the loss of infectious salmon anaemia ("ISA") free status in Norway which constrained exports. This resulted in revenue from salmon eggs of 14% to £30.9m (2020: £27.0m). Within these numbers, our Chilean salmon eggs facility also commenced Sales in 2021 with revenue of £0.5m.

In non-product based revenue streams, Genetics Services performed extremely well in the year reflecting the strength and depth of expertise of our Genetics team and our IP in the business, contributing £1.3m (2020: £1.3m). Revenues from harvested fish were aided by increased sales of fish from our broodstock licence in the first full year of operation, producing harvest income in the year of £6.2m (2020: £3.9m). Royalties earned from use of our genetic IP fell in the year, with sales down to £1.0m (2020: £1.8m) due to the expected unwinding of contracts which will continue for the next two years. Sales of other products such as lumpfish recorded slightly lower volumes in the year, with revenues of £7.4m (2020: £7.5m).

Gross profit decreased by 2.6% in 2021 to £25.9m (2020: £26.6m) due to increased costs of £0.8m from our Chilean salmon eggs facility as it continues to ramp up and lower gross profit from our harvest income of £0.8m as margins fell due to lower salmon prices and higher costs. This was offset by a combination of higher volumes from our core salmon business of £0.4m and improved gross profit from tilapia by £0.5m. The non-cash fair value increase in biological assets remained flat at £3.3m. This resulted in gross margin % falling by 9% to 55% (2020: 64%).

Whilst demand for salmon remained relatively solid through the COVID-19 related turmoil, as noted previously, shrimp demand was significantly affected. As a result, in 2020 we decided to postpone the planned commercial launch of our specific pathogen resistant ("SPR") shrimp. Therefore, in FY21, we focused our efforts on developing the next generation of breeders by running additional market trials. We also continued our test market sales in tandem. As our SPR shrimp programme and facility remain in development phase, some of the costs associated with it are capitalised. In 2021, we capitalised £1.9m of development costs in intangibles and reported an AEBITDA loss of £0.9m in the shrimp business. When we commence the commercial launch of the SPR shrimp, capitalisation will cease, and all costs associated with the facility will flow into AEBITDA.

R&D spend and operating costs were higher than 2020 by £1.0m and £0.4m respectively as in H2 2020 Genetics had paused all discretionary spend, resuming spend (particularly in R&D) in 2021. R&D activities in this business area are focused on developing the traits of growth, disease resistance and sea lice resistance by selecting the best performing animals from each generation. The search for markers for new traits that can be included in the breeding programme continues.

The share of profits/losses from the equity accounted investees relates primarily to the joint venture with Salmar Genetics AS which delivered a share of loss of £0.5m (2020: Profit of £0.3m). This loss was due to a disease outbreak which resulted in a year-on-year reduction in earnings of £0.8m.

Shrimp and tilapia, both of which are areas of investment, delivered combined losses in the period of £1.4m (2020: £1.7m).

All these factors contributed to reduced AEBITDA of £11.5m (2020: £14.4m) and AEBITDA margin of 25% (2020: 35%). AEBITDA excluding fair value dropped by 26% to £8.2m, an AEBITDA margin of 18% (2020: 27%).

Genetics has continued to establish its facility in Chile and with overall AEBITDA losses of £2.6m and £1.3m invested in capex in this new facility in 2021. The facility has potential production capacity of 50 million eggs and is currently utilising capacity of around 30 million eggs. In addition, we have invested in expanding capacity in our Fellsmere facility in Florida which houses our shrimp breeder operations and have added significant additional incubation capacity in Iceland.

Advanced Nutrition

Throughout 2021, Advanced Nutrition delivered a strong performance driven by renewed commercial focus. As a result, revenues in Advanced Nutrition increased by 19% in the year (27% at CER). This is notable as some key markets continued to be impacted by COVID-19 and the business faced significant logistic challenges as a result of the pandemic. The strategic price cuts put in place in 2020 have allowed us to regain market share and the continued focus of the commercial team has created good sales momentum in this business area.

In 2021, 25% of our revenues derived from the Mediterranean sea bass and sea bream sector, which grew by 26% in the year.

By product area, we regained market share in all product areas. Artemia grew revenues by 22% (at CER) to £32.6m, followed by diets up 33% (at CER) to £30.6m. Health which covers our probiotic and environmental pond management portfolio grew revenues by 18% (at CER) to £7.2m.

The increase in sales of £11.1m resulted in an increase in gross margin of £8.8m and drove the gross margin up from 46% to 51%. This increase in margin was offset in part by a small cost increase in operating costs, but there continued to be good cost control throughout this year. This led to Advanced Nutrition reporting AEBITDA from continuing operations of £13.8m (2020: £6.4m) and an increase in AEBITDA margin from 11% to 20%.

Health

Health reported continuing revenue of £7.8m (2020: £5.2m) reflecting the first sales of Ectosan®Vet and CleanTreat® of £2.5m of which £0.7m relates to revenue for vessel-related costs and a marginal increase in sales of our existing sea lice treatment, Salmosan® of £5.3m (2020: £5.2m). FY21 Salmosan® revenues reflect increased sales to Norway, Canada, UK and Faroes offset by a decrease in sales to Chile.

Gross margin increased by £2.5m to £3.7m with the launch of Ectosan®Vet and CleanTreat® combined with increased margins from Salmosan®.

During the year, the focus of this business area was to obtain the Marketing Authorisation for Ectosan®Vet and launch the product along with the CleanTreat® environmental system in Norway. The MA was granted in July 2021 and the first vessel was launched in August 2021. £2.6m (2020: £2.1m) of development costs were capitalised in the year. The second vessel was launched post period-end in October 2021 and will commence treatments in December 2021. These activities drove an increase in operating costs to £6.2m (2020: £3.0m) Adjusted EBITDA loss for the business area was £2.7m (2020: £3.7m).

Exceptional items

Items that are material because of their nature 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.

During 2020 a significant amount of non-core operations were either closed or disposed and a significant reorganisation of the Group occurred.

Exceptional expenses within continuing operations of £0.2m include costs in relation to disposals in FY20 of £0.6m and management restructuring of £0.5m (2020: £2.1m - £0.6m related to aborted acquisition items and £1.5m from management restructuring) being offset against a release of contingent consideration of £0.9m related to the purchase of Benchmark Genetics (USA) Inc.

In 2020 exceptional gains within discontinued operations of £5.1m included gains and losses from the disposal programme of £12.0m and other closure and restructuring costs.

Depreciation, amortisation and impairments

Depreciation and impairment of tangible assets of £8.4m (2020 continuing: £6.6m), with depreciation charge of £8.5m (2020 continuing: £5.8m) and impairment reversal of £0.1m (2020 continuing: £0.8m charge). The depreciation charge in the year has increased due to the launch of CleanTreat® where the vessels are right-of-use assets held under lease agreements. In total depreciation charges on leased assets under IFRS 16 is £3.3m (2020 continuing: £1.2m). In 2020 depreciation and impairment of £2.5m was included in discontinued operations.

Amortisation and impairments of intangible assets totalled £16.3m (2020: £16.6m continuing and £2.8m discontinued). The amortisation charge includes £0.3m (2020: £nil) relating to capitalised development following commercialisation of Ectosan®Vet and CleanTreat®.

Research and development

	Expenses				Total expensed and capitalised			
£m Continuing	2021	As % of sales	2020	As % of sales	2021	As % of sales	2020	As % of sales
Expensed R&D by business area								
Genetics	**4.9**	10%	3.8	9%	**6.8**	15%	5.4	13%
Advanced Nutrition	**1.9**	3%	1.5	3%	**2.2**	3%	2.1	4%
Health	**0.2**	3%	2.0	38%	**2.8**	36%	4.4	85%
Total research and development	**7.0**	6%	7.3	7%	**11.8**	9%	11.9	11%

Expensed R&D activities in the continuing business decreased in the year by £0.3m with Genetics increasing their activities on the main focus of their spending, their breeding nucleus. This was against a backdrop of reduced spending in 2020 as we paused discretionary spending. This increase was offset by reduced Health spending due to their significantly reduced R&D programmes. Genetics' research is focused around continually developing new disease and parasitic resistant traits as well as growth traits which we can breed into our products. Advanced Nutrition's focus is on expanding our product portfolio and driving growth through product improvements, including the Rotifer replacement diet which is being launched in Q1 FY22. Health's research was mainly focused around the Ectosan®Vet and CleanTreat® development programme.

Financial Review continued

Other operating costs

£m Continuing	Expenses 2021	As % of sales	2020	As % of sales
Operating Expenses by Business Area				
Genetics	**8.9**	19%	8.5	20%
Advanced Nutrition	**19.9**	28%	19.3	32%
Health	**6.2**	79%	3.0	58%
Corporate (net)	**3.2**		2.5	
Total operating expenses	**38.2**	31%	33.3	32%

Other operating costs for the continuing business increased from £33.3m in 2020 to £38.2m in 2021. The increase in costs was primarily due to increased costs in Health as we moved toward and executed the commercial launch of Ectosan®Vet and CleanTreat® during the year.

Discontinued operations
All operations in the Knowledge Services business area and certain areas of the Health business were discontinued in 2019 and 2020 and either disposed or ceased during 2020. This resulted in net profit from the disposals of £12.0m, a loss from discontinued operations of £9.2m and £8.7m AEBITDA loss being reported as discontinued operations, all in 2020. More detail on this can be found in Note 12 of the financial statements.

Net finance costs
The Group incurred net finance costs from continuing operations of £3.8m during the year (2020: £11.7m). Included within this was interest charged on the Group's interest-bearing debt facilities of £6.9m (2020: £7.9m). Further, net foreign exchange gains of £2.8m (2020: net loss of £2.2m) arose due to the movement in exchange rates and there was a gain of £1.3m (2020: £1.2m charge) relating to the fair value change in the cross currency hedge associated with the NOK bond.

Statutory loss before tax
The loss before tax from continuing operations for the year at £9.2m is lower than the prior year (2020: loss of £22.6m) as a result of the positive trading result and lower net finance costs partially offset by the increased depreciation on right-of-use assets.

Taxation
There was a tax charge on the loss for the year of £2.4m (2020: charge of £0.2m), mainly due to overseas tax charges in Genetics and Advanced Nutrition, partially offset by deferred tax credits on intangible assets mainly arising on consolidation from acquisitions.

Reported loss for the year
The loss for the year after discontinued operations was £11.6m (2020: loss of £31.9m). 2020 included an after tax loss from discontinued operations of £9.2m.

Earnings per share
Basic loss and diluted loss per share were both -1.93p (2020: loss per share -5.26p). The movement year on year is due to the movement in the result as well as the increase in the weighted average number of shares in issue of 44m.

Dividends
No dividends have been paid or proposed in either 2021 or 2020 and the Board is not recommending a final dividend in respect of the year ended 30 September 2021.

Biological assets
A feature of the Group's net assets is its investment in biological assets, which under IAS 41 are stated at fair value. At 30 September 2021, the carrying value of biological assets was £38.4m (2020: £32.5m). This increase is due principally to the increase in the biomass of broodstock as we continue to expand production at Salten and Chile. The fair value uplift on biological assets included in cost of goods for the year was £3.3m (2020:£3.3m).

Intangibles
Additions to intangibles were £5.0m (2020: £5.6m) with the main area of investment being capitalised R&D which in the year increased by £0.2m to £4.8m (2020: £4.6m). R&D costs related to products that are close to commercial launch have to be capitalised when they meet the requirements set out under IAS 38. In this financial year, the main development projects capitalised were as follows:
- Ectosan®Vet/CleanTreat® (£2.6m)
- SPR shrimp (£1.9m)
- Live food alternative diets (£0.3m)

In 2020, the majority of the amounts capitalised related to Ectosan®Vet/CleanTreat® as we moved towards obtaining the Marketing Authorisation for Ectosan®Vet and the continued development of the CleanTreat® environmental solution.

Capital expenditure
During 2021, we have invested in a number of growth initiatives as discussed before in the Business Area Performance review. The Group incurred tangible fixed asset additions of £18.0m (2020: £5.9m) of which £4.9m related to our investment in CleanTreat® and mobilisation of the vessels on which CleanTreat® is situated. The remaining capex was associated with our Genetics business (£8.4m) where we are investing in a new incubation house for our Icelandic facility (£4.0m), expanding our SPR shrimp facility to support more capacity (£0.9m) and have completed work in our Chilean facility (£0.8m) and our Advanced Nutrition business (£4.7m) in which we invested £3.2m to improve the fire safety of our Thailand manufacturing facility.

Cash flow, liquidity and net debt

Movement in net debt

Movement in net debt	£m
Net debt at 30 September 2020	**(37.6)**
Cash generated from operations	**22.0**
Movement in working capital	**(11.6)**
Investment in associates	**(0.6)**
Interest and taxes	**(12.2)**
Capital expenditure	**(22.6)**
Own shares issued	**0.8**
New leases (IFRS 16)	**(18.6)**
Other non-cash movements	**(1.0)**
Foreign exchange on cash and debt	**0.5**
Net debt at 30 September 2021	**(80.9)**

Cash flow

Better than expected trading in Nutrition along with first revenues from the launch of Ectosan®Vet with CleanTreat® drove positive cash flow from operations which has resulted in a cash inflow from operations in the year of £22.0m (2020: outflow of £7.2m); this also drove higher working capital levels resulting in an outflow of £11.6m (2020: inflow of £5.2m). Capital expenditure, both intangible and tangible in 2021 showed a significant increase of £10.8m at £22.6m (2020: £11.8m).

Borrowing facilities

The Group has a NOK850m senior secured floating rate listed bond which matures in June 2023 with a coupon of 5.25% above three months Norwegian Interbank Offered Rate ("NIBOR"). The Group also has a USD 15m Revolving Credit Facility ("RCF") which matures in December 2022 and was undrawn at 30 September 2021. The interest rate on the facility is between 3% and 3.5% above LIBOR depending on leverage.

There are other borrowing facilities held within Benchmark Genetics Salten AS (formerly SalmoBreed Salten AS) which were put in place to fund the building of the new salmon eggs facility totalling NOK246m (£20.9m) (2020: NOK281m (£23.2m)), which are ringfenced without recourse to the other parts of the Group. Interest on these other debt facilities ranges between 2.65% and 5% above Norwegian base rates. In addition, a working capital facility of NOK20m is in place for use solely by Benchmark Genetics Salten AS. This facility is undrawn (2020: drawn NOK15m).

During the year, the Board commenced a review of our capital structure in the context of the approaching maturity of the main facilities as noted above and with regard to funding in the short term for investment opportunities to accelerate business area growth.

Covenants

Banking covenants for the NOK bond and RCF exist in relation to liquidity and an 'equity ratio'. Liquidity, defined as 'freely available and unrestricted cash and cash equivalents, including any undrawn amounts under the RCF', must always exceed the minimum liquidity value, set at £10m. Available liquidity at 30 September 2021 is £50.6m (2020: £83.2m). The equity ratio, defined as 'the ratio of Book Equity to Total Assets' must always exceed 30%. The equity ratio at 30 September 2021 was 58% (2020 60%). In addition, an equity to asset ratio covenant exist for the Benchmark Genetics Salten AS with a target threshold of 40% (2021 Actual 46.2%).

Cash and total debt

Net debt	£m 2021	2020
Cash	**39.5**	71.6
NOK850m bond	**(75.5)**	(75.5)
Other borrowings	**(20.9)**	(23.2)
Lease liabilities	**(24.0)**	(10.5)
Net debt	**(80.9)**	(37.6)

The RCF facility combined with the year-end cash balance of £39.5m (2020: £71.6m) means the Group had total liquidity of £50.6m (2020: £83.2m). This, whilst utilising tight cost and cash control, is expected by the Directors to provide the Group with sufficient liquidity to fund the investment and working capital to crystalise the growth opportunities which are part of the strategic priorities of the Group and provide adequate headroom.

Going concern

As noted in the Strategic Report, after a good year of trading and the start of recovery in our end markets as the COVID-19 vaccine programmes across the world were rolled out and the hospitality sector reopened, there is cause of optimism. The ultimate lasting impact of the pandemic on the economy, Benchmark's markets and its businesses remains to some extent uncertain, and the Directors recognise that full recovery could take time and remain cautious of the possibility of a return of restrictions. Available market analysis continues to be monitored to ensure appropriate mitigating actions can be taken as necessary.

The Directors have prepared cash flow projections covering the period to September 2023 to assess the Group's trading and cash flow forecasts as well as compliance with the covenants included within the Group's financing arrangements.

Cash resources, whilst reduced, are still strong after investment in growth opportunities during the year.

The RCF and Bond facilities both expire within the next 24 months, the RCF in Dec 2022 and the NOK Bond in June 2023, the Board does not believe that renewing or refinancing these facilities would not be achievable given our good trading record since the restructuring and the positive momentum in the business. In the downside scenario analysis performed, the Directors have considered the severe but plausible impacts of market downturns on the Group's trading and cash flow forecasts, modelling reductions in the revenues and cash flows in Advanced Nutrition and Genetics, alongside modelling delays to uptake of the sale of Ectosan®Vet and CleanTreat® in the Health business area.

It is difficult to predict the overall outcome and impact of the pandemic, however, 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.

However, it should be noted that the Group's main borrowing facilities are set to expire within the next 19 months – the $15m RCF is set to expire in December 2022, and the NOK 850m bond is due to expire in June 2023. The cashflow forecasts reviewed rely on these borrowing facilities being in place. As noted above, the Directors have commenced a review of the capital structure, including certain short term actions and also longer term financing options, and are confident that these facilities can be renewed or replaced before they expire, with trading going well despite the headwinds of the pandemic and relationships with finance providers strong. Cash resources continue to remain strong with the group managing discretionary spend closely as recovery from the pandemic progresses.

Based on their assessment, the Directors believe it remains appropriate to prepare the financial statements on a going concern basis. However, while the Directors remain confident that the current facilities will be renewed or replaced in the next 19 months, the requirement to do so represents a material uncertainty that may 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 their liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Accordingly, the financial statements have been prepared on a going concern basis.

ESG Report

Driving sustainability in aquaculture

At Benchmark, we recognise that the future of aquaculture lies in sustainability. As a proactive industry leader, we acknowledge both the need to feed a growing global population and to preserve and protect the planet's resources. Bridging this gap is what motivates us and, driven by committed people with a desire to make a difference, our products and solutions are designed to align the aquaculture industry towards a more efficient and sustainable future.

Egg sorting at our Salten site

Today, aquaculture produces more than half of the fish used for human consumption and has the potential to be a sustainable way of safeguarding the world's food supply with healthy and protein-rich food into the future.

With the continued growth of aquaculture, our vision is to enable a more sustainable and adaptable industry that can meet its challenges. This requires a deep understanding of its emerging needs and adoption of new technologies and innovations across the value chain, which is where we come in.

Our aim is to be a proactive industry leader and a responsible operator with real impact across the value chain.

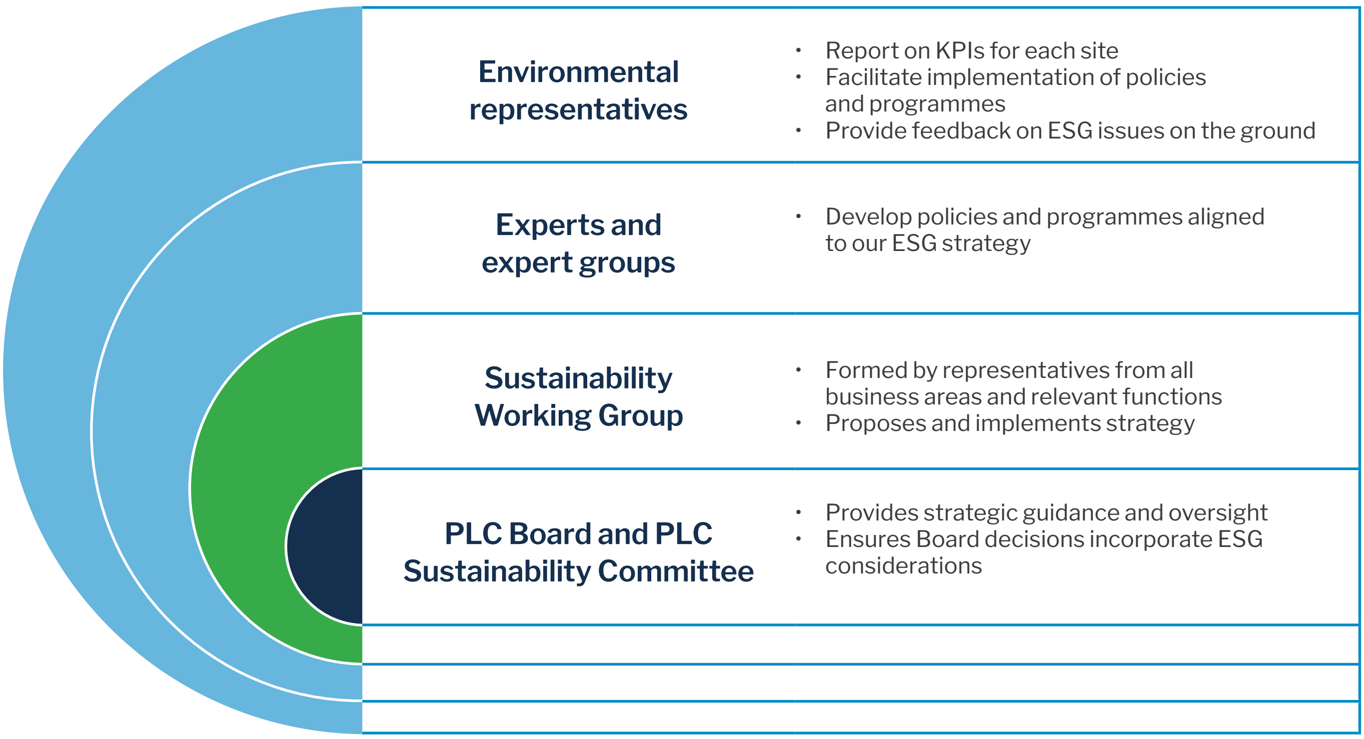
We make important contributions to the sustainability of the industry through the way we manage our operations, our collaborative industry approach to develop solutions and improved standards and through our broad range of products and solutions in Genetics, Advanced Nutrition and Health:

- **Genetics** is the very starting point of the production chain in aquaculture. Good genetics have a material impact on efficiency, incidence of disease and survivability across the whole production cycle.
- In **Advanced Nutrition** we focus on the early stages of production, which greatly influence growth and health in the later stages, compounding the positive impact of our solutions.
- In **Health** we focus on addressing one of the biggest sustainability challenges in salmon production: sea lice.

How we implement our sustainability strategy
Sustainability is embedded throughout our operations, from the way we make strategic decisions, to how we handle animals in our facilities and source raw materials. To enable this we have a governance framework which originates at the Board level and runs across the organisation.

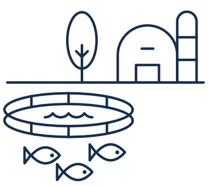
- The Board's **sustainability committee**, comprising two Directors, the head of the Sustainability Working Group and the Company Secretary meets quarterly and is responsible for providing guidance, overseeing the Company's sustainability programme and considering emerging issues and risks. The committee also ensures that the Board takes into account sustainability considerations when making strategic and operational decisions.
- The **Sustainability Working Group**, which includes representatives from our three business areas as well as from key functions, is responsible for developing and implementing the Company's sustainability strategy and working programme. Through its members, the Sustainability Working Group engages with our key stakeholders including customers, suppliers, employees and shareholders to inform its assessment of material ESG issues and its strategy.
- A network of **environmental representatives** at each of our sites enables the implementation of policies and programmes across all our operations, allowing us to identify risks and opportunities and set appropriate targets at a local level.

Our ESG operating structure



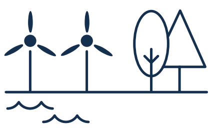
Animal Health and Welfare

See pages 45-47 in ESG section



Environment

See pages 48-50 in ESG section



People and Communities

See pages 50-51 in ESG section

ESG Report continued

Our Work in line with the UN Sustainable Development Goals

Benchmark supports the 17 UN Sustainable Development Goals ("SDGs") and acknowledges their importance as a foundational basis. Through our core values and mission to contribute to a sustainable aquaculture future, with every action we aim to support one or more of the 17 SDGs. While we contribute to many of the SDGs directly or indirectly, those to which we make the most significant contributions are highlighted below.

2 ZERO HUNGER

By improving food productivity, the availability of nutritious food for a growing global population increases. Our solutions thus contribute to safeguarding global food supply.

3 GOOD HEALTH AND WELL-BEING

By producing a range of species, the needs of different markets can be met with nutritious food. We also support a diverse workforce and local communities, ensuring the well-being of our people is a priority.

13 CLIMATE ACTION

Our solutions improve resource efficiency in aquaculture, which already has a lower environmental impact than other animal proteins, reducing the carbon footprint. We are also committed to reducing our own footprint and integrating climate considerations into our decision-making. Additionally, since we are positioned at the start of the value chain, these trickle through into our customer's environmental footprint.

8 DECENT WORK AND ECONOMIC GROWTH

We promote decent economic work and growth through our collaboration with our clients and suppliers, as well as through our internal operations and employees. We have policies and processes in place, such as an anti-slavery policy, which we take extremely seriously as a responsible operator. As a global operator, we are both an employer as well as a supplier to an industry which feeds developing regions, encouraging both decent work and economic growth.

5 GENDER EQUALITY

10 REDUCED INEQUALITIES

We recognise our diverse community and workforce, and are committed to ensuring the inclusion and support for all. We have processes in place to support these goals, and are continuously looking to initiate dialogue and action in regards to how we can do more.

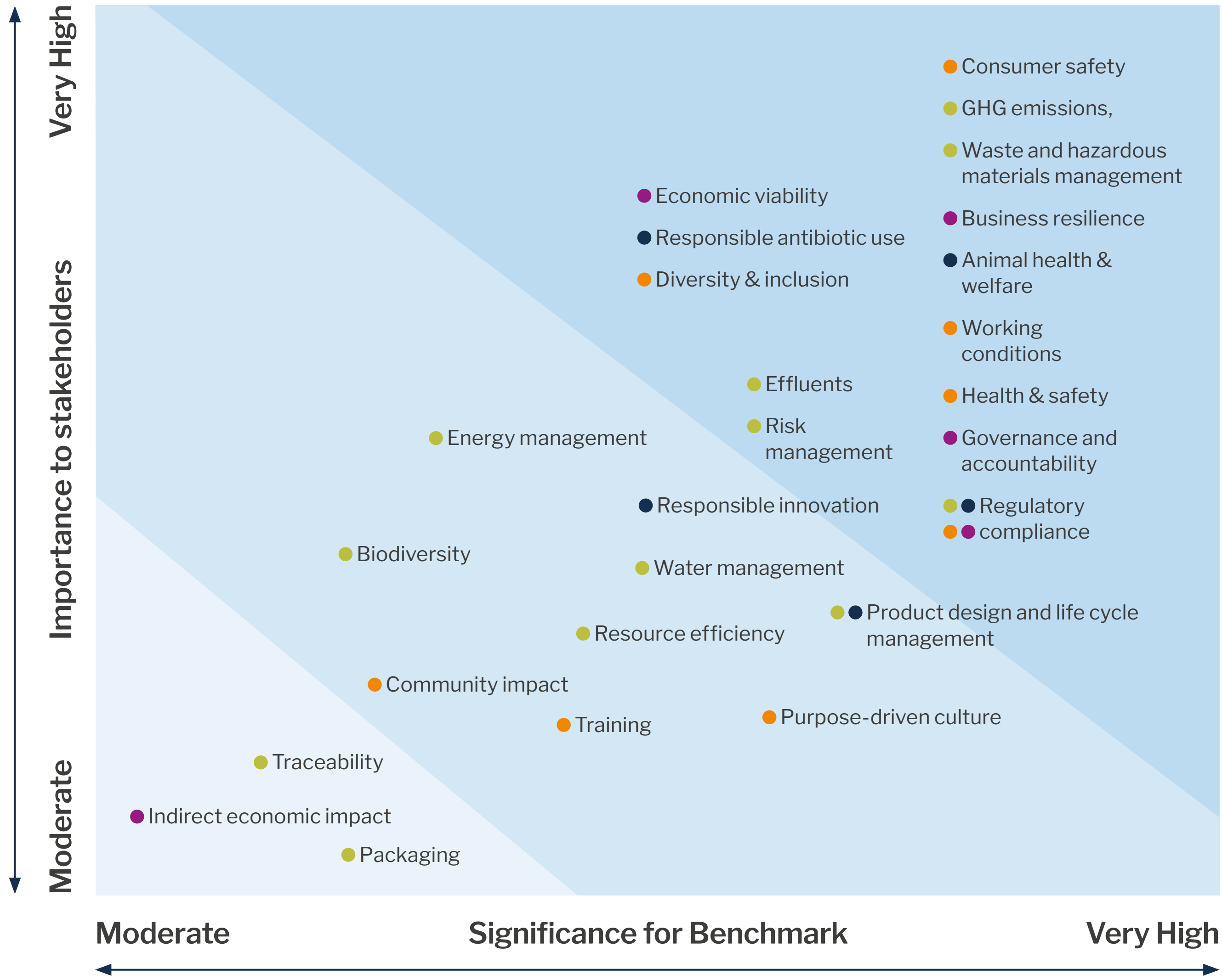
14 LIFE BELOW WATER

Our solutions and operations promote animal health and welfare as well as the reduced use of antibiotics. We source sustainable certified marine ingredients to minimise our impact, and develop solutions – such as CleanTreat®, which prevents medicines from being released into the sea – to ensure we are contributing to a healthier life below water.

Materiality assessment - Defining our focus areas

Every year we conduct a materiality assessment to identify and prioritise ESG issues that affect our business and our stakeholders. In FY21 we applied the GRI materiality analysis recommendations and SASB's Materiality Map in our assessment. As part of our review we obtained feedback from internal and external stakeholders. Internally, this meant examining our operations through discussions within our Sustainability Working Group and Sustainability Committee. Externally, we obtained input from key shareholders as well as an external ESG consultant and looked at material factors affecting our customers. More information on how we engage with our key stakeholders can be found on pages 52-54.

Through our materiality assessment we defined the three focus areas in our sustainability programme: animal health and welfare, environment and people and communities. Governance, accountability and compliance are incorporated in our governance framework and policies. Business resilience covers many aspects of our business from finance to operations and our people programmes. Within our ESG programme we focus on climate change risk and resilience.



Key

- Animal Health & Welfare
- Environment
- People & Community
- Financial Report

ESG Report continued

FY21 progress
We are pleased with the progress made in FY21 in our ESG programme overall and in each of our three programme areas. A focus of our effort this year was to conduct a review of our policies and disclosures to ensure that these are aligned with best practice and meet the interests of our stakeholders. As a result, we adopted a new environmental policy and updated our whistleblowing, antibribery and corruption, and fair competition policies. We have also enhanced our disclosure of metrics and KPI's which will allow our stakeholders to follow our progress.

Another topic of focus this year was climate risk. In FY21, we commenced the work towards a comprehensive Group-wide climate risk assessment in line with The Task Force on Climate-Related Financial Disclosures ("TCFD") recommendations, which are designed to enhance the clarity and reliability of climate-related disclosures.

We began the process by performing a qualitative assessment considering acute and chronic physical climate-related risks to the business, including the availability and condition of water due to its importance as a key input for Benchmark's operations and potential impact through water-related extreme weather events. As a next step, we completed a preliminary quantitative analysis of this risk, using the WRI Aqueduct framework to look at groundwater table depletion, drought, coastal flooding, and riverine flooding risks across the Group. This has informed our water policy and has flagged up potentially vulnerable parts of our operations which we will continue to monitor. Where relevant, we have taken precautionary actions, such as with our Thailand facility for which we have developed a business interruption plan due to the predicted prevalence of flood events.

Our climate risk assessment will continue to be an important input in our decision making, and, moving forward, we will complete our work to identify all physical and transitional risks and their potential financial and physical impacts. We will develop mitigating actions and stress-test our resilience by using scenario-based analysis.

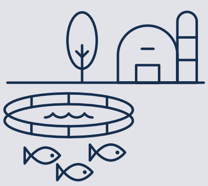
2021 Highlights

Animal health and welfare

Our Animal Welfare Committee carried out a review of our protocols across all our species and made regular training a priority to drive improvement.

During the year we delivered animal welfare training to all of our employees who handle fish and shrimp.

As an industry leader, we bring animal health and welfare to the forefront. In 2021 we issued Insights 2: Animal Health and Welfare – a publication bringing together the views and insights of a broad range of industry participants. The publication is available at: https://www.benchmarkplc.com/media/brochures.



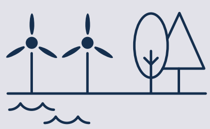
Environment

Having set out an ambition to achieve net zero Scope 1 and 2 emissions by 2030 and net zero Scope 1, 2 and 3 by 2050, we developed specific targets and priorities, establishing a yearly roadmap to achieve our goals.

Our CleanTreat® purification system received the highest environmental score by the Aquaculture Sustainability Council ("ASC"), the world's leading independent certification scheme for aquaculture. More information can be found on pages 28-29.

We made improvements in our facilities in Iceland, Fellsmere and Thailand which will increase our energy efficiency and reduce our environmental footprint.

Our factory in Thailand achieved the ECO Factory Award, which is granted when a strong commitment is shown towards responsible operations.



Our people and communities

We delivered a wellness programme to support remote workers through the COVID-19 pandemic and increased our number of mental health first aiders.

We established a new committee to develop a new policy on Diversity and Inclusion that reflects our current organisation and our stakeholders' interests.

Animal health and welfare

Animal health and welfare is present throughout our operations - from the impact of our products, to the way we do R&D, to our breeding programmes and the technical support we provide.

Animal health and welfare plays a dual role: contributing to sustainability and driving productivity for our customers. These two dimensions are not mutually exclusive; rather, they complement each other. Healthier fish lead to a more profitable business. A sustainable farming system with good animal welfare is not only a benefit for the animals and the environment, but an essential contributor to the success of our customers.

How we promote animal welfare

- We use operative animal welfare indicators, which form part of our **Health Plans** tailored to each species. This ensures that animal health and welfare is continuously observed and measured and remains as a guiding focus in our fish-handling operations.
- When conducting **animal testing**, we apply the principles of the three R's (reduce, refine, replace) to each test to ensure that our testing is as limited as possible, and re-evaluate this process to continuously improve our methods.
- Our Animal Welfare Committee, composed of veterinary professionals from our different business areas, exchanges ideas on new practices to improve our protocols.
- Our **Antibiotic Use Policy** outlines a clear, principled approach to antibiotic use within Benchmark, supporting the 3Rs framework of 'reduce, replace and refine' for antibiotic stewardship in animals. Furthermore, we conduct our operations in line with regulatory frameworks where applicable, such as the European Medicines Agency ("EMA") guidance on antibiotic use, to ensure that we are engaging in prudent and responsible use of antibiotics.
- We continue **to collaborate** on co-funding award-winning research proving the benefits of eliminating the commonly used shrimp ablation practice. This research has been given the Aquaculture Alliance Innovation Award and works towards establishing a new norm of shrimp handling in the aquaculture industry. We do not do ablation in our operations.
- During the course of this year, we have made it a priority to **develop Group-wide welfare training for all employees working with fish and shrimp**. This initiative has acted as a project of collaboration and communication with employees in all areas of our business and has allowed our values of animal health and welfare to be practised from start to finish.

2021 highlights from our Group-wide animal health and welfare training:

- **Iceland**: We extended the content of our training course on fish health and welfare with participation of an external expert veterinarian, achieving an average attendance of 93%.
- **Norway**: 100% of employees trained in animal health and welfare.
- **Chile**: 100% of employees trained in animal health and welfare.
- **Thailand**: Animal health and welfare training began in October.
- **Colombia**: Animal health and welfare training commenced.
- **United States**: Animal training commenced in Miami, and has continued in Fellsmere.

The Shanghai Declaration

This year, Benchmark pledged its support for the Shanghai Declaration, a key output from the Global Conference on Aquaculture Millennium +20, which outlines a road map to optimise aquaculture's role in achieving the 2030 Agenda for Sustainable Development. Benchmark's statement of support for the declaration, along with 24 other leading organisations, sets out our commitments and priorities towards a common vision for the industry.

Read the Shanghai Declaration, and our accompanying Statement of Support, by scanning the QR code or at the following link:

https://aquaculture2020.org/declaration/

14 LIFE BELOW WATER

Animal Health and Welfare KPIs	FY21
% of sites which have begun implementing or fully implemented internal animal health and welfare training	100
Number of disease outbreaks recorded in all production sites (OIE-listed)	0

ESG Report continued

Animal health and welfare is one of the sustainability drivers that motivated the creation of Benchmark 20 years ago. Animal health and welfare remains at the heart of the Company and is an increasingly important consideration for our stakeholders.

As a proactive industry leader, further improvements were driven across the business in 2021 as we:

- Established a Group Animal Welfare Committee with representatives from our three business areas – genetics, health and advanced nutrition – to share best practices, implement Group standards across our locations and species and identify opportunities for improvement.
- Conducted a Group-wide review of our animal welfare practices across our facilities with standard data collection for all species and operations, from research to production, and conducted a Group survey to identify ways in which we can improve animal health and welfare in our operations.
- As a result of our review, we launched a number of new initiatives, including modified sampling protocols to improve animal welfare.
- Developed Group training for all Benchmark employees who have fish and shrimp under their care.
- Our co-funded research on the benefits of eliminating ablation practices in shrimp hatcheries won the 2021 Global Aquaculture Alliance Innovation Award.
- Published a second edition of Benchmark Insights, entitled, *Animal Welfare – Drivers, Trends and Best Practice*. The publication brought together scientists, academics, customers and investors to share their views on the development and improvement of fish and shrimp welfare, with the goal of connecting industry participants to drive improvements across the value chain.

Animal health and welfare is in our DNA

Animal Welfare – Drivers, Trends and Best Practice

> "Our mission is for all our employees to be welfare ambassadors – for them to have welfare in their minds when working to ensure all our animals are safe and healthy, and for them to transfer this knowledge and best practice to our customers globally."

Dr Marcela Salazar
Chair of Animal Welfare Committee

ESG Report continued

Environment

As a responsible operator, Benchmark is committed to a programme of continuous improvement to minimise our environmental footprint. This means focusing our efforts on energy consumption, greenhouse gas emissions, waste reduction and resource management in all aspects of our operations. We do this through our Group environmental policy, and we report on our progress in compliance with the Streamlined Energy and Carbon Reporting ("SECR").

Our environmental footprint and SECR are managed through:

- **Governance**: we have an environmental programme in place led by the Group Health, Safety and Environmental ("HSE") Manager and managed locally through Environmental Representatives at each site. Performance and progress are reported through the Sustainability Working Group to the Sustainability Committee chaired by Kevin Quinn, Non-Executive Director.
- **Responsibility**: the Group Health, Safety and Environmental Manager is responsible for collating environmental data on a monthly basis. Data is collected from each site using a standard spreadsheet template and centrally collated. Wherever possible, data is directly measured, with estimates made where a team is located in shared premises and direct measurements are not available. These estimates represent less than 1% of our total emissions.
- **Methodology**: The calculations are aligned with the Greenhouse Gas Protocol and the Global Reporting Initiative Disclosure Standards. The approach covers scope 1 and scope 2 emissions and scope 3 emissions relating to air travel. Additionally, we are reporting on the amount of waste sent to landfill and the amount of potable water consumed at our sites.

For calculations of carbon equivalents, the data issued by the International Energy Agency has been used for the electricity-related emissions and, for all other emissions, the UK Government GHG Conversion Factors 2021 spreadsheet has been used.
The reporting period is from 1 October 2020 to 30 September 2021.

Intensity measurement - We have chosen the metrics gross scope 1 and 2 emissions in tonnes of CO_2e per £million revenue and gross scope 1 and 2 energy use in MWh per £million revenue. These are commonly used intensity metrics and enable benchmarking with similar organisations. Our FY21 revenue of £125.1m was used for intensity measurements.

Our KPIs and SECR disclosures

Our key environmental impacts have been identified as: electricity consumption, gas consumption, vehicle travel, disposable water outputs, and potable water consumption.

To enable a valid year-on-year comparison, FY20 has been recalculated to exclude any emissions related to divested companies and to include historic data obtained for our Genetics site in Chile. The Health business area offices in the UK and Chile are included in the current year calculations but were not operable throughout the previous financial year.

Our KPIs

	FY21			FY20		
	UK	Global (excl UK)	Group Total	UK	Global (excl UK)	Group Total
Emissions (tCO_2e)						
Scope 1 (tCO_2e)	**4**	**2,424**	**2,428**	15	2,525	2,540
Scope 2 – location based (tCO_2e)	**6**	**4,213**	**4,219**	19	3,710	3,729
Total scope 1 & 2 (location) (tCO_2e)	**10**	**6,637**	**6,647**	34	6,235	6,269
Intensity ratio (per £m Revenue)			**52.84**			64.51
Energy (MWh)						
Total renewable electricity consumption (MWh)	**0**	**20,882**	**20,882**	0	20,643	20,643
Total non-renewable electricity consumption (MWh)	**31**	**9,827**	**9,858**	72	8,847	8,919
Total gas consumption	**20**	**5,650**	**5,670**	100	6,042	6,142
Vehicle transport	**24**	**2,433**	**2,457**	4	2,416	2,420
Emissions related to other fuels	**0**	**560**	**560**	20	905	925
Total energy consumption (MWh)	**75**	**39,352**	**39,427**	196	38,853	39,049
Energy intensity ratio (per £m Revenue)			**313**			326

Electricity consumption is our biggest environmental impact and, globally, the Company has consumed 30,740MWh of electricity; of this, 68% has been obtained from renewable sources.

Our drive to achieve net zero emissions is based on a science-based targets approach of absolute contraction following the 1.5°C scenario, with our policies being centred around the UN Sustainable Development Goals and the Paris Agreement. We have adopted the following definition of net zero: *'A net zero organisation will set and pursue an ambitious 1.5°C aligned science-based target for its full value-chain emissions. Any remaining hard-to-decarbonise emissions can be compensated using certified greenhouse gas removal.'*

In FY21, we observed a slight absolute increase in scope 1 & 2 CO_2e emissions. This is due to the scaling up of our operations in Chile, Iceland, and the United States, making it a reflection of business growth. We are aware of these increases and are implementing solutions to continue our journey towards being net zero, such as through the installation of a hybrid thermal energy system for our Fellsmere site (United States) which was completed at the end of the year and will significantly reduce the facility's gas consumption into the future. Our scope 1 emissions stem from use of gas and other fuels and Company-operated vehicles. Our scope 2 emissions relate to our electricity consumption. Our target is to reduce our gross scope 1 and 2 emissions by 42% from the FY20 baseline year to 2030.

Similarly, we have observed an absolute increase in our energy consumption accounted for by the increased size of operations. We have a roadmap to reduce our energy consumption, and have begun projects to achieve this, such as through the onboarding of an external consultant to produce an energy study for our Thailand factory, which accounts for the majority of our GHG footprint.

This project was delayed by six months due to the COVID-19 pandemic which restricted activities in Thailand, but will be completed in FY22 and will further inform our pathway to absolute contraction.

Looking forward to FY22, we will roll-out our updated environmental policy through local workshops, with the output being implementation plans to achieve our net zero targets. As part of this, we will define relevant metrics and targets for each site, routinely monitoring them and using the data as a springboard for identifying and prioritising improvements.

Water (m^3)					
	Financial Year	UK/Europe	Americas	Asia	Group Total
Freshwater usage (m^3)	FY20	7,325	6,507	50,529	64,361
	FY21	**21,586**	**4,002**	**39,103**	**64,691**

	FY21 Group Total	FY20 Group Total
Freshwater usage (m^3) intensity ratio (per £m Revenue)	**514**	538

The increase in freshwater usage in UK/Europe is attributable to our Genetics facility in Iceland which has initiated a research project involving salmon fingerlings requiring mains water. In Asia, the drop in freshwater usage is linked to a three month temporary halt in the use of a spray dryer (the site's main consumer of water) due to replacement of the spray dryer and the installation of new fire prevention measures. Of our total freshwater usage, only 0.06% accounts for drinking water.

We have conducted a water risk assessment in line with the WRI Aqueduct Tool to ascertain that our operations do not impact on water access in our communities. The results showed that of our four locations in high water stressed areas (Turkey, Mexico, Belgium and Italy), three are office spaces with minimal water consumption. In Italy, we have a research centre where we only use seawater thus safeguard access to potable water for local communities. These four locations consumed 115m^3 water in FY21, representing 0.1% of our total potable water use. Additionally, we have a water policy in place to ensure responsible management at each of our sites and to guide future actions.

Air travel benefitted from the travel restrictions from COVID-19. As we emerge from the pandemic, we have adopted a policy aimed at reducing air travel, including using digital tools instead of physical meetings where possible and combining business trips that require air travel to reduce the number of trips made.

The UK car fuel data is taken from mileage declarations, fuel records and business mileage expense records. For operations outside the UK, car fuel data is taken from mileage declarations. We are implementing a vehicle policy to transition our existing fleet to electric vehicles where these are available and within their replacement cycle.

We aim to divert as much waste from landfill as possible by segregating waste streams where we can. Wherever possible waste is recycled, used in biodigestion processes or incinerated at authorised waste incinerator sites to produce energy.

Throughout the year, our Thailand factory has continued to donate out-of-specification product to communities local to the facility, diverting 113 tonnes of waste from landfill. Additionally, their investigations into how to avoid sending to landfill waste from the effluent treatment plan has diverted a further 69 tonnes.

Environmental compliance

Compliance with all relevant environmental legislation in countries where the Group operates is the baseline from which we drive our improvements. There have been no breaches of environmental legislation during the reporting period.

Air travel emissions (tCO_2e)	FY21 Group Total	FY20 Group Total
Air travel (tCO_2e)	**86**	464

Vehicle emissions (tCO_2e)	FY21 Group Total	FY20 Group Total
UK car fuel (tCO_2e)	**6**	17
Total Group Vehicle emissions (tCO_2e)	**988**	893

Landfill (tonnes)	FY21 Group Total	FY20 Group Total
Landfill waste (tonnes)	**160**	233

Environmental fines (£)	FY21	FY20	FY19	FY18
Total cost of environmental fines (£)	**0**	0	0	0

ESG Report continued

How we promote environmental considerations (2021 highlights)

- In 2021, we updated our **environmental policy** to better align it to our ESG materiality assessment, stakeholder input and best practice. Our new policy also allows us to increase transparency by setting KPIs based on GRI standards. In the policy, we outline our stance on climate change, biodiversity, energy management, water resources management, sustainable materials management, waste management, Company-operated vehicles and business travels . The policy can be found at https://www.benchmarkplc.com/sustainability/esg-download-centre/
- Commercial use of our CleanTreat® technology in Norway began in 2021. This cutting-edge water purification system removes medicine from treatment water before safely returning cleaned water to the sea. CleanTreat ® received the highest recognition for environmental protection and sustainability offered by the ASC – the world's leading certification scheme for farmed aquaculture.
- We are working towards **increasing certified sourcing for raw materials** to ensure that environmental considerations are present at all stages of our production cycle.
- In line with our targets to **reduce GHG** emissions across our business, we have made progress towards encouraging the use of electric vehicles with the first installation of a charging point at one of our sites, and adding electric vehicles to our fleet as vehicles get replaced.
- This year, we have commenced the work towards a comprehensive Group-wide **climate risk assessment** which will be completed in 2022. This will enable us to identify, evaluate and mitigate the climate risks that exist for us, as well as giving us the environmental context necessary to identify opportunities to improve our operations from a climate perspective.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
14 LIFE BELOW WATER

Our people and communities

Our people – well-being

Benchmark is powered by committed people driven by the desire to make a difference. Everything we do is guided by our values – innovative, passionate, collaborative and commercial – and is brought to life by our colleagues, partners and the local communities in which we operate. Shaping a sustainable future for aquaculture would be impossible without the ambitious and motivated individuals who make Benchmark what it is, and take it to where it can go.

As such, our people play a huge role in how sustainability is carried out at Benchmark. As an employer, producer and supplier, we want to make sure that we contribute positively to local value creation and knowledge cultivation and allow each employee to reach their full potential whilst feeling encouraged. As a global Company that touches many cultures and countries, we acknowledge our responsibility in ensuring a safe and harmonious working environment for all, with no exceptions to that rule. We take this responsibility extremely seriously; upholding an ethical business practice is a key principle for Benchmark.

With a good working environment, good results are generated in every aspect – whether environmentally, socially or financially – which is what we always strive for.

How we ensure a healthy environment for our people and communities

- Throughout COVID-19, with various national restrictions and lockdowns in place, we made sure to support our community through their home-working experience and organised a number of collective online activities to maintain a spirit of connection and inclusion.

Gender balance within Benchmark

Workforce Segment	Number of Females	Number of Males	Total Employees	Total % of Segment Occupied by Females	Total % of Segment Occupied by Males
Executive Directors	1	1	2	50	50
Operations Board	4	4	8	50	50
Senior managers	20	41	61	33	67
Managers/tech experts	79	133	212	37	63
Employees	206	307	513	40	60
Total workforce	**310**	**486**	**796**	**39**	**61**

Nutrition team
Wachirabarami Kindergarten and Wat Bua Bang School, Phichit Province

- We have now introduced a **'Future of Work' policy** embracing the best of the new working arrangements forced upon us by COVID-19, allowing our people more flexibility with how they perform their work. This policy aims to contribute towards a healthy work-life balance.
- This year, we conducted our second **Employee Engagement Survey** to understand how our employees view and relate to five key metrics: purpose (what Benchmark stands for), enablement (the conditions that enable individuals to do their job well), autonomy (the influences of positive work and health), reward (intrinsic and extrinsic rewards for workplace effort) and leadership (examining the way in which leaders listen, support and enable positive change). This survey is run by a third party to ensure complete anonymity and allows us to keep track of our working environment and how our peers are feeling, enabling progress and change in the areas that are identified as needing additional focus.
- In 2021, we launched our new **Performance Framework**. This new framework came from our recognition that managing employee performance should be an everyday activity based on frequent, open and honest conversations. This is replacing our previous annual performance evaluation to transform it into a four-stage process, with a different focus to the conversation each quarter: objective-setting to give focus and goals for the year ahead, development discussions to give the support needed to fulfil these objectives and grow in the Company, check-in sessions and an end of year review. We are very proud that in our first year of introduction, the performance reviews have been embraced with great success with all people in the Company receiving feedback.
- We have begun the process of putting together a **Diversity and Inclusion Working Group**, which will act to establish how to best continue our efforts in diversity and inclusion within Benchmark. The Working Group will bring forth ideas, projects and feedback on our efforts, as well as a varied perspective through its members, to best represent Benchmark and pave the way for a tailored strategy that is representative of Benchmark and its people. The Working Group will also focus on defining diversity and inclusion KPIs that are relevant and can be captured within the context of Benchmark.
- Our employee turnover statistics at 13.63% are healthy, demonstrating the engagement of our people with Benchmark's mission, values and work. We see this as a reflection of the positive and encouraging work environment which is created as part of our One Benchmark culture and carried forward by all of the incredible and passionate individuals that are a part of it.

Health and safety

We take the health and safety of our employees very seriously and have a health and safety management system in place that covers 100 percent of our operations. Every employee expects to return home from work unharmed and we believe that this responsibility is down to all of us as a responsible operator. We ask every employee to sign up to our health and safety commitment:

- **Nothing is more important than health and safety.**
- **Nothing we do is worth being hurt for.**
- **Nothing is so important we cannot take time to do it safely.**
- **We will never witness an unsafe act or condition without taking action.**

We operate mandatory health and safety training for all new employees and have not had any fatalities for employees and contractors. The well-being of our people will always be a top priority within the Group, and we are committed to upholding this.

Benchmark for Better

Through the Benchmark for Better initiative, we support community-level projects in three key areas: education, environment and animal welfare in aquaculture.

We do this by allocating charitable donations to projects put forward by our people and designed to deliver positive change for people and the environment in the communities surrounding Benchmark's operations across the globe. Additionally, our volunteering policy grants our employees two days per year to devote to these activities. There are many examples of our work across the world.

As part of the initiative, our team in Wachirabarami, Thailand, organised a project to support sustainability and safety in the region. They planted 170 trees at a local primary school and donated fire extinguishers, sports and medical equipment and waste bins, amongst other resources. The team also painted the school and provided training on fire extinguisher use and waste separation.

Through our support of the Mama Magda Aquaculture Fund, run by Ghent University, we continue to contribute to educating the next generation of aquaculture researchers, farmers, producers and specialists in developing countries.

In the UK, members of our team volunteered at City Harvest, contributing to food security by distributing surplus food from retailers and the catering sector to those in need. Elsewhere, our tilapia team in Miami donates fish with an estimated market value of more US$25,000 every year to local communities of low-income immigrants.

Benchmark for Better also provides support to our colleagues. For example, when two Benchmark employees in India were struggling to get medical support for family members who had COVID-19 during the peak of the pandemic, we sourced two oxygen concentrators and delivered them from the UK. Once the families had used them, they were donated to the local community.

Phichit Factory is in Industrial Estate Authority of Thailand (IEAT-Phichit Province) area which has 'Laman Canal' to support rainwater, adjacent to the community in Village Moo 7 and Village Moo 8. Advanced Nutrition join with neighbourhood-community to remove sewage and weeds from the canals every year to facilitate the flow of water to prevent flooding within community in line with the ECO Factory project on biodiversity.

Section 172 Companies Act 2006 Statement

Engaging with our stakeholders

The Board continued to focus on its duties under section 172 of the Companies Act 2006 towards its shareholders as well as having regard to the impact on the Group's other stakeholders.

The Board made its key decisions in the 2021 financial year having regard to the provisions of section 172. This requires the Board to act in the way most likely to promote the success of the Group for its shareholders' benefit and to have regard to matters set out in the table below.

Number	Relevant factors for the Board to consider:	How the Board had regard to these factors
1	**the likely consequences of any decision in the long term,**	When evaluating new projects and initiatives the Board assesses the long-term strategic, commercial and financial impacts. Projects considered by the Board in the year included capacity expansion projects, the development of new products and the entry into new markets.
2	**the interests of the Company's employees,**	An all-employee survey was completed and the results were presented to and discussed with the Board. The Company has an Employee Representative who participates in all meetings of the Operations Board. They lead a group of employee champions who represent all employees in all countries. They meet monthly to discuss issues, challenges, ideas and strategic projects such as The Future of Work, Employee Satisfaction, Performance Management, Internal Communications and their feedback is presented to the Board.
3	**the need to foster the Company's business relationships with suppliers, customers and others,**	**See page 32-33 for table** **See page 28-29 for case study**
4	**the impact of the Company's operations on the community and the environment,**	The Board's Sustainability Committee is responsible for overseeing the work carried out by the Company's Sustainability Working Group. This includes developing policies aligned with the Company's aim to minimise the impact on the environment and the communities in the regions where it operates.
5	**the desirability of the Company, maintaining a reputation for high standards of business conduct, and**	The Company has compliance and conduct policies, which it regularly updates, on topics including the prevention of modern slavery, bribery and money laundering, and encourages its employees to report any concerns anonymously using its whistleblowing channel. Employees also receive training on the Company rules and procedures for these matters.
6	**the need to act fairly as between members of the Company.**	While COVID-19 necessitated a reduced shareholders presence at the Company's AGM, the Company ensured the ability of all shareholders to vote online. The Company maintained active communication with shareholders including through quarterly webinars for institutional and retail shareholders. The Company also complied with applicable market and disclosure rules to ensure all shareholders received equal information.

The Board is also conscious that the Group cannot grow and succeed without the support of our stakeholders, from customers and suppliers to shareholders and employees, and positive engagement with the communities in which we operate.

The table on page 53 to 54 sets out our key stakeholder groups and how we engaged with them during the year.

Benchmark's engagement with our key stakeholders:

Stakeholder | **Engagement**

Customers

Who led the Group's engagement?
- CEO, business area heads.

Why do we engage?
- Our customers help us develop and refine our products.
- Building trust-based long-term relationships enables us to deliver innovative high quality products and services that help both Benchmark and our customers succeed.

What were the key actions and topics?
- Regular meetings and requests for feedback from key customers in each business area.
- The Board receives regular updates from the CEO and the Executive Management Team.

What were the key outcomes?
- Deepening of our understanding of Benchmark's perception and position in key markets.
- Refinement of our Ectosan®Vet and Cleantreat ® business model and strategy in co-operation with key customers.
- Planning with regard to global shipping and travel difficulties caused by COVID-19.

Suppliers

Who led the Group's engagement?
- CEO, CFO and business area heads.

Why do we engage?
- Without suppliers that can deliver quality components to the right place at the right time in our chain, Benchmark cannot fulfil its potential.
- As Benchmark operates across the globe, we want to ensure that all of our suppliers adhere to ethical business standards and treat their workers and communities with respect and fairness.

What were the key actions and topics?
- Regular meetings with key suppliers, for example the Salt Lake Artemia Co-operative, which supplies our Nutrition business area with high-quality brine shrimp.
- Improved compliance checks that enable us to ensure that we work with ethical suppliers.
- Engagement with existing and potential new suppliers to explore ways to improve the sustainability of the Company's raw materials and packaging.

What were the key outcomes?
- Learnings about the impact of COVID-19 on global supply chains and corresponding adjustment in our planning.
- A better understanding of trends in our sector.
- Establishment of new relationships which will help Benchmark deliver its strategy.

Employees

Who led the Group's engagement?
- Chairman, CEO, CFO, People team.

Why do we engage?
- Our team members across the globe are critical to Benchmark's success.
- COVID-19 presented unprecedented challenges for our working and personal lives and we wanted to ensure that every colleague was supported.
- Our colleagues have brilliant ideas and we want to hear them.

What were the key actions and topics?
- Employee survey across all areas of the Group.
- Regular town halls on a Group and business area level.
- Development of new working practices in light of COVID-19.
- Relaunch of Benchmark values.

What were the key outcomes?
- Appointment of new Group Head of People, Corina Holmes (see profile on page 66).
- Appointment of new employee representative (see page 67).
- In our employee survey, the Company had an excellent participation rate of 88%, and with an overall engagement score of 88% the Company is very well-positioned in top quartile of companies globally for employee engagement.
- The launch of our Values was well received with all our people having the opportunity to participate in a highly interactive workshop focusing on how the values are relevant to them and how they can live them every day.

Section 172 Companies Act 2006 Statement continued

Benchmark's engagement with our key stakeholders: continued

Stakeholder	Engagement
Communities	**Who led the Group's engagement?** • The Company's Sustainability Working Group which is overseen by the Board's Sustainability Committee. **Why do we engage?** • We want to contribute positively to the communities in which we operate. • We can learn from our diverse communities and play our part as a global and responsible business. **What were the key actions and topics?** • Charitable and volunteering activities around the world. **What were the key outcomes?** • COVID-19 relief donations in local communities in Thailand, India and Latin America. • Environmental clean-ups.
Shareholders	**Who led the Group's engagement?** • Chairman, CEO, CFO. **Why do we engage?** • Our shareholders are the owners of our business and we manage it on their behalf. • Our shareholders provide financial support and stewardship. **What were the key actions and topics?** • Shareholders General Meeting. • Regular investor calls with the CEO and CFO. • Chairman and NED calls with all major shareholders. • Webcast presentations with Q&A. • Soliciting feedback through the Company's advisers. **What were the key outcomes?** • Feedback received from shareholders was incorporated in the Company's annual strategy development.

For any decision related to the stakeholder please refer to the key activities of the Board.

Risk Management

Risk management framework

The Group's risk management framework and its implementation is led by the Chief Financial Officer. The Board is ultimately responsible for oversight of the Group's risk management systems, with the Audit Committee acting as a reviewing committee.

During the year, the Audit Committee received reports from the Chief Financial Officer regarding risk management, and from the Group's auditors regarding financial and management controls. No major issues were identified.

Identification

Bottom-up risk review
Risks are identified in a bottom-up process involving local management, resulting in a risk register for each business.

PLC risk register
Risks capable of having an effect at Group level are identified and prioritised.

Assessment and evaluation

Risk weighting
Risks are assessed to give a gross risk weighting, taking into account likelihood of occurrence and severity of impact, and a net risk weighting, which also takes into account existing mitigating factors and controls.

Risk exposure
The risk exposure (net risk weighting) is evaluated and it is determined whether the relevant risk is within the Group's risk appetite.

Risk appetite
The Group's risk appetite, which varies depending on the type of risk, is determined. The risk tolerance limit, which allows for a level of deviation from risk appetite where warranted to achieve objectives, and risk capacity, which is the level of risk that the Group is able to handle, are also evaluated.

Mitigation

Actions
Where risk exposure is outside risk appetite, actions are agreed and implemented, with priority given to risks capable of having an effect at Group level and risks outside risk tolerance.

Monitoring

Ongoing monitoring and review
There is a continual process of updating risk registers, incorporating newly acquired businesses into the process, reviewing risk appetite, and monitoring the implementation of mitigation strategies.

The framework follows a bottom-up approach, through which local management lead the identification, assessment and evaluation, mitigation, and ongoing monitoring of risk. This process is followed in the context of guidelines regarding risk appetite in specified areas which are assessed and approved by the Board. The cycle of identification, assessment and evaluation, mitigation and ongoing monitoring is operated with a view to completing a full risk management cycle in each part of the business at least once every 24 months. The framework is designed to make risk management an integrated part of the Group's day-to-day

Principal Risks and Uncertainties continued

operations. Risks capable of having an effect at Group level are prioritised and reported on to the Board.

During FY21, the Group undertook a bottom-up review of its risk registers and is continuing to update and evaluate the risks previously identified, as well as monitoring the progress of related mitigating actions. The Chief Financial Officer also met on a quarterly basis with the Business Area Heads and Financial Directors to discuss and monitor risks relating to each Business Area.

Risk appetite

The Group has decided to make amendments to its risk appetite, which is set out below:

"Benchmark operates in a highly regulated sector covering food safety, animal welfare and environmental responsibility. The Company has a very low tolerance to risks of breaching legal, regulatory or ethical standards or anything which could negatively impact on our people's health, safety and wellbeing, the communities where we are present, our reputation or that of our customers.

The nature of our business means that we are exposed to biological and climatic risks that are beyond our influence but where possible, we take steps to mitigate the impact of these risks on the business.

As an aquaculture biotechnology company, we develop solutions that tackle unsolved problems often by applying new technology. The technology risk we assume takes into consideration our stakeholders' interests and is commensurate with the potential returns from our product pipeline and intellectual property's assets.

The Group recognises the importance of its supply chain to serve its customers and to meet its ESG goals and seeks to minimise risks within its supply chain which would compromise quality and service for its customer.

The Group has a measured approach to projects and acquisitions and will take an appropriate level of risk commensurate with the potential returns and availability of capital."

Principal risks and uncertainties

Throughout the year the Audit Committee and the Board monitored responses to the principal and emerging risks identified, and in particular the recovery in the Advanced Nutrition business area where, after the downturn in global shrimp markets in 2020 brought on by COVID-19, the Group has regained market share, although some of the production markets still remain impacted. Management's responses were efficient and effective in difficult circumstances and while the Committee was supportive of the actions taken, it does note that these issues continue to represent significant risks to the Group as we move into FY22 and as reported elsewhere in this report.

We have included in the risk tables below, a cross reference to our Strategic Priorities: 1 Growth of Ectosan Vet® and Cleantreat® in Norway; 2 Commercial launch of SPR shrimp; 3 Reinstate BAN as a global leader in Artemia ; 4 Deliver an integrated Groupwise ESG programme aligned to Benchmark commitment as a responsible operator and industry leader driving sustainability ; and 5 Deliver a people agenda that continue to build the "One Benchmark" Culture. These are described in more detail on page 25.

Strategic risks

Risks	Risk commentary	Risk mitigation and controls	Business Areas affected	Strategic objectives
Competition and loss of competitive advantage	• Falling behind competitors with the development and commercialisation of new, innovative products • Threat to market share and revenues	• Innovative development focus and strong pipeline of products • Intellectual Property ("IP") protection including patents • Strong customer relationships with key account structure	Advanced Nutrition, Health and Genetics	**1, 2, 3**
Reliance on continued success of existing products	• The Group is currently exposed to risk by limited diversity of revenue streams • Risks associated with legal costs of protecting Group IP • Group products require the holding of certain licences, accreditations or regulatory approvals that could be withdrawn • Failure to gain additional claims on the labels for certain Group products which could result in reduced revenue from such products	• Increasing number of products/ services from development pipeline is diversifying revenues • Strong Group legal team with dedicated IP expertise • Vigorous defence of own IP • High levels of employee competency and stringent processes related to regulatory affairs	Advanced Nutrition, Health and Genetics	**1, 2, 3**

Risks	Risk commentary	Risk mitigation and controls	Business Areas affected	Strategic objectives
Delivery of cross Group synergies	• Risks associated with failure to fully realise operational synergies and cost benefits • Lower profitability and cash generation, and slower returns than anticipated • Risks on delivering the synergy within the timeline set	• Establishment of Executive Management Team (including Business Area heads and executive team) tracking progress of the Group strategy on weekly basis • Operations Board assists with planning and managing key projects	Advanced Nutrition, Health and Genetics	**1, 2, 3, 4, 5**
New product commercialisation	• Risk that pipeline products may be delayed or fail technically before launch • The Group's strategy has a significant focus on new products and a material failure to deliver would be damaging • Risk inherent in timing and market penetration of new products	• Close dialogue with regulators • Experienced Head of Group Innovation monitors the R&D projects across the Group • Experienced Group regulatory affairs team, commercial team and Marketing team • Close dialogue with customers regarding their product and service satisfaction to enable efficient and appropriate reaction to their feedback and needs.	Advanced Nutrition, Health and Genetics	**1, 2, 3, 5**

Operational risks

Risks	Risk commentary	Risk mitigation and controls	Business Areas affected	Strategic objectives
Environmental risk and crisis management	• The nature of certain of the Group's operating activities exposes us to certain significant risks to the environment, such as incidents associated with releases of chemicals or hazardous substances when conducting our operations, which could result in liability, fines, risk to our product permissions and reputational damage • There is a risk that natural disasters could lead to damage to infrastructure, loss of resources, products or containment of hazardous substances • Our business activities could be disrupted if we do not respond, or are perceived not to respond, in an appropriate manner to any major crisis or if we are not able to restore or replace critical operational capacity	• We have implemented standards and requirements which govern key risk management activities such as inspection, maintenance, testing, business continuity and crisis response	Advanced Nutrition, Health and Genetics	**1, 2, 3, 4, 5**

Principal Risks and Uncertainties continued

Risks	Risk commentary	Risk mitigation and controls	Business Areas affected	Strategic objectives
Biological and climatic risks	• The Group is exposed to the risk of disease within the Group's own operations and disease in the market resulting in possible border closures • Sales of the Group's sea lice medicines and other relevant solutions such as CleanTreat® are affected by the degree of sea lice challenge in the environment, which is driven by sea temperatures and other biological factors	• The Group operates the highest levels of biosecurity • The Group holds genetic stock at multiple sites; increasingly sources from its own land-based salmon breeding facilities • The Group operates containment zones which mitigates the risk of border closures affecting its ability to import or export • The Group has placed increased focus on insuring its biological stock • The Group's product diversity across business areas offers some mitigation	Advanced Nutrition, Genetics, Health,	**1, 2, 3**
Volatility of end markets (salmon, sea bass and shrimp markets) and market and regulatory trends	• Market fluctuations in shrimp production volumes and pricing, often influenced by disease, drive customer and food services demand for shrimp • Market and regulatory trends for tackling sea lice have an influence on customer demand for the Group's sea lice products	• The geographic diversity of the business area's customer base offers some mitigation • The Group's product diversity across business areas offers some mitigation	Advanced Nutrition, Genetics, Health	**1, 2, 3**
Threats to the supply chain	• Benchmark is reliant on a small number of key raw materials and suppliers for important products • The Group has R&D and production sites which are important to its current revenues and future success and which are leased • Commissioning of new facilities could be delayed leading to late product deliveries • Benchmark relies on third parties for importation authorisations required in certain jurisdictions for certain products	• Dual supplies of raw materials where possible • Supplies secured with contractual arrangements, and import authorisations in the process of being applied for where deemed material for the Group • Seek long-term tenure of sites	Advanced Nutrition, Genetics, Health	**1, 2, 3**
Health and well-being of employees	• Poor health or well-being impacts employees lives and reduces productivity • Some aquaculture activities have inherent operational risks	• Well-developed health and safety management regime in place across the Group • Senior level commitment to ESG programme Group-wide	Advanced Nutrition, Genetics, Health	**1, 2, 3, 4, 5**
Recruitment and retention of high-calibre people	• To maintain market leadership it is essential that the Group has and keeps people with key skills	• Centralised people team delivering people strategy • Succession planning process • Remuneration policy designed to encourage retention	Advanced Nutrition, Genetics, Health	**1, 2, 3, 4, 5**
Loss of key IT system	• The Group IT systems facilitate daily work, collaboration and hold Group IP and trade secrets • Multiple risks of systems failure or cyber attack • Loss of access or key information would be disruptive to the Group	• Internal experienced IT team • Increasing integration of software platforms to improve security and reliability	Advanced Nutrition, Genetics, Health	**1, 2, 3, 4, 5**

Risks	Risk commentary	Risk mitigation and controls	Business Areas affected	Strategic objectives
Geopolitical risk	• The diverse locations of our operations around the world expose us to a wide range of political developments and consequent changes to the economic and operating environment. Geopolitical risk is inherent to many regions in which we operate, and heightened political or social tensions or changes in key relationships could adversely affect the Group	• We seek to manage this risk through development and maintenance of relationships with governments and stakeholders. We closely monitor events and implement risk mitigation plans where appropriate	Advanced Nutrition, Genetics, Health	**1, 2, 3**
Application of appropriate standards of governance	• As an international business, the Group is required to comply with laws and regulations in several jurisdictions • There is risk of non-compliance leading to potential fines, penalties, loss of revenues and damage to reputation	• Experienced Group legal, finance, people, regulatory affairs, investor relations, health and safety and IT teams work closely with the business areas • Training programme, whistleblowing policy, and informal routes by which concerns can be raised, are designed to identify and address potential non-compliance	Advanced Nutrition, Genetics, Health	**1, 2, 3,4, 5**
Brexit	• Primary risk to our Health supply chain because the R&D and manufacturing are based in the UK and products are/will largely be sold outside the UK • There may be potential tariffs on UK cross-border supply of products and ongoing changes to the regulatory framework • Requirement for manufacturing import authorities to be obtained for certain products to be imported into target jurisdictions	• The majority of the Group's operations are located outside of the UK and do not trade with the UK so will be unaffected • In terms of manufacturing and product registration, Health is accustomed to trading with multiple countries and different rules and legislation • Our distribution and commercial model can adapt to changes in tariffs and duties • Our business is naturally hedged and diversified, which helps in a period of economic uncertainty and exchange rate volatility • We will monitor the impact on workforce and global mobility to maintain an effective system for resource planning • The Group has undertaken transfer of UK registered marketing authorisations for products that are sold in the EU to an EU entity and duplication of product release testing for products that was transferred between the UK and the EU	Health	**1**

Principal Risks and Uncertainties continued

Risks	Risk commentary	Risk mitigation and controls	Business Areas affected	Strategic objectives
Brexit continued		• The Group has undertaken various mitigation actions in response to Brexit which includes EU-based laboratory testing facilities for batch testing and the transfer of product registrations to an EU-domiciled legal entity within the Group • The Group has implemented interim measures using third party service providers to continue uninterrupted importation of Animal Health products while manufacturing import authorisations are in the process of being obtained		

Financial risks

Risks	Risk commentary	Risk mitigation and controls	Business Areas affected	Strategic objectives
Maintain liquidity and manage leverage	• Failure to identify and maintain sufficient liquidity headroom • Risk to funding of key growth strategies	• Close control of cash flows with regular update of short- and long-term projections • The refinanced facilities provide greater covenant flexibility and headroom • Group Treasury Manager oversees cash flow management	Advanced Nutrition, Genetics, Health	**1, 2, 3**
Growth in trading results in higher investment in working capital	• Top line growth through new products and markets can drive changing patterns of working capital • Growth in some markets presents increased risk of slow paying or bad debts	• Business area management of pricing and credit terms • Close monitoring of investment in working capital by Operations and Plc Boards • Key performance indicators include working capital measures	Advanced Nutrition, Genetics, Health	**1, 2, 3**
Currency exchange	• The Group as a whole is also exposed to fluctuations in currency exchange rates. These impact sales volumes where products are priced by reference to USD but sold in local currencies; and impacts reported results when local results, assets and liabilities are converted to GBP for reporting purposes	• The Group reduces its exposure to its principal foreign currency risks through the use of hedging instruments	Advanced Nutrition, Genetics, Health	**1, 2, 3**

Emerging risks

Risks	Risk commentary	Risk mitigation and controls	Business Areas affected	Strategic objectives
COVID-19	• Given the current global economic uncertainty, the Group has identified COVID-19 as an emerging risk	• Introduced distancing and hygiene measures in office space and facilities • Executive Management Team and Operations Board met at an increased frequency throughout the crisis, monitoring and responding to events as they occur • Implemented home working for employees and shift work • Took decisive action to reduce our cost base, capital expenditure and cash commitments in FY20. In FY21 as end markets gradually recovered the Group began moving towards allowing discretionary spend where it created value for the business and where the resources were available to do so. • Implemented enhanced financial controls over approval of all spend • Rearranged supply chain when impacted by border closure • Continued technical and customer support through series of videos and webinars • Encouraged workforce uptake of vaccinations where available	Advanced Nutrition, Genetics, Health	**5**
Climate change	• Climate change and the evolving regulatory environment may expose the Group to regulatory breaches, significant disruption, reputational risk or a reduction in demand for certain products or services	• The Group's Sustainability Committee reports to the Board regularly and its mandate is to ensure the Group's strategy and operations are carried out within the framework of caring for the environment, people, and animals. Its work aligns with major frameworks including the London Stock Exchange Guidance for Environmental, Social and Governance reporting and the UN Sustainable Development Goals • New ESG strategy approved • Plan adopted for reduction in the Group's carbon emissions	Advanced Nutrition, Genetics, Health	**1, 2, 3, 4**
Environmental, Social and Governance responsibilities	• Increasingly our stakeholders are requiring reassurance that we are overseeing and responding to ethical and environmental issues across the Group's business	• Code of Conduct in place • New ESG strategy approved • Plan adopted for reduction in the Group's carbon emissions	Advanced Nutrition, Genetics, Health	**4**

The Strategic Report was approved by the Board on 29 November 2021 and signed on its behalf by

Trond Williksen
Chief Executive Officer

Board of Directors

Diverse leadership

Peter George
Non-Executive Chairman

Committee membership	Nomination Committee (Chair) and member of the Remuneration Committee
Appointment	May 2018
Independent	Yes, except for the period between 19 August 2019 – 31 July 2020 while Peter served as Executive Chairman.
Skills, competence and experience	Peter has a strong track record in growing successful international pharmaceutical and healthcare businesses. He is most renowned for his achievements as CEO of Clinigen Group plc, the FTSE AIM global pharmaceutical and services company, which he founded in 2010 and grew into close to a £1bn market cap company having acquired several businesses and expanded its international footprint. Peter also served as chairman of Ergomed plc, the AIM-listed provider of clinical research, drug development and safety services internationally, and was non-executive director of DRI Healthcare Fund. Prior to Clinigen, he held a number of senior roles in the pharmaceutical and healthcare sectors including chief executive officer and leading the MBO of Penn Pharmaceutical Services. He co-created Unilabs Clinical Trials International in 1997, which was successfully sold to Icon plc in 2000.
Other roles	Peter is chairman of Oxford Quantum Circuits, non-executive director of Osler Diagnostics and a Health Sciences adviser at Oxford Science Enterprises and Gresham House. In addition, Peter has an investment fund, Enigma Holdings Group, and serves on a number of the boards of companies owned by the group. He also owns XPG Ltd, a building and development company.

Trond Williksen **Chief Executive Officer**	**Septima Maguire** **Chief Financial Officer**	**Susan Searle** **Senior Independent Director**
Disclosure Committee, Sustainability Committee	Disclosure Committee (Chair)	Remuneration Committee (Chair) and member of the Audit and Nomination Committees
June 2020	December 2019	December 2013
No	No	Yes
Trond is highly experienced in the international aquaculture and seafood industries, having held senior executive positions in the sector for over 20 years. Most recently he was CEO of SalMar ASA, the Norwegian fish farm company and one of the world's largest producers of farmed salmon. Prior to Salmar, he was CEO of AKVA group ASA, the leading global aquaculture technology and service provider for six years. He previously held a number of executive roles in Aker ASA's Seafoods, Ocean Harvest and BioMarine divisions.	Septima joined Benchmark from Dechra Pharmaceuticals PLC, the international provider of specialist veterinary pharmaceuticals and products, where she spent four years as group financial controller, acting group finance director and most recently corporate development director, overseeing all aspects of acquisition activities, strategic projects, business development and investment initiatives playing a significant role in supporting Dechra during a period of high growth. Prior to Dechra, Septima held a number of senior finance roles at Ardagh Group S.A. over a period of six years. She has also held finance roles at Impress Global, CNH Capital and PricewaterhouseCoopers. Septima holds a Masters in European Union Law from the University of Leicester and is ACCA qualified.	Susan has over 25 years' experience working in a variety of commercial, business development, manufacturing and operational roles including investing in growing technology businesses, acquisitions and the exploitation of new technologies. She co-founded Imperial Innovations plc, a leading technology investment business, and served as its CEO from 2002 to 2013. As part of that role Susan was ultimately responsible for risk assessment regarding investee companies and business continuity management. She was previously chair of Mercia Technologies PLC, a regional technology and biotech investor and holds an MA in Chemistry from Exeter College, Oxford. She was also non executive and remuneration chair of Horizon Discovery plc, a gene-editing biotech company, prior to its sale to Perkin Elmer. Susan was formerly chair of Schroders UK public private plc, which invested in a wide range of technology companies with a key focus on biotech and sustainability. Susan brings to Benchmark a wealth of experience, including in relation to financial risk management, having served on a variety of company boards and audit committees.
Trond is Chairman at Holding Cage AS (Mørenot AS), a leading technology provider to fisheries and aquaculture internationally, as well as an executive advisor for FSN Capital, a Nordic PE fund. He is also Chairman at Ivan Ulsund Rederi AS (including Trønderbas AS, Brusøykjær AS, Ivan Ulsund Eiendom AS), an ocean fisheries company. He is a board member at SinkabergHansen AS, a leading Norwegian salmon farming company, and a board member of Williksen Export AS, a Norwegian salmon export company. Trond also owns an investment company, KRING AS. At the time of Trond's appointment, the Board reviewed Trond's other roles and were comfortable that these would still allow sufficient time to discharge his responsibilities effectively. The Board agreed that each role was not deemed to be significant and will continue to monitor such appointments.		Non-executive director and remuneration chair of QinetiQ Group plc.

Board of Directors continued

	Kevin Quinn Non-Executive Director	Yngve Myhre Non-Executive Director
Committee membership	Audit and Sustainability Committees (Chair) and member of the Remuneration, Nomination and Disclosure Committees.	Audit Committee (since February 2021)
Appointment	November 2016	November 2017
Independent	Yes	Yes
Skills, competence and experience	Kevin is a qualified chartered accountant with over 30 years of financial experience in international business and the biosciences industry, including with FTSE 100 companies. Previously, Kevin was chief financial officer at Berendsen plc, the leading FTSE 250 European textile service business, where he was directly responsible for finance risk management, until the takeover of Berendsen by Elis SA in September 2017. In his role at Berendsen Kevin was also responsible for providing assurance on mitigating actions relating to operational risks. Kevin has also previously held senior finance positions within biosciences group Amersham plc and before that was a partner with PricewaterhouseCoopers (Prague). Kevin holds a BA in French from University College, Durham.	Yngve has more than 20 years' experience in the aquaculture sector as a senior executive, adviser and investor. Yngve was chief executive of leading Norwegian salmon producer Salmar, and of international white fish supplier Aker Seafood during periods of successful growth. In both these roles Yngve was involved in evaluation of operational risk management strategies. Yngve also acts as strategic adviser to investors in the aquaculture section. Yngve has a very strong track record in Benchmark's focus area of aquaculture, both in the Norwegian and international markets.
Other roles	Kevin is also the chair of Marlowe Plc, a leading UK services business providing testing, inspection and maintenance of critical building systems.	Yngve is a member of the board of Kime Akva, Aqua Site AS and other seafood related companies. He is also chairman of Broodstock Capital and Chilean salmon producer Nova Austral. Yngve also acts as a strategic adviser to investors in the aquaculture sector.

Kristian Eikre
Non-Executive Director

Jennifer Haddouk
Company Secretary and Group Legal Counsel

March 2019	May 2019
No	No
Kristian has more than 15 years' experience as an investment professional with a particular focus on the aquaculture, pharmaceuticals, energy and renewables sectors. Kristian is currently an investment professional and co-head of Ferd Capital, a division of Ferd AS, a Norwegian investment company holding 25.86% of the Company's issued share capital. Prior to that, he was a partner at Herkules Capital, a leading private equity firm in Norway. Before this, he was a research analyst at First Securities, an investment banking firm. Kristian has held various board positions and is currently a board director of a number of companies including Fjord Line AS and Aibel AS.	Jennifer is a French qualified solicitor with over 10 years' experience. Jennifer previously worked in French law firm SCP de Poulpiquet & Co and more recently as an in-house legal counsel for KellyDeli, a European sushi retail company, where she gained experience in the salmon industry, focusing on commercial agreements, corporate and competition law. Since joining Benchmark, Jennifer has been advising and supporting Group companies to execute their strategies. Jennifer holds a MA in Law from the university of Nice and 'Diplome de Notaire'.
Kristian has held various board positions and is currently a Board Director of a number of companies including Fjord Line AS, a Scandinavian cruise and ferry operator, as well as a Non-executive for Seagust AS.	

Our Leadership Team

Trond Williksen
Chief Executive Officer

Septima Maguire
Chief Financial Officer

Jennifer Haddouk
Group Legal Counsel and Company Secretary

Biographies for the above individuals can be found on pages 63 and 65.

Corina Holmes
Group Head of People

Corina is a global HR leader with over 25 years' experience living and working extensively across EMEA, Asia and the Americas. She has worked for both large and complex companies in technology, pharmaceuticals, and financial services as well as smaller entrepreneurial start-up businesses.

Throughout her career Corina has led global HR teams in creating values-based company cultures, creating and leading employee engagement and development programs, and implementing reward and talent management strategies that support the achievement of business goals and objectives, together with acting as coach and mentor to senior leadership teams.

Corina joined Benchmark in January 2021 from Hyve Group Plc where she was chief people officer.

John Marshall
Head of Health

John joined Benchmark from Novartis Animal Health in 2011 where he was their head of European Business unit Aquaculture and head of Global Technical Services – Aquaculture.

John has a degree in Agricultural and Environmental Science (honours in Crop Protection) from Newcastle University and an MBA from Open University with Business Finance and Acquisition Strategy from Harvard University.

John has 20 years of experience in the animal health industry working in R&D, sales and marketing, business development, business unit leadership and leads Benchmark's Animal Health.

Jan-Emil Johannessen
Head of Genetics

Jan-Emil is Head of Benchmark Genetics and joined SalmoBreed – today part of Benchmark Genetics - as Chairman of the Board in 2011 and Managing Director in 2013. Prior to this he was working for 10 years with the Norwegian branded food company Rieber (Toro) and for 15 years in the family-owned company Fossen AS (today Lerøy Fossen AS).

Fossen was one of the pioneers in Norwegian fish farming with a particular focus on trout and value-added products. Jan-Emil holds a MSc in Business Administration and Economics as well as university courses in Aquaculture.

Patrick Waty
Head of Advanced Nutrition

Patrick is an experienced aquaculture leader and expert who had his first exposure to the sector in 2005, upon purchasing and growing Seagull NV, the Belgium-based fish processing company.

Patrick joined in November 2021 from SyAqua Group, an industry leader in early-stage nutrition and genetics for shrimp and tilapia, where he was chief executive officer pushing forward Asian market development. Prior to this Patrick spent 6 years in several key global leadership roles within BernAqua, Epicore Bionetworks, steering the company through a period of mergers, acquisitions, and integration, which significantly and strategically developed Neovia/ ADM business as a global aquaculture director.

Patrick joins the Executive Management Team and will play a key role in developing and growing our Advanced Nutrition business as well as contributing strategically to the evolution of Benchmark over the coming years.

Ivonne Cantu
Director of Investor Relations and Corporate Development

Ivonne joined Benchmark in 2017 after 20 years as corporate finance adviser at Cenkos Securities and Merrill Lynch. Throughout her career Ivonne has advised UK and international companies across sectors on a broad range of corporate finance transactions including IPOs, fundraisings and M&A as well as on investor communications, corporate governance and regulatory matters.

Ivonne chairs the Sustainability Working Group and is a member of the Sustainability Committee. In early FY22, Ivonne became a member of the Executive Management Team.

Ivonne holds a BSc in Engineering and an MBA from the Wharton School of Business.

Simon Hill
Head of Business Development

Simon joined Benchmark in 2014 after 20 years working as a business adviser within Arthur Andersen and a leading UK regional advisory practice. An economics graduate with an interest in international trade, Simon qualified as a chartered accountant in 1996 and then specialised in supporting clients through M&A and business change projects, both as an external adviser and through strategic corporate secondments.

Since joining Benchmark, Simon has assisted the Board in the key acquisitions which have driven the establishment and growth of the Genetics and Nutrition business areas, and plays a leading role in acquisition, investment, refocusing and divestment projects throughout the Benchmark Group.

Morten Rye
Director of R&D and Innovation

Morten joined Benchmark in 2015 when Akvaforsk Genetics Center ("AFGC") was acquired. He currently holds a dual role, as Director of Genetics in Benchmark Genetics, and newly appointed head of the cross-business area Benchmark Innovation Board.

Morten earned his PhD in Animal Breeding at the Norwegian University of Life Sciences. Following a scientific career in aquaculture genetics, he spent 15 years building AFGC into a major provider of genetic improvement services to aquaculture industries worldwide. He has authored or co-authored more than 60 scientific publications on quantitative genetics and selection applied to aquaculture species. After joining Benchmark he has been working to coordinate technical genetics services and R&D priorities across Benchmark Genetics.

Barbara Hostins
Employee Representative

Barbara joined Benchmark in 2017 as part of the Innovations department of Advanced Nutrition. She works as an R&D scientist, contributing to product development in Health & Environment group. Barbara was appointed as Benchmark's Employee Representative in June 2021, giving continuity to the role and strengthening the employee voice in the board room, in line with the new Corporate Governance guidelines.

Barbara holds a PhD in Aquaculture from the Federal University of Rio Grande in Brazil, and the University of Ghent in Belgium.

Corporate Governance

Peter George
Chairman

Chairman's governance statement

"The Board has made progress during the year to develop its corporate governance framework in light of new developments and best practice."

Peter George
Chairman

I am pleased to report that Benchmark has continued to deliver on its strategy this year despite the ongoing uncertainty resulting from the COVID-19 pandemic.

Compliance with the UK Corporate Governance Code
The Board has made progress during the year to develop its corporate governance framework in light of new developments and best practice. Although we are an AIM-listed Company, and follow the AIM Rules, we have chosen to voluntarily comply with the UK Code of Corporate Governance 2018 **(the "Code")** and the Guidance on Board Effectiveness. An analysis was conducted during the financial year ended 30 September 2020 to review the Group's current governance framework and practices against the Code and we have since adopted those recommendations.

Board changes and composition
In February 2021, Hugo Wahnish stepped down as a Non-Executive Director. Hugo joined Benchmark in November 2017 bringing over 35 years of experience in the animal health and pharmaceuticals industry and played a significant role in Benchmark's transformative period. On behalf of the Board I would like to thank Hugo for his contribution to Benchmark, in particular his support during our restructuring to focus on our core aquaculture areas. Yngve Myhre was appointed as a member of the Audit Committee following Hugo's departure.

Another key step taken in light of our commitment to follow the Code was the amendment of our Articles of Association to introduce a requirement for annual re-election of Directors at each of our Annual General Meetings ("AGM"). At our 2021 AGM this year all Directors proposed for re-election were approved.

Board evaluation

During the financial year we conducted an extensive internal individual Board evaluation which was followed by delivery of the results in June 2021. It included a thorough internal evaluation of the Board and its Committees, with the aim of ensuring that they operate efficiently and effectively, with an appropriate mix of skills and experience in order to help deliver the Group's strategy within an appropriate risk framework. The anonymous evaluation allowed the Board to consider their composition, diversity and failures and successes. I am pleased to report that the conclusions of this evaluation were positive and confirmed that the Board, its Committees and each of its Directors continue to be effective. The Board has since acted on a number of recommendations to ensure that it is working effectively and acting on areas where opportunities for improvement were identified. Results and further information on this survey can be found on page 79 of this report.

Culture, ESG and stakeholder engagement

The Board is supportive of the Code and in particular, its focus on boards demonstrating how the views of stakeholders are captured and considered when making decisions.

The Group's culture is a strategic focus area, and we believe that the right culture and values, supported by effective leadership and a consistent tone from the top, are crucial to the success of the Group. This year, the Board engaged closely with a review of the Company values and made various efforts to monitor Group culture as described in more detail on page 26 of this report.

I am pleased to note that this financial year, in light of the importance of managing ethical and environmental issues across the Group, the Group approved a new Environmental, Social and Governance ("ESG") strategy and a plan for the reduction of the Group's carbon emissions.

Engaging with stakeholders and understanding their views is crucial to the Board and its decision-marking. The Board receives regular updates throughout the year on engagement with our stakeholders, including feedback from colleague surveys and town halls, and shareholder meetings. During the year our Employee Representative regularly attended Plc and Operations Board meetings, to act as a voice from within the workforce. Additionally, further Employee Champions have been appointed across the business globally to voice the opinions and concerns of the workforce and report to the Employee Representative. Further information on this key role can be found on page 96 of this report.

Looking forward

We will continue to review our governance framework with a view to building on our strong foundations.

Peter George
29 November 2021

Kristian, Yngve and Trond – Oslo

"During the financial year we conducted an extensive internal individual Board evaluation which was followed by delivery of the results in June 2021."

Peter George
Chairman

Kevin, Susan, Jennifer, Peter and Septima – London

Corporate Governance continued

Governance Framework
The Group's governance framework supports the Board in the delivery of the Group's strategy and long-term sustainable success in various ways as detailed below.

The Board

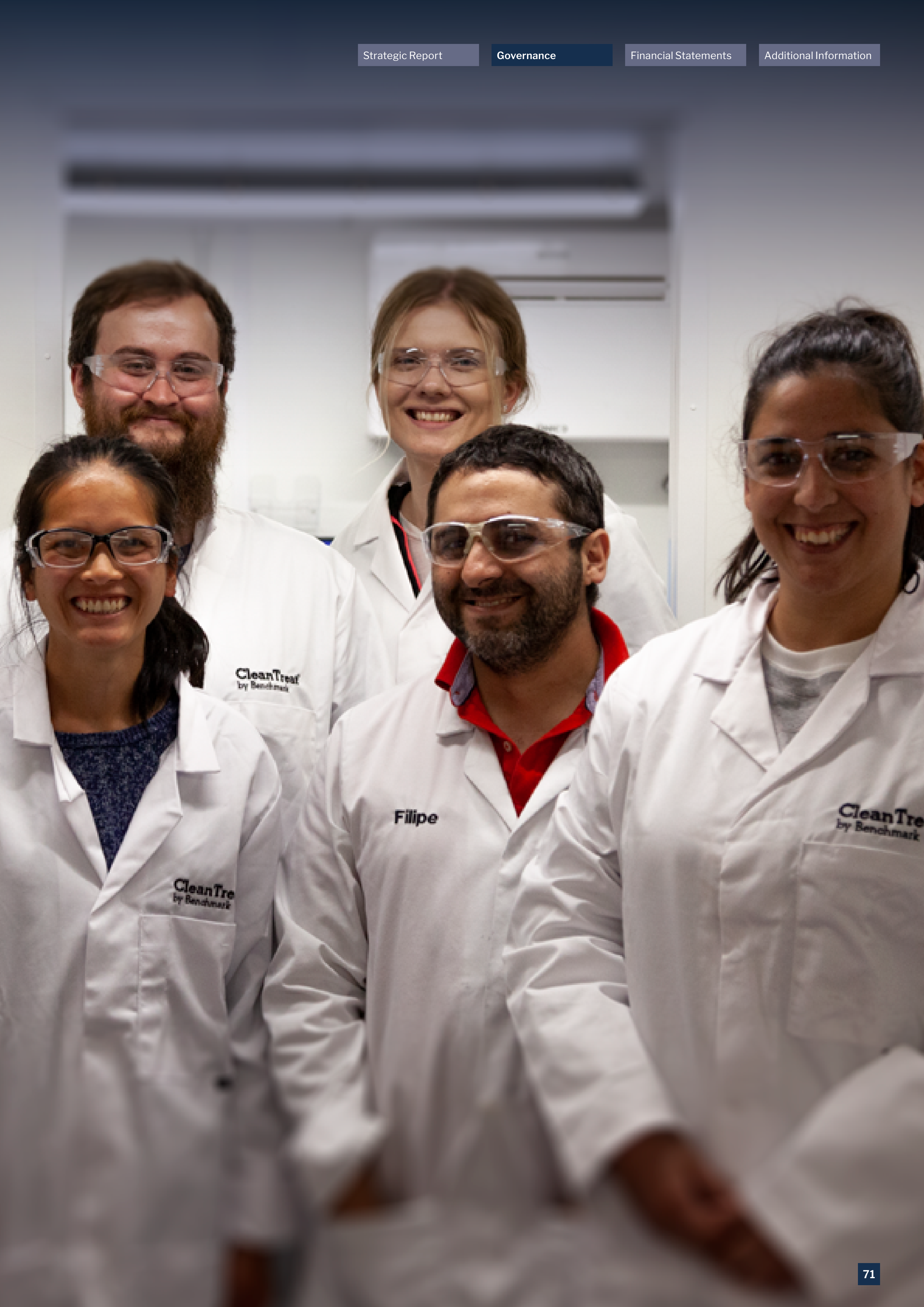
The Board is responsible for establishing the Company's purpose, values and strategy, promoting its culture, overseeing its conduct and affairs, and for promoting the success of the Company for the benefit of its members and stakeholders. It discharges some of its responsibilities directly and others with the support of its Committees. Terms of reference for the Board and its Committees are available on the Group's website. Execution of the strategy and day-to-day management of the Company's business is delegated to the Executive Management Team and the Operations Board, with the Board retaining responsibility for overseeing, guiding and holding management to account.

The Board delegates certain matters to its committees

Nomination Committee	Audit Committee	Remuneration Committee	Sustainability Committee	Disclosure Committee
The Nomination Committee leads the process for and makes recommendations to the Board regarding the appointment of new Directors to the Board, reviews composition and structure of the Board, evaluates the balance of skills, knowledge and experience of the Directors and oversees the Board's annual evaluation. In addition, the Nomination Committee supports the Board with the succession planning process.	The Audit Committee assists the Board in fulfilling its corporate governance obligations in relation to the Group's financial reporting, internal control and risk management systems.	The Remuneration Committee reviews and recommends the policy on remuneration of the Chairman, Executives and senior management team. In addition, it monitors the implementation of the Remuneration Policy and approves awards under the Group's Long-Term Incentive Plan.	The role of the Board's Sustainability Committee is to oversee the Company's ESG strategy and its implementation, ensuring alignment with the Company's commitment to act as a responsible operator driving sustainability. This includes setting and reporting on targets and KPI's, and developing ESG Group policies. The Committee is also responsible for ensuring that the Board takes into account relevant ESG factors in its decision making.	The Disclosure Committee ensures the legal and regulatory disclosure obligations and requirements arising from the listing of the Company's securities and bonds on the London and Oslo Stock Exchanges are met. This includes the timely and accurate disclosure to the market of all relevant information. The Disclosure Committee meets at such times as is necessary or appropriate.

Executive Management Team and Operations Board

The Board delegates the execution of the Group's strategy and the day-to-day management of the business to the Executive Management Team and Operation Board who are responsible for developing and delivering cross-Group opportunities, revenue and costs synergies, advancing integration, and overseeing the financial and operational performance of the Group as a whole.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by Benchmark
CleanTre
by Benchmark

Corporate Governance Statement

The Company is listed on AIM and is subject to the AIM Rules. The Board has voluntarily chosen to comply with the UK Corporate Governance Code 2018 ('the Code'). An overview of the Company's compliance with the Code, and an explanation of the Code provisions it has not implemented and why, is set out in the Directors' Report on pages 95 to 99.

The Company's Corporate Governance Statement sets out how it complies with the Code and the following sections highlight how the Board has applied the principles of corporate governance in a manner that is appropriate for the size and circumstances of the Company.

Board leadership and Company purpose

The Board 's primary role is to ensure the Company's long-term success by setting the Group's strategic direction, ensuring that strategy is aligned with the Group's purpose and culture, and promoting and protecting the Group's interests for the benefit of all our stakeholders. The Board is composed of highly experienced individuals who bring a range of skills, perspective and knowledge of the industry in which the Group operates.

The Board has delegated customary responsibilities to its five principal committees in order to enable the Board as a whole to dedicate time to the Group's key priorities and manage its time effectively. At each Board meeting (when required), the agenda includes sufficient time for each committee chair to report to the Board on such committee's activities and to provide recommendations.

In September 2021, the Board held its annual strategy day during which the Board held strategy discussions with senior management and conducted a thorough review of the Group's strategy. The discussions provided insight to the Board on the progress made on strategy so far, and allowed an assessment and review of the objectives set as well as giving management and each Board member (especially the Non-Executive Directors) an opportunity to challenge and provide input on the Group's strategy.

How governance supports our strategy

The Board recognises that it is responsible for promoting the long-term sustainable success of the Group and for delivering long-term value for stakeholders. The Board does this by providing effective leadership and by ensuring that the Group's business is conducted with high standards of ethical behaviour in a manner which contributes positively to wider society, having regard to the interests of its different stakeholders. To enable the business to meet its strategic priorities, the Board oversees the development of the Group's strategy and provides strong leadership and support to the Group. The Board continues to benefit from a strong mix of complementary skills and experiences, as well as dynamics that allow for open debate, challenge of existing assumptions and asking difficult questions.

For further information, please refer to our Strategic Report on page 52 and for an outline of how the Board's activities in FY21 contributed to the Group's strategic priorities please see page 74.

Culture

The Company's vision is to be the leading aquaculture biotechnology company and drive sustainability in aquaculture . In order to achieve this, we want to invest generously in our people and business partners. The Group's culture is a strategic focus area and the Board believes that the right culture and values, supported by effective leadership and a consistent tone from the top, are crucial to the success of the Group. This year, the Board engaged closely with a review of the Company values and approved the new Company's values. The integration of the Group's values and culture has been monitored closely by the Group Head of People and also the Employee Representative, who met with the Board twice to review the Group's culture and the implementation of the Group's values.

How the Board monitors culture

In FY21, the Board monitored culture by:

- **Engaging with and listening to our people:** The Group conducted a global employee engagement survey. It allowed employees to share their views on key topics, which provides valuable insight into employee engagement and the Group's culture. The survey was conducted in March 2021 and the key findings were presented to the Board. Action plans have been prepared by the business to address the priority issues raised by this survey. In addition, Non-Executive Directors attended virtual town halls on a rota system to encourage engagement with the Group's employees and employees were able to ask questions directly to the attending Board member. As part of the annual Board evaluation, the Board asked the Group's employees how the Board performed through a range of selected questions and the feedback from the employees was very positive. The key findings are reported on page 79.
- **Leading by example:** The Group's Directors and senior management act with integrity and lead by example, promoting the Group's culture to the workforce by living the Group's values.
- **Reviewing cultural indicators:** The Board regularly receives updates on health and safety metrics (including a COVID-19 update) and employee turnover numbers, with a breakdown of the reasons given why employees have left the Group. This allows trends and changes in the culture of the Group to be monitored.
- **Monitoring ethics, whistleblowing, fraud and anti-bribery:** Mechanisms are in place to facilitate employees reporting incidents of wrongdoing on a named or anonymous basis through a direct line to a Non-Executive Director in line with the Code's requirements. The Board with the support of Group Legal Counsel, regularly monitors and reviews the Company's policies, incidents and trends arising from any such incidents and provides the Board with updates.

Board and Committee attendance

The Board has a comprehensive annual agenda to monitor and review strategy across the Group and its business areas. Board agendas are carefully planned to ensure that sufficient time and consideration are given to the Group's strategic priorities and key monitoring activities as well as reviews of strategic issues. In advance of each meeting, papers and relevant materials are provided to Directors via a secure cloud platform which also provides access to a library of relevant information about the Company and Board procedures.

During the year, the Board held seven scheduled Board meetings, one scheduled strategy day and six additional Board meetings. The Chairman ensures that regular meetings are also held with the Non-Executive Directors without the presence of the Executive Directors. All Directors are expected to attend all Board and relevant Committee meetings unless prevented from doing so by illness or conflict of interest. The senior management team below Board level are invited, when appropriate, to attend Board meetings to make presentations on their strategic priorities and progress. All Directors recognise the requirement to commit sufficient time to fulfil their duties as included in each Letter of Appointment.

Since the outbreak of the COVID-19 pandemic, the majority of Board and Committee meetings took place using secure virtual meeting technology. In September 2021, the Board held physical meetings in two hubs (UK and Norway) where the Directors and senior management based in these two countries were able to meet in person.

	Board	Audit Committee	Remuneration Committee	Nomination Committee	Sustainability Committee
Scheduled Meetings held during the year*	7	3	5	2	2
Peter George	7/7 (C)	N/A	5/5	2/2 (C)	N/A
Susan Searle	7/7	3/3	5/5 (C)	2/2	N/A
Kevin Quinn	7/7	3/3 (C)	5/5	2/2	2/2 (C)
Yngve Myhre	7/7	2/3**	N/A	N/A	N/A
Trond Williksen	7/7	N/A	N/A	N/A	2/2
Septima Maguire	7/7	N/A	N/A	N/A	N/A
Hugo Wahnish***	2/7	1/3	N/A	N/A	N/A

(C) Chair of the Committee
* Additional Board meetings were held during the year.
** Yngve was appointed as member of the Audit Committee on 10 February 2021 following the retirement of Hugo Wahnish from the Board.
*** Hugo Wahnish retired from the Board on 9 February 2021.

Trond Williksen, CEO, visiting our customer Happy Prawns AS

Corporate Governance Statement continued

Key activities of the Board in FY21

What the Board and Committees achieved in FY21
The Board met throughout FY21 with an agreed agenda in advance of each meeting. Each Board meeting has standing agenda items such as financial update on performance.

The Company Secretary provides Board papers in advance of each meeting and ensures that Board feedback on such documentation is fed back to management for improvement. The Company Secretary provides minutes of each meeting. The Board continues to work closely with its AIM Nominated Adviser, Numis, to ensure compliance with AIM best practices.

Topic	Specific actions undertaken
Leadership and effectiveness	• Approved the appointment of Yngve Myhre as a member of the Audit Committee following Hugo Wahnish' s retirement from the Board. • Performed an internal evaluation of the Board and its committees and agreed on the actions.
Legal, compliance and governance	• Approved the FY21 Annual Report and Accounts and interim results. • Received regular legal, IP and compliance updates from the Group Legal Counsel and Company Secretary. • Continued to review the conflict of interest and other significant principal activities of the Directors of the Group, monitoring changes and developments.
Business development and strategy	• Received ongoing updates throughout the year from the CEO and business area heads on the implementation of the Group's strategy. • Reviewed and approved the Group's strategic priorities presented by the Executive Directors, the head of each business area, Group Head of People and Head of Investor Relations. • Approved the new values which are in alignment with the strategic identity of the Group and driving change in culture across the Group. • Reviewed and approved entry into the first customer agreement for the Group's CleanTreat® system. • Reviewed the Group's new sustainability targets and overall ESG strategy which was presented by the Head of Investor Relations. • Reviewed and discussed the Group's IP strategy.

Board and Committee activity FY21 timeline

Meeting	Key	Number of Meetings in FY21
Audit	A	3
Nominations	N	2
Remuneration	R	5
Sustainability	S	2

Meeting	Key	Number of Meetings in FY21
AGM	G	1
PLC Board meeting	B	7
Strategy day	T	1

2020 Oct	Nov	Dec	2021 Jan	Feb	Mar
R	B R A	B	R	B N G	S

Topic	Specific actions undertaken
Employees	• Reviewed the succession planning of the Executive Directors and senior management team. • Received bi-annual updates from the Employee Representative on employee engagement to continue successful promotion of the employee voice across the Group and the boardroom. • Received and discussed the results of the employee surveys. • Received verbal updates from the Remuneration Committee Chair on the key areas discussed and actions agreed.
Communicating with shareholders/ other stakeholders	• Organised quarterly webinars for institutional and retail shareholders. • Attended meetings with shareholders in April 2021. • Monitored investor engagement and received reports following meetings with major shareholders involving the Chairman of the Board, Senior Independent Director, and other Non-Executive Directors, throughout the year. • Reviewed investor relations reports.
Monitoring business performance	• Approved the FY22 budget. • Received regular updates on the Group's financial performance and cash flow position. • Reviewed the Capital Expenditure pipeline for the next five years and tracked expenditure and progress with significant capital investments.
Overseeing culture	• Approved the launch of the new Group values. • Various Directors attended town halls with employees throughout the year. • Supported Benchmark 4 Better initiatives across the Group supporting communities, including donations to Indian Orphanage, relief efforts regarding the Afghan refugee crisis, City Harvest and canal clean-ups.
Risk Management	• Received regular updates on health and safety, including on COVID-19. • Reviewed the Group's risk register which included an assessment of the Group's emerging and principal risks. • Received updates from the Senior IT manager on the Group's IT strategy and cyber security.

Apr	May	Jun	Jul	Aug	Sep
B	R A	B	A	B	B T R N S

Corporate Governance Statement continued

Division of responsibilities
Roles within the Board

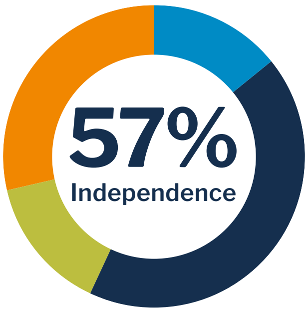
Role	Name	Responsibilities
Chairman	Peter George	• Lead the effective operation and governance of the Board. • Set agendas which support efficient and balanced decision-making. • Ensure effective Board relationships and a culture that supports constructive discussion, challenge and debate. • Understand the views of key stakeholders and seek assurance that they have been considered. • Oversee the annual Board evaluation and identify any actions required. • Lead initiatives to assess the culture across the Group and ensuring the Board set the correct tone.
CEO	Trond Williksen	• Lead the development and delivery of strategy and budget, to enable the Group to meet the requirements of its shareholders. • Oversee operation of the day-to-day business of the Group. • Lead and oversee the executive management team of the Group. • Establish an environment which allows the recruitment, engagement, retention and development of the people needed to deliver the Group's strategy.
CFO	Septima Maguire	• Support the CEO in developing and implementing strategy. • Provide financial leadership to the Group and align the Group's business and financial strategy. • Responsible for financial planning and analysis, treasury and tax functions. • Responsible for presenting and reporting accurate and timely historical financial information. • Manage the capital structure of the Group. • Investor relation activities, including communications with investors, alongside the CEO.
Senior Independent Non-Executive Director	Susan Searle	• Provide a 'sounding board' for the Chairman in matters of governance or the performance of the Board. • Be available to shareholders and other stakeholders if they have concerns which have not been resolved through the normal channels of communication with the Company. • To act as an intermediary for Non-Executive Directors when necessary and act as Chairman if the Chairman is conflicted.
Non-Executive Directors	Kevin Quinn Yngve Myhre Kristian Eikre	• Provide constructive challenge to the executives, help to develop proposals on strategy and monitor its execution. • Ensure that no individual or group dominates the Board's decision making. • Promote the highest standards of integrity and corporate governance throughout the Company and particularly at Board level. • Review the integrity of financial reporting and those financial controls and systems of risk management are robust.
Group Legal Counsel & Company Secretary	Jennifer Haddouk	• Ensure compliance with Board procedures and support the Chairman. • Secretary to the Board and its Committees. • Ensure the Board has high quality information, adequate time and the appropriate resources. • Advise and keeping the Board updated on corporate governance developments. • Consider Board effectiveness in conjunction with the Chairman. • Provide advice, services and support to all Directors as and when required.

Independence
Independence of the Board

Board composition as at 30 September 2021

- Chairman **1**
- Non-Executive Directors **4**
- Executive Directors **2**

Board independence/roles as at 30 September 2021



- Independent Chairman **1**
- Independent Non-Executive Directors **3**
- Non-independent Non-Executive Director **1**
- Executive Directors **2**

Board tenure as at 30 September 2021

- 1-3 years **3**
- 3-6 years **3**
- 6-9 years **1**

The Board considered each Non-Executive Director's independence on appointment and concluded that they were independent, with the exception of Kristian Eikre who is representing the Company's largest shareholder, FERD, on the Board. The Board reviews independence on an annual basis and has concluded that except for Kristian, the Non-Executive Directors all remain independent. Following Peter George's return to his Non-Executive Chairman role on 1 August 2020, the Board also considers Peter to be independent.

Other external appointments
The Board takes into account a Director's other external commitments when considering them for appointment to satisfy itself that the individual can dedicate sufficient time to the Board and assess any potential conflicts of interest. Our Directors are required to notify the Chairman of any changes to their external commitments.

Executive Directors may accept a non-executive role at another company with the approval of the Board. Currently, Trond Williksen (CEO) has other roles outside of the Company. The Board reviewed these positions at the time of Trond's appointment and was comfortable that these would still allow sufficient time for Trond to discharge his responsibilities as CEO effectively. The Board agreed that each role was not deemed to be significant and will continue to monitor such appointments.

When assessing additional directorships, the Board considers the number of public directorships held by the individual already and their expected time commitment for those roles (see biographies on pages 62-65). The Board takes into account guidance published by institutional investors and proxy advisers as to the maximum number of public appointments which can be managed efficiently.

Conflict of interest
Directors are obliged to seek authorisation from the Board before taking up any position which conflicts, or which may conflict, with the interests of the Company. The Board is empowered to authorise situations of potential conflict, where it sees fit, in order that a Director is not in breach of his/her duties. The interested Director is excluded from voting on the resolution to authorise the conflict. The Directors may resolve that any such transaction or arrangement be subject to such terms as they may determine.

All existing external appointments and other such situational conflicts of Directors have been considered and authorised by the Board.

Corporate Governance Statement continued

Composition and Evaluation
Composition

Directors' appointment
Non-Executive Directors are engaged under the terms of a Letter of Appointment. For further details of Executive Directors' service contracts and termination arrangements, please refer to the Remuneration Report on pages 88 to 94.

Non-Executive Directors are appointed for specified term, subject to re-election by shareholders, and terms beyond six years are subject to rigorous review. Accordingly, Non- Executive Directors are appointed for a maximum of two additional terms of three years, and thereafter may serve for an additional period only at the invitation of the Board following scrutiny of their continued independence. However, Kristian Eikre is subject to a one year term and any renewal of his term is subject to Board review. All Directors are subject to annual re-election at the Company's AGM. Details of the Directors' length of service are set out on page 81.

Induction, business awareness and development
The Chairman is responsible for ensuring that new Directors receive a comprehensive induction which includes:
- An overview of the Group, its operations and governance framework.
- Briefings on Directors' responsibilities and compliance.
- Site visits to key locations.
- Detailed reviews of strategic projects and initiatives being pursued.
- One-to-one meetings with senior management.

On appointment, Directors receive a formal induction and meet the senior management team as part of the induction process. Following the COVID-19 lockdown and ban on international travel across the Group, members of the Board attended town halls on a rota system to encourage engagement with the workforce. Participants in the town hall were able to ask questions directly to the attending Board member.

Each year, Non-Executive Directors receive additional training and presentations from across the businesses to update their knowledge and develop their understanding of the Group. This year the Board received updates from:
- The Chief Executive Officer, regarding the Group's strategic priorities.
- The Head of the Advanced Nutrition, Genetics and Health business areas, regarding their strategic priorities.
- The Chief Financial Officer, with respect to the business area and Group budgets (which also involved a Q&A session with the business area heads).
- The Group Head of People regarding the Group's people strategy and relaunch of the new values.
- The senior IT manager to provide update on the Group's IT strategy.

Business area heads attended Board meetings as appropriate for discussions that were relevant to their areas of business or for major initiatives which they were leading on.

Key strengths
The table below shows the range of our Board's key strengths. In addition, further detailed biographies of each of the Group's Directors are shown on pages 62 to 65:

Directors	Aquaculture	Biotechnology	Sustainability	Financial	Governance, Risk Management and Control	People	Strategy	International	Capital Markets
Peter George		✓		✓	✓	✓	✓	✓	✓
Susan Searle		✓	✓	✓	✓	✓	✓	✓	✓
Kevin Quinn		✓	✓	✓	✓	✓	✓	✓	✓
Yngve Myhre	✓			✓	✓	✓	✓	✓	✓
Kristian Eikre				✓	✓		✓		✓
Trond Williksen	✓			✓		✓	✓	✓	✓
Septima Maguire		✓		✓	✓		✓	✓	✓

Annual Board evaluation

The 2021 Board evaluation process was undertaken in three phases

Phase 1	Phase 2	Phase 3
The Chairman and Company Secretary created a comprehensive online Board evaluation questionnaire seeking the Directors' views on a number of topics. The questionnaire was designed to allow members of the Board to provide improvement suggestions. The themes covered by the internal evaluation included: • Board composition, diversity, skills and performance • Financial reporting and controls • Succession planning • Board functioning and material • Objectives, strategy and risk management • Culture and people • Director self-evaluation • Role of the Committees The questionnaire also included questions to be answered by the Operations Board, the employees and Company's advisers, as the Board wanted to receive feedback on its performance from these stakeholders. The questionnaire was reviewed and approved by the Nomination Committee. Respondents completed the questionnaires confidentially and the results were collated and reported anonymously. A complementary questionnaire drafted by the Senior Independent Director covering the Chairman's performance was also issued.	Responses to all questions were sent to the Chairman and responses on the effectiveness of the Committees were also submitted to the respective Committee Chairs. A report on the evaluation process was prepared by the Company Secretary. The results of the evaluation process were reviewed by the Board and the Committees at their respective meetings in June 2021. The Chairman also provided individual feedback to each Director on their individual performance. The Senior Independent Director led the review of the Chairman's performance, and the results of the review were discussed during the Board meeting with the Chairman.	The output from this review was presented to the Board by the Group Head of People, who acted as a facilitator at the Board's June meeting. The Board evaluation also identified some opportunities for the Board to adapt its procedures and the Board is currently reviewing and implementing the recommendations. In addition, each Board Committee reviewed and discussed the key findings of this review.

Findings

The conclusions of the 2021 Board evaluation were positive and confirmed that the Board, its Committees and each of its Directors continue to be effective. The Board benefits from positive dynamics and a collegiate boardroom culture that allows for open discussion and constructive challenge. The Chairman continues to provide robust, effective and considerate leadership to the Board. The key recommendations and actions are set out below:

Recommendation	Status
Board composition and skills: **The Board acknowledged a gap of knowledge in the shrimp industry, Asian and LATAM markets.**	The Board agreed that in making future appointments its should consider the set of skills and experience relevant to the shrimp and Asian & LATAM markets. In the meantime, the Board will continue to receive bi-annual updates from the Head of Nutrition to further increase the Board's knowledge of these markets.
Objectives, strategy and risk management: **The Board recommended receiving an update on IT systems and security to ensure cyber risks are understood and sufficient safeguards are in place.**	The senior IT manager provided an update to the Board on IT security and the progress made on the IT integration of the Group's different legacy systems. The Board will receive an annual update from the senior IT manager going forward. The Chair and the Company Secretary will also organise additional Board updates from other functions.
Culture and people: **The Board felt that there were opportunities to allocate more time to interacting with the workforce.**	The Board discussed site visits and agreed that these should recommence as soon as it was feasible to travel again. In the meantime, the Board received bi-annual updates from the Group Head of People and also from the Employee Representative on culture and engagement, and the results of the employee surveys were presented to the Board. The Board recognised that the Employee Representative enabled the Board to expand its engagement with the workforce and agreed to reflect more on how to best support this role.
Nomination Committee: **The Board recommended having a greater focus on succession planning for the Executive Directors and leadership team.**	This year, the Nomination Committee, with the support of the Group Head of People, performed a thorough review of the succession planning for the Executive Directors and the leadership team.

Nomination Committee Report

Peter George
Chair of the Nomination Committee

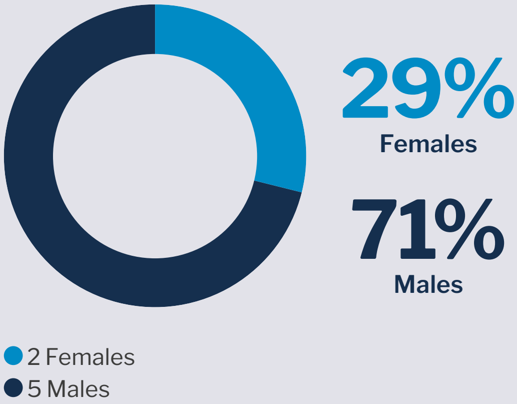
Composition as at 30 September 2021
The members of the Nomination Committee are:

Member	Number of meetings attended	Committee tenure
Peter George (Chair)	2/2	3 years
Susan Searle	2/2	7 years
Kevin Quinn	2/2	3 years

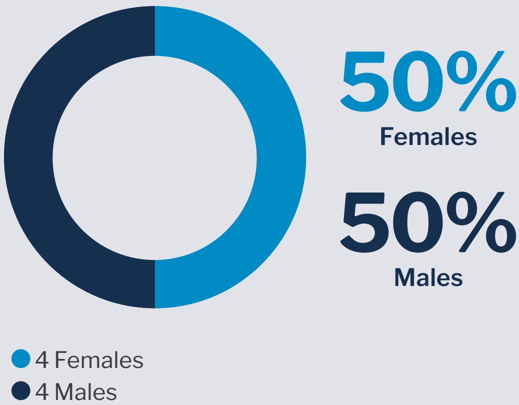
Only the members of the Nomination Committee have the right to attend committee meetings. The Group Head of People, Executive Directors, other Board members and advisers may be invited to attend and contribute on specific agenda items. The Company Secretary acts as secretary to the Nomination Committee. The Nomination Committee updates the Board following its meetings and invites contributions and views from the Board.

Achievements:
Reviewed the size, structure and composition of the Board

Board gender diversity as at 30 September 2021



Leadership Team gender diversity as at 30 September 2021



Responsibilities

The main responsibilities of the Nomination Committee are:

- To review the composition of the Board, having regard to its size, balance of skills, knowledge, experience and diversity.
- To lead the process for Board appointments and recommend the appointment of new Directors.
- To review the reappointment of Non-Executive Directors.
- To make recommendations on the composition of Board Committees.
- To consider succession for Board members and senior management.

The Nomination Committee is responsible for reviewing the composition and effectiveness of the Board. It regularly reviews the composition of the Board and is responsible for leading a rigorous and transparent process for the identification and appointment of new Directors.

An overview of the Nomination Committee's terms of reference, which were updated in the light of the 2018 UK Corporate Governance Code, is available on the governance section of our website at www.benchmarkplc.com/investors/corporate -governance.

Activities during FY21:

The Nomination Committee:

- Reviewed the composition of the Board, having regard to its size, balance of skills, knowledge, experience and diversity;
- Developed a broader experience and understanding of our stakeholder groups;
- Recommended the appointment of Yngve Myhre as member of the Audit Committee following the retirement of Hugo Wahnish on 9 February 2021;
- Considered and recommended to the Board the re-election of all Directors at the 2021 Annual General Meeting; and
- Reviewed and assessed the annual Board evaluation process.

Committee evaluation

The 2021 evaluation of the Board, its committees and individual Directors was internally facilitated by Corina Holmes, Group Head of people and there were no significant matters raised.

Succession planning for the Executive Director and leadership team

In FY21, the Nomination Committee reviewed and considered the succession planning of the Executive Directors and leadership team. This exercise was performed with the support of the CEO and Group Head of People. The Group has emergency succession plans in place with respect to its Executive Directors and leadership team, as well as developing medium and long-term plans where internal talent pools have been identified for development and progression opportunities. As part of our Board evaluation process, gaps in knowledge have been identified as priority areas for focus when recruiting Board members in the future.

Diversity policy

The Company makes all Board appointments on individual merit, while recognising the benefits of Board diversity. Our diversity policy aims to ensure that we consider diversity in its broadest sense. A diverse Board has members with a wide range of skills, social and ethnic backgrounds, regional and industry experiences, and genders.

The Board, with the support of the Nomination Committee:

- Considers all aspects of diversity when reviewing the Board's composition;
- Encourages the development of high-calibre employees, to create a pipeline of potential Executive Directors;
- Considers a wide pool of candidates for appointment as NEDs;
- Ensures a significant portion of the long list for NED positions are women and candidates from different backgrounds;
- Considers candidates against objective criteria and with regard to the benefits of Board diversity.

Gender diversity

Benchmark is mindful of the importance of gender diversity at all levels of the Group and welcomes the targets introduced by the Hampton-Alexander Review, which include a 33% target for female representation on boards and in senior management. Benchmark is committed to working toward achieving this target and to attracting the very best diverse talent to our Board and senior management. As at 30 September 2021, the percentage of female Directors on our Board stood at 29%, and the percentage of females in the leadership team stood at 50%. We are pleased with the steps we are taking with respect to gender diversity within the Group's talent pipeline and will continue to prioritise diversity as an important factor in Board composition as and when natural succession changes arise.

Actions for the coming year

Through FY22, the Nomination Committee will continue to monitor and receive reports on the implementation of the succession planning initiative within the Group. It will also continue to assess the size and composition of the Board to evaluate whether this is suitable for the Group's current stage of development, containing an appropriate balance of skills, knowledge, experience and skillsets.

Peter George
Chair of the Nomination Committee
29 November 2021

Non-Executive Director tenure

The periods of service of our Non-Executive Directors are set out below as at 30 September 2021.

Name	Date of appointment	Term
Peter George[1] Chairman	8 May 2018	3 years, 4 months
Susan Searle Senior Independent Director	18 December 2013	7 years and 11 months
Kevin Quinn Non-Executive Director	25 November 2016	4 years, 10 months
Yngve Myhre Non-Executive Director	6 November 2017	3 years, 10 months
Kristian Eikre Non-Executive Director (not independent)	14 March 2019	2 years, 6 months

1 Peter George was a Non-Executive Director except between 19 August 2019 and 1 August 2020 where he stood in as Executive Chairman until the appointment of and handover to Trond Williksen as Chief Executive Officer.

Audit Committee Report

Kevin Quinn
Chair of the Audit Committee

Key objective

The Audit Committee acts on behalf of the Board and the shareholders to ensure the integrity of the Group's financial reporting, evaluate its systems of risk management and internal control and oversee the relationship and performance of the external auditors.

Membership, meetings and attendance

The composition of the Audit Committee during the year was:

Member	Number of meetings attended	Committee tenure
Kevin Quinn (Chair)	3/3	4 years
Susan Searle	3/3	3 years
Yngve Myhre*	2/2	<1 year

* Yngve Myhre was appointed a member of the Audit Committee on 10 February 2021 following the retirement of Hugo Wahnish from the Audit Committee on 9 February 2021.

All Committee members are independent Non-Executive Directors.

In addition to the Committee members, there are a number of regular attendees at each meeting. The Chief Financial Officer (CFO) and lead external Group Audit Partner normally attend all scheduled Audit Committee meetings. The Audit Committee members regularly take time before or after a meeting, without any Executive Directors or senior management present, to raise any questions and discuss issues with the external auditor. The Chairman of the Audit Committee meets the CFO and the external auditor separately to review current issues and developments prior to each meeting of the Audit Committee, such meetings often taking place by telephone.

The Audit Committee met three times during the year with all members of the Committee in attendance at each.

Responsibilities

The main roles and responsibilities of the Committee are:

- To review accounting policies and the integrity and content of the financial and narrative statements.
- To monitor disclosure controls around any formal announcements relating to the Company's financial performance and procedures and the Group's internal controls.
- To monitor the integrity of the financial and narrative statements of the Group, and to assist the Board in ensuring that the Annual Report and Accounts 2020/21, when taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.
- To consider the adequacy and scope of external audits.
- To review and monitor the objectivity, independence and effectiveness of the external auditor, including to develop and implement policy on the engagement of the external auditor to supply non-audit services, the scope and expenditure on non-audit work and approve the auditor remuneration and reporting to the Board as to how they have discharged these responsibilities. When appropriate to conduct the tender process for a new auditor and make recommendations to the Board.
- To monitor and review the effectiveness of the Company's internal controls and in the absence of an internal audit function considering annually whether there is a need for one and make a recommendation associated with this to the Board.
- To review and recommend the statements to be included in the Annual Report on internal control and risk management.
- To review and report on the significant issues and judgements considered in relation to the financial and narrative statements and how they are addressed.

An overview of the Audit Committee's terms of reference, which were updated in the light of the 2018 UK Corporate Governance Code, is available on the governance section of our website at www.benchmarkplc.com/investors/corporate-governance/.

Judgements and significant risks considered by the Audit Committee with respect to the Interim and Annual Reports are set out below.

Going Concern

The Committee was presented by management with an assessment of the Group's future cash forecasts and profit projections, available facilities, facility headroom, banking covenants and the results of a sensitivity analysis. Detailed discussions were held with management concerning the matters outlined in the basis of preparation in Note 1 to the financial statements, in particular any lasting impact on the business that COVID-19 has had and the speed of recovery as global pandemic restrictions are gradually lifted. Furthermore, the expected replacement of the Group's USD 15m revolving credit facility and the NOK 850m bond which are due to expire in December 2022 and June 2023 respectively has been discussed with management. No active steps have yet been made to refinance these facilities and this therefore represents a material uncertainty as disclosed in Note 1. However, current trading of the Group and good relationships with existing relationships with funding providers give the Directors confidence about the ability to successfully renew or replace this facility. The Committee discussed the assessment with management and was satisfied that the going concern basis of preparation continues to be appropriate for the Group and that adequate disclosure has been provided in Note 1.

Valuation of goodwill and intangible assets

The Committee considered the carrying value within the accounts of the Group's businesses, including goodwill and intangible assets. Management performed an annual impairment review on goodwill and other intangible assets held within the Group and that review included detailed consideration of any lasting impact of COVID-19 on each of the cash generating units. The Committee reviewed management's recommendations, which were also reviewed by the external auditor, including an evaluation of the appropriateness of the identification of cash generating units and the assumptions applied in determining asset carrying values. The Committee was satisfied with the assumptions and judgements applied by management and agreed with the assessment that no impairments were necessary in FY21.

Presentation of results

At the request of the Board, the Committee reviewed the presentation of the Group's unaudited results for the six months to 31 March 2021 and the audited results for the year to 30 September 2021 to ensure they were fair, balanced and understandable and provide sufficient information necessary for shareholders and other users of the accounts to assess the Group's position and performance, business model and strategy. In conducting this review, focus was given to the disclosure included in the basis of preparation in Note 1 to the financial statements in relation to the Group's financial projections and the suitability of the going concern assumption, particularly in light of the financial and economic implications of the global COVID-19 pandemic.

Particular attention continues to be paid to the presentation of the results in the income statement which uses alternative performance measures as indicators of performance. The Board considers current treatment which retains reference to "Adjusted EBITDA" and "EBITDA" to remain appropriate. "EBITDA" is "earnings before interest, tax, depreciation and amortisation, and "Adjusted EBITDA" is "EBITDA before exceptional items and acquisition related expenditure". Reference has also been made in the Annual Report to a further alternative performance measure "Adjusted Operating Profit/Loss", which adjusts Adjusted EBITDA to include depreciation and amortisation of capitalised development costs to reflect their part in the underlying performance of the Group. Amortisation of capitalised development costs has commenced during the year with the launch of the new sea lice treatment. Finally, mention has been made in the current year of Adjusted EBITDA excluding fair value movement in biological assets, which adjusts Adjusted EBITDA by removing the change in value of biological assets related to fair value assumptions. The Board regards these measures as an appropriate way to present the underlying performance and development of the business, reflecting the continuing investment being made by the Group, particularly in relation to recent and future acquisition activity, and this is how the Board monitors progress of the existing Group businesses.

Management override of internal controls

The Committee considered the inherent risk of management override of internal controls as defined by auditing standards. In doing so the Committee continue to review the overall robustness of the control environment, including consideration of the Group's whistleblowing arrangements and the review by the external auditor.

Revenue recognition

The Committee considered the inherent risk of fraud in revenue recognition as defined by auditing standards and was satisfied that there were no issues arising.

Valuation of biological assets

The Group holds significant biological assets on the balance sheet at fair value less costs to sell, with the valuation dependent on some subjective assumptions, including some which relate to future egg sales prices and volumes and seasonal variations. The Committee considered the accounting policy employed by the Group for biological assets, the assumptions used in the valuation calculations and the disclosures provided in the financial statements. The Committee was satisfied with the accounting policy in force and with the estimates and judgements applied by management in employing this policy which remains consistent with previous years.

Enquiry into 2020 Annual Report from the Financial Reporting Council ("FRC")

In July 2021, the Company received a letter from the Corporate Reporting Review Operating Procedures Team of the FRC as part of its regular review and assessment of the quality of corporate reporting in the UK, requesting further information in relation to the Group's 2020 Annual Report and Accounts. The letter focused on the following principal areas:

- Biological assets;
- Current vs non-current classification of assets;
- Consolidated Statement of Cash Flows;
- Deferred tax assets;
- Other receivables; and
- Dissolution of the joint venture in Chile in 2019.

Audit Committee Report continued

Following the review, the Directors have included in these financial statements enhanced disclosures in several of the areas highlighted above.

When reviewing the Company's 2020 Annual Report and Accounts, the FRC requested we make clear the limitations of its review are as follows: its review is based on the 2020 Annual Report and Accounts only and does not benefit from a detailed knowledge of the Group's business or an understanding of the underlying transactions entered into; communications from the FRC provide no assurance that the Group's 2020 Annual Report and Accounts are correct in all material respects and are made on the basis that the FRC (and its officers, employees and agents) accepts no liability for reliance on them by the Company or any third party, including but not limited to investors and shareholders; and the FRC's role is not to verify information provided but to consider compliance with reporting requirements.

Risk management

Effective risk management and control is key to the delivery of the Group's business strategy and objectives. Risk management and control processes are designed to identify, assess, mitigate and monitor significant risks, and can only provide reasonable and not absolute assurance that the Group will be successful in delivering its objectives. The Board is responsible for the oversight of how the Group's strategic, operational, financial, human, legal and regulatory risks are managed and for assessing the effectiveness of the risk management and internal control framework but delegates the oversight for financial risk to the Audit Committee.

A description of the Group's risk management procedures and the work completed in the year is provided in the Principal Risks and Uncertainties section on pages 55 to 61.

Internal audit

The Committee continues to monitor whether an internal audit function would add significant value as a part of the integrated control environment currently in operation. Following the completion of the restructuring exercise in 2020, work has recently commenced to assess the value and scope of a Group internal audit function with an intention to introduce this later in 2022. In the meantime, internal assurance around risk is achieved through review of the controls being performed by each business area.

Safeguards and effectiveness of the external auditor

The Committee recognises the importance of safeguarding auditor objectivity. The following safeguards are in place to ensure that auditor independence is not compromised.

- The Audit Committee carries out an annual review of the external auditor as to its independence from the Group in all material respects and that it is adequately resourced and technically capable to deliver an objective audit to shareholders. Based on this review the Audit Committee recommends to the Board the continuation, or removal and replacement, of the external auditor.
- A tax adviser separate from the external auditor is engaged to provide tax related services.
- The external auditor may provide audit-related services such as regulatory and statutory reporting as well as formalities relating to shareholder and other circulars.
- Non-audit services carried out by the external auditor are generally limited to work that is closely related to the annual audit or where the work is of such a nature that a detailed understanding of the business is beneficial.
- The Audit Committee reviews all fees paid for audit and consultancy services on a regular basis to assess the reasonableness of fees, value of delivery and any independence issues that may have arisen or may potentially arise in the future.
- The external auditor reports to the Directors and the Audit Committee regarding their independence in accordance with Auditing Standards. KPMG's policy, in line with best practice, is that audit partners are required to be rotated every fifth year.
- Different teams are used on all other assignments undertaken by the auditor.
- The Audit Committee monitors these costs in absolute terms and in the context of the audit fee for the year, to ensure that the potential to affect auditor independence and objectivity does not arise. The Committee does not adopt a formulaic approach to this assessment. The split between audit and non-audit fees for 2021 and information on the nature of the non-audit fees incurred is detailed in Note 6 accompanying the consolidated financial statements.

The Audit Committee monitors the effectiveness of the external audit. To comply with this requirement, the Committee reviews and comments on the external audit plans before it approves them. It then considers progress during the year by assessing the major findings of their work, the perceptiveness of observations, the implementation of recommendations and management feedback. At the request of the Board, the Committee also monitors the integrity of all financial and narrative statements in the Annual Report and half year results statements, and the significant financial reporting judgements contained in them. Further details of the Committee's procedures to review the effectiveness of the Group's systems of internal control during the year can be found in the section on effective risk management and internal control below.

The Committee recognises that all financial statements include estimates and judgements by management. The key audit areas are agreed with management and the external auditors as part of the year-end audit planning process. This includes an assessment by management both at business unit and at Group level of the significant areas requiring management judgement. These areas are reviewed with the auditors to ensure that appropriate levels of audit work are performed and the results of this work are reviewed by the Committee.

Effective risk management and internal control

One of the Board's key responsibilities is to ensure that management maintains a system of internal control which provides assurance of effective and efficient operations, internal financial controls and compliance with law and regulation. The Group's systems are designed to identify principal and emerging financial and other risks to the Group's business and reputation, and to ensure that appropriate controls are in place. Consideration is given to the relative costs and benefits of implementing specific controls.

Assurance

On behalf of the Board, the Audit Committee examines the effectiveness of:

- The systems of internal control, primarily through reviews of the financial controls for financial reporting of the annual, preliminary and half yearly financial statements and a review of the nature, scope and reports of external audit;
- The management of risk by reviewing evidence of risk assessment and management; and
- Any action taken to manage critical risks or to remedy any control failings or weaknesses identified, ensuring these are managed through to closure.

Where appropriate, the Audit Committee ensures that necessary actions have been, or are being taken to remedy or mitigate significant failings or weaknesses identified during the year either from internal review or from recommendations raised by the external auditor. The Group's internal controls over the financial and narrative reporting and consolidation processes are designed under the supervision of the CFO to provide reasonable assurance regarding the reliability of financial and narrative reporting and the preparation and fair presentation of the Group's published financial statements for external reporting purposes in accordance with IFRSs.

Because of its inherent limitations, internal control over financial and narrative reporting cannot provide absolute assurance and may not prevent or detect all misstatements whether caused by error or fraud. The Group's internal controls over financial and narrative reporting and the preparation of consolidated financial information include policies and procedures that provide reasonable assurance that transactions have been recorded and presented accurately.

Management regularly conducts reviews of the internal controls in place in respect of the processes of preparing consolidated financial information and financial and narrative reporting. During the year there were no changes to the internal controls over these processes that have or are reasonably likely to materially affect the level of assurance provided over the reliability of the financial statements.

Risk management and internal control system features

Risk management control system

As well as the risks that management identify through the ongoing processes of reporting and performance analysis, the Audit Committee has additional risk identification processes, which include:

- Risk and control process for identifying, evaluating and managing major business risks. A risk register is maintained defining each business risk identified and quantifying its likely impact to ensure adequate priority is given to each in turn;
- External audit reports, which comment on controls to manage identified risks and identify new ones; and
- A confidential whistle-blowing helpline and an email address available for employees to contact the Non-executive Directors in confidence.

Internal control system

The internal controls which provide assurance to the Committee of effective and efficient operations, internal financial controls and compliance with law and regulation include:

- a formal authorisation process for investments;
- an organisational structure where authorities and responsibilities for financial management and maintenance of financial controls are clearly defined;
- anti-bribery and corruption policies and procedures and a dedicated email hotline, designed to address the specific areas of risk of corruption faced by the Group; and
- a comprehensive financial review cycle where annual budgets and subsequent reforecasts are formally approved by the Board and monthly variances are reviewed against detailed financial and operating plans.

Kevin Quinn
Chair of the Audit Committee
29 November 2021

Sustainability Committee Report

Kevin Quinn
Chair of the Sustainability Committee

Composition as at 30 September 2021
The members of the Sustainability Committee are:

Member	Number of meetings attended	Committee tenure
Kevin Quinn (Chair)	3/3	3 years
Trond Williksen	3/3	1 year
Ivonne Cantu	3/3	3 years

Sustainability Committee Report

As the Chair of the Sustainability Committee, I am pleased to present the Committee's FY21 report which demonstrates Benchmark's continued dedication to sustainability, having embedded Environment, Social, and Governance ("ESG") factors throughout our operations and decision-making over the year.

Responsibilities
The Committee, established in June 2018, is responsible for providing guidance and overseeing Benchmark's sustainability work. Acting on behalf of the Board, the Committee ensures that the focus and governance of the Company's sustainability work is aligned to its ESG principles and mission of driving sustainability in aquaculture. This is achieved through quarterly meetings where strategic priorities, ongoing projects and emerging issues are reviewed. The Committee is also responsible for maintaining a dialogue with the Company's stakeholders on ESG matters, which then informs the Company's ESG materiality assessment and priorities.

This year, we were pleased to see a significant interest from stakeholders in sustainability areas, with these discussions mostly centring around climate risk, water management and animal welfare. We welcome this increasing engagement and interest, which reinforces the confidence that we have in our vision to address the sustainability challenges and opportunities in the aquaculture industry.

Progress in FY21

We are committed to driving sustainability in aquaculture and as such, our aim is to be a responsible operator and proactive industry leader having a real impact across the aquaculture value chain. This is underpinned by our portfolio of products and solutions and the way we conduct our operations through our sustainability efforts.

FY21 was a successful year for Benchmark's sustainability efforts with significant progress made. Through a collaborative approach across the Group, the priorities which had been laid out were either fully achieved or saw important developments materialise. This was made possible in part due to the visible culture transformation which Benchmark undertook in the year, which has strengthened the commitment to the Company's sustainability mission in every person within the organisation.

Highlights in the year include:

- **Reaffirming our net zero targets and developing a roadmap to achieve them.** FY21 saw us conduct a review to understand which aspects of the Group hold the greatest opportunity to reduce our environmental impact, including through increased renewable use, decreased energy consumption or investment. One of the outcomes of this initiative was the identification of electricity consumption in our facility in Thailand as being one the Group's main contributors to our GHG footprint, leading to the engagement of an external energy consultant to identify ways to reduce our footprint. Although this project was delayed due to restrictions associated with the COVID-19 pandemic, the work has resumed and will be completed in FY22. Furthermore, FY21 saw an increase in scope 1 and 2 emissions due to the scaling up of operations in Chile, Iceland and the United States, which is countered by the progress in reducing our intensity measures. As a growing business, this absolute increase was anticipated, and we are likely to continue to see an increase in our absolute energy consumption as we grow in the short term. However, we are working in parallel to improve our energy efficiency, adopt sustainable technologies and access renewable energy sources, and we remain committed to our targets of becoming net zero through a science-based targets pathway.
- **Conducting a review of our ESG policies and disclosures** in order to align them to best practice, increasing transparency for our stakeholders. As a result of our review, we issued a revised environmental policy, which is now broader in scope and depth. Additionally, it now addresses the Company's position on key environmental and climate-change considerations, such as water, waste, and biodiversity, amongst others. Along with this, the Company's whistleblowing, antibribery and corruption, and fair competition policies were also updated. These updates are significant as they allow Benchmark to more accurately communicate its stance on ESG-related matters and act on it as the business continues to grow and develop.
- **Aligning Group-wide efforts on animal health and welfare,** which is a critical driver of sustainability in the aquaculture industry. Late in FY20, an Animal Welfare Committee was established, composed of experts from all three business areas. During FY21, the Committee conducted a review of the Company's practices and standards across different geographies and species to identify areas of opportunity, share knowledge, and suggest points of improvement. The key action which was taken from this was the development of a new Group-wide animal health and welfare training program. This initiative has been successful, with impressive numbers being seen across the Company, such as in Norway where 100% of employees are trained in animal health and welfare. Progress-driven initiatives have also been undertaken, such as in Iceland where the content of the animal health and welfare course was extended through the launch of a new programme tailored for our shrimp operations.
- **The commencement of a Group-wide climate risk assessment** as a foundation towards Task Force on Climate-related Financial Disclosures ("TCFD") reporting. This began in FY21 with a preliminary qualitative assessment of physical and transitional climate risks to the Company, and will continue throughout FY22 to integrate a quantitative, scenario-based analysis. This is an important step to ensure that the Company's priorities and strategies are aligned to its climate risks and will also serve to inform the Group on climate opportunities that can be seized. As part of this project, a full assessment of Water risk was conducted according to the WRI Aqueduct Tool. The results of this were encouraging, showcasing that of our four locations in high water-stressed areas, three are office spaces with minimal consumption, and total water consumption of these four locations combined amounts to 115m^3, representing 0.1% of the Group's total potable water use.

Looking Forward

At Benchmark, sustainability is a process of continuous improvement. Looking forward to FY22, we will continue to work towards our stated objectives underpinned by improvement in our KPIs. In addition, the projects underway to identify opportunities for improvement, including energy efficiency studies and our climate risk assessment, will continue to inform future strategic decisions of the Group.

I would like to thank the members of the Sustainability Committee, the sustainability working group, and all the people around the Group involved in our sustainability effort, for their continued commitment throughout the year. I look forward to continuing our work in 2022 to progress Benchmark's mission of driving sustainability in aquaculture.

Kevin Quinn
Chair of the Sustainability Committee
29 November 2021

Remuneration Report
for year ended 30 September 2021

Susan Searle
Chair of the Remuneration Committee

Composition as at 30 September 2021
The members of the Remuneration Committee are:

Member	Number of meetings attended	Committee tenure
Susan Searle (Chair)	5/5	7 years
Kevin Quinn	5/5	4 years
Peter George*	5/5	3 years

* On 19 August 2019, while Peter George served as Executive Chairman, he temporarily stepped down from the Remuneration Committee. He rejoined on 1 August 2020 when he resumed his role as Non-Executive Chairman

Statement from Susan Searle, Chair of the Remuneration Committee

Introduction
This has been a year in which the business has concentrated on delivery in the core three business areas post-restructuring thus maintaining focus and making progress in the delivery of the Group's key strategic priorities.

During the year, we saw two key changes to the Executive Management Team, with the appointment of Corina Holmes as Group Head of People in January and the resignation of Athene Blakeman, Head of Advanced Nutrition. Athene left the Group in June and her replacement, Patrick Waty commenced employment in November. Corina has had significant international experience leading human resources functions in several large and small entrepreneurial companies. Patrick also brings extensive international experience and has held a number of key global aquaculture leadership roles. These excellent additions provide further depth of knowledge and leadership excellence to the Executive Management Team.

I reported last year on the implementation of a new long-term incentive scheme which had been delayed from FY20 due to COVID-19. This has now been adopted by the Group and performance linked shares were awarded in January 2021. A new annual bonus scheme has also been implemented for the first time for FY21. With the implementation of these schemes I am pleased to confirm that we did not participated in the Coronavirus Job Retention Scheme this year.

Performance outcomes
During this year the team has made good progress in the delivery of its strategic priorities. In Health, the marketing authorisation for Ectosan Vet® was granted in July and the commercial launch of Ectosan® Vet and CleanTreat® successfully commenced in August. In Advanced Nutrition positive results were seen in the recovery of artemia sales and our overall market position has strengthened. Genetics faced challenges in the commercial launch of SPR shrimp with slower progress than planned but made significant progress in establishing the infrastructure required for commercial expansion in selected markets. Across the Group the team simplified the structure of the business, with 15 entities dissolved and the colocation of teams in Norway and Chile. Delivery of the Group's new corporate values, the new remuneration policy and new performance framework all supported the alignment of activity under One Benchmark.

The Group's financial performance and delivery against these strategic objectives were well above target performance and close to the maximum standards set. Bonus payments of 90.8% of maximum were approved by the Remuneration Committee for both the Chief Executive Officer and Chief Financial Officer. Further details are shown on page 90.

The Remuneration Committee also approved awards of performance shares under the long-term incentive scheme. The purpose of these awards, which will be made in December, is for retention and focus on increasing shareholder value. Awards will vest after three years subject to challenging performance targets being met. The award level and the measures and targets for the 2021 awards are shown on page 91.

No shares have vested in the year as both the Chief Executive Officer and Chief Financial Officer have less than three years service.

Additionally the Remuneration Committee has approved salary increases of 1.55% with effect from 1 January 2022. The average salary increase across the group is 3.1%.

The Remuneration Committee seeks to abide by the 2018 UK Corporate Governance Code and continues to review and update our remuneration policy in the light of the Code.

We shall as usual be submitting the Directors' Remuneration Report, on a voluntary basis, for shareholder approval. We welcome the views of our shareholders on remuneration which the Remuneration Committee believes is key to the success of Benchmark Holdings.

Susan Searle
Chair of the Remuneration Committee
29 November 2021

Annual Report on Remuneration for 2021

An overview of the Remuneration Committee's membership and work

The composition of the Remuneration Committee during the year was:
- Susan Searle (Chair)
- Kevin Quinn
- Peter George

The Committee membership comprises two independent Non-Executive Directors and the Chairman who was independent on his appointment to the Board with the Company Secretary acting as secretary and the Group Head of People attending committee meetings. At appropriate times, the Committee has invited the views of the Chief Executive Officer and the Employee Representative. No individual is present when his or her own remuneration or fees are discussed. The Committee continues to seek professional, independent advice from FIT Remuneration Consultants LLP.

Key objectives: The key objectives of the Remuneration Committee are to develop the Company's policy on executive remuneration and to determine the remuneration of the Executive Directors, Chairman of the Board and the Group's most senior managers.

Responsibilities: The main responsibilities of the Committee are to:
- monitor and develop the Group's remuneration policy;
- determine the remuneration of the Executive Directors;
- approve the service agreements of the Executive Directors;
- determine the remuneration of senior management;
- determine the fee for the Chairman;
- review the Group's annual bonus proposals (including performance measures and targets) and to approve bonus payments for the Executive Directors and senior managers;
- approve the design of and oversee all awards under the Group's share incentive plans and to approve performance measures and targets;
- consider the Group's engagement with employees and review remuneration policies for all employees in Benchmark;
- consider risks to the Group in light of its remuneration policies; and
- consider the gender pay gap across the Group, evaluate what this means and plan action to close the gaps.

The Remuneration Committee's terms of reference, which were updated in light of the 2018 UK Corporate Governance Code, are available on the governance section of our website at www.benchmarkplc.com/investors/corporate-governance/.

Actions undertaken during the year:
During the year and the period prior to publication of the Annual Report, the Committee:
- approved base salary increases of 1.15% with effect from 1 January 2021
- approved the award of performance shares to Executive Directors and senior management under the Group's Long-Term Incentive Plan.
- approved the award of performance shares to employees under the Group's Long-Term Incentive Plan. Over 73% of employees hold shares or options in the Company;
- invited the Employee Representative to attend two Committee meetings to provide an employee voice on a range of relevant subjects; and
- acted as a sounding board on topics such as talent management and succession planning, employee engagement, culture, diversity and values ahead of further detailed Board debate.

The Committee also continued to benchmark specific positions in the business against the external market.

The Committee is provided with an overview of the wider workforce remuneration policies to assist them in their consideration of appropriateness of remuneration packages of the executives and senior management.

Although there is no statutory obligation for Benchmark to report on the gender pay gap we have done so on a voluntary basis for 2020. Since then there have been significant changes in the business, including the divestment of a large proportion of its business activities thus reducing the number of UK employees by over 50%. Nevertheless, Benchmark will continue to review and take action on gender pay.

Remuneration Report continued
for year ended 30 September 2021

Following the appointment of a new Group Head of People, significant work has taken place on the development of a reward strategy to launch and embed the new remuneration policy. A new performance management framework which more closely aligns reward across the Group with performance against our strategic priorities has also been developed and implemented fully during the year. In addition, the global review of benefits which had remained on hold as the business went through its restructuring programme and navigated through the impact of COVID-19, recommenced during FY21 and will continue through FY22.

Voting history
The Directors' Remuneration Report for the year ended 30 September 2020 was subject to an advisory vote (on a voluntary basis) at the Annual General Meeting held on 9 February 2021. The report was approved by 98.24% of shareholders.

Single total figure of remuneration for the financial year ended 30 September 2021
The remuneration in respect of qualifying services of the Directors who served during the financial year ended 30 September 2021 is as set out below:

Executive Directors (audited)

	Salary (£) (a)	Bonus (£) (b)	Taxable benefits (£) (c)	Long-term incentive (£)	Pension (£) (d) (e)	Total fixed Remuneration (£) 2021	Total Variable Remuneration (£) 2021	Total Remuneration (£) 2021	Total fixed Remuneration (£) 2020	Total Variable Remuneration (£) 2020	Total Remuneration (£) 2020
Trond Williksen	403,450	367,379	1,762	–	44,933	**450,145**	**367,379**	**817,524**	117,136	–	117,136
Septima Maguire	257,200	234,202	1,539	–	33,220	**291,959**	**234,202**	**526,161**	296,880	–	296,880

(a) The base salary reported above reflects the 2021 increase of 1.15% with effect from 1 January 2021.
(b) Cash bonuses will be paid in January 2022 and are based on the salary at 30 September 2021.
(c) Benefits provided for all Executive Directors are medical insurance coverage for the Directors and their families, and death in service benefits.
(d) As reported last year, a Norwegian pension scheme has been arranged for the CEO, and payments reflected above for FY21 include the backdated contribution of £8,168.
(e) As reported last year, the CFO received a supplementary payment for covering the duties of the CEO. This payment was pensionable and payments reflected above include the backdated contribution of £7,500.

The Chairman and the Non-Executive Directors (audited)

	Fees (£) 2021	Fees (£) 2020
Kristian Eikre	**–**	–
Susan Searle	**51,014**	40,500
Kevin Quinn	**51,014**	40,500
Yngve Myhre	**45,389**	40,500
Hugo Wahnish*	**16,212**	40,500
Peter George	**121,035**	108,000

* Hugo Wahnish resigned as a non-executive director on 9 February 2021.

Executive Directors' bonuses for the financial year ended 30 September 2021
At the beginning of FY21 bonus targets were set in line with the new approved Remuneration Policy. The bonus scheme allows for up 100% of salary to be awarded based on the successful delivery of financial performance as measured by Adjusted EBITDA (70% of bonus) and five Strategic Priorities (30% of bonus) based on the delivery of key projects and organisational change. Performance against both the financial and strategic targets were near the stretch levels set and resulted in bonus payments of 90.8 % of maximum to the Chief Executive Officer and Chief Financial Officer.

Defined contribution pension scheme
All Executive Directors participate in defined contribution pension schemes which are in alignment with those available to employees in the UK and Norway respectively. Trond Williksen participates in a Norwegian pension scheme.

In accordance with the policy set out on page 93, the Company contributes 10% of salary for each Executive Director.

LTIP awards
In 2021 performance shares were awarded to Septima Maguire and Trond Williksen in line with the Company's Remuneration Policy. These awards have a three-year vesting period and vesting is subject to continued service and performance criteria being met. A holding period of two years applies from the date of vesting.

Executive Directors' external appointments
The Executive Directors who held Non-Executive Directorships or external appointments with organisations other than the Company in the financial year ended 30 September 2021 are set out on pages 63 to 65.

Statement of implementation of our remuneration policy in 2022

Executive Directors' salaries
Salaries for the two current Executive Directors are detailed below. These increases are in line with Benchmark's approach to inflation-linked increases applied to employees in the UK and are effective from 1 January 2022.

	Salary (£) 2022	Salary (£) 2021	Increase in salary 2021 to 2022 (%) (a)
Trond Williksen	**411,000**	404,600	1.55
Septima Maguire	**262,000**	257,933	1.55

Bonus
The 2022 bonus will be implemented in line with the remuneration policy framework, with a maximum of 100% of salary payable. The metrics used will comprise 70% financial and 30% non-financial objectives. Bonuses based on financial objectives are paid out with a trigger point at 95% of the Group's financial budget, with a scale to 110% of financial budget at which point 100% of the bonus based on financial targets is paid. The financial measures for the 2022 financial year are directly linked to achievement of the budget and the non-financial measures relate to the strategic priorities, which in addition to three commercial objectives also include two new objectives, one on ESG goals and one related to People and Culture.

LTIP
In December 2021 we will be making an award of performance shares under the long term incentive scheme to eligible members of the scheme; the Executive Management team, Operations Board and other senior employees. The shares will vest after three years and are subject to continued service and the achievement of market-standard performance conditions. Malus and clawback provisions apply to Executive Directors only. The performance measures are EPS growth, where 25% vests at threshold performance and 100% vests at maximum performance and Relative Total Shareholder Return measured against the FTSE AIM 100 index, where 25% vests at a ranking of median rising to 100% for a ranking of upper quartile or higher. In the case of Executive Directors, any vested shares will be subject to a two-year holding period from date of vesting. We continue to use a flat allocation of share options to ensure a more equitable distribution across the 6 members of the Executive Management Team.

The fees of the Chairman and the Non-Executive Directors for the financial year ended 30 September 2021
The Chairman's fee
The Chairman's fee was increased by the Remuneration Committee, in line with inflation for 2021, to £121,380 per year and will not be increased for 2022.

The Non-Executive Directors' fees
The Non-Executive Directors' fees are determined by the Chairman and Executive Directors and were increased in line with inflation to £45,518 for 2021. In addition, an allowance of £7,500 was agreed for Susan Searle and Kevin Quinn to reflect their additional responsibilities as chairs of the Remuneration and Audit Committees respectively. Neither the basic fees nor the allowances will be increased for 2022.

Remuneration Report continued
for year ended 30 September 2021

Additional information on Directors' interests

Directors' interests under the Company's employee share plans (audited)
Details of the Executive Directors' interests in share awards under the employee share plans during the financial year ended 30 September 2021 are set out below:

	Share option scheme	Options held at 30 September 2020	Options exercised in year	Options forfeited in year	Options granted in year	At 30 September 2021	Exercise price	Grant date	Date from which exercisable
Septima Maguire	CSOP I	70,588	–	–		70,588	42.5p	21 February 2020	20 February 2023
Septima Maguire	CSOP II	329,412	–	–		329,412	42.5p	21 February 2020	20 February 2023
Septima Maguire	CSOP II	600,000	–	–		600,000	31.5p	2 June 2020	1 June 2023
Septima Maguire	CSOP II	–	–	–	380,597	380,597	0.1p	5 January 2021	4 January 2024
Trond Williksen	CSOP II	1,500,000	–	–		1,500,000	31.5p	2 June 2020	1 June 2023
Trond Williksen	CSOP II	–	–	–	597,015	597,015	0.1p	5 January 2021	4 January 2024

Directors' interests in ordinary shares (audited)
At 30 September 2021, the interests of the Directors and their connected persons in ordinary shares was as follows:

	Interests in ordinary shares at 30 September 2021	% of Company's issued share capital at 30 September 2021	Interests in ordinary shares at 30 September 2020
Trond Williksen	180,000	0.03	180,000
Septima Maguire	317,028	0.05	264,914
Peter George	3,085,719	0.46	3,001,219
Yngve Myhre	1,000,000	0.15	800,000
Susan Searle	224,625	0.03	198,125
Kevin Quinn	85,929	0.01	85,929
Kristian Eikre	–	–	–

A summary of the Directors' remuneration policy

The Group's remuneration policy seeks to balance three key objectives:
- To pay competitively in the relevant talent markets to sustain motivation and commitment, in light of Benchmark's style and culture.
- To remunerate in a way that makes economic sense for the Company, ensuring there is a fair balance of return to the executive team, management, employees and shareholders for their contributions to the Company's success.
- To encourage the cooperative behaviours which promote business priorities and lead to high performance.

Remuneration policy
The 2018 UK Corporate Governance Code asks companies when determining their remuneration policies to have considered the following six factors:

1. Clarity
   a. Our policy has three clear key objectives as set out above.
   b. Each component of our policy (including its purpose, how it is operated, maximum potential and applicable performance measures) are set out in this report.
2. Simplicity
   a. Our policy reflects what we believe to be standard market practice for listed companies with the operation of an annual potential bonus and long-term incentive share plan.
   b. All incentive payments made are either in the form of cash or Benchmark Holdings plc shares.
3. Risk
   a. The Committee has the ability to use its discretion to override formulaic outcomes if considered appropriate.
   b. Our policy includes malus and clawback provisions which enable the recovery and/or withholding of payments if considered appropriate.
4. Predictability
   a. Appropriate limits are set out in the policy and applicable share plan rules so that outcomes can be predicted.
5. Proportionality
   a. The outcomes of our incentive schemes are aligned to our financial and non-financial targets.
   b. Outcomes are assessed against a variety of metrics to ensure performance is measured on a balanced basis.
6. Alignment of culture
   a. Our policy objectives look to recognise the Group's culture and encourage cooperative behaviours which promote strategic priorities and lead to high performance.

Pursuant to the remuneration policy approved in November 2020, the Executive Directors' remuneration comprises fixed elements in the form of a base salary, benefits and pension contributions and variable elements in the form of an annual cash bonus scheme and Long-Term Incentive Plan (LTIP).

Fixed elements of remuneration

The fixed elements of the Executive Directors' remuneration are designed to attract and retain Directors of the appropriate calibre, with the requisite knowledge, skills and experience, and to sustain motivation and commitment.

The Executive Directors may participate in defined contribution pension schemes with the Company contributing 10% of the Executive's salary. They may instead receive a cash allowance of up to 10% of salary or a combination. The Executive Directors also receive private medical insurance for themselves and their families and death in service benefits.

Variable elements of remuneration

Executive Directors are eligible for an annual performance bonus. The maximum award is 100% of salary. The bonus is designed to reward and incentivise success leading to sustainable long-term growth and to recognise the Directors' commitment and contribution to the business. The remuneration policy approved by the Remuneration Committee enables the use of discretion to override formulaic outcomes in line with the requirements of the 2018 UK Corporate Governance Code.

The Executive Directors are also eligible to participate in the Long-Term Incentive Plan with a maximum award of 100% of salary. The performance period in respect of the share awards is usually three years and in the case of the Executive Directors any vested shares will be subject to a holding period of two years.

Statement of consideration of employment conditions elsewhere in the Group

Historically, the salaries across the Group have been increased annually by reference to the consumer price index ('CPI') in each country in which the Company operates. In 2021, the average salary increase across the Group including senior management was 3.1%. This percentage rise included adjustments made for additional responsibilities taken on by employees, promotions and market adjustments.

All employees participate in an annual bonus plan with bonus potential determined in accordance with the remuneration policy.

The Company believes it is important to invest in, develop and reward the contribution of our senior managers and our Long-Term Incentive Plan aims to foster a culture of cooperation and shared participation in the Group's achievements. In 2021 the Company issued 4,023,661 shares to 66 employees across the Group. Where we are unable to grant options a cash mirror scheme is operated to ensure consistent treatment of the teams globally.

Executive Directors' service contracts and remuneration on termination

The Company's policy is that the contracts of the Executive Directors are normally terminable by either party on 6 months' notice at any time, and by the Company at any time and without compensation in case of serious misconduct, breach of duty or in similar circumstances. In the event of termination by the Company without cause, the Executive Director is entitled to receive payment of salary for any unexpired notice period and any accrued holiday entitlement. This is the case for the Chief Financial Officer. In accordance with Norwegian law, however, Trond Williksen is entitled to receive an additional 3 months' salary in the event that his contract were to be terminated by the company. An additional payment of 3 months' salary will also be payable should the Board decide to enforce the non-compete and non-solicit clauses of his employment contract, again in accordance with Norwegian law and irrespective of whether his contract is terminated with or without cause. In the event of termination for cause, the Director is not entitled to compensation in respect of salary.

The Executive Directors' bonuses are fully discretionary. In the event of termination during a bonus period, the Committee will consider payment of a bonus on a pro rata basis for the relevant portion of the year worked, having regard to the circumstances.

Under the remuneration policy, Executives have an employment shareholding requirement of 100% of salary.

The terms of appointment of the Chairman and the Non-Executive Directors

The Chairman and the Non-Executive Directors hold office under letters of appointment. Each Non-Executive Directors are appointed for an initial term of three years, and are typically expected to serve two additional three-year terms, subject to re-election by shareholders, and terms in aggregate beyond six years are subject to rigorous review. However Kristian Eikre is subject to a one year term and any renewal of his term is subject to Board review. Non-Executive Directors may serve for an additional period only at the invitation of the Board following scrutiny of their continued independence. Under the Non-Executive Directors' terms of appointment, they are all required to stand for re-election every year.

At the Company's last AGM held on 9 February 2021, Peter George, Kristian Eikre, Kevin Quinn, Susan Searle and Yngve Myhre were re-elected as Directors and Trond Williksen was elected as a Director. Hugo Warnish resigned as a Director.

Remuneration Report continued
for year ended 30 September 2021

Either the Company or the Non-Executive Director may terminate the appointment on three months' notice (except Kristian Eikre on one month's notice), and the appointments are subject to the Company's Articles of Association and to the Director being re-elected by shareholders upon retirement by rotation. On termination as a result of the Non-Executive Director not being re-elected by shareholders or under the Articles of Association for reasons connected with outside interests or independence, the appointment terminates immediately and the Non-Executive Director is not entitled to compensation. On termination in other circumstances, including on three months' notice (or one month's notice for Kristian Eikre), a Non-Executive Director is entitled to accrued but unpaid Directors' fees to the date of termination but no other compensation.

The dates of appointment of and length of service for each Non-Executive Director and the Chairman are shown in the table below.

	Date of appointment	Length of service at date of Annual Report publication
Peter George	8 May 2018	3 year 6 months
Susan Searle	18 December 2013	7 years 11 months
Kevin Quinn	25 November 2016	5 years
Yngve Myhre	6 November 2017	4 years
Kristian Eikre	14 March 2019	2 year 8 months

Share dilution
The total number of ordinary shares issued and issuable in respect of options granted in any ten-year period under the Company's discretionary share option schemes (excluding pre-IPO options under the Enterprise Management Incentive ('EMI') scheme) is restricted to 10% of the Company's issued ordinary shares in any ten-year rolling period.

In the financial year ended 30 September 2021, the Company allocated 3,817,762 performance shares on 5 January 2021 (0.57% of issued share capital as at such date of grant) and 205,899 further performance shares on 25 May 2021 (0.03% of issued share capital as at such date of grant) to employees including senior management and Executive Directors as mentioned on page 93.

Susan Searle
Chair of the Remuneration Committee
29 November 2021

Directors' Report

The Directors present their Annual Report and audited financial statements of the Company and of the Group for the year ended 30 September 2021.

Benchmark Holdings plc is a public limited company, incorporated and domiciled in England and Wales. Its shares are admitted to trading on AIM, London Stock Exchange's international market for smaller growing companies.

The disclosure requirements of the Companies Act 2006, and where the Directors have deemed it appropriate, the UK Disclosure and Transparency Rules, have been met by the contents of this Directors' Report, along with the Strategic Report, Corporate Governance Report, Nomination Committee Report, Audit Report and Remuneration Report, which should be read in conjunction with this report.

UK Corporate Governance Code

The Company assesses its corporate governance arrangements and practice against the UK Corporate Governance Code 2018 (the "Code"). A copy of the Code is available from the website of the Financial Reporting Council ("FRC") at frc.org.uk. In accordance with the AIM Rules, we produce a statement setting out how the Company complies with the principles of the UK Corporate Governance Code, which is available on our website at benchmarkplc.com. The statements and table below set out how Benchmark complies with the Code, and where it deviates from the Code.

The Nomination Committee evaluates the performance of the Board as a whole and in doing so evaluates the performance of each of the Directors. An internal evaluation of the performance of individual Directors was undertaken in March 2021 this year with the results reviewed in June 2021, further details of which can be found on page 79.

Overview of compliance with principles of UK Corporate Governance Code 2018

During the year, the Company adopted a revised list of Board reserved matters to reflect the expanded remit of the Board under the Code (including the review of whistleblowing matters). Currently, whistleblowing is addressed through a direct line to a Non-Executive Director, with a review by the Board of any matters raising concern.

The Board considers that it has complied with the Code during the financial year covered by this Annual Report, except that:

- The Company's new remuneration policy was adopted in November 2020 and applies to remuneration and awards made from November 2020 onwards. While the Company's new remuneration policy has been introduced to ensure the Company's compliance with the new Code requirements relating to Directors' remuneration, there is one element of the Code's recommendations which have not been fully reflected by the new remuneration policy:
  - the new remuneration policy includes a mandatory shareholding requirement which the Executive Directors will be required to achieve during their employment. For the time being the Company has not introduced a mandatory post-employment shareholding requirement, however there is a two-year holding period applicable from the date of vesting, which continues to apply to executive directors' vested awards despite any termination of employment and will prevent the executive directors from immediately disposing of awarded shares which remain subject to this holding period post-employment.

Directors

The Directors who held office during FY21 were as follows:

- Trond Williksen
- Septima Maguire
- Peter George
- Kevin Quinn
- Susan Searle
- Yngve Myhre
- Kristian Eikre
- Hugo Wahnish (resigned on 9 February 2021)

The Directors benefited from qualifying third-party indemnity provisions during the financial year and continue to do so at the date of this report.

Re-election of Directors

At the AGM held in February 2021, in accordance with Provision 18 of the Code, the appointments and re-elections (as applicable) of all the Directors of the Company in situ at the time were approved.

In accordance with Provision 18 of the Code, at the AGM to be held on 10 February 2022, all the Directors will be standing for re-election.

Substantial shareholders

The Company's issued share capital, together with details of movements during the year, are shown in Note 27 accompanying the financial statements. The Company has one class of ordinary share which carries no right to fixed income. Each ordinary share carries the right to one vote at general meetings of the Company.

As at 29 November 2021 the Company has been notified of the following substantial shareholdings under Rule 5 of the UKLA's Disclosure and Transparency Rules:

Significant shareholders	% of issued share capital
Ferd AS	25.82
Kverva Finans AS	19.27
JNE Partners LLP	16.65
Lansdowne Partners	5.01

Power to allot shares

Each year at the AGM, the Directors seek authority to allot shares for the following year. At the last AGM held on 9 February 2021, shareholders authorised the Directors to allot relevant securities up to an aggregate nominal value of £445,355 representing approximately two thirds of the issued share capital, and £222,677.50 of this authority was reserved only for a fully pre-emptive rights issue, in accordance with ABI guidance. Directors were authorised to allot for cash equity securities having a nominal value not exceeding in aggregate £33,401.62 (being 5% of issued share capital), and to further allot for cash equity securities having a nominal value not exceeding in aggregate £33,401.62 for the purpose of financing acquisitions and capital investments, in each case without first offering the securities to existing shareholders. The authorities expire at the conclusion of the next AGM.

At the forthcoming AGM, authorities will be sought from shareholders similar to those sought at the 2021 AGM.

Directors' Report
continued

Authority for the Company to purchase its own shares
At the Company's 2021 AGM, shareholders renewed the Company's authorities to make market purchases of up to 66,803,251 ordinary shares, representing approximately 10% of the Company's issued share capital as at 9 February 2021. These authorities were not used in the year. At the 2022 Annual General Meeting, shareholders will be asked to renew these authorities for another year, and the resolution will once again propose a maximum aggregate number of ordinary shares which the Company can purchase equal to 10% of the Company's issued ordinary share capital. Details are set out in the Notice of AGM.

The Company held no treasury shares during the year, or at the date of this report.

Significant agreements - change of control
The Group's principal banking and loan note facilities include provisions that, in the event of a change of control of the Company, the Group could be obliged to repay the facilities together with penalties. Certain client and supplier contracts and joint venture arrangements also contain change of control provisions. Additionally, the company's Long-Term Incentive Plan and Employee Share Option Plan contain change of control provisions which potentially allow for the acceleration of the exercisability of awards in the event that a change of control occurs with respect to the Company.

Stakeholder engagement
During the 2021 financial year, although members of the Board were largely prevented from conducting physical site visits across the business due to COVID-19, the Board nonetheless continued to foster the Company's business relationships with suppliers, customers and other partners through other means, including through hosting and attending meetings and workshops, conducting surveys and attending seminars and trade shows. The Group has a diverse community of stakeholders which includes shareholders, employees, customers and supplier partners, as well as the communities in which the Group operates, and continues to listen to these stakeholders; insights help shape the Group's strategy and decisions. The Board also receives regular updates throughout the year on engagement with the Group's stakeholders, including feedback from employee surveys and engagement forums, discussing customer and supplier surveys, and details of stakeholder meetings.

Throughout the year, the Board considered the long-term consequences of the decisions it made, focusing on the interests of relevant stakeholders as appropriate. The key strategic items considered by the Board in 2021 included:
- Approving the strategic priorities of the Group: refocussing the Group's direction with a view to providing long-term sustainable growth for the benefit of shareholders, employees, suppliers and customers.
- Relaunching of the Group's values: ensuring alignment with the Group's culture and strategy and providing guidance to our people for the benefit of our employees and shareholders.
- Approving the Group's ESG strategy: ensuring the Company's commitment as a responsible operator driving sustainability for the benefit of its shareholders, employees, customers and community.
- Planning for the reduction of the Group's carbon emissions: taking steps to improve our sustainability as a business and reduce our impact on the environment for the benefit of our shareholders, employees, customers and community.

Workforce engagement
During the 2021 financial year, the Group appointed a new Employee Representative to its Operations Board to facilitate the Group's engagement with its workforce and strengthen the employee voice in the boardroom. Various Employee Champions have been identified throughout the sites at which the Group operates, who report to the Employee Representative on key issues affecting the workforce. During the financial year, the Employee Representative reported to the Board twice, and attended five Remuneration Committee meetings to discuss culture and provide remuneration policy feedback. The Employee Representative's duties include:
- gathering feedback from employees through various channels;
- attending all Operations Board meetings and offering advice and opinions based on their knowledge of workforce opinions and concerns;
- reporting to the Operations Board quarterly on key workstreams;
- cascading non-confidential messages; and
- reporting to the Board on matters relevant to this role.

Additionally, the Group has continued its series of focus groups and introduced monthly town halls (with a Non-Executive Director participating in each town hall on a rota system) with the aims of:
- establishing how informed people are about its strategy and developments at Benchmark;
- assessing people buy-in to the Group's philosophy and values;
- understanding the extent to which employees feel informed and motivated by communications from different sources;
- capturing ideas around new initiatives;
- identifying training needs;
- giving employees an opportunity to speak up and be heard; and
- promoting employee engagement and collaboration.

Shareholder engagement
The Board recognises that it is vital for the Group's success that shareholders understand the Group's strategy and the means by which it will be delivered. All Directors welcome regular and open engagement with shareholders.

A focus of the Company during the financial year was strengthening its engagement and communication with shareholders.

During the financial year, the Company had a regular programme of virtual meetings with institutional shareholders led by Peter George (Chairman), Trond Williksen (Chief Executive Officer) and Septima Maguire (Chief Financial Officer), and also held ad hoc briefing sessions with certain shareholders as requested. In addition, the Board reviewed and considered feedback collated by the Company's brokers and financial PR advisers. The Board is provided with summary reports by its investor relations advisers which detail share price and share register movements and approves all significant announcements delivered to shareholders.

Viability statement

The Board assesses the Group's going concern and viability based on its cash flows and business plans, combined with downside scenarios of the principal risks described on pages 55-61 and other financial and performance factors that could threaten the Group's plans, performance and financial position including the nature of the business and its investment and planning periods. The outcome of this analysis and the appropriateness of the period over which the Board decided to provide its viability statement are described below.

Assessing our prospects

The Group's principal markets and strategy are described in detail in the Strategic Report. The key factors affecting the Group's prospects are:

- Clear strategic focus with vision for commercially led growth strategy.
- High growth global aquaculture market.
- Clear portfolio focus with strong market positions in aquaculture genetics and nutrition.
- Commercial launch of highly innovative and efficacious sea lice treatment Ectosan® Vet and CleanTreat®.
- Committed and talented team driven by the desire to make a difference.
- Innovative approach to delivering solutions for aquaculture customer challenges.

The Directors believe that the business model is sustainable and having demonstrated resilience against the headwinds presented by the COVID-19 pandemic, will continue to execute its strategy through its diversified and innovative product portfolio, its geographic footprint and investment in excellent facilities and technology platform creating a strong basis to exploit the growing markets.

The assessment process and key assumptions

The Group's prospects are assessed primarily through its strategic and financial planning processes over a five-year time period. The strategic plan is supported by a five-year financial plan, both of which are updated annually by the Operations Board and reviewed by the Board. The Board also reviews the Group's principal risks on a rolling basis throughout the year, based on updates from Operations Board members.
The strategic planning process is conducted over a five year time horizon and is updated annually. It:

- assesses market and environmental changes and the opportunities and threats such changes may present;
- considers risks to sales and cost forecasts for each part of the Group; and
- includes key assumptions to support longer term projections.

The financial plans are reviewed to confirm that adequate financing facilities are in place or there is a reasonable likelihood that alternate replacement facilities will be available. Certain of the Group's borrowing facilities are set to expire within the next 24 months – the $15m RCF is set to expire in December 2022, the NOK850m bond is due to expire in June 2023 and a small NOK20m facility (undrawn at 30 September 2021) is set to expire in June 2022.

Progress against financial budgets, forecasts and key business objectives are reviewed through monthly business performance reviews at both Group and business unit levels. Mitigating actions are taken to address underperformance. The latest updates to the plans were reviewed in September 2021 and considered the Group's current position, its future prospects and reaffirmed the Group's stated strategy.

Assessment period

The Board has determined that a five-year period to 30 September 2026 is an appropriate period over which to provide its viability statement. This time period is supported by the Group's budget process, which includes detailed projections for the next two financial years, and broader projections from year three onwards of the five-year strategic planning process. The Board believes this provides a sound framework for providing reasonable assurance on the Group's viability given the inherent uncertainty associated with longer term forecasts.

Assessment of viability and going concern

In order to reach a conclusion on both the appropriateness of adopting the going concern basis of accounting in preparing the Annual Report and on our viability, the Board carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity.

Although the output of the Group's strategic and financial planning processes reflects the Board's best estimate of the future prospects of the business, the Group has also conducted stress testing to assess the liquidity impact of a range of downside scenarios. The key factors affecting the group's prospects are the underlying conditions in our key markets, our ability to maintain our leading position in Genetics and Advanced Nutrition, the commercial delivery of our new products, including Ectosan® Vet/CleanTreat® and SPR shrimp as well as the lasting recovery of the Group's key markets following the COVID-19 pandemic.

A number of severe but plausible downside scenarios were considered around these factors, including 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 slower ramp up of the commercialisation of Ectosan® Vet and CleanTreat®, Benchmark's new sea lice treatment in the Health business area. Other key downside sensitivities modelled included assumptions on slower than expected recovery in global shrimp markets (affecting demand for Advanced Nutrition products), and slower commercialisation of SPR shrimp. The Directors have observed good recovery in the shrimp markets in the strong performance of the Advanced Nutrition business during the year. Nevertheless, 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, deferral of capital projects and temporary hold on R&D for non-imminent products.

Directors' Report
continued

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. As noted above, certain of the Group's borrowing facilities are set to expire within the next 19 months, and although these expiry dates are over a year away, the requirement to renew or replace these facilities upon maturity represents a material uncertainty. However, the Board believes there is positive evidence based on the Group's current financial position, strong current trading which has been resilient against the headwinds of the global pandemic and good relationships with funding providers, that these will be renewed or replacing before they expire. Cash resources continue to remain strong with the group managing discretionary spend closely as recovery from the pandemic progresses. 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 financial statements have been prepared on a going concern basis.

Also, based on this assessment, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period to September 2026.

Audit, risk and internal control
The Board is responsible to stakeholders for ensuring that the Company has in place effective procedures for the management of risk, and that the principal risks faced by the Group are identified, assessed, appropriately mitigated and monitored.

Responsibility for oversight of the Group's financial reporting procedures, internal controls and audit process is delegated to the Audit Committee, which also oversees the Group's risk management framework. The Audit Committee provides regular updates to the Board on such matters.

For further details on audit, risk management and internal control and the work of the Audit Committee, see pages 82-85.

Annual General Meeting
The next AGM will be held on 10 February 2022 at Travers Smith LLP, 10 Snow Hill, London, EC1A 2AL. Details of the AGM will be set out in the Notice of AGM which will be made available to shareholders in due course.

Shareholder voting
In accordance with section 338 and section 303 respectively of the Companies Act 2006:

- Shareholders of the Company can require the Company to circulate a resolution to be voted on at the Company's AGM where such a request is made by either:
  - Shareholders representing at least 5% of the total voting rights of all shareholders who have a right to vote on the resolution at that AGM; or
  - 100 shareholders who have a right to vote on the resolution at that meeting and hold shares that have been paid up an average of at least GB£100 per shareholder.
- A shareholder or group of shareholders representing at least 5% of voting rights can request the Directors of the Company to call a special general meeting.

Length of notice of general meetings
The Company has taken authority under the Companies Act 2006 to call general meetings of the Company, other than AGMs, on 14 days' notice. The 14 days' notice period will only be used where the flexibility is merited by the business of the meeting and is thought to be in the best interests of shareholders as a whole. The Company offers the facility for shareholders to vote by electronic means. This facility is open to all shareholders and would be available if the Company were to call a meeting on 14 clear days' notice.

Employees with disabilities
The Group values diversity and aims to make best use of everyone's skills and abilities. We are therefore committed to equal opportunities at every stage of our employees' careers. Our policy on employees with disabilities is to fully and fairly consider people with disabilities for all vacancies.

We interview and recruit people with disabilities and endeavour to retain employees if they become disabled while they work for us. Where possible, we will retrain employees who become disabled and adjust their working environment, so they can maximise their potential.

Employee share ownership
The Group has a policy of encouraging share ownership and 73% of the Group's employees hold shares or options in the Company.

Political contributions
Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the current or prior year.

Auditor
In accordance with section 489 of the Companies Act 2006, a resolution for the reappointment of KPMG LLP as auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

Disclosure of information to auditor
The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Branches outside the UK
The Company has a branch in Switzerland for the purposes of engaging an employee who is resident in Switzerland.

Reporting requirements:

The following sets out the location of additional information forming part of the Director's Report:

Reporting requirements		Pages
Financial instruments	Details of the Group's financial risk management objectives and policies including the Group's policy for hedging, and the exposure of the Company and its subsidiaries to price risk, credit risk, liquidity risk and cashflow risk.	126 to 130
Important events	Particulars of important events affecting the Company and its subsidiaries.	55 to 61
Post-balance sheets events	Description of post-balance sheet events.	None
Future developments	Likely future developments in the business of the Company or its subsidiaries.	8-9, 24-25
R&D	Details of the R&D activities of the Company and its subsidiaries.	18, 20, 22
Risk management	Details of the risk management framework, activities in the year and principal risk and uncertainties.	55 to 61
Directors' remuneration and Interests	Details of Director's remuneration, interests in shares of the Company, share options and pension arrangements.	90 to 94
Principal activities and business review	Business review, details of 2021 results, key performance indicators, outlook for future years.	16 to 33
Financial risk management	Objectives and policies for management of financial risk.	82 to 85
Share capital	Details of the issued share capital and movements during the year.	95 to 96
Stakeholder engagement	Details on how the Company engaged with its stakeholders (including employees and shareholders).	52 to 54
Greenhouse gas emissions	Details on Greenhouse gas emissions and environmental protection.	48 to 49
Statement on Corporate Governance	Details of the corporate governance report, the Audit Committee report, Nomination Committee Report and Director's remuneration report.	68 to 100

This report was approved by the Board on 29 November 2021 and signed on its behalf.

Jennifer Haddouk
Company Secretary
29 November 2021

Directors' Responsibilities

Statement of Directors' responsibilities in respect of the Annual Report and the financial statements

The Directors are responsible for preparing the Annual Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. Under the AIM Rules of the London Stock Exchange they are required to prepare the Group financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law and they have elected to prepare the Parent Company financial statements on the same basis.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors have decided to prepare voluntarily a Directors' Remuneration Report in accordance with Schedule 8 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 made under the Companies Act 2006, as if those requirements applied to the Company. The Directors have also decided to prepare voluntarily a Corporate Governance Statement as if the Company were required to comply with the Listing Rules and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority in relation to those matters.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report and a Directors' Report that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

We consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

The Director Responsibilities was approved by the Board on 29th November 2021 and signed on its behalf by:

Trond Williksen
Chief Executive Officer
29 November 2021

Independent Auditor's Report
to the members of Benchmark Holdings plc

1. Our opinion is unmodified
We have audited the financial statements of Benchmark Holdings plc ("the Company") for the year ended 30 September 2021 which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows, Company Statement of Cash Flows, and the related notes, including the accounting policies in Note 1.

In our opinion:
- The financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 September 2021 and of the Group's loss for the year then ended;
- The Group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- The Parent Company financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of, and as applied in accordance with the provisions of, the Companies Act 2006; and
- The financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed entities. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Overview

Materiality: Group financial statements as a whole		£1,070,000 (2020: £995,000) 0.9% (2020: 0.9%) of Group revenue
Coverage		88% (2020: 83%) of Group revenue
Key audit matters		**vs 2020**
Recurring risks	Going concern	▲
	Recoverability of Group goodwill, intangibles and recoverability of Parent Company's investment in subsidiaries and Intercompany indebtedness	◀▶
	Valuation of biological assets	◀▶

Independent Auditor's Report continued

to the members of Benchmark Holdings plc

2. Material uncertainty related to going concern

Going concern

Refer to page 82 (Audit Committee Report) and page 117 (accounting policy)

We draw attention to Note 1 to the financial statements which indicates that the Group's and the Parent Company's ability to continue as a going concern is dependent on the refinancing of existing debt facilities expiring in December 2022 and June 2023.

These events and conditions constitute a material uncertainty that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Disclosure quality:

The financial statements explain how the Directors have formed a judgement that it is appropriate to adopt the going concern basis of preparation for the Group and Parent Company.

That judgement is based on an evaluation of the inherent risks to the Group's and Company's business model and how those risks might affect the Group and Company's financial resources or ability to continue operations over a period of at least a year from the date of approval of the financial statements.

The risk for our audit is whether or not those risks are such that they amounted to a material uncertainty that may cast significant doubt about the ability to continue as a going concern. If so, that fact is required to be disclosed (as has been done) and, along with a description of the circumstances, is a key financial statement disclosure.

Our procedures included:

- **Our sector experience:** With the assistance of our specialists we assessed and challenged the key assumptions in the prospective financial information prepared by the Directors by reference to our knowledge of the business and general market conditions and assessed the potential risk of management bias in preparing the cash flow projections.
- **Funding assessment:** We obtained and inspected the financing agreements to ascertain the committed level of financing, its duration and related covenant requirements.
- **Key dependency assessment:** We considered the facilities due to expire in the going concern period with reference to the Group's history of successful refinancing, extent of funding need, forecast cash flows and the Group's financial health, conditions of the credit markets and status of management's arrangements for planned funding sources.
- **Historical comparisons:** We compared the prior periods' prospective financial information against the prior and current period's actual results and compared the current period's prospective financial information with the post-year end actual results to assess historical reliability of the forecasting.
- **Sensitivity analysis:** We performed analysis of changes in key assumptions. This included a slower ramp up in the commercialisation of the Group's new sea lice treatment and a slower than expected recovery from COVID-19 related disruption in global shrimp markets to understand the sensitivity of the cash flow forecasts in relation to available facility headroom and covenant compliance.
- **Assessing transparency:** We considered whether the going concern disclosure in Note 1 to the financial statements gives a full and accurate description of the Directors' assessment of going concern, including the identified risks, the availability of funding, and the likely outcome should the required funding not be obtained in the timetable expected. We assessed the completeness of the going concern disclosure.

3. Other key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Going concern is a significant key audit matter and is described in section 2 of our report. In arriving at our audit opinion above, the other key audit matters, in decreasing order of audit significance, were as follows (unchanged from 2020).

	The risk	Our response
Recoverability of Group goodwill, intangibles and of Parent Company's investment in subsidiaries/intercompany indebtedness Goodwill: £98,697,000 (2020: £101,245,000) Intangible assets: £130,343,000 (2020: £145,758,000) Investments (Parent Company): £250,648,000 (2020: £250,031,000) Intercompany indebtedness: Group entities (Parent Company): £195,286,000 (2020: £162,148,000) Refer to page 82 (Audit Committee Report), page 121 to 122 and 124 (accounting policy) and page 144 to 147, 151 and 155 (financial disclosures).	**Forecast based valuation:** The carrying value of goodwill and intangibles, and the recoverability of Parent Company investments in subsidiaries and intercompany indebtedness, depend on assumptions of future financial performance which inherently contain an element of estimation uncertainty. In addition, certain cash generating units of the Group containing these goodwill and intangible asset balances, are at risk of impairment as they contain immature products or markets. Significant areas of judgement include sales growth rates, operating margins and the discount rate applied to future cash flows. The effect of these matters is that, as part of our risk assessment, we determined that the value in use of the CGUs, and the recoverability of the Parent Company investment in subsidiaries/ intercompany indebtedness, have a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. The financial statements (Note 17 and 19)disclose the sensitivity estimated by the Group.	Our procedures included: • **Data comparisons:** We assessed the Group's impairment model for mathematical accuracy as well as internal consistency with Board approved budgets and forecast. • **Benchmarking assumptions:** With the assistance of our valuation specialists in respect of the discount rate applied to forecasts, we challenged the Group's assumptions in relation to key inputs such as projected growth and discount rates and compared these to externally derived data. • **Sensitivity analysis:** We performed analysis of changes in key assumptions, such as reducing forecasted revenue from the Group's latest sea lice treatment, and slower than expected recovery from COVID-19 related disruption in global shrimp markets to understand the sensitivity of the value-in-use calculation to changes in these key assumptions. • **Historical comparison:** We compared the prior periods' prospective financial information against the prior period's actual results and compared the current period's prospective financial information with the post-year end actual results to assess historical reliability of the forecasting. • **Comparing recoverable amounts:** We compared the sum of the discounted cash flows for each CGU to the carrying value of its assets and the Parent Company's investment in the associated subsidiary, and compared the Parent Company's net asset position to the Group's market capitalisation, to assess the reasonableness of those cashflows and their ability to support the carrying value of those assets; and • **Assessing transparency:** We also assessed whether the Group's disclosures about the sensitivity of the outcome of the impairment assessment to changes in key assumptions reflected the risks inherent in the valuation of goodwill, intangibles and investments/ indebtedness.

Independent Auditor's Report continued
to the members of Benchmark Holdings plc

	The risk	Our response
Valuation of biological assets: Salmon broodstock Salmon broodstock: £26,700,000 (2020: £21,051,000) Refer to page 82 (Audit Committee Report), page 124 (accounting policy) and page 152 to 153 (financial disclosures).	**Forecast based valuation:** The Group holds significant biological assets, held mainly at Benchmark Genetics Iceland (previously Stofnfiskur) in Iceland and Benchmark Genetics Salten (previously Salmobreed Salten) in Norway. Under relevant accounting standards these are required to be held at fair value less cost to sell. Salmon broodstock are classified as level 3 within the fair value hierarchy. The calculation of fair value includes a number of assumptions relating to the future (e.g. egg sales prices, sales volumes). Significant areas of estimation uncertainty include the future sales prices and volumes. The effect of these matters is that, as part of our risk assessment, we determined that fair value of the salmon broodstock within biological assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole. The financial statements (Note 21) disclose the sensitivity estimated by the Group.	Our procedures included: • **Data comparisons:** We assessed the Group's valuation model for mathematical accuracy and internal consistency with Board approved budgets and forecasts. • **Benchmarking assumptions:** We compared the Group's assumptions to externally derived data in relation to key inputs such as selling prices of eggs and historical sales volumes. • **Assessing transparency:** We considered the adequacy of the Group's disclosures in respect of the valuation of biological assets. • **Alternative methods:** We considered an alternative valuation basis to that used by management to corroborate the reasonableness of the Directors approach.

4. Our application of materiality and an overview of the scope of our audit

Materiality for the Group financial statements as a whole was set at £1,070,000 (2020: £995,000), determined with reference to a benchmark of Group revenue, of which it represents 0.9% (2020: 0.9%). We consider revenue to be the most appropriate benchmark as it provides a more stable measure year on year than loss before tax.

Materiality for the Parent Company financial statements as a whole was set at £500,000 (2020: £500,000), determined with reference to a benchmark of Company total assets, of which it represents 0.1% (2020: 0.1%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 75% (2020: 75%) of materiality for the financial statements as a whole, which equates to £800,000 (2020: £750,000) for the Group and £375,000 (2020: £375,000) for the Parent Company. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £50,000 (2020: £50,000), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the Group's 63 (2020: 71) reporting components, we subjected 11 (2020: 10) to full scope audits for Group purposes and 2 (2020: 2) to specified risk-focused audit procedures. The latter were not individually financially significant enough to require a full scope audit for Group purposes, but did present specific individual risks that needed to be addressed. For the residual components, we performed analysis at an aggregated Group level to re-examine our assessment that there were no significant risks of material misstatement within these.

The components within the scope of our work accounted for the percentages illustrated opposite.

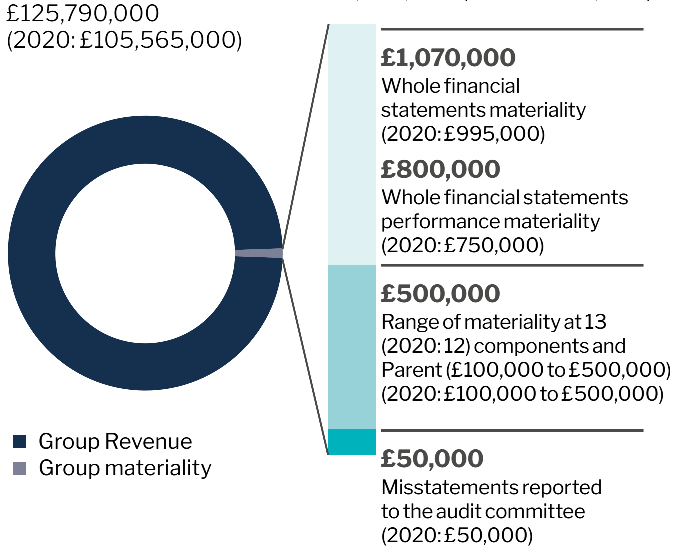
The Group team instructed component auditors as to the significant areas to be covered, including the relevant risks detailed above and the information to be reported back. The Group team approved the component materialities, which ranged from £100,000 to £500,000 (2020: £100,000 to £500,000), having regard to the mix of size and risk profile of the Group across the components. The work on 11 of the 13 components (2020: 10 of the 12 components) was performed by component auditors and the rest, including the audit of the parent company, was performed by the Group team.

The Group team held calls with all in scope component auditors to assess the audit risk and strategy as part of the planning process. During these, the audit approach to key risk areas were discussed.

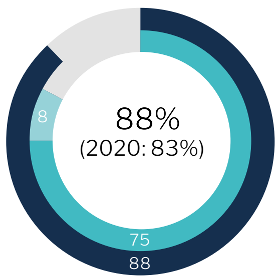
Physical visits of component locations could not be performed due to movement restrictions relating to the COVID-19 pandemic. Instead, video and telephone conference meetings were held with all in scope component auditors. During these, the findings reported to the Group team were discussed in more detail, and any further work required by the Group team was then performed by the component auditor. The Group team reviewed the audit work papers covering the significant risk areas of all in scope component auditors.

Group revenue from continuing operations
£125,790,000
(2020: £105,565,000)

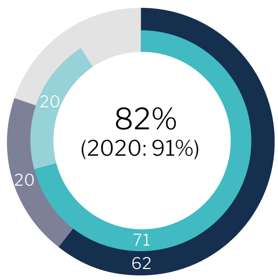
Group Materiality
£1,070,000 (2020: £995,000)



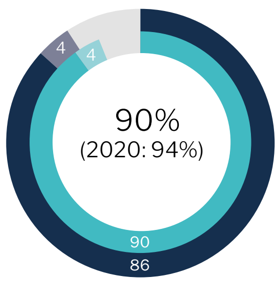
Group revenue



Group profit/loss before tax (absolute)



Group total assets



- Full scope for group audit purposes 2021
- Specified risk-focused audit procedures 2021
- Full scope for group audit purposes 2020
- Specified risk-focused audit procedures 2020
- Residual components

Independent Auditor's Report continued

to the members of Benchmark Holdings plc

5. Going concern basis of preparation

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group's and the Company's financial position means that this is realistic for at least a year from the date of approval of the financial statements ("the going concern period"). As stated in section 2 of our report, they have also concluded that there is a material uncertainty related to going concern.

An explanation of how we evaluated management's assessment of going concern is set out section 2 of our report.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have nothing material to add or draw attention to in relation to the Directors' statement in Note 1 to the financial statements on the use of the going concern basis of accounting and their identification therein of a material uncertainty over the Group and Company's ability to continue to use that basis for the going concern period and we found the going concern disclosure in Note 1 to be acceptable.

6. Fraud and breaches of laws and regulations– ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included :

- Enquiring of Directors and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and relevant Committee meeting minutes.
- Considering remuneration incentive schemes and performance targets for senior management and Executive Directors.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. This included communication from the Group audit team to in-scope component audit teams of relevant fraud risks identified at the Group level and request to in scope component audit teams to report to the Group audit team any instances of fraud that could give rise to a material misstatement at Group.

As required by auditing standards, and taking into account possible pressures to meet performance targets and debt covenants, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue is recorded in the wrong period and the risk that Group and component management may be in a position to make inappropriate accounting entries, and the risk of bias in accounting estimates and judgements such as valuation of biological assets, Group goodwill, other intangibles and of the Parent Company's investment in subsidiaries/ intercompany indebtedness.

We also identified a fraud risk related to valuation of biological assets in response to possible pressures and opportunity to meet performance targets. Further detail in this respect is set out in the key audit matter disclosures in section 3 of this report.

We performed procedures including:

- Identifying journal entries and other adjustments to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included entries posted by infrequent users and those posted to unusual/unrelated accounts.
- Assessing significant accounting estimates for bias.
- Identifying revenue transactions on either side of year-end date to test for all full scope components based on risk criteria and comparing the identified transactions to supporting documentation to ensure revenue is recognised in correct accounting period.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the Directors and management (as required by auditing standards), and from inspection of the Group's Board meeting minutes and discussed with the Directors and management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. This included communication from the Group audit team to in scope component audit teams of relevant laws and regulations identified at the Group level, and a request for full scope component auditors to report to the Group team any instances of non-compliance with laws and regulations that could give rise to a material misstatement at Group.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's licence to operate in respective sector and territory. We identified the following areas as those most likely to have such an effect: health and safety, GDPR, anti-bribery, employment and social security, environmental protection, and Medicines and Healthcare products Regulatory Agency (MHRA) regulation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and management, and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

7. We have nothing to report on the other information in the Annual Report

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and Directors' report

Based solely on our work on the other information:
- we have not identified material misstatements in the Strategic report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Disclosures of emerging and principal risks and longer-term viability

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, other than the material uncertainty related to going concern referred to above, we have nothing to add or draw attention to in relation to:
- the Directors' confirmation within the Viability statement (page 97) that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the Principal Risks and Uncertainties disclosures describing these risks and how emerging risks are identified, and explaining how they are being managed and mitigated; and
- the Directors' explanation in the viability statement (page 97) of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Company's longer-term viability.

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:
- The Directors' statement that they consider that the Annual Report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.
- The section of the Annual Report describing the work of the Audit Committee does appropriately address matters communicated by us to the Audit Committee, and how these issues were addressed.
- The section of the Annual Report that describes the review of the effectiveness of the Group's risk management and internal control systems.

8. We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:
- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Independent Auditor's Report continued
to the members of Benchmark Holdings plc

9. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 100, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

10. The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Johnathan Pass
(Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

29 November 2021

Consolidated Income Statement

for the year ended 30 September 2021

	Notes	2021 £000	2020 £000
Continuing operations			
Revenue	4	**125,062**	105,565
Cost of sales		**(59,477)**	(50,603)
Gross profit		**65,585**	54,962
Research and development costs		**(7,010)**	(7,282)
Other operating costs		**(38,221)**	(33,337)
Share of (loss)/profit of equity-accounted investees, net of tax		**(905)**	150
Adjusted EBITDA[2]		**19,449**	14,493
Exceptional – restructuring/acquisition-related items	10	**(184)**	(2,114)
EBITDA[1]		**19,265**	12,379
Depreciation and impairment	5	**(8,359)**	(6,640)
Amortisation and impairment	5	**(16,283)**	(16,613)
Operating loss		**(5,377)**	(10,874)
Finance cost	9	**(7,987)**	(12,779)
Finance income	9	**4,185**	1,082
Loss before taxation		**(9,179)**	(22,571)
Tax on loss	11	**(2,397)**	(204)
Loss from continuing operations		**(11,576)**	(22,775)
Discontinued operations			
Loss from discontinued operations, net of tax	12	**–**	(9,174)
		(11,576)	(31,949)
(Loss)/profit for the year attributable to:			
– Owners of the parent		**(12,891)**	(32,923)
– Non-controlling interest	29	**1,315**	974
		(11,576)	(31,949)
Earnings per share			
Basic loss per share (pence)	13	**(1.93)**	(5.26)
Diluted loss per share (pence)	13	**(1.93)**	(5.26)
Earnings per share – continuing operations			
Basic loss per share (pence)	13	**(1.93)**	(3.80)
Diluted loss per share (pence)	13	**(1.93)**	(3.80)

	£000	£000
Adjusted EBITDA from continuing operations	**19,449**	14,493
Adjusted EBITDA from discontinued operations	**–**	(8,726)
Total Adjusted EBITDA	**19,449**	5,767

1 EBITDA - earnings before interest, tax, depreciation, amortisation and impairment.
2 Adjusted EBITDA - EBITDA before exceptional and acquisition-related items.

The accompanying notes form part of the financial statements.

Consolidated Statement of Comprehensive Income

for the year ended 30 September 2021

	2021 £000	2020 £000
Loss for the year	**(11,576)**	(31,949)
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss		
Foreign exchange translation differences	**(9,929)**	(20,327)
Cash flow hedges – changes in fair value	**3,054**	(5,932)
Cash flow hedges – reclassified to profit or loss	**709**	(153)
Total comprehensive income for the year	**(17,742)**	(58,361)
Total comprehensive income for the year attributable to:		
– Owners of the parent	**(19,329)**	(58,532)
– Non-controlling interest	**1,587**	171
	(17,742)	(58,361)
Total comprehensive income for the year attributable to:		
– Continuing operations	**(19,329)**	(50,604)
– Discontinued operations*	**–**	(7,928)
	(19,329)	(58,532)

* For 2020 total comprehensive income for the year relating to discontinued operations includes the loss of £9,174,000 and foreign exchange gains of £1,246,000.

The accompanying notes form part of the financial statements.

Consolidated Balance Sheet

as at 30 September 2021

	Notes	2021 £000	2020 £000
Assets			
Property, plant and equipment	14	**78,780**	65,601
Right-of-use assets	15	**25,531**	10,347
Intangible assets	16	**229,040**	247,003
Equity-accounted investees	18	**3,354**	3,690
Other investments		**15**	23
Biological and agricultural assets	21	**21,244**	16,621
Non-current assets		**357,964**	343,285
Inventories	20	**20,947**	18,926
Biological and agricultural assets	21	**17,121**	15,848
Trade and other receivables	22	**46,498**	39,371
Cash and cash equivalents	35	**39,460**	71,605
Current assets		**124,026**	145,750
Total assets		**481,990**	489,035
Liabilities			
Trade and other payables	23	**(46,668)**	(45,692)
Loans and borrowings	24	**(10,654)**	(5,339)
Corporation tax liability		**(5,634)**	(4,344)
Provisions	25	**(563)**	–
Current liabilities		**(63,519)**	(55,375)
Loans and borrowings	24	**(109,737)**	(103,819)
Other payables	23	**(911)**	(1,754)
Deferred tax	26	**(28,224)**	(32,647)
Non-current liabilities		**(138,872)**	(138,220)
Total liabilities		**(202,391)**	(193,595)
Net assets		**279,599**	295,440
Issued capital and reserves attributable to owners of the parent			
Share capital	27	**670**	668
Additional paid-in capital	27	**400,682**	399,601
Capital redemption reserve	28	**5**	5
Retained earnings	28	**(154,231)**	(142,170)
Hedging reserve	28	**(5,876)**	(9,651)
Foreign exchange reserve	28	**30,465**	40,678
Equity attributable to owners of the parent		**271,715**	289,131
Non-controlling interest	29	**7,884**	6,309
Total equity and reserves		**279,599**	295,440

The financial statements on pages 109 to 167 were approved and authorised for issue by the Board of Directors on 29 November 2021 and were signed on its behalf by:

Septima Maguire
Chief Financial Officer

Company number: 04115910

The accompanying notes form part of the financial statements.

Company Balance Sheet

as at 30 September 2021

	Note	2021 £000	2020 £000
Assets			
Non-current assets			
Property, plant and equipment	14	**59**	784
Right-of-use assets	15	**77**	252
Intangible assets	16	**28**	–
Investments	19	**250,648**	250,031
Trade and other receivables	22	**195,085**	–
Total non-current assets		**445,897**	251,067
Current assets			
Trade and other receivables	22	**2,042**	163,794
Cash and cash equivalents	35	**9,003**	47,825
Total current assets		**11,045**	211,619
Total assets		**456,942**	462,686
Liabilities			
Current liabilities			
Trade and other payables	23	**(45,219)**	(52,047)
Loans and borrowings	24	**(49)**	(182)
Total current liabilities		**(45,268)**	(52,229)
Non-current liabilities			
Loans and borrowings	24	**(75,496)**	(75,563)
Total non-current liabilities		**(75,496)**	(75,563)
Total liabilities		**(120,764)**	(127,792)
Net assets		**336,178**	334,894
Issued capital and reserves attributable to owners of the parent			
Share capital	27	**670**	668
Additional paid-in capital	27	**400,682**	399,601
Capital redemption reserve	28	**5**	5
Hedging reserve	28	**(5,736)**	(9,013)
Retained earnings	28	**(59,443)**	(56,367)
Total equity and reserves		**336,178**	334,894

The financial statements on pages 109 to 167 were approved and authorised for issue by the Board of Directors on 29 November 2021 and were signed on its behalf by:

Septima Maguire
Chief Financial Officer

Company number: 04115910

The accompanying notes form part of the financial statements.

Consolidated Statement of Changes in Equity

for the year ended 30 September 2021

	Share capital £000	Additional paid-in share capital* £000	Other reserves £000	Hedging reserve £000	Retained earnings £000	Total attributable to equity holders of parent £000	Non-controlling interest £000	Total equity £000
As at 1 October 2019	559	358,044	60,207	(3,566)	(110,916)	304,328	6,138	310,466
Comprehensive income for the year								
(Loss)/profit for the year	–	–	–	–	(32,923)	(32,923)	974	(31,949)
Other comprehensive income	–	–	(19,524)	(6,085)	–	(25,609)	(803)	(26,412)
Total comprehensive income for the year	–	–	(19,524)	(6,085)	(32,923)	(58,532)	171	(58,361)
Contributions by and distributions to owners								
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
Total contributions by and distributions to owners	109	41,557	–	–	1,669	43,335	–	43,335
Total transactions with owners of the Company	109	41,557	–	–	1,669	43,335	–	43,335
As at 30 September 2020	668	399,601	40,683	(9,651)	(142,170)	289,131	6,309	295,440
Comprehensive income for the year								
(Loss)/profit for the period	**–**	**–**	**–**	**–**	**(12,891)**	**(12,891)**	**1,315**	**(11,576)**
Other comprehensive income	**–**	**–**	**(10,213)**	**3,775**	**–**	**(6,438)**	**272**	**(6,166)**
Total comprehensive income for the year	**–**	**–**	**(10,213)**	**3,775**	**(12,891)**	**(19,329)**	**1,587**	**(17,742)**
Contributions by and distributions to owners								
Share issue	**2**	**1,081**	**–**	**–**	**–**	**1,083**	**–**	**1,083**
Share-based payment	**–**	**–**	**–**	**–**	**830**	**830**	**–**	**830**
Total contributions by and distributions to owners	**2**	**1,081**	**–**	**–**	**830**	**1,913**	**–**	**1,913**
Changes in ownership								
Acquisition of NCI	**–**	**–**	**–**	**–**	**–**	**–**	**(12)**	**(12)**
Total changes in ownership interests	**–**	**–**	**–**	**–**	**–**	**–**	**(12)**	**(12)**
Total transactions with owners of the Company	**2**	**1,081**	**–**	**–**	**830**	**1,913**	**(12)**	**1,901**
As at 30 September 2021	**670**	**400,682**	**30,470**	**(5,876)**	**(154,231)**	**271,715**	**7,884**	**279,599**

* See Note 27.

The accompanying notes form part of the financial statements.

Company Statement of Changes in Equity

for the year ended 30 September 2021

	Share capital £000	Additional paid-in share capital* £000	Capital redemption reserve £000	Hedging reserve £000	Retained earnings £000	Total attributable to equity holders £000
At 1 October 2019	559	358,044	5	(3,333)	(51,056)	304,219
Comprehensive income for the year						
Loss for the year	–	–	–	–	(6,980)	(6,980)
Other comprehensive income	–	–	–	(5,680)	–	(5,680)
Total comprehensive income for the year	–	–	–	(5,680)	(6,980)	(12,660)
Contributions by and distributions to owners						
Share-based payment	–	–	–	–	1,669	1,669
Share issue	109	42,869	–	–	–	42,978
Share issue costs recognised through equity	–	(1,312)	–	–	–	(1,312)
Total contributions by and distributions to owners	109	41,557	–	–	1,669	43,335
At 30 September 2020	668	399,601	5	(9,013)	(56,367)	334,894
Comprehensive income for the year						
Loss for the year	**–**	**–**	**–**	**–**	**(3,906)**	**(3,906)**
Other comprehensive income	**–**	**–**	**–**	**3,277**	**–**	**3,277**
Total comprehensive income for the year	**–**	**–**	**–**	**3,277**	**(3,906)**	**(629)**
Contributions by and distributions to owners						
Share-based payment	**–**	**–**	**–**	**–**	**830**	**830**
Share issue	**2**	**1,081**	**–**	**–**	**–**	**1,083**
Total contributions by and distributions to owners	**2**	**1,081**	**–**	**–**	**830**	**1,913**
At 30 September 2021	**670**	**400,682**	**5**	**(5,736)**	**(59,443)**	**336,178**

* See Note 27.

The accompanying notes form part of the financial statements.

Consolidated Statement of Cash Flows

for the year ended 30 September 2021

	Notes	2021 £000	2020 £000
Cash flows from operating activities			
Loss for the year		**(11,576)**	(31,949)
Adjustments for:			
Depreciation and impairment of property, plant and equipment	5	**5,017**	6,995
Depreciation and impairment of right-of-use assets	5	**3,342**	2,143
Amortisation and impairment of intangible fixed assets	5	**16,283**	19,402
Loss on sale of property, plant and equipment	5	**46**	(1,140)
Gain on sale of subsidiaries		**–**	(14,120)
Finance income		**(1,442)**	(111)
Finance costs	9	**7,987**	9,695
Other adjustments for non-cash items		**–**	200
Share of (loss)/profit of equity-accounted investees, net of tax		**905**	(150)
Foreign exchange gains		**(1,800)**	(132)
Share-based payment expense	32	**830**	1,669
Tax expense	11	**2,397**	314
		21,989	(7,184)
(Increase)/decrease in trade and other receivables		**(8,178)**	4,202
(Increase)/decrease in inventories		**(3,554)**	3,741
Increase in biological and agricultural assets		**(5,427)**	(7,474)
Increase in trade and other payables		**5,547**	5,006
Decrease in provisions		**–**	(260)
		10,377	(1,969)
Income taxes paid		**(4,587)**	(2,087)
Net cash flows generated from/(used in) operating activities		**5,790**	(4,056)
Investing activities			
Proceeds from sale of subsidiaries, net of cash disposed of		**–**	17,487
Purchases of investments		**(578)**	(522)
Receipts from disposal of investments		**9**	6,932
Purchases of property, plant and equipment		**(17,683)**	(5,851)
Proceeds from sales of intangible assets		**–**	261
Purchases of intangibles		**(5,038)**	(5,563)
Purchases of held for sale assets		**–**	(402)
Proceeds from sale of fixed assets		**112**	16,147
Proceeds from sales of other long-term assets		**–**	1,776
Interest received		**88**	111
Net cash flows (used in)/generated from investing activities		**(23,090)**	30,376
Financing activities			
Proceeds of share issues		**750**	42,978
Share-issue costs recognised through equity		**–**	(1,312)
Acquisition of NCI		**(12)**	–
Proceeds from bank or other borrowings		**–**	8,387
Repayment of bank or other borrowings		**(3,106)**	(10,141)
Interest and finance charges paid		**(7,699)**	(7,659)
Repayments of lease liabilities		**(4,602)**	(2,120)
Net cash flows (used in)/generated from financing activities		**(14,669)**	30,133
Net (decrease)/increase in cash and cash equivalents		**(31,969)**	56,453
Cash and cash equivalents at beginning of year		**71,605**	16,051
Effect of movements in exchange rate		**(176)**	(899)
Cash and cash equivalents at end of year	35	**39,460**	71,605

The accompanying notes form part of the financial statements.

Company Statement of Cash Flows

for the year ended 30 September 2021

	Notes	2021 £000	2020 £000
Cash flows from operating activities			
Loss for the year		**(3,907)**	(6,980)
Adjustments for:			
Depreciation and impairment of property, plant and equipment	14	**750**	95
Depreciation of right-of-use assets	15	**176**	164
Amortisation of intangible fixed assets	16	**2**	–
Provision for impairment of investments		**–**	3,660
Profit of disposal of subsidiaries		**–**	(48)
Finance income		**(1,812)**	(3,755)
Finance expense		**5,326**	9,342
Foreign exchange gains		**(2,621)**	(1,437)
Share-based payment expense		**213**	383
Tax expense		**5**	–
		(1,868)	1,424
Increase in trade and other receivables		**(82)**	(5,955)
Increase/(decrease) in trade and other payables		**1,831**	(1,095)
		(119)	(5,626)
Income taxes paid		**(5)**	–
Net cash flows used in operating activities		**(124)**	(5,626)
Investing activities			
Proceeds from disposal of subsidiaries		**–**	10,298
Loans to subsidiary undertakings		**(34,838)**	11,107
Investment in subsidiary undertakings		**–**	(6,535)
Purchases of property, plant and equipment		**(25)**	(718)
Purchases of intangible assets		**(30)**	–
Interest received		**18**	5
Dividends received		**1,489**	3,226
Net cash (used in)/generated from investing activities		**(33,386)**	17,383
Financing activities			
Proceeds of share issues		**750**	42,978
Share issue costs recognised through equity		**–**	(1,312)
Proceeds from bank borrowings		**–**	7,733
Payment of lease liabilities		**(179)**	(156)
Repayment of bank borrowings		**(245)**	(8,060)
Interest paid		**(5,631)**	(5,932)
Net cash (used in)/generated from financing activities		**(5,305)**	35,251
Net (decrease)/increase in cash and cash equivalents		**(38,815)**	47,008
Cash and cash equivalents at beginning of period		**47,825**	840
Effect of movements in exchange rate		**(7)**	(23)
Cash and cash equivalents at end of year	35	**9,003**	47,825

The accompanying notes form part of the financial statements.

Notes Forming Part of the Financial Statements

for the year ended 30 September 2021

1 Accounting policies

Corporate information

Benchmark Holdings plc (the "Company") is a public limited company, which is listed on the Alternative Investment Market ("AIM"), a sub-market of the London Stock Exchange. The Company is incorporated and domiciled in England. The registered company number is 04115910 and the registered office is at Benchmark House, 8 Smithy Wood Drive, Sheffield S35 1QN.

The Group is principally engaged in the provision of technical services, products and specialist knowledge that support the global development of sustainable food and aquaculture industries.

Basis of preparation

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated. The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's Statement, the Strategic Report, the FY21 Financial Review and the Audit Committee Report.

Going concern

As at 30 September 2021 the Group had net assets of £279.6m (2020: £295.4m), including cash of £39.5m (2020: £71.6m) as set out in the Consolidated Balance Sheet on page 111. The Group made a loss for the year of £11.6m (2020: £31.9m). As at 30 September 2021 the Company had net assets of £336.2m (2020: £334.9m), including cash of £9.0m (2020: £47.8m) as set out on the Company Balance Sheet on page 112. The Company made a loss for the year of £3.9m (2020: £7.0m).

As noted in the Strategic Report, we have seen some recovery in our end markets as the COVID-19 vaccine programmes across the world were rolled out in key markets and the hospitality sector reopened. The ultimate lasting impact of the pandemic on industry, the economy, Benchmark's markets and its businesses remains to some extent uncertain, but strong performance in the year has been positive and has given cause for optimism. The Directors recognise that full recovery could take time and remain cautious of the possibility of a return of restrictions while a return following the pandemic is managed across the globe. Available market analysis continues to be monitored to ensure appropriate mitigating actions can be taken as necessary.

The uncertainty relating to any lasting impact on the Group of the pandemic continues to be considered as part of the Directors' assessment of the going concern assumption, and positive preventative measures implemented by the Directors at an early stage in response to the pandemic continue to be in force where necessary. The Directors have reviewed forecasts and cash flow projections covering the period to September 2023 including downside sensitivity assumptions in relation to trading performance across the Group to assess the impact on the Group's trading and cash flow forecasts and on the forecast compliance with the covenants included within the Group's financing arrangements. In the downside scenario analysis performed, the Directors considered 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 slower ramp up of the commercialisation of Benchmark's new sea lice treatment in the Health business area. Other key downside sensitivities modelled included assumptions on slower than expected recovery in global shrimp markets (affecting demand for Advanced Nutrition products), and slower commercialisation of SPR shrimp. As noted in the Strategic Report, the Directors have observed recovery in the shrimp markets in the strong performance of the Advanced Nutrition business during the year. Nevertheless, mitigating measures within the control of management were implemented early in the pandemic and a number of these remain in place and have been factored into the downside analysis performed. These measures include reductions in areas of discretionary spend, 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 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. However, it should be noted that the Group's main borrowing facilities are set to expire within the next 19 months – the $15m RCF is set to expire in December 2022, and the NOK 850m bond is due to expire in June 2023. The cash flow forecasts reviewed rely on these borrowing facilities being in place. The Directors have commenced a review of the capital structure including certain short term actions and also longer term financing options, and are confident that these facilities can be renewed or replaced before they expire, with trading going well despite the headwinds of the pandemic and relationships with finance providers strong. Cash resources continue to remain strong with the Group managing discretionary spend closely as recovery from the pandemic progresses.

Based on their assessment, the Directors believe it remains appropriate to prepare the financial statements on a going concern basis. However, while the Directors remain confident that the current facilities will be renewed or replaced in the next 19 months, the requirement to do this represents a material uncertainty that may 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 their liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

These Group and parent company financial statements were prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRS"). The Group reports earnings before interest, depreciation and amortisation ('EBITDA') and EBITDA before exceptional and acquisition related items ('Adjusted EBITDA') to enable a better understanding of the investment being made in the Group's future growth and provide a better measure of our underlying performance.

The preparation of financial statements in compliance with adopted IFRSs requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in Note 2.

Notes Forming Part of the Financial Statements continued

for the year ended 30 September 2021

1 Accounting policies continued

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries at 30 September 2021. Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtained control, and continue to be consolidated until the date when such control ceases.

Where the Company has power, either directly or indirectly, over another entity or business and the ability to use this power to affect the amount of returns, as well as exposure or rights to variable returns from its involvement with the investee, it is classified as a subsidiary. The consolidated financial statements present the results of the Company and its subsidiaries (the 'Group') as if they formed a single entity. Inter-company transactions, balances, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the Consolidated Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date.

Non-controlling interests, presented as part of equity, represent a proportion of a subsidiary's profit or loss and net assets that is not held by the Group. The total comprehensive income or loss of non-wholly-owned subsidiaries is attributed to owners of the Parent and to the non-controlling interests in proportion to their respective ownership interests.

A separate income statement for the Company is not presented, in accordance with section 408 of the Companies Act 2006. The loss for the year for the Company was £3,906,000 (2020: £6,980,000).

Standards issued but not effective

A number of new standards, amendments to standards and interpretations are not yet effective, and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below.

At 31 December 2020, the following standards and interpretations were in issue but not yet effective:

- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform
- Amendment to IFRS 16: COVID-19 Related Rent Concessions Beyond 30 June 2021
- Amendments to IAS 37: Onerous Contracts – Cost of Fulfilling a Contract
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IAS 16: Property, Plant and Equipment: Proceeds before Intended Use
- Amendments to IFRS 3: Reference to the Conceptual Framework
- IFRS 17: Insurance Contracts
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies
- Amendments to IAS 8: Definition of Accounting Estimate
- Amendments to IAS 12 Income Taxes: Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Directors do not expect that the adoption of the above standards and interpretations will have a material impact on the financial statements of the Group in future periods.

New standards and interpretations applied for the first time

The following standards which are effective for periods beginning on or after 1 January 2020 have been adopted without any significant impact on the amounts reported in these financial statements:

- Amendments to References to Conceptual Framework in IFRS Standards
- Amendments to IFRS 3: Definition of a Business
- Amendments to IAS 1 and IAS 8: Definition of Material
- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform
- Amendments to IFRS 4: Extension of the Temporary Exemption from applying IFRS 9
- Amendment to IFRS 16: COVID-19 Related Rent Concessions

Revenue

Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific criteria must also be met before revenue is recognised:

Sale of goods

Within Genetics, revenue from the sale of eggs is recognised when the control of the goods has transferred to the customer or distributor, either on despatch or on receipt of goods by customer in line with the commercial terms governing the transaction .

1 Accounting policies continued

Within Advanced Nutrition, revenue of products is recognised when the control of the goods has transferred to the customer or distributor, either on despatch or when goods are loaded onto the freight vessel, in line with the commercial terms of the transaction and relevant local regulations.

Within Health, revenue from the sale of licensed veterinary treatments, vaccines and vaccine components is recognised when the control of the goods has transferred to the customer or distributor, either on despatch or upon treatment of biomass by the customer in line with commercial terms of the transaction. Where the buyer has a right of return, revenue and cost of sales are adjusted for the value of the expected returns based on historical results, taking into consideration the specifics of each arrangement.

Within Knowledge Services (all within discontinued operations in FY20), revenue from the sale of agricultural produce was recognised when the control of the goods had transferred to the customer or distributor, which was usually on delivery. Where the buyer had a right of return, revenue and cost of sales were adjusted for the value of the expected returns based on historical results, taking into consideration the specifics of each arrangement. Revenue from the sale of books and publications was recognised when the control of the goods had transferred to the customer or distributor, which was usually on despatch.

Rendering of services

Services including sustainable food production consultancy, technical consultancy, assurance services and water purification following medicinal bath treatments are (or for discontinued operations were) provided by Genetics, Health and Knowledge Services. Genetics also licenses production of its genetic lines to certain salmon farmers and receives royalties based on the number of eggs produced by those farmers. During FY20 within discontinued operations, Knowledge Services provided online news, marketing and technical publications, book publishing, online shops, online distance-learning programmes and other training courses.

Within each contract, judgement is applied to determine the extent to which activities within the contract represent distinct performance obligations to be delivered. Judgement is applied to determine first whether control passes over time and if not, then the point in time at which control passes. Where control passes at a point in time then revenue is recognised at that point. For all the services currently provided by the Group, control passes at a point in time upon delivery of the service and revenue is recognised at that point. Royalty income from the licensed production of the Group's genetic lines is recognised during the period the farmer produces the eggs.

Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Transaction costs, other than share and debt issue costs, are expensed as incurred. In accordance with IFRS 3: Business Combinations, the Group has a 12-month period in which to finalise the fair values allocated to assets and liabilities determined provisionally on acquisition.

Contingent consideration is measured at fair value based on an estimate of the expected future payments. Deferred consideration is measured at the present value of the obligation.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in the Consolidated Income Statement.

Foreign currency

The Group's consolidated financial statements are presented in UK Pounds Sterling, which is also the Parent Company's functional currency. The Group determines the functional currency of each of its subsidiaries and items included in the financial statements of each of those entities are measured using that functional currency.

Transactions entered into by Group entities in a currency other than the currency of the primary economic environment in which they operate (their 'functional currency') are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in the Consolidated Income Statement.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations, including goodwill arising on the acquisition of those operations, are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income and accumulated in the foreign exchange reserve.

Exchange differences recognised in the Income Statement in the Group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the overseas operation concerned are reclassified to other comprehensive income and accumulated in the foreign exchange reserve on consolidation.

Notes Forming Part of the Financial Statements continued

for the year ended 30 September 2021

1 Accounting policies continued

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are transferred to the Consolidated Income Statement as part of the profit or loss on disposal.

Financial assets

The Group has measured all of its financial assets (trade receivables and cash and cash equivalents), except for contingent consideration receivable, at amortised cost.

Financial assets arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. To determine whether financial assets may be measured at amortised cost or fair value through other comprehensive income, management assesses whether the cash flows represent solely payments of principal and interest on the principal amount (SPPI). Assets meeting the SPPI criterion are recognised at amortised cost using the effective interest rate method, less provision for impairment, while assets that do not meet SPPI are measured at fair value through profit and loss.

Impairment provisions for receivables, in accordance with IFRS 9, are calculated using an expected credit loss model. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within operating costs in the Consolidated Income Statement. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Amounts owed by subsidiaries are classified and recorded at amortised cost and reduced by allowances for expected credit losses. Estimated future credit losses are first recorded on initial recognition of a receivable and are based on estimated probability of default. Individual balances are written off when management deems them not to be collectible. Amounts owned by subsidiaries are unsecured, have no fixed date of repayment and are repayable on demand with sufficient liquidity in the group to flow funds if required. Therefore expected credit losses relating to receivables and loans form subsidiary companies are considered to be immaterial.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less from inception, and for the purpose of the statements of cash flows, bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the Consolidated Balance Sheet.

Financial assets fair value through profit and loss

Contingent consideration receivable is recognised at fair value with movements recognised in the Consolidated Income Statement.

Financial liabilities

The Group classifies its financial liabilities as other financial liabilities which include the following items:

- Bank borrowings which are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the Consolidated Balance Sheet.
- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Financial liabilities fair value through profit and loss

Contingent consideration is recognised at fair value with movements recognised in the Consolidated Income Statement.

For financial contracts which are designated as a fair value hedge, the fair value of the derivative is recognised in the Consolidated Income Statement.

Financial liabilities fair value through hedging reserve

For financial contracts which are designated as a cash flow hedge, the effective portion of changes in the fair value of the derivative is recognised in the Statement of Other Comprehensive Income ('OCI') and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge.

Share capital

The Group's ordinary shares are classified as equity instruments.

Retirement benefits: defined contribution schemes

Contributions to defined contribution pension schemes are charged to the income statement in the year to which they relate.

Share-based payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the Consolidated Income Statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

1 Accounting policies continued

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the Consolidated Income Statement over the remaining vesting period.

Where equity-settled share options are awarded to employees of subsidiaries, in the Company accounts a credit is made to equity which is equal to the expense that should be recognised in the relevant subsidiary's (and Group's) accounts and an equal increase in investments in subsidiaries is made. The credit to equity in the Parent will not be a realised profit and will not therefore be available for distribution.

Goodwill

Goodwill is initially measured at cost, being the excess of the cost of a business combination over the total acquisition date fair value of the identifiable assets, liabilities and contingent liabilities acquired. Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the Consolidated Income Statement. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the Consolidated Income Statement on the acquisition date.

Externally acquired intangible assets

Externally acquired intangible assets are initially recognised at cost and subsequently amortised over their useful economic lives as outlined below, on a straight-line basis from the time they are available for use.

Intangible assets are recognised on business combinations if they are separable from the acquired entity or give rise to other contractual/legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques (see section related to critical estimates and judgements below).

In-process research and development programmes acquired in such combinations are recognised as an asset, even if subsequent expenditure is written off because it does not meet the criteria specified in the policy for development costs below.

The significant intangibles recognised by the Group, their useful economic lives and the methods used to determine the cost of intangibles acquired in a business combination are as follows:

Intangible asset	Useful economic life	Validation method
Websites	5 years	Assessment of estimated revenues and profits
Patents	2–5 years	Cost to acquire
Trademarks	2–5 years	Cost to acquire
Contracts	3–20 years	Assessment of estimated revenues and profits
Licences	3–20 years	Cost to acquire, or if not separately identifiable, assessment of estimated revenues and profits
Intellectual property	Up to 20 years	Cost to acquire, or if not separately identifiable, assessment of estimated revenues and profits
Customer lists	Up to 26 years	Assessment of estimated revenues and profits
Genetic material and breeding nuclei	10–40 years	Cost to acquire, or if not separately identifiable, assessment of estimated revenues and profits
Development costs	Up to 10 years	Cost to acquire

Impairment of non-financial assets (excluding inventories)

The carrying values of all non-current assets are reviewed for impairment, either on a stand-alone basis or as part of a larger cash-generating unit ('CGUs'), when there is an indication that the assets might be impaired. Additionally, goodwill, intangible assets with indefinite useful lives and intangible assets which are not yet available for use are tested for impairment annually. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows: its CGUs. Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from the synergies of the combination giving rise to the goodwill.

Impairment charges are included in the Consolidated Income Statement, except to the extent they reverse gains previously recognised in other comprehensive income. An impairment loss recognised for goodwill is not reversed.

Notes Forming Part of the Financial Statements continued

for the year ended 30 September 2021

1 Accounting policies continued

Internally generated intangible assets (development costs)

Expenditure on internally developed products is capitalised if it can be demonstrated that:

- it is technically feasible to develop the product for it to be sold;
- adequate resources are available to complete the development;
- there is an intention to complete and sell the product;
- the Group is able to sell the product;
- sale of the product will generate future economic benefits; and
- expenditure on the project can be measured reliably.

Capitalised development costs are recognised at cost, less accumulated amortisation and impairment losses and are amortised over the period the Group expects to benefit from selling the products developed. The amortisation expense is included within the cost of sales line in the Consolidated Income Statement.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in the Consolidated Income Statement as incurred.

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the balance sheet differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised. The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/assets are settled/recovered.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- the same taxable Group company; or
- different Group entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Uncertain tax positions

In respect of uncertain tax positions, where an outflow of funds is believed to be probable and a reliable estimate of the outcome can be made, management provides for its best estimate of the liability. Such provisions are measured using either the most likely outcome method, or the expected value method depending on management's judgement of which method better predicts the resolution of the uncertainty. The methodology will be reviewed in each case upon the receipt of any new information.

Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognised within provisions.

Freehold land is not depreciated. Assets in the course of construction which have not yet been brought into use are not depreciated until fully commissioned and available for use. Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives. It is provided at the following rates:

Property, plant and equipment	Depreciation rate
Freehold property	– 2%–10% per annum straight line
Long-term leasehold property improvements	– 2%–10% per annum straight line
Plant and machinery	– 15% per annum reducing balance/10%–33% per annum straight line
Motor vehicles	– 25% per annum reducing balance
E-commerce infrastructure	– 10% per annum straight line
Other fixed assets	– 15%–33% per annum straight line

1 Accounting policies continued

IFRS 16: Leases

The Group leases various properties, plant, equipment and vehicles with a wide range of rental periods.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments) less any lease incentives receivable.
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date.
- Amounts expected to be payable by the Group under residual value guarantees.
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option.
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- Where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third-party financing was received.
- Uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the lessee which does not have recent third-party financing.
- Makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group entities use that rate as a starting point to determine the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability.
- Any lease payments made at or before the commencement date less any lease incentives received.
- Any initial direct costs.
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets, such as IT equipment, are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The recoverability of the cost of inventories is assessed every reporting period, by considering the expected net realisable value of inventory compared to its carrying value. Management considers the nature and condition of the inventory and considers expected sales of work in progress, finished goods and goods for resale and future usage of raw materials. Where the net realisable value is lower than the carrying value, a provision is recorded.

Notes Forming Part of the Financial Statements continued

for the year ended 30 September 2021

1 Accounting policies continued

Biological assets

Biological assets comprise the asset types:

- Salmon eggs
- Salmon broodstock
- Salmon milt
- Lumpfish fingerlings
- Shrimp

Biological assets are, in accordance with IAS 41: Agriculture, measured at fair value, unless the fair value cannot be measured reliably.

The categorisation, for each of the above asset types, of the level in the fair value hierarchy set out in IFRS 13 is detailed in Note 21.

For any biological assets where fair value cannot be measured reliably, the assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Non-current biological assets are those biological assets which will not be sold or produce saleable progeny within 12 months of the balance sheet date. Further details of the valuation of biological assets are given in Note 21.

Government grants

Government grants received on capital expenditure are included in the balance sheet as deferred income and released to the income statement over the life of the asset. Grants for revenue expenditure are netted against the cost incurred by the Group. Where retention of a government grant is dependent on the Group satisfying certain criteria, it is initially recognised as deferred income. When the criteria for retention have been satisfied, the deferred income balance is released to the Consolidated Income Statement or netted against the asset purchased.

Provisions

The Group has recognised provisions for liabilities of uncertain timing or amount including those for leasehold dilapidations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date, discounted at a pre-tax rate reflecting current market assessments of the time value of money and risks specific to the liability.

Investments in subsidiary undertakings

Investments in subsidiaries are stated at cost less provision for impairment.

Investments in equity-accounted investees

A joint venture is an entity over which the Group has joint control, under a contractual agreement. An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of joint ventures and associates are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, investments in joint ventures and associates are carried in the Consolidated Balance Sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the joint venture or associate, less any impairment in the value of the investment. Losses of a joint venture or associate in excess of the Group's interest in that entity are not recognised. Additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture or associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the joint venture or associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statements of cash flows.

Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when declared by the Directors. In the case of final dividends, this is when approved by the shareholders at the Annual General Meeting ('AGM').

1 Accounting policies continued

Assets held for sale

Any non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held for sale or held for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss. Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations; and
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale. When an operation is classified as a discontinued operation, the comparative consolidated income statement and the comparative consolidated statement of comprehensive income are represented as if the operation had been discontinued from the start of the comparative year.

2 Critical accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimates

(a) Fair value measurement

A number of assets and liabilities included in the Group's financial statements require measurement at, and/or disclosure of, fair value.

The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

- Level 1: Quoted prices in active markets for identical items (unadjusted).
- Level 2: Observable direct or indirect inputs other than Level 1 inputs.
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The key sources of estimation uncertainty in items the Group measures at fair value are in biological assets (Note 21), these are the estimation of sales volumes and sales prices for uncontracted future sales of salmon eggs. This applies to salmon eggs and broodstock with a fair value of £12,275,000.

(b) Impairment of goodwill

The Group is required to test, on an annual basis, whether goodwill has suffered any impairment. The recoverable amount is determined based on value-in-use calculations. The use of this method requires the estimation of future cash flows and the choice of a discount rate in order to calculate the present value of the cash flows. More information including carrying values is included in Note 17.

Judgements

Recognition of deferred tax

Deferred tax is provided in full on temporary differences under the liability method using substantively enacted rates to the extent that they are expected to reverse. Provision is made in full where the temporary differences result in liabilities, but deferred tax assets are only recognised where the Directors believe it is probable that the assets will be recovered. Judgement is required to determine the likelihood of reversal of the temporary differences in establishing whether an asset should be recognised.

Notes Forming Part of the Financial Statements continued

for the year ended 30 September 2021

3 Financial instruments – risk management

The Group is exposed through its operations to the following financial risks:

- Credit risk
- Fair value or cash flow interest rate risk
- Foreign exchange risk
- Liquidity risk

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements. There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables
- Bank overdrafts
- Floating-rate bank loans
- Floating rate NOK Bond ('FRN')
- Cross-currency swaps ('CCS')
- Interest rate swaps ("IRS")
- Contingent consideration

The Group's interest rate risk is primarily in relation to floating rate borrowings, which generates interest cost volatility. The Group's policy is to mitigate, to an acceptable level, this possible cost volatility. To manage the risk of changes in fair values, the Group has entered into floating-to-fixed IRS and floating-to-fixed CCS.

The Group took out a NIBOR floating-to-fixed IRS in 2019 to fix a proportion of the interest payments on the NOK 180m term loan in Benchmark Genetics Salten. The IRS fully matches the tenor of the loan and further information on the underlying loan can be found in Note 24.

Following the issue of the FRN in 2019 a floating-to-fixed CCS was entered which fully matches the timing and tenor of the underlying FRN. The CCS converted NOK 850m to Sterling (75%) and dollar (25%) fixed rate cash flows. Further information on the CCS can be found in Note 24.

The CCS and IRS will be carried at fair value on the balance sheet. The effective portion of changes in fair value of the CCS will either be taken directly to the income statement or to equity within the hedging reserve and recycled to profit or loss as the hedged FRN impacts the profit or loss. To the extent that any ineffectiveness results, the ineffective portion of the gain or loss will be recognised in profit or loss within finance expense. To measure actual ineffectiveness the change in fair value of the hedged item is calculated using a hypothetical derivative method.

The main sources of ineffectiveness relating to interest rate risk hedges are differences in the critical terms, differences in repricing dates and credit risk.

3 Financial instruments – risk management continued

Principal financial instruments continued

The summary of the amounts relating to the hedging instruments and any related ineffectiveness in the period is presented in the table below.

As at September 2021	Notional value of contracts thousands	Average fixed rate	Change in fair value of hedging instrument during reporting period used for measuring ineffectiveness £000	Fair value recognised in balance sheet (Assets) £000	Fair value recognised in balance sheet (Liabilities) £000	Change in fair value of hedged item during reporting period used for measuring effectiveness £000	Ineffectiveness recognised in the period £000
Interest rate risk – NOK	**NOK 90,000**	**2.01%**	**486**	**–**	**(153)**	**(486)**	**–**
Cross-currency risk – GBP	**NOK 637,500**	**6.42%**	**3,277**	**–**	**(5,736)**	**(3,277)**	**–**
Cross-currency risk – USD	**NOK 212,500**	**7.28%**	**2,063**	**–**	**(972)**	**(2,063)**	**–**

As at September 2020	Notional value of contracts thousands	Average fixed rate	Change in fair value of hedging instrument during reporting period used for measuring ineffectiveness £000	Fair value recognised in balance sheet (Assets) £000	Fair value recognised in balance sheet (Liabilities) £000	Change in fair value of hedged item during reporting period used for measuring effectiveness £000	Ineffectiveness recognised in the period £000
Interest rate risk – NOK	NOK 108,000	2.01%	(407)	–	(639)	407	–
Cross-currency risk – GBP	NOK 637,500	6.42%	(5,680)	–	(9,013)	5,680	–
Cross-currency risk – USD	NOK 212,500	7.28%	(1,338)	–	(3,035)	1,338	–

The line item in the balance sheet that the above hedging instruments is included in is trade and other payables. The item in the profit and loss account that includes the recognised hedge ineffectiveness is finance cost.

Further information is shown in Note 24.

The contingent consideration held within other payables is classified as financial liabilities at fair value through profit and loss. In accordance with IFRS 13: Fair Value Measurement, the measurement of the fair value of contingent consideration is categorised into Level 3 in the fair value hierarchy, as the inputs are primarily unobservable. The amounts payable for all of the outstanding amounts depend on sales volumes or sales revenue targets. Management uses the actual performance against these targets together with relevant budgets and forecasts to derive the fair value of the contingent consideration. Where the level of contingent consideration payable is known with a reasonable level of certainty, as the underlying performance against target levels is well established, the contingent consideration is adjusted accordingly. This has resulted in an income statement credit in the period as shown in Note 10. The contingent consideration for Benchmark Genetics (USA) Inc (formerly Akvaforsk Genetic Center Inc) is dependent on a target and is recorded in these financial statements at management's best estimate which at 30 September 2021 is £nil (2020: £825,000). An increased level of performance for Benchmark Genetics (USA) Inc would increase the amount payable. A reduction in the level of performance would reduce the amounts payable.

A summary of the financial instruments held by category is provided below:

Group
Financial assets

	2021 £000	2020 £000
Financial assets not measured at fair value		
Cash and cash equivalents (Note 35)	**39,460**	71,605
Trade and other receivables (Note 22)	**22,033**	13,836
	61,493	85,441
Financial assets at fair value through profit and loss		
Other receivables – contingent consideration (Note 22)	**1,028**	1,028
Total financial assets	**62,521**	86,469

Notes Forming Part of the Financial Statements continued

for the year ended 30 September 2021

3 Financial instruments – risk management continued

Group continued

Financial liabilities

	2021 £000	2020 £000
Financial liabilities measured at amortised cost		
Trade and other payables (Note 23)	**40,556**	33,933
Loans and borrowings (Note 24)	**120,391**	109,158
	160,947	143,091
Financial liabilities at fair value through hedging reserve		
Financial contracts – hedging instrument (Note 23)	**5,889**	9,653
	5,889	9,653
Financial liabilities at fair value through profit and loss		
Other payables – contingent consideration (Note 23)	**–**	825
Financial contracts – hedging instrument (Note 23)	**972**	3,035
Total financial liabilities	**167,808**	156,604

Company

Financial assets

	2021 £000	2020 £000
Financial assets not measured at fair value		
Cash and cash equivalents (Note 35)	**9,003**	47,825
Trade and other receivables (Note 22)	**195,286**	162,148
	204,289	209,973
Financial assets at fair value through profit and loss		
Other receivables – contingent consideration (Note 22)	**1,028**	1,028
Total financial assets	**205,317**	211,001

Financial liabilities

	2021 £000	2020 £000
Financial liabilities at amortised cost		
Trade and other payables (Note 23)	**38,511**	39,999
Loans and borrowings (Note 24)	**75,545**	75,745
	114,056	115,744
Financial liabilities at fair value through hedging reserve		
Finance contracts – hedging instrument (Note 23)	**5,736**	9,013
	5,736	9,013
Financial liabilities at fair value through profit and loss		
Finance contracts – hedging instrument (Note 23)	**972**	3,035
Total financial liabilities	**120,764**	127,792

There were no financial instruments classified as available for sale.

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function.

The Board receives monthly reports from the Group's Chief Financial Officer through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group for debts past due. It is Group policy, implemented locally, to assess the credit risk of new customers before entering contracts.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

3 Financial instruments – risk management continued

To measure the expected credit losses, trade receivables have been grouped based on shared credit-risk characteristics, and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 24 months before 30 September 2021 and the corresponding historical losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. During FY20, there was a change in the global economic environment as a result of the global COVID-19 pandemic and the Group adjusted expected credit loss rates to reflect the increased credit risk. At 30 September 2021 this risk is considered to have reduced and expected credit loss rates have been reduced accordingly.

The loss allowance provision as at 30 September 2021 and 30 September 2020 is determined as follows:

30 September 2021	**Not due £000**	**Past due (up to one month) £000**	**Past due (one to three months) £000**	**Past due (three to twelve months) £000**	**Past due (over twelve months) £000**	**Total £000**
Expected loss rate	**0.25%**	**0.65%**	**4.33%**	**16.36%**	**100.00%**	
Gross carrying amount – trade receivables	**18,859**	**1,932**	**786**	**669**	**2,280**	**24,526**
Loss allowance	**(46)**	**(13)**	**(34)**	**(109)**	**(2,280)**	**(2,482)**
Specific loss allowance	**–**	**–**	**–**	**(11)**	**–**	**(11)**
Total loss allowance	**(46)**	**(13)**	**(34)**	**(120)**	**(2,280)**	**(2,493)**

30 September 2020	Not due £000	Past due (up to one month) £000	Past due (one to three months) £000	Past due (three to twelve months) £000	Past due (over twelve months) £000	Total £000
Expected loss rate	0.50%	1.72%	6.39%	22.42%	100.00%	
Gross carrying amount – trade receivables	10,041	1,833	1,510	1,267	2,401	17,052
Loss allowance	(50)	(31)	(97)	(284)	(2,401)	(2,863)
Specific loss allowance	–	–	–	(353)	–	(353)
Total loss allowance	(50)	(31)	(97)	(637)	(2,401)	(3,216)

The movement in Group provision for impairment of trade receivables is shown in Note 22.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating 'A' are accepted.

Fair value and cash flow interest rate risk

During the year the Group had borrowings denominated in Sterling, US Dollars and Norwegian Krone, if interest rates on Sterling, US Dollar and Norwegian Krone denominated borrowings had been 100 basis points higher/lower with all other variables held constant, loss after tax for the year ended 30 September 2021 would be £962,000 higher/lower (2020: £1,013,000 higher/lower). The Directors consider that 100 basis points is the maximum likely change in the relevant interest rates over the next year, being the period up to the next point at which the Group expects to make these disclosures.

A fundamental review and reform of major interest rate benchmarks is being undertaken globally. The only interest rate benchmarks which the Group are predominantly exposed to and that are subject to reform are LIBOR and NIBOR. These exposures relate to the FRN, Revolving Credit Facility, Benchmark Genetics Salten Term Loan and the associated floating-to-fixed IRS and CCS.

The Group is closely monitoring the market and output from various industry working groups managing the transition to new benchmark interest rates. This includes announcements made by LIBOR regulators (including the Financial Conduct Authority (FCA)) regarding the transition away from LIBOR to Sterling Overnight Index Average Rate (SONIA).

Foreign exchange risk

Foreign exchange risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency (principally Sterling, Norwegian Krone, Icelandic Krona, Euro, US Dollars and Danish Krone). The Group's policy is, where possible, to allow Group entities to settle liabilities denominated in their functional currency with the cash generated from their own operations in that currency. Where Group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them), cash already denominated in that currency will, where possible, be transferred from elsewhere within the Group.

The following table shows the impact of a 10% increase and reduction in Sterling against the relevant foreign currencies, with all other variables held constant, on the Group's profit before tax and equity. A greater or smaller change would have a pro rata effect. The movements in profit arise from retranslation of foreign currency denominated monetary items held at the year end, including the foreign currency revolving credit facility, foreign currency bank accounts, trade receivables, trade and other payables. The movements in equity arise from the retranslation of the net assets of overseas subsidiaries and the intangible assets arising on consolidation in accordance with IFRS 10: Consolidated Financial Statements.

Notes Forming Part of the Financial Statements continued

for the year ended 30 September 2021

3 Financial instruments – risk management continued

	£/$		£/€		£/NOK		£/ISK		£/THB	
Increase/(decrease)	Profit £000	Equity £000	Profit £000	Equity £000	Profit £000	Equity £000	Profit £000	Equity £000	Profit £000	Equity £000
2021 10% increase in rate	**99**	**(14,824)**	**(53)**	**(2,422)**	**6,816**	**(926)**	**5**	**(2,787)**	**41**	**(1,887)**
2021 10% reduction in rate	**(121)**	**18,119**	**64**	**2,961**	**(8,331)**	**1,131**	**(6)**	**3,406**	**(50)**	**2,306**
2020 10% increase in rate	31	(18,069)	(168)	(2,241)	6,934	(452)	–	(2,182)	33	(1,973)
2020 10% reduction in rate	(37)	22,085	206	2,739	(8,475)	553	–	2,667	(40)	2,411

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, the Group seeks to maintain cash balances (or agreed facilities) sufficient to meet expected requirements detailed in rolling three-month cash flow forecasts, and in long-term cash flow forecasts for a minimum period of not less than 12 months.

The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities:

Group

As at September 2021	**Up to 3 months £000**	**Between 3 and 12 months £000**	**Between 1 and 2 years £000**	**Between 2 and 5 years £000**	**Over 5 years £000**
Trade and other payables	**32,489**	**7,156**	**–**	**–**	**911**
Financial contracts – hedging instruments	**232**	**416**	**6,060**	**153**	**–**
Loan notes and bank borrowings	**1,614**	**4,803**	**77,264**	**15,853**	**1,849**
Lease liabilities	**3,271**	**5,936**	**6,902**	**10,444**	**274**
Total	**37,606**	**18,311**	**90,226**	**26,450**	**3,034**

As at September 2020	Up to 3 months £000	Between 3 and 12 months £000	Between 1 and 2 years £000	Between 2 and 5 years £000	Over 5 years £000
Trade and other payables	28,194	4,810	–	821	933
Financial contracts – hedging instruments	310	906	1,155	10,317	–
Loan notes, bank borrowings and other loans	1,571	5,962	6,246	90,246	2,178
Lease liabilities	690	1,874	1,987	5,975	1,418
Total	30,765	13,552	9,388	107,359	4,529

Company

As at September 2021	**Up to 3 months £000**	**Between 3 and 12 months £000**	**Between 1 and 2 years £000**	**Between 2 and 5 years £000**	**Over 5 years £000**
Trade and other payables	**37,191**	**1,320**	**–**	**–**	**–**
Financial contracts	**232**	**416**	**6,060**	**–**	**–**
Loan notes	**1,211**	**3,594**	**75,652**	**–**	**–**
Lease liabilities	**22**	**28**	**20**	**–**	**–**
Total	**38,656**	**5,358**	**81,732**	**–**	**–**

As at September 2020	Up to 3 months £000	Between 3 and 12 months £000	Between 1 and 2 years £000	Between 2 and 5 years £000	Over 5 years £000
Trade and other payables	39,999	–	–	–	–
Financial contracts	310	906	1,155	9,678	–
Loan notes	1,179	3,498	4,677	73,627	–
Lease liabilities	47	140	50	20	–
Total	41,535	4,544	5,882	83,325	–

Capital management

The capital structure of the Group consists of debt, as analysed in Note 24, and equity attributable to the equity holders of the Parent Company, comprising share capital, share premium, merger reserve, capital redemption reserve, hedging reserve, foreign exchange reserve, retained earnings, and share-based payment reserve, and non-controlling interest as shown in the consolidated statement of changes in equity. The Group manages its capital with the objective that all entities within the Group continue as going concerns while maintaining an efficient structure to minimise the cost of capital and ensuring that the Group complies with the banking covenants associated with the external borrowing facilities. These covenants are related to minimum liquidity, equity and borrowing ratios. The Group is not restricted by any externally imposed capital requirements.

4 Revenue

The Group's operations and main revenue streams are those described in Note 1. 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 8).

Sales of goods and provision of services

Year ended 30 September 2021	Genetics £000	Advanced Nutrition £000	Health £000	All other segments £000	Corporate £000	Inter-segment sales £000	Total £000	Discontinued £000	Continuing £000
Sale of goods	41,947	70,458	6,135	–	–	–	118,540	–	118,540
Provision of services	4,825	–	1,697	–	–	–	6,522	–	6,522
Inter-segment sales	25	72	–	–	4,820	(4,917)	–	–	–
	46,797	70,530	7,832	–	4,820	(4,917)	125,062	–	125,062

Year ended 30 September 2020	Genetics £000	Advanced Nutrition £000	Health £000	All other segments £000	Corporate £000	Inter-segment sales £000	Total £000	Discontinued £000	Continuing £000
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

Primary geographical markets

Year ended 30 September 2021	Genetics £000	Advanced Nutrition £000	Health £000	All other segments £000	Corporate £000	Inter-segment sales £000	Total £000	Discontinued £000	Continuing £000
Norway	27,129	570	3,689	–	–	–	31,388	–	31,388
UK	3,843	117	622	–	–	–	4,582	–	4,582
Faroe Islands	5,636	18	348	–	–	–	6,002	–	6,002
Ecuador	–	4,066	–	–	–	–	4,066	–	4,066
India	–	12,166	3	–	–	–	12,169	–	12,169
Greece	25	6,108	–	–	–	–	6,133	–	6,133
Singapore	–	7,544	–	–	–	–	7,544	–	7,544
Chile	437	7	2,335	–	–	–	2,779	–	2,779
Turkey	–	5,977	–	–	–	–	5,977	–	5,977
Rest of Europe	6,922	4,208	26	–	–	–	11,156	–	11,156
Rest of World	2,780	29,677	809	–	–	–	33,266	–	33,266
Inter-segment sales	25	72	–	–	4,820	(4,917)	–	–	–
	46,797	70,530	7,832	–	4,820	(4,917)	125,062	–	125,062

Year ended 30 September 2020	Genetics £000	Advanced Nutrition £000	Health £000	All other segments £000	Corporate £000	Inter-segment sales £000	Total £000	Discontinued £000	Continuing £000
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
Turkey	–	3,236	–	–	–	–	3,236	–	3,236
Rest of Europe	5,421	4,554	1,566	2,549	–	–	14,090	4,071	10,019
Rest of World	2,791	26,434	1,040	532	–	–	30,797	936	29,861
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

In 2020 and 2021 no customer accounted for more than 10% of revenue.

Notes Forming Part of the Financial Statements continued

for the year ended 30 September 2021

5 Expenses by nature

Continuing operations

	2021 £000	2020 £000
Changes in inventories of finished goods and work in progress	**(999)**	(492)
Fair value movement in biological assets (see Note 21)	**(3,323)**	(3,253)
Other movements in biological assets (see Note 21)	**(2,104)**	(4,229)
(Write-back)/write-down of inventory to net realisable value	**(87)**	150
Raw materials and consumables used	**52,007**	45,211
Transportation expenses	**3,111**	3,105
Staff costs (see Note 7)	**37,993**	33,022
Motor, travel and entertainment	**783**	1,974
Premises costs	**5,424**	5,497
Advertising and marketing	**1,077**	770
Professional fees	**6,108**	5,154
Losses/(gains) on disposal of property, plant and equipment	**46**	(18)
Exceptional – restructuring/acquisition-related items (see Note 10)	**184**	2,114
Other research and development costs	**3,037**	1,145
Depreciation and impairment of PPE (see Note 14)*	**5,017**	5,488
Depreciation and impairment of right-of-use assets (see Note 15)*	**3,342**	1,152
Amortisation and impairment of intangible assets (see Note 16)*	**16,283**	16,613
Net impairment (reversed)/recognised on trade and other receivables (see Note 22)**	**(583)**	872
Other costs	**3,663**	4,088
	130,979	118,363
Other income – included within operating costs	**(1,445)**	(1,774)
Total cost of sales, operating costs, depreciation, amortisation and impairment	**129,534**	116,589

* For depreciation, amortisation and impairment for FY20, as the above only includes continuing operations see Note 12 for a detailed reconciliation of these expenses to balance sheet movements.

** In FY20 the amount provided during the year for impairment of trade receivables in Note 22 of £954,000 includes the £872,000 charge included in the table above and a charge of £82,000 included within discontinued operations.

Other income

	2021 £000	2020 £000
Research and development expenditure credit	**429**	468
Grant	**58**	188
Royalties and compensation	**493**	555
Freight	**–**	365
Other	**465**	198
	1,445	1,774

6 Auditor's remuneration

	2021 £000	2020 £000
Audit of these financial statements	**423**	364
Additional charges relating to the audit of the FY20/FY19 financial statements	**19**	184
Amounts receivable by auditors and their associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	**435**	413
Audit-related assurance services	**4**	2
All other services	**4**	18
	885	981

7 Staff costs

Continuing operations

	2021 £000	2020 £000
Staff costs (including Directors) comprise:		
Wages and salaries	**30,486**	26,334
Social security contributions and similar taxes	**4,323**	2,945
Defined contribution pension cost	**2,354**	2,696
Share-based payment expense (Note 32)	**830**	1,047
	37,993	33,022

During the year the Group received government grants totalling £261,700 (2020: £461,900) in relation to the UK's Coronavirus Job Retention Scheme and similar schemes in other countries. The above staff costs are shown net of these grants.

	2021 Number	2020 Number
The average monthly number of employees, including Directors, during the year was as follows:		
Production	**613**	784
Administration	**112**	151
Management	**95**	95
	820	1,030

For 2020 this includes an average number of 203 employees within discontinued operations. No employees were classified as being within discontinued operations in 2021.

Directors' remuneration

Directors' emoluments and pension payments are detailed in the Single total figure of remuneration for the financial year ended 30 September 2021 table on page 90 and the Directors' share options are detailed in the Directors' interests under the Company's employee share plans table on page 92 in the Remuneration Report. These two tables form part of these audited financial statements.

In addition to the above, there was an accounting charge for share-based payments in respect of the Directors £113,000 (2020: £304,000). No options were exercised by the Directors during the year (2020: 124,585). The share options exercised in FY20 relate to a former director who served during that year. The cost of employer National Insurance contributions in relation to the Directors was £105,000 (2020: £90,000).

From 1 October 2020 the key management of the Group is deemed to be the Board of Directors and Executive Management Team who have authority and responsibility for planning and controlling all significant activities of the Group. Further information in relation to remuneration of key management team personnel can be found in Note 33. In the previous year the key management of the Group was deemed to be the Board of Directors.

8 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** – following the divestment programme completed in the previous year the segment now focuses 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 previous two years.

In order to reconcile the segmental analysis to the Consolidated Income Statement, corporate and inter-segment sales are also shown. Corporate sales represent revenues earned from recharging certain central costs to the operating business areas, together with unallocated central costs.

Notes Forming Part of the Financial Statements continued

for the year ended 30 September 2021

8 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.

Year ended 30 September 2021	Notes	Genetics £000	Advanced Nutrition £000	Health £000	All other segments £000	Corporate £000	Inter-segment sales £000	Total £000
Revenue		46,797	70,530	7,832	–	4,820	(4,917)	125,062
Cost of sales		(20,866)	(34,562)	(4,118)	–	2	67	(59,477)
Gross profit/(loss)		25,931	35,968	3,714	–	4,822	(4,850)	65,585
Research and development costs		(4,865)	(1,948)	(197)	–	–	–	(7,010)
Other operating costs		(8,933)	(19,918)	(6,202)	–	(8,018)	4,850	(38,221)
Share of loss of equity-accounted investees, net of tax		(605)	(300)	–	–	–	–	(905)
Adjusted EBITDA		11,528	13,802	(2,685)	–	(3,196)	–	19,449
Exceptional – restructuring/acquisition-related items		850	(356)	(515)	–	(163)	–	(184)
EBITDA		12,378	13,446	(3,200)	–	(3,359)	–	19,265
Depreciation and impairment		(4,166)	(2,154)	(1,871)	–	(168)	–	(8,359)
Amortisation and impairment		(1,338)	(13,896)	(1,047)	–	(2)	–	(16,283)
Operating profit/(loss)		6,874	(2,604)	(6,118)	–	(3,529)	–	(5,377)
Finance cost								(7,987)
Finance income								4,185
Loss before tax								(9,179)

Year ended 30 September 2020	Notes	Genetics £000	Advanced Nutrition £000	Health £000	All other segments £000	Corporate £000	Inter-segment sales £000	Total £000
Revenue		41,504	59,362	10,799	9,257	4,939	(5,469)	120,392
Cost of sales		(14,886)	(32,162)	(12,437)	(4,476)	(139)	497	(63,603)
Gross profit/(loss)		26,618	27,200	(1,638)	4,781	4,800	(4,972)	56,789
Research and development costs		(3,827)	(1,525)	(4,655)	–	–	–	(10,007)
Other operating costs		(8,499)	(19,409)	(6,593)	(4,537)	(7,099)	4,972	(41,165)
Share of profit of equity-accounted investees, net of tax		150	–	–	–	–	–	150
Adjusted EBITDA		14,442	6,266	(12,886)	244	(2,299)	–	5,767
Exceptional – restructuring/acquisition-related items		–	(727)	764	4,448	(1,513)	–	2,972
EBITDA		14,442	5,539	(12,122)	4,692	(3,812)	–	8,739
Depreciation and impairment		(3,341)	(2,080)	(2,747)	(711)	(259)	–	(9,138)
Amortisation and impairment		(1,494)	(14,800)	(2,728)	(380)	–	–	(19,402)
Operating profit/(loss)		9,607	(11,341)	(17,597)	3,601	(4,071)	–	(19,801)
Finance cost								(11,945)
Finance income								111
Loss before tax								(31,635)

Reconciliation of segmental information to IFRS measures – revenue and loss before tax

Revenue

	2021 £000	2020 £000
Total revenue per segmental information	125,062	120,392
Less: revenue from discontinued operations	–	(14,827)
Consolidated revenue	125,062	105,565

8 Segment information continued

Loss before tax

	2021 £000	2020 £000
Loss before tax per segmental information	(9,179)	(31,635)
Less: loss before tax from discontinued operations	–	9,064
Consolidated loss before tax	**(9,179)**	**(22,571)**

Non-current assets by location of assets

	2021 £000	2020 £000
Belgium	156,998	178,222
Norway	86,545	72,012
UK	44,629	25,278
Iceland	35,062	39,892
Rest of Europe	1,062	1,406
Rest of world	33,668	26,475
	357,964	343,285

9 Net finance costs

Continuing operations

	2021 £000	2020 £000
Interest received on bank deposits	88	98
Foreign exchange gains on financing activities	786	971
Foreign exchange gains on operating activities	1,957	–
Cash flow hedges – reclassified from OCI	(709)	–
Cash flow hedges – fair value gain on non-hedge accounted CCS	2,063	–
Dividend income	–	13
Finance income	**4,185**	**1,082**
Leases (interest portion)	(1,076)	(503)
Foreign exchange losses on operating activities	–	(3,221)
Cash flow hedges – reclassified from OCI	–	153
Cash flow hedges – fair value loss on non-hedge accounted CCS	–	(1,338)
Interest expense on financial liabilities measured at amortised cost	(6,911)	(7,870)
Finance cost	**(7,987)**	**(12,779)**
Net finance costs recognised in profit or loss	**(3,802)**	**(11,697)**

10 Exceptional items – restructuring/acquisition-related items

Items that are material because of their nature, non-recurring or 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.

	2021 £000	2020 £000
Acquisition-related items	(850)	586
Exceptional restructuring costs	480	1,528
Cost in relation to disposals	554	–
Total exceptional items	**184**	**2,114**

Acquisition-related items are costs incurred in investigating and acquiring new businesses. During the year contingent consideration of £850,000 was released in relation to the purchase of Benchmark Genetics (USA) Inc. In 2020, £233,000 was expensed in relation to a loan provided to a potential acquisition target and which has now been provided for, and £353,000 for professional fees in relation to investigating the potential of a partnership in the Health business area which was not pursued.

Exceptional expenses include: £480,000 of staff costs (2020: £1,244,000) relating to the Board's decision to make significant changes to the Group's management team and bring in new management, £nil of legal fees (2020: £52,000) and £nil (2020: £232,000) of other restructuring items.

Costs in relation to disposals include: £346,000 of legal fees, £114,000 of staff costs, £85,000 of lease costs, and £9,000 of other disposal items. These relate to additional costs relating to disposals that occurred in the prior year.

Notes Forming Part of the Financial Statements continued

for the year ended 30 September 2021

11 Taxation

Amounts recognised in profit or loss

	2021 £000	2020 £000
Current tax expense:		
Analysis of charge in period		
Current tax:		
Current income tax expense on profits for the period	**5,383**	3,141
Adjustment in respect of prior periods	**502**	836
Total current tax charge	**5,885**	3,977
Deferred tax expense:		
Origination and reversal of temporary differences	**(3,228)**	(3,490)
Deferred tax movements in respect of prior periods	**(260)**	(283)
Total deferred tax credit (Note 26)	**(3,488)**	(3,773)
Total tax charge on continuing operations	**2,397**	204

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the UK applied to profits for the year are as follows:

	2021 £000	2020 £000
Accounting loss before income tax	**(9,179)**	(22,571)
Expected tax credit based on the standard rate of UK corporation tax at the domestic rate of 19.0% (2020: 19.0%)	**(1,744)**	(4,289)
Income not taxable	**(133)**	(3,393)
Expenses not deductible for tax purposes	**358**	4,116
Amounts chargeable on controlled foreign companies	**–**	37
Deferred tax not recognised	**3,775**	4,150
Adjustment to tax charge in respect of prior periods	**242**	553
Effects of changes in tax rates	**(6)**	–
Different tax rates in overseas jurisdictions	**(95)**	(970)
Total tax charge on continuing operations	**2,397**	204

As at 30 September 2021, the Group held a current provision within corporation tax of £1.0m (2020: £0.8m) in respect of uncertain tax positions. The resolution of these tax matters may take many years. The range of reasonably possible outcomes within the next financial year is £nil to £1.2m.

Deferred tax not recognised of £3,775,000 (2020: £4,150,000) mainly relates to current year losses for which there is insufficient evidence that taxable profits will be available against which they can be utilised and so no deferred tax asset is recognised.

Adjustment to tax charge in respect of prior periods, includes a credit of £260,000 (2020: £283,000) relating to deferred tax on intangible assets that should have been recognised at 30 September 2020.

In 2020, the above excludes a tax expense of £110,000 from discontinued operations, this has been included in loss from discontinued operations, net of tax (Note 12).

Changes in tax rates and factors affecting the future tax charge

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly.

Deferred taxation is measured at tax rates that are expected to apply in the periods in which temporary timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date, in the territories in which they arose.

Deferred tax assets and liabilities in the UK at 30 September 2021 have been calculated based on these rates, reflecting the expected timing of reversal of the related temporary differences (2020: 19%).

There was no deferred tax recognised in other comprehensive income in the year (2020: £nil).

12 Discontinued operations

The following note relates to operations which were disposed of or discontinued in the previous year. No operations were classified as discontinued operations during the year ended 30 September 2021.

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 FY20 (see below),

During FY20, 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 were classified as discontinued in the previous year.

	2021 £000	2020 £000
Revenue	–	14,827
Cost of sales	–	(13,000)
Gross profit	–	1,827
Research and development costs	–	(2,725)
Other operating costs	–	(7,828)
Share of profit of equity-accounted investees, net of tax	–	–
Adjusted EBITDA	–	(8,726)
Exceptional – restructuring/acquisition-related items	–	5,086
EBITDA	–	(3,640)
Depreciation and impairment	–	(2,498)
Amortisation and impairment	–	(2,789)
Operating loss	–	(8,927)
Net finance costs	–	(137)
Loss before taxation	–	(9,064)
Tax on loss	–	(110)
Loss from discontinued operations	–	(9,174)

Exceptional items within discontinued operations

	2021 £000	2020 £000
Profit/(loss) on disposal of subsidiaries	–	14,120
Profit/(loss) on disposal of trade and assets	–	(1,874)
Profit/(loss) on other asset disposals	–	271
Other costs relating to disposals	–	(484)
Staff costs*	–	(1,603)
Cost of sales (including inventory write downs)	–	(1,666)
Legal & professional fees	–	(3,513)
Other	–	(165)
Total exceptional recognised	–	5,086

* Staff costs relate to redundancies and divestment-related bonuses.

Cash flows from discontinued operations

	2021 £000	2020 £000
Net cash flow from operating activities	–	(16,887)
Net cash flow from investing activities	–	34,831
Net cash flow from financing activities	–	(581)
Net cash flow from discontinued operations	–	17,363

Notes Forming Part of the Financial Statements continued

for the year ended 30 September 2021

12 Discontinued operations continued

Results from discontinued operations by segment

	Advanced Nutrition 2021 £000	Health 2021 £000	All other segments 2021 £000	Corporate 2021 £000	Total discontinued 2021 £000	Advanced Nutrition 2020 £000	Health 2020 £000	All other segments 2020 £000	Corporate 2020 £000	Total discontinued 2020 £000
Revenue	–	–	–	–	–	2	5,573	9,230	22	14,827
Adjusted EBITDA	–	–	–	–	–	(143)	(9,151)	749	(181)	(8,726)
Operating (loss)	–	–	–	–	–	(394)	(11,914)	3,818	(437)	(8,927)

Impact on the Group Consolidated Income Statement for the year ended 30 September 2020

	2020 Continuing £000	2020 Discontinuing £000	2020 Total £000
Revenue	105,565	14,827	120,392
Cost of sales	(50,603)	(13,000)	(63,603)
Gross profit	54,962	1,827	56,789
Research and development costs	(7,282)	(2,725)	(10,007)
Other operating costs	(33,337)	(7,828)	(41,165)
Share of profit of equity-accounted investees, net of tax	150	–	150
Adjusted EBITDA	14,493	(8,726)	5,767
Exceptional – restructuring/acquisition-related items	(2,114)	5,086	2,972
EBITDA	12,379	(3,640)	8,739
Depreciation and impairment	(6,640)	(2,498)	(9,138)
Amortisation and impairment	(16,613)	(2,789)	(19,402)
Operating loss	(10,874)	(8,927)	(19,801)
Net finance costs	(11,697)	(137)	(11,834)
Loss before taxation	(22,571)	(9,064)	(31,635)
Tax on loss	(204)	(110)	(314)
Loss after tax for the financial period	(22,775)	(9,174)	(31,949)

There is no impact on the Group Consolidated Income Statement for the year ended 30 September 2021.

In FY20, depreciation and impairment of £9,138,000 includes depreciation of £7,414,000 which comprises of £5,489,000 in Note 14 Property, plant and equipment, £1,545,000 in Note 15 Leases for the IFRS 16 adjustment, and a lease adjustment of £380,000 in Note 23 Assets and liabilities held for sale. Impairment totals £1,724,000 which comprises of £753,000 in Note 14 Property, plant and equipment, £273,000 in Note 15 Leases for the IFRS 16 adjustment, and a fair value adjustment of £698,000 relating to property, plant and equipment being transferred to assets and liabilities held for sale.

Amortisation and impairment of £19,402,000 includes amortisation of £16,891,000 and impairment of £2,133,000 in Note 16 Intangible assets, and a fair value adjustment of £378,000 relating to intangible assets being transferred to assets and liabilities held for sale.

Disposals of subsidiaries in FY20

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 FVG 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.

12 Discontinued operations continued

Effects of disposals of subsidiaries on the financial position of the Group in FY20

All figures in £000s	Improve	FVG	FAI Farms	TomAlgae	Total
Assets					
Property, plant and equipment (including Right-of-use assets)	1,638	2,080	874	–	4,592
Intangible assets	4,151	455	–	–	4,606
Inventories and biological assets	164	315	238	–	717
Trade and other receivables	4,922	1,120	1,008	6	7,056
Cash and cash equivalents	4,367	2,372	294	243	7,276
Trade and other payables	(8,816)	(1,929)	(1,567)	(248)	(12,560)
Provisions	–	–	(15)	–	(15)
Corporation tax liability	(59)	(11)	–	(1)	(71)
Deferred tax	(178)	270	–	–	92
Net assets and liabilities	6,189	4,672	832	–	11,693
Total consideration	11,760	14,465	100	22	26,347
Less: Fair value of contingent consideration	(1,778)	–	–	–	(1,778)
Less: Deferred consideration	–	–		(22)	(22)
Less: Disposal costs deducted from cash proceeds	(351)	–	(183)	–	(534)
Consideration received in cash	9,631	14,465	(83)	–	24,013
Cash and cash equivalents disposed of	(4,367)	(2,372)	(294)	(243)	(7,276)
Net cash inflow/(outflow)	5,264	12,093	(377)	(243)	16,737

Trade and asset disposals in FY20

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.

All figures in £000s	5M	Vaccine manufacturing facility
Assets		
Property, plant and equipment (including Right-of-use assets)	207	17,165
Intangible assets	241	218
Trade and other payables	–	(754)
Net assets and liabilities	448	16,629
Total consideration	2,243	16,000
Less: Disposal costs deducted from cash proceeds	–	(3,040)
Consideration received in cash	2,243	12,960
Cash and cash equivalents disposed of	(50)	–
Net cash inflow	2,193	12,960

Other asset disposals in FY20

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.

Notes Forming Part of the Financial Statements continued

for the year ended 30 September 2021

13 Loss per share

Basic 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.

	2021			2020		
	Continuing	**Discontinued**	**Total**	Continuing	Discontinued	Total
Loss attributable to equity holders of the Parent (£000)	**(12,891)**	**–**	**(12,891)**	(23,749)	(9,174)	(32,923)
Weighted average number of shares in issue (thousands)			**669,459**			625,466
Basic loss per share (pence)	**(1.93)**	**–**	**(1.93)**	(3.80)	(1.46)	(5.26)

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. This is done by calculating the number of shares that could have been acquired at fair value based on the monetary value of the subscription rights attached to outstanding share options and warrants.

Therefore, the Company is required to adjust the loss per share calculation in relation to the share options that are in issue under the Company's share-based incentive schemes as follows:

	2021			2020		
	Continuing	**Discontinued**	**Total**	Continuing	Discontinued	Total
Loss attributable to equity holders of the Parent (£000)	**(12,891)**	**–**	**(12,891)**	(23,749)	(9,174)	(32,923)
Weighted average number of shares in issue (thousands)			**669,459**			625,466
Diluted loss per share (pence)	**(1.93)**	**–**	**(1.93)**	(3.80)	(1.46)	(5.26)

A total of 4,615,712 potential ordinary shares have not been included within the calculation of statutory diluted loss per share for the year (2020: 1,426,663) as they are anti-dilutive. However, these potential ordinary shares could dilute earnings/loss per share in the future.

14 Property, plant and equipment

Group

	Freehold Land and Buildings £000	Assets in the course of construction £000	Long-Term Leasehold Property Improvements £000	Plant and Machinery £000	Office Equipment and Fixtures £000	Total £000
Cost						
Balance at 1 October 2019	75,373	1,304	6,466	31,412	2,610	117,165
Reclassified as Right-of-use assets	–	–	–	(292)	–	(292)
Additions	1,593	715	352	2,799	393	5,852
Reclassification	500	(177)	(500)	177	–	–
Increase/(decrease) through transfers from assets in the course of construction	366	(489)	–	46	77	–
Exchange differences	(5,924)	(110)	(191)	(1,986)	(298)	(8,509)
Reclassification from assets held for resale	–	–	–	2,504	–	2,504
Disposals	(14,052)	(30)	(160)	(8,600)	(184)	(23,026)
Disposals through sale of subsidiary	–	–	–	(911)	(2)	(913)
Balance at 30 September 2020	57,856	1,213	5,967	25,149	2,596	92,781
Balance at 1 October 2020	**57,856**	**1,213**	**5,967**	**25,149**	**2,596**	**92,781**
Additions	**4,461**	**4,118**	**841**	**7,608**	**955**	**17,983**
Reclassification	**(2,075)**	**(371)**	**38**	**2,414**	**(6)**	**–**
Increase/(decrease) through transfers from assets in the course of construction	**3,080**	**(3,080)**	**–**	**–**	**–**	**–**
Exchange differences	**(5)**	**(73)**	**(22)**	**(1,107)**	**(206)**	**(1,413)**
Disposals	**(290)**	**–**	**(403)**	**(1,171)**	**(588)**	**(2,452)**
Balance at 30 September 2021	**63,027**	**1,807**	**6,421**	**32,893**	**2,751**	**106,899**
Accumulated depreciation						
Balance at 1 October 2019	6,043	295	4,985	16,014	928	28,265
Reclassified as Right-of-use assets	–	–	–	(14)	–	(14)
Depreciation charge for the year	2,208	–	222	2,605	454	5,489
Impairment charge for the year	542	–	99	112	–	753
Reclassification	92	(177)	(92)	177	–	–
Reclassification from assets held for resale	–	–	–	2,504	–	2,504
Exchange differences	(979)	(88)	(129)	(1,163)	(179)	(2,538)
Disposals	(1,425)	(30)	(101)	(4,655)	(155)	(6,366)
Disposals through sale of subsidiary	–	–	–	(911)	(2)	(913)
Balance at 30 September 2020	6,481	–	4,984	14,669	1,046	27,180
Balance at 1 October 2020	**6,481**	**–**	**4,984**	**14,669**	**1,046**	**27,180**
Depreciation charge for the year	**2,120**	**–**	**192**	**2,379**	**486**	**5,177**
Reversal of impairment in the year	**–**	**–**	**–**	**(160)**	**–**	**(160)**
Exchange differences	**(541)**	**–**	**(63)**	**(986)**	**(196)**	**(1,786)**
Disposals	**(231)**	**–**	**(390)**	**(1,096)**	**(575)**	**(2,292)**
Balance at 30 September 2021	**7,829**	**–**	**4,723**	**14,806**	**761**	**28,119**
Net book value						
At 30 September 2021	**55,198**	**1,807**	**1,698**	**18,087**	**1,990**	**78,780**
At 30 September 2020	51,375	1,213	983	10,480	1,550	65,601
At 1 October 2019	69,330	1,009	1,481	15,398	1,682	88,900

Notes Forming Part of the Financial Statements continued

for the year ended 30 September 2021

14 Property, plant and equipment continued

Company

	Office equipment and fixtures £000
Cost	
Balance at 1 October 2019	620
Additions	718
Disposals	(12)
Balance at 30 September 2020	1,326
Balance at 1 October 2020	**1,326**
Additions	**25**
Balance at 30 September 2021	**1,351**
Accumulated depreciation	
Balance at 1 October 2019	459
Depreciation charge for the year	95
Disposals	(12)
Balance at 30 September 2020	542
Balance at 1 October 2020	**542**
Depreciation charge for the year	**284**
Impairment charge for the year	**466**
Balance at 30 September 2021	**1,292**
Net book value	
At 30 September 2021	**59**
At 30 September 2020	784
At 1 October 2019	161

15 Leases

Group

Right-of-use assets	2021 £000	2020 £000
Leasehold property	**9,859**	7,698
Plant and machinery	**15,541**	2,437
Office equipment and fixtures	**131**	212
	25,531	10,347

Lease liabilities	2021 £000	2020 £000
Current	**9,042**	2,483
Non-current	**14,945**	7,956
	23,987	10,439

Depreciation charge of right-of-use assets	2021 £000	2020 £000
Leasehold property	**1,449**	850
Plant and machinery	**1,718**	612
Office equipment and fixtures	**75**	83
	3,242	1,545

Additional information	2021 £000	2020 £000
Additions to right-of-use assets	**18,721**	7,963
Impairment of leasehold property right-of-use asset	**100**	273
Lease interest (expense and amount paid)	**1,076**	571
Expense relating to short-term leases	**371**	981
Expense relating to leases of low-value leases	**58**	27
Total cash outflow for leases	**6,107**	3,372

15 Leases continued

Company

Right-of-use assets	2021 £000	2020 £000
Leasehold property	**74**	248
Office equipment and fixtures	**3**	4
	77	252

Lease liabilities	2021 £000	2020 £000
Current	**49**	182
Non-current	**18**	66
	67	248

Depreciation charge of right-of-use assets	2021 £000	2020 £000
Leasehold property	**175**	163
Office equipment and fixtures	**1**	1
	176	164

Additional information	2021 £000	2020 £000
Additions to right-of-use assets	**–**	295
Lease interest (expense and amount paid)	**8**	16
Expense relating to short-term leases	**92**	–
Expense relating to leases of low-value leases	**1**	4
Total cash outflow for leases	**280**	178

Notes Forming Part of the Financial Statements continued

for the year ended 30 September 2021

16 Intangible assets

Group

	Websites £000	Goodwill £000	Patents and Trademarks £000	Intellectual Property £000	Customer Lists £000	Contracts £000	Licences £000	Genetics £000	Development costs £000	Total £000
Cost or valuation										
Balance at 1 October 2019	112	153,389	442	146,804	5,772	6,815	37,077	24,859	18,706	393,976
Additions – externally acquired	112	–	141	728	–	–	–	–	–	981
Additions – internally developed	–	–	–	–	–	–	–	–	4,583	4,583
Increase/decrease through transfers	–	–	(292)	107	–	–	185	–	–	–
Disposals through sale of subsidiary	–	–	(2)	(2,209)	–	–	–	–	–	(2,211)
Disposals	–	–	(18)	–	–	–	–	–	(55)	(73)
Exchange differences	(23)	(9,043)	(1)	(6,712)	(275)	(254)	(1,703)	(2,677)	(177)	(20,865)
Balance at 30 September 2020	201	144,346	270	138,718	5,497	6,561	35,559	22,182	23,057	376,391
Balance at 1 October 2020	**201**	**144,346**	**270**	**138,718**	**5,497**	**6,561**	**35,559**	**22,182**	**23,057**	**376,391**
Additions – externally acquired	**115**	**–**	**68**	**–**	**–**	**–**	**42**	**–**	**–**	**225**
Additions – internally developed	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**4,813**	**4,813**
Exchange differences	**3**	**(4,291)**	**–**	**(5,517)**	**(226)**	**41**	**(1,122)**	**454**	**(291)**	**(10,949)**
Balance at 30 September 2021	**319**	**140,055**	**338**	**133,201**	**5,271**	**6,602**	**34,479**	**22,636**	**27,579**	**370,480**
Accumulated amortisation and impairment										
Balance at 1 October 2019	8	44,807	92	54,580	834	5,835	8,923	3,153	–	118,232
Amortisation charge for the period	20	–	49	13,308	212	462	2,209	631	–	16,891
Impairment	–	432	19	–	–	–	591	–	1,091	2,133
Disposals	–	–	(18)	–	–	–	–	–	–	(18)
Increase/decrease through transfers	–	–	(58)	–	–	–	58	–	–	–
Disposals through sale of subsidiary	–	–	(2)	(2,209)	–	–	–	–	–	(2,211)
Exchange differences	(2)	(2,138)	(1)	(2,516)	(41)	(183)	(405)	(353)	–	(5,639)
Balance at 30 September 2020	26	43,101	81	63,163	1,005	6,114	11,376	3,431	1,091	129,388
Balance at 1 October 2020	**26**	**43,101**	**81**	**63,163**	**1,005**	**6,114**	**11,376**	**3,431**	**1,091**	**129,388**
Amortisation charge for the period	**41**	**–**	**53**	**12,707**	**199**	**66**	**1,909**	**622**	**299**	**15,896**
Impairment	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**387**	**387**
Exchange differences	**–**	**(1,743)**	**(1)**	**(2,329)**	**(38)**	**30**	**(208)**	**58**	**–**	**(4,231)**
Balance at 30 September 2021	**67**	**41,358**	**133**	**73,541**	**1,166**	**6,210**	**13,077**	**4,111**	**1,777**	**141,440**
Net book value										
At 30 September 2021	**252**	**98,697**	**205**	**59,660**	**4,105**	**392**	**21,402**	**18,525**	**25,802**	**229,040**
At 30 September 2020	175	101,245	189	75,555	4,492	447	24,183	18,751	21,966	247,003
At 1 October 2019	104	108,582	350	92,224	4,938	980	28,154	21,706	18,706	275,744

In FY20, the sale of the assets of the Group's vaccines manufacturing facility resulted in an impairment of goodwill of £432,000 and licences of £591,000. The decision to discontinue vaccine development programmes resulted in an impairment of development costs of £1,091,000 and patents and trademarks of £19,000.

16 Intangible assets continued

The table below provides further detail of intangibles and their remaining amortisation period.

Description	Category	Net book value 2021	Net book value 2020	Remaining life 2021
Acquisition of INVE in 2015				
Goodwill	Goodwill	**72,385**	75,466	**–**
Licences	Licences	**19,599**	21,523	**14**
Product technology	Intellectual property	**1,843**	3,459	**1**
Product rights	Intellectual property	**42,571**	54,827	**4**
Brand names	Intellectual property	**11,533**	12,868	**14**
In-process R&D	Intellectual property	**915**	1,179	**4**
Customer relationships	Customer lists	**4,105**	4,492	**20**
Total relating to acquisition of INVE		**152,951**	173,814	
Acquisition of Salmobreed AS (Now part of Benchmark Genetics Norway AS) in 2014				
Goodwill	Goodwill	**6,703**	6,523	**–**
Genetic material and breeding nuclei	Genetics	**10,500**	10,526	**33**
Total relating to acquisition of Salmobreed AS		**17,203**	17,049	
Acquisition of Stofnfiskur (now Benchmark Genetics Iceland) in 2014				
Goodwill	Goodwill	**11,394**	11,216	**–**
Genetic material and breeding nuclei	Genetics	**7,677**	7,784	**33**
Total relating to acquisition of Stofnfiskur		**19,071**	19,000	
Acquisition of Akvaforsk Genetics Center AS (Now part of Benchmark Genetics Norway AS) in 2015				
Goodwill	Goodwill	**7,552**	7,348	**–**
Licences	Licences	**662**	994	**2**
Contracts	Contracts	**392**	447	**4**
Total relating to acquisition of Akvaforsk Genetics Center AS		**8,606**	8,789	
Capitalised development costs				
Ectosan®Vet/CleanTreat®	Development costs	**17,621**	15,267	**10**
Live food alternative diets	Development costs	**3,318**	3,215	**Not yet ready for use**
SPR shrimp	Development costs	**4,863**	3,033	**Not yet ready for use**
Total capitalised development costs		**25,802**	21,515	
Other purchased material intangible assets	Intellectual property	**1,586**	2,543	**18**
Total relating to other purchased intangible assets		**1,586**	2,543	
Other individually immaterial goodwill and intangible assets		**3,821**	4,293	
Total net book value at 30 September		**229,040**	247,003	

Company

	Patents and trademarks £000
Cost	
Balance at 1 October 2019 and 1 October 2020	**–**
Additions	**30**
Balance at 30 September 2021	**30**
Accumulated amortisation	
Balance at 1 October 2019 and 1 October 2020	**–**
Amortisation charge for the year	**2**
Balance at 30 September 2021	**2**
Net book value	
At 30 September 2021	**28**
At 30 September 2020	–
At 1 October 2019	–

Notes Forming Part of the Financial Statements continued

for the year ended 30 September 2021

17 Impairment testing of goodwill and other intangible assets

The Group tests goodwill and other intangibles not yet ready for use annually for impairment, or more frequently if there are indications that goodwill or the other intangible assets might be impaired.

Goodwill acquired in a business combination is allocated, at acquisition, to the CGUs that are expected to benefit from the business combination. The only intangible assets not yet ready for use are the capitalised development costs on internally developed products. Following the commercial launch of the new sea lice treatment in Health, amortisation of these development costs commenced during the year. As this amortisation commenced only recently in August 2021 the decision was taken to include the associated capitalised development costs in the annual impairment review. The development costs included in the table below represents only those that are not yet ready for use.

Goodwill and other intangibles not yet ready for use arise across the Group, and are allocated specifically against the following three CGUs:

	Genetics 2021 £000	Advanced Nutrition 2021 £000	Health 2021 £000	Total 2021 £000
Benchmark Genetics Norway AS	**6,702**	**–**	**–**	**6,702**
Benchmark Genetics Iceland HF (Previously Stofnfiskur HF)	**11,394**	**–**	**–**	**11,394**
Akvaforsk Genetic Center*	**8,216**	**–**	**–**	**8,216**
INVE Aquaculture Group	**–**	**72,385**	**–**	**72,385**
Goodwill	**26,312**	**72,385**	**–**	**98,697**
Other intangibles not yet ready for use - development costs	**4,863**	**3,318**	**–**	**8,181**

* Includes goodwill arising from the joint acquisition of Akvaforsk Genetics Center AS (which was transferred into Benchmark Genetics Norway AS) and Benchmark Genetics USA Inc (formerly Akvaforsk Genetics Center Inc).

	Genetics 2020 £000	Advanced Nutrition 2020 £000	Health 2020 £000	Total 2020 £000
Benchmark Genetics Norway AS	6,523	–	–	6,523
Benchmark Genetics Iceland HF (Previously Stofnfiskur HF)	11,216	–	–	11,216
Akvaforsk Genetic Center*	8,040	–	–	8,040
INVE Aquaculture Group	–	75,466	–	75,466
Goodwill	25,779	75,466	–	101,245
Other intangibles not yet ready for use - development costs	3,032	3,215	15,719	21,966

* Includes goodwill arising from the joint acquisition of Akvaforsk Genetics Center AS (which was transferred into Benchmark Genetics Norway AS) and Benchmark Genetics USA Inc (formerly Akvaforsk Genetics Center Inc).

The recoverable amounts of the above CGUs have been determined from value-in-use calculations. These calculations used Board approved cash flow projections from five-year business plans based on actual operating results and current forecasts. These forecasts were then extrapolated into perpetuity taking account of specific terminal growth rates for future cash flows, using individual business operating margins based on past experience and future expectations in light of anticipated economic and market conditions. The pre-tax cash flows that these projections produced were discounted at pre-tax discount rates based on the Group's beta adjusted cost of capital, further adjusted to reflect management's assessment of specific risks related to the markets and other factors pertaining to each CGU. Specific assumptions used are as follows:

Genetics

The pre-tax cash flows from the five-year projections were discounted using a pre-tax discount rate of 10.9% (2020: 11.6%). CAGR of revenue of 14% (2020: 13%) is implied by the five-year plan and a long-term growth rate of 2.5% (2020: 2.5%) has been used to extrapolate the terminal year cash flow into perpetuity.

Having conducted a sensitivity analysis of key assumptions, no reasonably possible changes that would result in the elimination of all headroom were identified. All other assumptions being unchanged, an increase in the pre-tax discount rate to 14.1% would reduce the headroom on the Genetics CGU to nil, however, management do not consider this to be a reasonably possible eventuality.

17 Impairment testing of goodwill and other intangible assets continued

Advanced Nutrition

The pre-tax cash flows from the five-year projections were discounted using a pre-tax discount rate of 10.3% (2020: 10.3%). CAGR of revenue of 6% (2020: 12%) is implied by the five-year plan and a long-term growth rate of 3.5% (2020: 3.5%) has been used to extrapolate the terminal year cash flow into perpetuity.

The value-in-use assessment is sensitive to changes in the key assumptions used. All other assumptions being unchanged a decrease in the long-term growth rate to 2.1%, or an increase in the pre-tax discount rate to 11.9%, either of which are considered to be reasonably possible, would reduce the headroom on the Advanced Animal Nutrition CGU of £47.1m to nil. Should the discount rate increase further than this, then an impairment of the goodwill or development costs would be likely.

Health

Amortisation of the development costs relating to the business area's new sea lice treatment commenced in the period.

The pre-tax cash flows from the five-year projections were discounted using a pre-tax discount rate of 12.6% (2020: 13.2%). An assumed CAGR of revenue of 70% (2020: 68%) in the five-year plan reflects the importance of the successful commercialisation of the business area's new sea lice treatment in the forecast period. A long-term growth rate of 0.0% (2020: 2.5%) has been used to extrapolate the terminal year cash flow into perpetuity. The prudent assumption in the long-term growth rate is intended to reflect that the business area's new sea lice treatment is the principal source of cash generation, and only benefits from patent protection against generic competitors for a finite period of time.

While the valuation of the Health cash-generating unit indicates sufficient headroom such that any reasonably possible change to key assumptions is unlikely to result in an impairment in related development costs, commercialisation is at an early stage and in the unlikely event that this is not successful, impairment could result.

18 Equity-accounted investees

	2021 £000	2020 £000
Interest in joint venture	**1,608**	2,047
Interest in associate	**1,746**	1,643
	3,354	3,690

Joint ventures

Salmar Genetics AS (SGA) is a joint venture in which the Group has joint control and a 50% ownership interest.

SGA is structured as a separate vehicle and the Group has a residual interest in the net assets of SGA. Accordingly, the Group has classified its interest in SGA as a joint venture. SGA is a provider of breeding and genetics services related to Atlantic salmon and as such is strategically aligned to the Group.

The following table summarises the financial information of SGA as included in its own financial statements for the year ended 30 September 2021, adjusted for fair value adjustments and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in SGA.

	2021 £000	2020 £000
Percentage ownership interest	**50%**	50%
Non-current assets	**3,017**	3,365
Current assets	**1,086**	718
Cash and cash equivalents	**14**	1,324
Non-current liabilities	**(417)**	(727)
Current liabilities	**(224)**	(174)
Net assets (100%)	**3,476**	4,506
Group's share of net assets (50%)	**1,738**	2,253
Elimination of unrealised profit	**(130)**	(206)
Carrying amount of interest in joint venture	**1,608**	2,047
Revenue	**(261)**	4,510
Cost of sales and operating costs	**(801)**	(3,267)
Depreciation and amortisation	**(254)**	(567)
Finance costs	**(7)**	(6)
Taxation	**325**	(108)
Profit and total comprehensive income (100%)	**(998)**	562
Group's share of total comprehensive income (50%)	**(499)**	281

The company is registered in Norway and the registered address is 7266 Kverva, Frøya, Norway.

Notes Forming Part of the Financial Statements continued

for the year ended 30 September 2021

18 Equity-accounted investees continued

Associate

The Group has a 22% interest in an associate Great Salt Lake Brine Shrimp Cooperative, Inc (the 'Cooperative'). The Cooperative is one of the Group's strategic suppliers and is an aquacultural cooperative organised for the purpose of harvesting, processing, manufacturing, and marketing Artemia cysts and Artemia feeds.

The Group's interest in the Cooperative represents the aggregate of the cost of the investment in the Cooperative and the post-acquisition movements in the Group's share of the unallocated and allocated equity reserves.

The company is registered in USA and the registered address is 1750 West 2450 South, Ogden, Utah.

The Group also has a 44% interest in an associate Benchmark Genetics (Thailand) Limited ('BGTL'). BGTL engages in shrimp production in the form of a multiplication centre by selecting and growing marine shrimp species products (including broodstock, nauplii and post-larvae, based on Benchmark's and its Affiliates' genetic strains) which are locally optimised for Thailand.

The company is registered in Thailand and the registered address is No. 471, Bond Street Road, Bangpood Sub-district, Pakkred District, Nonthaburi Province, Thailand.

The Group also has a 34% interest in an associate Baggfossen Mikrokraft AS ('BMAS'). BMAS is a power generation business and provides electricity to Benchmark Genetics Salten AS.

The company is registered in Norway and the registered address is Salmobreed Salten AS Sorfjordmoen 34, 8264 Engan.

19 Subsidiary undertakings

The direct and indirect subsidiary undertakings of Benchmark Holdings plc, all of which have been included in these consolidated financial statements, are as follows:

Company name	Registered address	Country of incorporation	Direct/indirect Group interest	Share class	% of share capital/voting rights held by Group companies	Note
Genetics						
Benchmark Genetics Brasil Cultivo de Especies Aquaticas Ltda	Rua Dr Ribamar Lobo 451, Fortaleza, Ceara, Brazil, CEEP 60.192-230	Brazil	Indirect	ordinary	80%	a
Akvaforsk Genetic Center Spring Mexico, SA de CV (dormant)	Caguama 3023, Loma Bonita, Zapopan, Jalisco CP 45086, Mexico	Mexico	Indirect	ordinary	80%	a
Benchmark Genetics USA Inc	21200 SW 177th Ave Miami FL 33182 USA	USA	Indirect	ordinary	80%	a
Benchmark Genetics Chile SpA	Santa Rosa 560 Oficina 25 B, Puerto Varas, Chile	Chile	Indirect	shares	100%	c
Benchmark Genetics Limited	Benchmark House, 8 Smithy Wood Drive, Sheffield, S35 1QN	United Kingdom	Direct	£1 ordinary	100%	
Benchmark Genetics Colombia SAS	Cra 2 # 11 41 of 1002 Torre Grupo Area Bocagrande, Cartagena 13001, Colombia	Colombia	Indirect	ordinary	100%	
Benchmark Genetics Norway AS	Bradbenken 1, 5003 Bergen	Norway	Indirect	ordinary	100%	
Icecod A Islandi EHF (dormant)	Bæjarhraun 14 - 220 Hafnarfjörður, Iceland	Iceland	Indirect	ordinary	88.87%	
Benchmark Genetics Salten AS	Sørfjordmoen, Kobbelv, 8264 Engan	Norway	Indirect	ordinary	75%	c
Spring Genetics SRL	Calle Los Alemanes, Condominium Condado de Baviera, APT 703A, LOC 380409452, San Rafael, Escazu, San Jose, Costa Rica	Costa Rica	Indirect	ordinary	80%	
Stofnfiskur Chile Limitada (dormant)	(As Icecod address above)	Chile	Indirect	ordinary	89.48%	
Benchmark Genetics Iceland HF	(As Icecod address above)	Iceland	Indirect	ordinary	89.53%	c
Stofngen EHF (dormant)	(As Icecod address above)	Iceland	Indirect	ordinary	89.48%	
Sudourlax EHF (dormant)	(As Icecod address above)	Iceland	Indirect	ordinary	89.48%	

19 Subsidiary undertakings continued

Company name	Registered address	Country of incorporation	Direct/indirect Group interest	Share class	% of share capital/voting rights held by Group companies	Note
Advanced Nutrition						
Fortune Ocean Americas, LLC	3528 W 500 South, Salt Lake City, Utah 84104	USA	Indirect	N/A	100%	
Fortune Ocean Technologies Ltd (dormant)	25/F., OTB Building 160 Gloucester Road, Wanchai	Hong Kong	Indirect	1 HKD ordinary	100%	
Golden West Artemia	3528 W 500 South, Salt Lake City, Utah 84104	USA	Indirect	$1 shares	100%	
Inland Sea Incorporated	3528 W 500 South, Salt Lake City, Utah 84104	USA	Indirect	shares	100%	
INVE (Thailand) Ltd.	No. 79/1 Moo 1, Nakhon Sawan-Phitsanulok Road, Tambon Nong Lum, Wachirabarami, Phichit, Thailand, 66220	Thailand	Indirect	THB 1,000 shares	100%	
Inve Animal Health, S.A.	Policarpo Sanz 12, 4°, 36202 Vigo, Pontevedra	Spain	Indirect	10€ shares	100%	
Inve Aquaculture Europe Holding B.V.	Verlengde Poolseweg 16,4818 CL Breda	Netherlands	Indirect	1€ shares	100%	
Benchmark Holding Europe B.V.	Verlengde Poolseweg 16, 4818 CL Breda	Netherlands	Direct	$1 shares	100%	
Inve Aquaculture México, S.A. de C.V.	Avenida Camaron Sabalo # 51, Local 6, Interior, Plaza Riviera, Zona Dorada, Mazatlán Sinaloa 82110	Mexico	Indirect	MXN $1,000 shares	100%	
Inve Aquaculture NV	Hoogveld 93, 9200 Dendermonde	Belgium	Indirect	shares	100%	
Inve Aquaculture Temp Holding B.V.	Verlengde Poolseweg 16, 4818 CL Breda	Netherlands	Indirect	1€ shares	100%	
INVE Aquaculture, Inc.	3528 W 500 South, Salt Lake City, Utah 84104	USA	Indirect	shares	100%	
Inve Asia Ltd	25/F., OTB Building, 160 Gloucester Road, Wanchai	Hong Kong	Indirect	$1 shares	100%	
INVE Asia Services Ltd.	471 Bond Street, Tambon Bangpood, Amphur Pakkred, Nonthaburi, Thailand, 11120	Thailand	Indirect	THB 100 shares	100%	
Inve do Brasil Ltda.	Rua Augusto Calheiros, n° 226, Messejana, Fortaleza, Ceará, Zip Code 60.863-290	Brazil	Indirect	BRL 1 shares	100%	
Inve Eurasia SA	Karacaoğlan Mahallesi 6170 Sokak No. 17/B Işikkent/Izmir	Turkey	Indirect	6.25 TL shares	100%	
Inve Hellas S.A.	93 Kiprou Str., 16451, Argyroupoli	Greece	Indirect	$29.35 shares	100%	
Inve Latin America B.V.	Verlengde Poolseweg 16, 4818 CL Breda	Netherlands	Indirect	10€ shares	100%	
Inve Technologies NV	Hoogveld 93, 9200 Dendermonde	Belgium	Indirect	shares	100%	
INVE USA Holdings, Inc.	3528 W 500 South, Salt Lake City, Utah 84104	USA	Indirect	$0.001 shares	100%	
Inve Vietnam Company Ltd	8FI-19 Tan Canh, Ward 1, Tan Binh District, Ho Chi Minh City	Vietnam	Indirect	N/A	100%	
Invecuador S.A.	CDLA. Las Conchas, MZ A-11 No. Lot 8, Salinas, Santa Elena	Ecuador	Indirect	$1 shares	100%	
Inveservicios, S.A. de C.V.	Avenida Camaron Sabalo # 51, Local 6, Interior, Plaza Riviera, Zona Dorada, Mazatlán Sinaloa 82110	Mexico	Indirect	shares	100%	
Maricoltura di Rosignano Solvay S.r.l.	Rosignano Marittimo (LI), in via Pietro Gigli, 57013, Solvay Loc. Lillatro	Italy	Indirect	shares	100%	
PT. Inve Indonesia	Ruko Prominence Blok 38E No.7 Jl. Jalur Sutera Boulevard Panunggangan Timur Pinang 15143 Kota Tangerang Banten	Indonesia	Indirect	A shares & B shares	100%	
Salt Creek Holdings, Inc	3528 W 500 South, Salt Lake City, Utah 84104	USA	Indirect	$0.001 shares	100%	
Salt Creek, Inc.	3528 W 500 South, Salt Lake City, Utah 84104	USA	Indirect	$0.05 shares	100%	
Sanders Brine Shrimp Company, L.C.	3528 W 500 South, Salt Lake City, Utah 84104	USA	Indirect	N/A	100%	
Tianjin INVE Aquaculture Co., Ltd	Binhai Information Security Industrial Park, No.399 Huixiang Road, Tanggu Ocean Science and Technology Park, Binhai High-Tech Zone, Tianjin	China	Indirect	shares	100%	

Notes Forming Part of the Financial Statements continued

for the year ended 30 September 2021

19 Subsidiary undertakings continued

Company name	Registered address	Country of incorporation	Direct/indirect Group interest	Share class	% of share capital/voting rights held by Group companies	Note
Health						
Benchmark Animal Health Group Limited	Benchmark House, 8 Smithy Wood Drive, Sheffield, S35 1QN	United Kingdom	Direct	£1 ordinary	100%	
Benchmark Animal Health Limited	Benchmark House, 8 Smithy Wood Drive, Sheffield, S35 1QN	United Kingdom	Indirect	£1 ordinary	100%	
Benchmark Vaccines Limited	Benchmark House, 8 Smithy Wood Drive, Sheffield, S35 1QN	United Kingdom	Indirect	£1 ordinary	100%	
Benchmark R&D (Thailand) Limited	No. 119/87 Moo 1, Vichienchodok Road, Tachin Sub-district, Muang Samutsakorn district, Samutsakorn Province, 74000 Thailand	Thailand	Indirect	THB 10 ordinary	100%	
Benchmark Animal Health Inc	800 René-Lévesque Boulevard West, Suite 2220, Montréal (Québec), H3B 1X9	Canada	Indirect	CAD 1 ordinary	100%	
Benchmark Animal Health US, Inc	Severin M. Beliveau, Corporation Service Company, 45 Memorial Circle, Augusta, ME 04330	USA	Indirect	$10 common stock	100%	
Benchmark Animal Health Chile SpA	Avenida Apoquindo 3721, piso 22, comuna de Las Condes, Santiago	Chile	Indirect	$1.20 ordinary	100%	
Benchmark Animal Health Norway AS	Bradbenken 1, 5003 Bergen	Norway	Indirect	NOK 100 ordinary	100%	
Knowledge Services						
Dust Collective Limited	Benchmark House, 8 Smithy Wood Drive, Sheffield, S35 1QN	United Kingdom	Direct	£1 ordinary	100%	
FAI Aquaculture Limited	Benchmark House, 8 Smithy Wood Drive, Sheffield, S35 1QN	United Kingdom	Direct	£1 ordinary	100%	d
FAI do Brasil Criação Animal LTDA	Fazenda Santa Terezinha, S/N – Zona Rural, Jaboticabal/SP, CEP: 14870-000	Brazil	Indirect	R$1 ordinary	100%	
5M Enterprises Inc	CBoT, 141 West Jackson Boulevard, Chicago, IL 60604-2900	USA	Indirect	ordinary shares	100%	
5M Enterprises Limited	Benchmark House, Smithy Wood, Sheffield, S35 1QN	United Kingdom	Direct	£1 ordinary	100%	d
Bark SPV	Benchmark House, Smithy Wood, Sheffield, S35 1QN	United Kingdom	Direct	N/A	100%	b

Notes

a A put and call option agreement is in place to acquire the remaining 20% of Benchmark Genetics USA Inc, so the Group controls 100% of that company and its wholly-owned subsidiaries despite having an 80% equity holding.

b Bark SPV is a company limited by guarantee and although the Group has no equity holding in the company, its results are consolidated into this Annual Report by virtue of control exercised under the provisions of IFRS 10: Consolidated Financial Statements.

c During the year there have been some company name changes. In Genetics, Benchmark Genetics Chile SpA was formerly known as Benchmark Chile SpA, Benchmark Genetics Salten As was formerly known as Salmobreed Salten AS, and Benchmark Genetics Iceland HF was formerly known as Stofnfiskur HF.

d FAI Aquaculture Limited (company number 04450207) and 5M Enterprises Limited (company number 03332321) are exempt from the requirements of the Companies Act 2006 under S479A-479C relating to the audit of individual accounts.

19 Subsidiary undertakings continued

Company

	Investments in subsidiary companies £000
Cost or valuation	
Balance at 1 October 2019	266,247
Additions	7,822
Disposals	(18,350)
Balance at 1 October 2020	**255,719**
Additions	**617**
Disposals	**(1,051)**
Balance at 30 September 2021	**255,285**
Provisions	
Balance at 1 October 2019	(9,188)
Provision against investment in subsidiary company	(3,660)
Disposals	7,160
Balance at 1 October 2020	**(5,688)**
Disposals	**1,051**
Balance at 30 September 2021	**(4,637)**
Net book value	
At 30 September 2021	**250,648**
At 30 September 2020	250,031
At 1 October 2019	257,059

During 2021, £617,000 (2020: £1,286,000) of the charge associated with share options relates to employees of subsidiary companies, and so this amount has been treated as an investment by the Company. There were no other additions in the year (2020: £6,536,000).

In the year the following companies were dissolved: Trie Benchmark Limited £214,000, R L Consulting Limited £187,000 and Allan Environmental Limited £650,000 all of which were fully impaired, (2020: Disposals of £18,350,000, of which £7,160,000 were fully impaired).

During FY20 as a consequence of the disposal programme provisions against investments of £3,660,000 were made, £1,951,000 related to an investment in TomAlgae C.V.B.A. and £1,709,000 related to various investments in subsidiaries related to charges for share options.

Disposals in FY20 related to Improve International £6,665,000, TomAlgae C.V.B.A. £4,989,000, which was fully impaired, FVG Limited £767,000, which was fully impaired, FAI Farms Limited £5,929,000 of which £1,404,000 was impaired. Proceeds of these disposals are detailed in Note 12.

Management have performed an impairment review of the investments in subsidiaries at the period end taking into account both net assets of the subsidiaries and value-in-use calculations using assumptions consistent with those disclosed in Note 17. The sensitivity testing conducted did not sufficiently reduce the NPV of any of the CGUs to a level where they would not support the investments in any of the Company's subsidiaries.

20 Inventories

Group	2021 £000	2020 £000
Raw materials	**5,232**	3,646
Work in progress	**1,488**	1,470
Finished goods and goods for resale	**14,227**	13,810
Total inventories at the lower of cost and net realisable value	**20,947**	18,926

During 2021, £51,920,000 (2020: £44,367,000) was recognised as an expense in continuing operations for inventories carried at net realisable value. This is recognised in cost of sales. In 2021, there was no expense recognised for discontinued operations (2020: £2,727,000). The cost of inventories recognised as a credit includes £87,000 (2020 expense: £1,183,000) in respect of write-backs (2020 write-downs) of inventory to net realisable value.

The Company did not have any inventories at the year end (2020: £nil).

Notes Forming Part of the Financial Statements continued

for the year ended 30 September 2021

21 Biological assets

Book value of biological assets recognised at fair value

Group	2021 £000	2020 £000
Salmon eggs	**9,830**	9,362
Salmon broodstock	**26,700**	21,051
Salmon milt	**365**	359
Lumpfish fingerlings	**1,104**	1,317
Shrimp	**366**	380
Total biological assets 30 September	**38,365**	32,469
Analysed as		
Current	**17,121**	15,848
Non-current	**21,244**	16,621
Total biological assets 30 September	**38,365**	32,469

Change in book value of biological assets

	2021 £000	2020 £000
Biological assets 1 October	**32,469**	28,493
Increase from production	**36,872**	36,678
Reduction due to sales	**(34,768)**	(32,449)
Other movements in biological assets (see Note 5)	**2,104**	4,229
Foreign exchange movement before fair value adjustment	**311**	(2,363)
Change in fair value through income statement (see Note 5)	**3,323**	3,253
Foreign exchange impact on fair value adjustment	**158**	(1,143)
Biological assets 30 September	**38,365**	32,469

Assumptions used for determining fair value of biological assets

IAS 41 requires that biological assets are accounted for at the estimated fair value net of selling and harvesting costs. Fair value is measured in accordance with IFRS 13 and is categorised into levels in the fair value hierarchy which are described in Note 2.

The fair value inputs for salmon eggs are categorised as level 2. The calculation of the fair value of the salmon eggs is based upon the current seasonally adjusted selling prices for salmon eggs less transport and incubation costs and taking account of the market capacity. The valuation also takes account of the mortality rates of the eggs and expected life as sourced from internally generated data.

The fair value inputs for salmon broodstock are categorised as level 3. The broodstock contain generations of genetic improvements and cannot be valued purely on the market weight of salmon. The Group does not sell its broodstock commercially so there is no observable input in this respect. Therefore, the calculation of the estimated fair value of salmon broodstock is primarily based upon its main harvest output being salmon eggs, which are priced upon the current seasonally adjusted selling prices for the Group's salmon eggs. These prices are reduced for harvesting costs, freight costs, incubation costs and market capacity to arrive at the net value of broodstock. The valuation also reflects the internally generated data to arrive at the biomass. This includes the weight of the broodstock, the yield that each kilogram of fish will produce and mortality rates. The fish take four years to reach maturity, and the age and biomass of the fish is taken into account in the fair value. Finally, the valuation takes account of future expected sales volumes.

Change in book value of salmon broodstock

	2021 £000	2020 £000
Biological assets 1 October	**21,051**	18,903
Increase from production	**22,428**	18,046
Transfer to salmon eggs following harvesting	**(19,602)**	(15,206)
Foreign exchange movement before fair value adjustment	**169**	(1,663)
Change in fair value through income statement	**2,530**	1,629
Foreign exchange impact on fair value adjustment	**124**	(658)
Biological assets 30 September	**26,700**	21,051

Significant unobservable inputs used in the valuation of salmon broodstock

	2021	2020
Number of eggs valued in broodstock (m units)	**192**	167
Average selling price per egg (GBP)	**0.128**	0.122
Future costs per egg (GBP)	**(0.015)**	(0.015)

21 Biological assets continued

The fair value inputs for lumpfish fingerlings and shrimp are categorised as level 2. The calculation of the fair value of lumpfish fingerlings and shrimp is valued on current selling prices less transport costs. Internally generated data is used to incorporate mortality rates and the weight of the biomass.

The fair value inputs for salmon milt are categorised as level 3. Where we have identified individual salmon carrying particular traits or disease resistance, semen (milt) can be extracted and deep-frozen using cryopreservation techniques (the process of freezing biological material at extreme temperatures in liquid nitrogen). The calculation of the fair value of milt is based on production and freezing costs and, where appropriate, an uplift to recognise the additional selling price that can be achieved from eggs fertilised by premium quality milt.

There is a presumption that fair value can be measured reliably for a biological asset. However, we sometimes face a situation where alternative estimates of fair value are determined to be clearly unreliable (for example, where we establish a new broodstock farm in a new territory). In such a case, that biological asset shall be measured at its cost less any accumulated depreciation and any accumulated impairment losses.

The valuation models by their nature are based upon uncertain assumptions on sales prices, market capacity, weight, mortality rates, yields and assessment of the discounts to reflect the stages of maturity. The Group has a degree of expertise in these assumptions but these assumptions are subject to change. Relatively small changes in assumptions would have a significant impact on the valuation. A 1% increase/decrease in assumed selling price would increase/decrease the fair value of biological assets by £365,000. A 10% increase/decrease in the biomass of salmon broodstock and the quantity of salmon eggs valued would increase/decrease the fair value of those biological assets by £3,653,000.

The Group is exposed to financial risks arising from changes in the market value of the salmon eggs, lumpfish fingerlings and shrimp broodstock that it sells. The Group does not anticipate that prices will decline significantly in the foreseeable future and, therefore, has not entered into derivative or other contracts to manage the risk of a decline in the price of its products. The Group reviews its outlook for salmon eggs, lumpfish fingerlings and shrimp broodstock prices regularly in considering the need for active financial risk management.

Risk management strategy related to aquaculture activity

The Group is exposed to the following risks relating to its aquaculture activities. These risks and management's strategies to mitigate them are described below:

Regulatory and environmental risks

The nature of certain of the Group's operating activities exposes us to certain significant risks to the environment, such as incidents associated with releases of chemicals or hazardous substances when conducting our operations, which could result in liability, fines, risk to our product permissions and reputational damage. There is a risk that natural disasters could lead to damage to infrastructure, loss of resources, products or containment of hazardous substances. Our business activities could be disrupted if we do not respond, or are perceived not to respond, in an appropriate manner to any major crisis or if we are not able to restore or replace critical operational capacity.

In mitigation we have implemented standards and requirements which govern key risk management activities such as inspection, maintenance, testing, business continuity and crisis response.

Biological risks

The Group is exposed to the risk of disease within the Group's own operations and disease in the market resulting in possible border closures. In mitigation, the Group:

- Operates the highest levels of biosecurity.
- Holds genetic stock at multiple sites and increasingly sources from its own land-based salmon breeding facilities.
- Operates containment zones which mitigates the risk of border closures affecting its ability to import or export.
- Has placed increased focus on insuring its biological stock.

Outputs and quantities held

Total output of aquaculture activity in the year was:

	2021	2020
Salmon eggs	**242.0m units**	213.0m units
Lumpfish fingerlings	**2.4m units**	2.7m units

Total quantities held at 30 September were:

	2021	2020
Salmon eggs	**79.9m units**	78.2m units
Salmon broodstock	**1,577 tonnes**	1,350 tonnes
Lumpfish fingerlings	**2.6m units**	4.3m units

The Company did not hold any biological assets during the year or the prior year.

Notes Forming Part of the Financial Statements continued

for the year ended 30 September 2021

22 Trade and other receivables

Group	2021 £000	2020 £000
Trade receivables	**24,526**	17,052
Less: provision for impairment of trade receivables	**(2,493)**	(3,216)
Trade receivables – net	**22,033**	13,836
Total financial assets other than cash and cash equivalents measured at amortised cost	**22,033**	13,836
Other receivables – contingent consideration	**1,028**	1,028
Total financial assets other than cash and cash equivalents classified as measured at fair value through profit and loss	**1,028**	1,028
Prepayments	**11,114**	9,917
Other receivables	**12,323**	14,590
Total trade and other receivables	**46,498**	39,371

Other receivables include the following items: VAT recoverable £2,650,000 (2020: £1,058,000), research and development expenditure tax credits and similar items £472,000 (2020: £1,121,000), the right to receive an agreed proportion of a key supplier's harvest* £7,302,000 (2020: £8,361,000) and in FY20 following the disposal of the entity FVG Chile in the prior year there was a £2,018,000 debtor due from the buyer.

*A financial liability of £7,302,200 (2020: £8,361,000) is recognised (within trade payables) for the amount invoiced and remaining outstanding at the year-end in relation to the Group's contractual obligation to pay for a specified share of the harvest of a supplier, regardless of delivery and without recourse to the supplier. As at 30 September, as the Group has not taken physical delivery of the harvested product and as the Group does not control the harvested product, an 'other receivable' of £7,302,200 (2020: £8,361,000) has been recorded in relation to the Group's right to receive the product in the future.

The financial asset at fair value through profit and loss relates to contingent consideration outstanding from the disposal of Improve International Limited (see Note 12). This relates to deferred cash consideration dependent on the delivery of certain future revenues in financial years ended 30 September 2021 and 30 September 2022 and the fair value is derived from the likely receivable amount based on current expectations of performance against the targets.

The fair values of trade and other receivables measured at amortised cost are not materially different to their carrying values. As at 30 September 2021 trade receivables of £3,060,000 (2020: £3,871,000) were past due but not impaired. They relate to customers with no default history. The ageing analysis of these receivables is as follows:

	2021 £000	2020 £000
Up to 3 months overdue	**2,703**	3,244
3 to 6 months overdue	**211**	569
6 to 12 months overdue	**146**	58
	3,060	3,871

Movements on the Group provision for impairment of trade receivables are as follows:

	2021 £000	2020 £000
At 1 October	**3,216**	3,448
Provided during the year	**54**	954
Unused provisions reversed	**(637)**	–
Receivables written off during the year as uncollectable	**(22)**	(823)
Foreign exchange movements	**(118)**	(276)
Disposals through sale of subsidiary	**–**	(87)
At 30 September	**2,493**	3,216

The movement on the provision for impaired receivables has been included in the operating costs line in the Consolidated Income Statement.

Other classes of financial assets included within trade and other receivables do not contain impaired assets.

22 Trade and other receivables continued

Company	2021 £000	2020 £000
Loans and receivables due from subsidiary companies	195,286	162,148
Total financial assets other than cash and cash equivalents measured at amortised costs	195,286	162,148
Other receivables – contingent consideration	1,028	1,028
Total financial assets other than cash and cash equivalents classified as measured at fair value through profit and loss	1,028	1,028
Prepayments	592	359
Other receivables	221	259
Total trade and other receivables	197,127	163,794
Less: non-current portion: loans provided to subsidiary companies	(195,085)	–
Current portion	2,042	163,794

The balance of loans provided to subsidiary companies include a provision for impairment of £13,489,000 (2020: £15,198,000). During the year £1,709,000 of these provisions have been released, £416,000 relating to Dust Collective as the loan has been waived, £1,181,000 relating to 5M Enterprises Limited and £112,000 relating to FAI Aquaculture Limited both due to some of the loan being repaid (2020: £6,033,000 relating to disposal of companies).

For all the loans provided to subsidiary companies outstanding at 30 September 2021 no interest is payable, in 2020 loan amounts provided to Benchmark Genetics Norway AS (£14,761,000) and Benchmark Genetics Iceland HF (£237,000) incurred interest at a rate of 2% above LIBOR and 2% above EURIBOR respectively. Loans and receivables due from subsidiary companies of £195,085,000 (2020: £nil) have been classified as non-current assets, even though these balances are repayable on demand, as at 30 September 2021 the Company did not expect to realise them in the next 12 months.

23 Trade and other payables

Group	2021 £000	2020 £000
Trade payables	20,690	19,269
Other payables	1,978	3,010
Accruals	15,812	10,804
Other payables - tax and social security payments	2,076	850
Financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	40,556	33,933
Other payables – contingent consideration	–	825
Financial contracts – hedging instrument	972	3,035
Financial liabilities, excluding loans and borrowings, classified as financial liabilities at fair value through profit or loss	972	3,860
Financial contracts – hedging instrument	5,889	9,653
Financial liabilities, excluding loans and borrowings, classified as financial liabilities at fair value through hedging reserve	5,889	9,653
Deferred income	162	–
Total trade and other payables	47,579	47,446
Less: non-current portion of other payables	(911)	(1,754)
Current portion	46,668	45,692

Book values approximate to fair value at 30 September 2021 and 2020.

Notes Forming Part of the Financial Statements continued

for the year ended 30 September 2021

23 Trade and other payables continued

	Contingent consideration £000
Balance at 30 September 2020	825
Net change in fair value (unrealised)	**25**
Released during the year	**(850)**
Balance at 30 September 2021	**–**

The financial liability at fair value through profit and loss relates to contingent consideration outstanding from business combinations. The majority of this relates to deferred cash consideration dependent on the performance of the acquired businesses and the fair value is derived from the likely liabilities based on current performance against the targets at each reporting date. The contingent consideration relates to a put/call agreement exercisable and payable in 2022 to acquire the remaining 20% stake in Benchmark Genetics (USA) Inc (formerly Akvaforsk Genetics Center Inc) for a sum determined by performance. The minimum consideration is NOK 1 (one Krone) payable in the event the business underperforms the minimum target set and the maximum consideration is capped at NOK 60m. Based on current forecasts, payment will be NOK 1 (one Krone) and this assumption has been used in calculating the fair value of the liability.

Of the financial contracts £6,708,000 (2020: £12,048,000) relates to a CCS which was entered to fully match the timing and tenor of the underlying new senior secured floating rate listed bond issue of NOK 850m. The first part of the CCS exchanged NOK 637.5m from NOK to GBP and has been designated as a cash flow hedge and any changes in the effective portion of changes in its fair value will be taken directly to equity within the hedging reserve and recycled to profit or loss as the bond impacts the profit or loss. The second part exchanged NOK 212.5m from NOK to USD. This element has not been designated as a cash flow hedge and is posted to profit or loss as a fair value hedge.

Company	2021 £000	2020 £000
Trade payables	**608**	380
Loans received from subsidiary companies	**34,623**	37,864
Accruals	**3,162**	1,522
Other payables - tax and social security payments	**118**	233
Financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	**38,511**	39,999
Financial contracts – hedging instrument	**972**	3,035
Financial liabilities, excluding loans and borrowings, classified as financial liabilities at fair value through profit or loss	**972**	3,035
Financial contracts – hedging instrument	**5,736**	9,013
Financial liabilities, excluding loans and borrowings, classified as financial liabilities at fair value through hedging reserve	**5,736**	9,013
Total trade and other payables	**45,219**	52,047

The amount within loans received from subsidiary companies is the balance due to Inve Aquaculture Holding B.V., the loan is repayable on demand and interest is incurred at a rate of 2% plus LIBOR per annum.

None of the above trade and other payables are non-current.

Book values approximate to fair value at 30 September 2021 and 2020.

24 Loans and borrowings

Group

	2021 £000	2020 £000
Non-current		
2023 850m NOK Loan notes	**75,478**	75,497
Bank borrowings	**19,314**	20,366
Lease liabilities (Note 15)	**14,945**	7,956
	109,737	103,819
Current		
Bank borrowings	**1,612**	2,856
Lease liabilities (Note 15)	**9,042**	2,483
	10,654	5,339
Total loans and borrowings	**120,391**	109,158

The fair value of 2023 850m NOK Loan notes as at 30 September 2021 is £73,981,000. At 30 September 2020 the fair value was not materially different to the nominal value and has not been separately disclosed.

24 Loans and borrowings continued

On 21 June 2019, the Group successfully completed a new senior secured floating rate listed bond issue of NOK 850m. The bond which matures in June 2023, has a coupon of three-month NIBOR + 5.25% p.a. with quarterly interest payments, and is be listed on the Oslo Stock Exchange.

A USD 15m Revolving Credit Facility ('RCF') has been provided by DNB Bank ASA (50%) and HSBC UK Bank PLC (50%). This was undrawn at 30 September 2021 and 30 September 2020.

SalmoBreed Salten AS had the following loans (which are ring-fenced debt without recourse to the remainder of the Group) at 30 September 2021:

- Term loan with a balance of NOK 180.0m (2020: NOK 194.4m) provided by Nordea Bank Norge Abp. The loan is a five-year term loan ending November 2023 at an interest rate of 2.65% above three-month NIBOR
- NOK 20.0m 12-month working capital facility provided by Nordea Bank Norge Abp. This was undrawn at 30 September 2021 (2020: 15.6m NOK drawn)
- Term loan with a balance of NOK 44.7m (2020: NOK 49.3m) provided by Innovasjon Norge. The loan is a 12-and-a-half-year term loan ending March 2031 at an interest rate of 4.2% above Norges Bank base rate
- NOK 21.75m loan provided by Salten Aqua ASA (the minority shareholder). The loan attracts interest at 2.5% above three-month NIBOR and is repayable in a minimum of five years, but not before the Nordea term loan.

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

The currency profile of the Group's loans and borrowings is as follows:

	2021 £000	2020 £000
Sterling	**13,912**	1,652
Norwegian Krone	**97,389**	99,125
Thai Baht	**1,258**	1,524
Euro	**351**	564
US Dollar	**6,508**	5,810
Icelandic Krona	**750**	263
Other	**223**	220
	120,391	109,158

Company

The book value and fair value of loans and borrowings are as follows:

	2021 £000	2020 £000
Non-current		
2023 850m NOK Loan notes	**75,478**	75,497
Lease liabilities (Note 15)	**18**	66
	75,496	75,563
Current		
Lease liabilities (Note 15)	**49**	182
	49	182
Total loans and borrowings	**75,545**	75,745

The fair value of 2023 850m NOK Loan notes as at 30 September 2021 is £73,981,000. At 30 September 2020 the fair value was not materially different to the nominal value and has not been separately disclosed.

The currency profile of the Company's loans and borrowings is as follows:

	2021 £000	2020 £000
Sterling	**67**	248
Norwegian Krone	**75,478**	75,497
	75,545	75,745

Notes Forming Part of the Financial Statements continued

for the year ended 30 September 2021

24 Loans and borrowings continued

Reconciliation of movements of liabilities to cash flows arising from financing activities

Group

Year ended 30 September 2021

	Loans and borrowings £000	Share capital/ additional paid-in capital £000	Non-controlling interest £000	Total £000
Balance at 1 October 2020	109,158	400,269	6,309	
Changes from financing cash flows				
Proceeds of share issues	–	750	–	750
Acquisition of NCI		–	(12)	(12)
Repayment of bank or other borrowings	(3,106)	–	–	(3,106)
Interest and finance charges paid	(7,699)	–	–	(7,699)
Repayments of lease liabilities	(4,602)	–	–	(4,602)
Total changes from financing cash flows	(15,407)	750	(12)	(14,669)
The effect of changes in foreign exchange rates	(681)	–	–	
Other changes – liability-related				
Interest expense	7,711	–	–	
Capitalised borrowing fees	1,012	–	–	
New leases	18,610	–	–	
Interest accrual movement	(12)	–	–	
Total liability-related other changes	27,321	–	–	
Total equity-related other changes	–	333	1,587	
Balance at 30 September 2021	120,391	401,352	7,884	

Year ended 30 September 2020

	Loans and borrowings £000	Held for sale lease liabilities £000	Equity Share capital/ additional paid-in capital £000	Total £000
Balance at 1 October 2019	103,192	–	358,603	
Changes from financing cash flows				
Proceeds of share issues	–	–	41,666	41,666
Proceeds from bank or other borrowings	8,387	–	–	8,387
Repayment of bank or other borrowings	(10,141)	–	–	(10,141)
Interest and finance charges paid	(7,580)	(79)	–	(7,659)
Repayments of leases liabilities	(1,812)	(308)	–	(2,120)
Total changes from financing cash flows	(11,146)	(387)	41,666	30,133
The effect of changes in foreign exchange rates	(3,361)	(119)	–	
Other changes – liability-related				
Adoption of IFRS16 Leases at 1 October 2019	4,487	2,517	–	
New lease liabilities	8,285	27	–	
Leases disposed of in sales of assets	(694)	(2,117)	–	
Interest expense	7,040	79	–	
Capitalised borrowing fees	864		–	
Interest accrual movement	491		–	
Total liability-related other changes	20,473	506	–	
Balance at 30 September 2020	109,158	–	400,269	

24 Loans and borrowings continued

Company

Year ended 30 September 2021

	Loans and borrowings	Share capital/ additional paid-in capital	Total
Balance at 1 October 2020	**75,745**	**400,269**	
Changes from financing cash flows			
Proceeds of share issues	**–**	**750**	**750**
Acquisition of NCI	**–**	**–**	
Repayment of bank borrowings	**(245)**	**–**	**(245)**
Interest and finance charges paid	**(5,631)**	**–**	**(5,631)**
Repayments of lease liabilities	**(179)**	**–**	**(179)**
Total changes from financing cash flows	**(6,055)**	**750**	**(5,305)**
The effect of changes in foreign exchange rates	**(788)**	**–**	
Other changes – liability-related			
Interest expense	**5,643**	**–**	
Capitalised borrowing fees	**1,012**	**–**	
Interest accrual movement	**(12)**	**–**	
Total liability-related other changes	**6,643**	**–**	
Total equity-related other changes	**–**	**333**	
Balance at 30 September 2021	**75,545**	**401,352**	

Year ended 30 September 2020

	Loans and borrowings £000	Share capital/ additional paid-in capital £000	Total £000
Balance at 1 October 2019	75,924	358,603	
Changes from financing cash flows			
Proceeds of share issues	–	41,666	41,666
Proceeds from bank or other borrowings	7,733	–	7,733
Repayment of bank borrowings	(8,060)	–	(8,060)
Interest and finance charges paid	(5,932)	–	(5,932)
Repayments of lease liabilities	(156)		(156)
Total changes from financing cash flows	(6,415)	41,666	35,251
The effect of changes in foreign exchange rates	(965)	–	
Other changes – liability-related			
Adoption of IFRS 16 Leases at 1 October 2019	121	–	
New lease liabilities	284	–	
Interest expense	5,930	–	
Capitalised borrowing fees	864	–	
Interest accrual movement	2	–	
Total liability-related other changes	7,201	–	
Balance at 30 September 2020	75,745	400,269	

Notes Forming Part of the Financial Statements continued

for the year ended 30 September 2021

25 Provisions

	Repairs provision £000	Other provisions £000	Total £000
At 1 October 2019	55	349	404
Charged to profit or loss	–	(349)	(349)
Transferred to liabilities directly associated with the assets held for sale	(55)	–	(55)
At 1 October 2020	**–**	**–**	**–**
Provisions made during the year	**–**	**(563)**	**(563)**
At 30 September 2021	**–**	**(563)**	**(563)**
Current	–	(563)	(563)
Non-current	–	–	–
At 30 September 2021	**–**	**(563)**	**(563)**
Current	–	–	–
Non-current	–	–	–
At 30 September 2020	–	–	–

Repairs provision

During the prior year, Benchmark Vaccines Limited released the repairs provision in respect of its Braintree premises as it was no longer required.

Other provisions

During the year, £300,000 was provided in respect of costs relating to contractual commitments in leases entered into during the year to restore certain leased assets to their original condition at the end of the lease period. The costs have been capitalised and are being depreciated over the life of the relevant asset.

During the year, £263,000 has been provided in relation to increases in estimated restoration costs relating to certain leases.

During the prior year, provisions of £349,000 relating to onerous leases have been transferred to be recognised as impairments of right-of-use assets in accordance with IFRS 16.

No provisions were held by the Company at the year end (2020: £nil).

26 Deferred tax

Deferred tax is calculated in full on temporary differences under the liability method using the substantively enacted rates in the relevant territories in which the temporary differences and tax losses are expected to reverse.

The movement on the net deferred tax account is as shown below:

Group	**2021 £000**	2020 £000
At 1 October	**(32,647)**	(38,743)
Recognised in income statement		
Tax credit	**3,488**	3,773
Exchange differences	**935**	2,323
At 30 September	**(28,224)**	(32,647)

The Company did not have a deferred tax balance at the year end (2020: £nil).

There was no deferred tax recognised in other comprehensive income.

Deferred tax assets have been recognised in respect of all tax losses and other temporary differences giving rise to deferred tax assets where the Directors believe it is probable that these assets will be recovered. The Directors believe there is sufficient evidence that the amounts recognised will be recovered against future taxable profits in the relevant tax jurisdiction. The Group did not recognise deferred tax assets of £36,713,000 (2020: £24,030,000) in respect of losses amounting to £120,790,000 (2020: £96,540,000) and temporary differences of £25,185,000 (2020: £13,839,000), where there was insufficient evidence that the amounts will be recovered. Of the unused tax losses on which no deferred tax is recognised, £113,672,000 have no expiry date and £7,118,000 expire between 2028 and 2035.

Furthermore, the Group did not recognise deferred tax assets relating to movements on hedging instruments of £1,089,000 (2020: £1,712,000) as these were unlikely to be realised in the short term.

No deferred tax is recognised on the unremitted earnings of overseas subsidiaries and joint ventures. The aggregate amount of temporary differences associated with investments in subsidiaries, branches and associates and interests in joint arrangements, for which deferred tax has not been recognised is £125,225,000. As the earnings are continually reinvested by the Group and there is no intention for these entities to pay dividends, no tax is expected to be payable on them in the foreseeable future.

26 Deferred tax continued

The movements in deferred tax assets and liabilities (prior to the offsetting of balances within the same jurisdiction as permitted by IAS 12) during the period, together with amounts recognised in the Consolidated Income Statement and amounts recognised in other comprehensive income are as follows:

Group	Asset 2021 £000	Liability 2021 £000	Net 2021 £000	(Charged)/ credited to profit or loss 2021 £000	(Charged)/ credited to equity 2021 £000
Accelerated capital allowances	–	(25,408)	(25,408)	3,908	–
Biological assets	–	(3,258)	(3,258)	(740)	–
Other temporary and deductible differences	391	–	391	403	–
Available losses	5	–	5	(96)	–
Fair value of share options	46	–	46	13	–
Net tax assets/(liabilities)	**442**	**(28,666)**	**(28,224)**	**3,488**	**–**

Group	Asset 2020 £000	Liability 2020 £000	Net 2020 £000	(Charged)/ credited to profit or loss 2020 £000	(Charged)/ credited to equity 2020 £000
Accelerated capital allowances	–	(30,251)	(30,251)	6,660	–
Biological assets	–	(2,518)	(2,518)	(170)	–
Other temporary and deductible differences	–	(12)	(12)	(178)	–
Available losses	101	–	101	(2,549)	–
Fair value of share options	33	–	33	10	–
Net tax assets/(liabilities)	134	(32,781)	(32,647)	3,773	–

The Company did not have any deferred tax in the profit or loss or balance sheet at the year end (2020: £nil).

27 Share capital and additional paid-in capital

Allotted, called up and fully paid	Number	Share Capital £000	Share Premium £000
Ordinary shares of 0.1 penny each			
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
Balance at 30 September 2020	667,685,612	668	399,601
Exercise of share options	**2,152,600**	**2**	**748**
Shares issued through placing and open offer	**536,272**	**–**	**333**
Balance at 30 September 2021	**670,374,484**	**670**	**400,682**

During the year ended 30 September 2021, the Group issued a total of 2,152,600 ordinary shares of 0.1p each to certain employees of the Group relating to share options, of which 426,182 were exercised at a price of 0.1 pence, 1,626,436 were exercised at a price of 42.5 pence and 99,982 were exercised at a price of 58.5 pence.

During the year, contingent consideration totalling USD 450,000 (£333,000) became payable following the acquisition of aquaculture breeding programmes centred on shrimp from Centro de Investigación de la Acuicultura de Colombia Ceniacua on 11 August 2016. At the Group's discretion, the contingent consideration was paid in ordinary shares in the Group and the Group therefore issued 536,272 ordinary shares of 0.1p each on 13 January 2021 to settle this liability.

During the year ended 30 September 2020, the Company issued a total of 1,503,407 ordinary shares of 0.1p each to certain employees of the Group relating to share options granted in 2015, 2016 and 2017.

On 19 February 2020, the Company issued 91,000,000 new ordinary shares of 0.1p each by way of a placing and 16,440,766 new ordinary shares of 0.1 each 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.

Notes Forming Part of the Financial Statements continued

for the year ended 30 September 2021

28 Reserves

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Share premium reserve	Amount subscribed for share capital in excess of nominal value.
Merger reserve	Under merger relief, the amount in excess of nominal value attributed to shares issued as consideration in an acquisition where the Group has secured at least a 90% equity holding in the other company.
Capital redemption reserve	Amounts transferred from share capital on redemption of issued shares.
Foreign exchange reserve	Gains/losses arising on retranslating the net assets of overseas operations into Sterling.
Hedging reserve	Comprises the effective portion of the cumulative net change in fair value of hedging instruments used in cash flow hedges pending subsequent recognition on profit or loss or directly included in the initial cost or other carrying amount of a non-financial asset or non-financial liability.
Retained earnings	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere. To simplify presentation, the share-based payment reserve has been combined with the retained earnings reserve. The share-based payment reserve recognised the value of equity-settled share-based payment transactions provided to employees, including management personnel, as part of their remuneration. Refer to Note 34 for further details of these plans.

The balance of additional paid-in share capital includes the merger reserve balance of £33,188,000, the balance being the share premium reserve. The merger reserve arose due to the Company issuing 38,635,671 shares of 0.1p each at 86p as part consideration for the acquisition of INVE Aquaculture Holdings B.V. on 30 December 2015.

29 Non-controlling interest

The following table summarises the information relating to each of the Group's subsidiaries that has a material non-controlling interest ('NCI'), before any intra-group eliminations.

Year ended 30 September 2021	Benchmark Genetics Iceland HF* £000	Benchmark Genetics Salten AS** £000	Total £000
NCI percentage	10%	25%	
Non-current assets	15,992	39,604	
Current assets	27,102	9,757	
Non-current liabilities	(3,072)	(19,505)	
Current liabilities	(4,964)	(13,023)	
Net assets	35,058	16,833	
Net assets attributable to NCI	3,671	4,213	7,884
Revenue	21,554	13,651	
Profit	6,085	2,708	
OCI	399	920	
Total comprehensive income	6,484	3,628	
Profit allocated to NCI	637	678	1,315
OCI allocated to NCI	42	230	272
Cash flows from operating activities	6,918	4,782	
Cash flows used in investment activities	(5,016)	(778)	
Cash flows used in financing activities (dividends to NCI: £nil)	(663)	(3,972)	
Net increase in cash and cash equivalents	1,239	32	

* Benchmark Genetics Iceland HF was formerly known as Stofnfiskur HF - see note 19
** Benchmark Genetics Salten AS was formerly known as Salmobreed Salten AS - see note 19

29 Non-controlling interest continued

Year ended 30 September 2020	Benchmark Genetics Iceland HF £000	Benchmark Genetics Salten AS £000	Total £000
NCI percentage	10%	25%	
Non-current assets	14,941	38,611	
Current assets	20,393	7,731	
Non-current liabilities	(2,361)	(20,365)	
Current liabilities	(4,420)	(12,773)	
Net assets	28,553	13,204	
Net assets attributable to NCI	3,004	3,305	6,309
Revenue	22,744	8,769	
Profit	6,668	1,090	
OCI	(4,171)	(1,453)	
Total comprehensive income	2,497	(363)	
Profit allocated to NCI	701	273	974
OCI allocated to NCI	(439)	(364)	(803)
Cash flows from operating activities	6,972	2,024	
Cash flows used in investment activities	(2,211)	(363)	
Cash flows (used in)/from financing activities (dividends to NCI: £nil)	(4,445)	(2,068)	
Net increase/(decrease) in cash and cash equivalents	316	(407)	

30 Retirement benefits

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost represents contributions payable by the Group and amounted to £2,354,000 (2020: £3,112,000). Contributions totalling £1,051,000 (2020: £1,142,000) were payable to the fund at the balance sheet date and are included in other payables.

31 Capital commitments

At 30 September 2021, the Group and Company had capital commitments as follows:

	Group 2021 £000	Group 2020 £000	**Company 2021 £000**	Company 2020 £000
Contracted for but not provided within these financial statements	**1,297**	1,987	**–**	–

32 Share-based payment

Share options

The Group operates equity-settled share-option schemes for certain employees. The vesting period is three years. If the options remain unexercised after a period of ten years from the date of grant the options expire. Options are forfeited, other than in limited circumstances, if the employee leaves the Group before the end of the vesting period. In these limited circumstances options will be exercisable in a specified period following termination of employment after which they will lapse.

For options granted in 2021 additional performance measures apply. The performance measures are EPS growth, where 25% vests at threshold performance and 100% vests at maximum performance and Relative Total Shareholder Return measured against the FTSE AIM 100 index, where 25% vests at a ranking of median rising to 100% for a ranking of upper quartile or higher. In the case of Executive Directors, any vested shares will be subject to a two-year holding period.

The share options under the scheme are as follows:

Year ended 30 September 2021:

	No. of options						
Year	**As at 1 October 2020**	**Granted in 2021**	**Exercised in 2021**	**Forfeited in 2021**	**As at 30 September 2021**	**Option Price[1]**	**Exercise Period**
2013	**212,000**	**–**	**(145,000)**	**(25,000)**	**42,000**	**0.10p**	**August 2016 to July 2023**
2015	**235,840**	**–**	**(74,558)**	**(68,085)**	**93,197**	**0.10p**	**March 2018 to February 2025**
2015	**49,963**	**–**	**(3,410)**	**–**	**46,553**	**0.10p**	**July 2018 to June 2025**
2016	**524,001**	**–**	**(115,950)**	**(31,848)**	**376,203**	**0.10p**	**March 2019 to February 2026**
2017	**222,536**	**–**	**(87,264)**	**(20,100)**	**115,172**	**0.10p**	**March 2020 to February 2027**
2018	**7,920,876**	**–**	**–**	**(2,547,208)**	**5,373,668**	**69.5p**	**January 2021 to January 2028**
2019	**10,026,600**	**–**	**(99,982)**	**(3,912,235)**	**6,014,383**	**58.5p**	**January 2022 to January 2029**
2020	**13,675,329**	**–**	**(1,626,436)**	**(1,720,534)**	**10,328,359**	**42.5p**	**February 2023 to February 2030**
2020	**2,100,000**	**–**	**–**	**–**	**2,100,000**	**31.5p**	**June 2023 to June 2030**
2021	**–**	**3,817,762**	**–**	**(80,628)**	**3,737,134**	**0.10p**	**January 2024 to January 2031**
2021	**–**	**205,899**	**–**	**–**	**205,899**	**0.10p**	**May 2024 to May 2031**

1 The option price is the nominal value of the Parent Company's shares for options issued except for the options issued in 2018, 2019 and 2020 for which the option price is the market price of the share on the date the options were granted.

Notes Forming Part of the Financial Statements continued

for the year ended 30 September 2021

32 Share-based payment continued

Year ended 30 September 2020:

	No. of options						
Year	As at 1 October 2019	Granted in 2020	Exercised in 2020	Forfeited in 2020	As at 30 September 2020	Option Price[1]	Exercise Period
2013	222,000	–	(10,000)	–	212,000	0.10p	August 2016 to July 2023
2015	365,788	–	(118,534)	(11,414)	235,840	0.10p	March 2018 to February 2025
2015	64,140	–	(1,522)	(12,655)	49,963	0.10p	July 2018 to June 2025
2016	1,752,218	–	(1,191,886)	(36,331)	524,001	0.10p	March 2019 to February 2026
2017	417,767	–	(180,865)	(14,366)	222,536	0.10p	March 2020 to February 2027
2018	9,661,358	–	(600)	(1,739,882)	7,920,876	69.5p	January 2021 to January 2028
2019	12,383,000	–	–	(2,356,400)	10,026,600	58.5p	January 2022 to January 2029
2020	–	14,174,831	–	(499,502)	13,675,329	42.5p	February 2023 to February 2030
2020	–	2,100,000	–	–	2,100,000	31.5p	June 2023 to June 2030

1 The option price is the nominal value of the Parent Company's shares for options issued except for the options issued in 2018, 2019 and 2020 for which the option price is the market price of the share on the date the options were granted.

Of the total number of options outstanding at 30 September 2021, 6,515,149 (2020: 9,216,428) were exercisable. In addition to all of the outstanding share options from 2013 to 2018, the balance of options exercisable also included nil options (2020: 2,006,648) from 2018, 274,283 options (2020: 3,522,100) from 2019, and 194,073 options (2020: 2,443,340) from 2020 which had vested early, not been exercised and had not lapsed. The early vests were due to employees leaving the Group as part of the structural efficiencies programme and the restructuring of management.

Options exercised in 2021 resulted in 2,152,600 shares being issued at a weighted average price of 36.8p. The related weighted average share price at the time of exercise was 57.8p per share. Options exercised in 2020 resulted in 1,503,407 shares being issued at a weighted average price of 0.1p. The related weighted average share price at the time of exercise was 43.0p per share.

The fair value of all of the equity-settled share-options granted above is estimated at the date of grant using the Black-Scholes Merton model taking into account the terms and conditions on which the options were granted. The weighted average fair value of the share options granted during the period was 54.3p (2020: 10.37p). Other inputs used in the fair value measurement include:

Inputs	2021	2020
Expected share price volatility	**37.75%**	36.57%
Risk-free rate	**-0.11%**	0.41%
Expected dividend yield	**0.00%**	0.00%

The expected price volatility is based on the historic volatility (based on the remaining life of the options).

The total charge reflected in the Consolidated Income Statement in relation to the share-base transactions listed in the table below, and included within continuing operating costs was £830,000 (2020: £1,047,000) and within discontinued operating costs was £nil (2020: £622,000). The share-based payment expense comprises:

Share options issued	Weighted average exercise price	Weighted average remaining contractual life	2021 £000	2020 £000
August 2013	0.1p	Two years	**–**	–
March 2015 and July 2015	0.1p	Three years	**–**	–
March 2016	0.1p	Four years	**–**	–
March 2017	0.1p	Five years	**–**	(5)
January 2018	69.5p	Six years	**58**	358
January 2019	58.5p	Seven years	**321**	816
February 2020	42.5p	Eight years	**249**	485
June 2020	31.5p	Eight years	**61**	15
Jan 2021	0.1p	Nine years	**133**	–
May 2021	0.1p	Nine years	**8**	–
Equity-settled schemes			**830**	1,669
Total share-based payment charge			**830**	1,669

The expense recognised above has been recognised in the income statement and included within operating costs.

The Group did not enter into any other share-based payment transactions with parties other than employees during the current or previous period.

The total charge reflected in the Company's income statement was £212,000 (2020: £383,000), all charged to operating costs in both years.

33 Related party transactions

Subsidiaries

Transactions between the Company and its subsidiary undertakings (see Note 19), which are related parties, amounted to £4,761,000 in the year (2020: £4,897,600). These transactions related to inter-company recharges. Balances with subsidiary undertakings are shown in Notes 22 and 23. Details of transactions between the Group and other related parties are disclosed in the following note.

Other related party transactions

During the year, Group entities entered into the following trading transactions with related parties that are not members of the Group:

	Transaction values for the year ended 30 September		Balance outstanding as at 30 September	
	2021 £000	2020 £000	**2021 £000**	2020 £000
Sales of goods and services				
Salmar Genetics AS[1]	**126**	552	**–**	–
Benchmark Genetics (Thailand) Limited[2]	**–**	39	**–**	15
Great Salt Lake Brine Shrimp Cooperative, Inc[2]	**285**	351	**111**	57
Andromeda S.A.[3]	**–**	–	**760**	319
Baggfossen Mikrokraft AS[2]	**20**	–	**10**	–
Purchase transactions				
Benchmark Holdings Limited Executive Pension scheme[4]	**–**	6	**–**	–
Great Salt Lake Brine Shrimp Cooperative, Inc[2]	**25,634**	26,021	**7,640**	8,671

1 Joint venture.
2 Associate.
3 A Director was a director of the parent undertaking of Andromeda S.A. until resigning as a director of that entity in FY20.
4 Pension scheme of a Director who served during FY20.

Remuneration of key management personnel

The aggregate remuneration of the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures. The key management personnel of the Group were considered to be the Board of Directors and the Executive Management Team (which comprised the Executive Directors, the Group Legal Counsel, the Head of each Business Area and the Group Head of People) for the year ended 30 September 2021 and the Board of Directors for the year ended 30 September 2020.

	2021 £000	2020 £000
Salary	**1,465**	706
Bonus	**1,019**	–
Social security	**251**	90
Taxable benefits	**11**	9
Payment in lieu of notice	**–**	183
Pension	**100**	95
Fees	**285**	272
Share-based payment	**200**	304
Total	**3,331**	1,659

Parent and ultimate controlling party

The Company is controlled by the shareholders. There is no single controlling party.

34 Contingent liabilities

There is a full cross guarantee in respect of certain borrowings of other Group undertakings. Total such borrowings of other Group undertakings at 30 September 2021 were £nil (2020: £nil).

35 Notes supporting statement of cash flows

Cash and cash equivalents for the purposes of the statement of cash flows comprises:

	2021 £000	2020 £000
Group		
Cash at bank and in hand	**39,460**	71,605
Cash and cash equivalents	**39,460**	71,605
Company		
Cash at bank and in hand	**9,003**	47,825
Cash and cash equivalents	**9,003**	47,825

Notes Forming Part of the Financial Statements continued

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36 Alternative performance measures and other metrics

Alternative performance measures

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

EBITDA, a widely used measure, which reflects profitability, is earnings before interest, tax, depreciation, amortisation and impairment and is shown on the income statement.

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 of intangible assets excluding development costs as reconciled below.

Adjusted profit before tax is earnings before tax, amortisation and impairment of acquired intangibles, 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 to operating loss

Continuing operations	2021 £000	2020 £000
Revenue	**125,062**	105,565
Cost of sales	**(59,477)**	(50,603)
Gross profit	**65,585**	54,962
Research and development costs	**(7,010)**	(7,282)
Other operating costs	**(38,221)**	(33,337)
Depreciation and impairment	**(8,359)**	(6,640)
Amortisation of capitalised development costs	**(299)**	–
Share of profit of equity accounted investees net of tax	**(905)**	150
Adjusted operating profit	**10,791**	7,853
Exceptional including acquisition-related items	**(184)**	(2,114)
Amortisation and impairment of intangible assets excluding amortisation of development costs	**(15,984)**	(16,613)
Operating loss	**(5,377)**	(10,874)

Reconciliation of adjusted profit before tax to adjusted operating profit

Continuing operations	2021 £000	2020 £000
Loss before taxation	**(9,179)**	(22,571)
Exceptional including acquisition-related items	**184**	2,114
Amortisation and impairment of intangible assets excluding amortisation of development costs	**15,984**	16,613
Adjusted profit/(loss) before tax	**6,989**	(3,844)

Other metrics

Total R&D investment	2021 £000	2020 £000
Research and development costs		
– Continuing operations	**7,010**	7,282
– Discontinued operations	**–**	2,725
	7,010	10,007
Internal capitalised development costs (Note 16)	**4,813**	4,583
Total R&D investment	**11,823**	14,590

Other metrics continued

	2021 £000	2020 £000
Adjusted EBITDA excluding fair value movement in biological assets		
Adjusted EBITDA	**19,449**	14,493
Exclude fair value movement in biological assets (Note 21)	**(3,323)**	(3,253)
Adjusted EBITDA excluding fair value movement in biological assets	**16,126**	11,240

36 Alternative performance measures and other metrics continued

Segmental

Genetics	Year ended 30 September 2021 Discontinued £000	Year ended 30 September 2021 Continuing £000	Year ended 30 September 2021 Total £000	Year ended 30 September 2020 Discontinued £000	Year ended 30 September 2020 Continuing £000	Year ended 30 September 2020 Total £000
Revenue	–	**46,797**	**46,797**	–	41,504	41,504
Adjusted EBITDA	–	**11,528**	**11,528**	–	14,442	14,442
Operating profit	–	**6,024**	**6,024**	–	9,607	9,607

Advanced Nutrition	Year ended 30 September 2021 Discontinued £000	Year ended 30 September 2021 Continuing £000	Year ended 30 September 2021 Total £000	Year ended 30 September 2020 Discontinued £000	Year ended 30 September 2020 Continuing £000	Year ended 30 September 2020 Total £000
Revenue	–	**70,530**	**70,530**	2	59,360	59,362
Adjusted EBITDA	–	**13,802**	**13,802**	(143)	6,409	6,266
Operating loss	–	**(2,604)**	**(2,604)**	(394)	(10,947)	(11,341)

Health	Year ended 30 September 2021 Discontinued £000	Year ended 30 September 2021 Continuing £000	Year ended 30 September 2021 Total £000	Year ended 30 September 2020 Discontinued £000	Year ended 30 September 2020 Continuing £000	Year ended 30 September 2020 Total £000
Revenue	–	**7,832**	**7,832**	5,573	5,226	10,799
Adjusted EBITDA	–	**(2,685)**	**(2,685)**	(9,151)	(3,735)	(12,886)
Operating loss	–	**(6,118)**	**(6,118)**	(11,914)	(5,683)	(17,597)

Liquidity

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

	2021 £000
Cash and cash equivalents	**39,460**
Undrawn bank facility	**11,138**
Liquidity	**50,598**

The undrawn bank facility is the RCF facility (Note 24) which at 30 September amounts to USD 15m, none of which has been drawn.

37 Net debt

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

	2021 £000	2020 £000
Cash and cash equivalents	**39,460**	71,605
Loans and borrowings (excluding lease liabilities) – current	**(1,612)**	(2,856)
Loans and borrowings (excluding lease liabilities) – non-current	**(94,792)**	(95,863)
Net debt excluding lease liabilities	**(56,944)**	(27,114)
Lease liabilities – current	**(9,042)**	(2,483)
Lease liabilities – non-current	**(14,945)**	(7,956)
Net debt	**(80,931)**	(37,553)

Glossary

Adjusted EBITDA	EBITDA before exceptional and acquisition costs (see income statement)
Adjusted Operating Profit	Adjusted Operating Profit is operating loss before exceptional items including acquisition-related items and amortisation and impairment of intangible assets excluding development costs (see Note 36)
AEBITDA	EBITDA before exceptional and acquisition costs (see income statement)
AER	Actual exchange rate
AGM	Annual General Meeting
AIM	Alternative Investment Market
ASC	Aquaculture Stewardship Council
Breeders	Broodstock shrimp
CAGR	Compound Annual Growth Rate
CCS	Cross-currency swap
CEO	Chief Executive Officer
CER	Constant exchange rate
CFO	Chief Financial Officer
CGU	Cash-Generating Unit
CleanTreat®	Benchmark's water purification system that removes medicines from treatment water
CO_2	Carbon Dioxide
Constant currency	2021 figures in GBP converted using average foreign exchange rates prevalent in 2020
EBITDA	Earnings before interest, tax, depreciation and amortisation (see income statement)
Ectosan®Vet	Sea Lice veterinary medicinal treatment used together with CleanTreat®
EMA	European Medicines Agency
EURIBOR	Euro Interbank Offered Rate
ESG	Environmental, Social, Governance
FAO	Food and Agriculture Organisation
FRN	Floating rate NOK Bond
Fry	Fry refers to shrimp or fish larvae
FY	Financial Year
Genomic Selection	Targeted breeding by selecting individuals based on their genome
GHG	Greenhouse Gas Emissions
GRI	Global Reporting Initiative. Organisation producing reporting standards.
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
Investing Activities	Investing Activities are those activities which have no associated income stream in the current period, but which are intended to provide the Group with income-generating operations in future periods. Includes exceptional items, R&D expenditure, pre-operational expenses for new ventures and costs of acquiring new businesses
IP	Intellectual Property
IPO	Initial Public Offering
IRS	Interest rate swap
LIBOR	London Interbank Offered Rate
Liquidity	Undrawn bank facilities plus cash and cash equivalents (see Note 36)
LTIP	Long-Term Incentive Plan
MA	Marketing Authorisation
MRL	Maximum residue limit
MT	Metric Tonnes
MWh	MegaWatt hours. Unit of measure for energy.
Net debt	Net debt is cash and cash equivalents less loans and borrowings
Net zero	A net zero organisation will set and pursue an ambitious 1.5 °C aligned science-based target for its full value-chain emissions. Any remaining hard-to-decarbonise emissions can be compensated using certified greenhouse gas removal
NIBOR	Norwegian Interbank Offered Rate

OCI	Consolidated Statement of Comprehensive Income
Organic growth	Organic growth, as it applies to financial information, is the growth arising year on year in any part of the business eliminating the impact of the different ownership periods of any acquisitions made in either the current or prior year as appropriate
QTL	Quantitative Trait Loci — DNA containing/linked to genes that underlie a quantitative trait
RAS	Recirculating aquaculture system
R&D	Research & Development
Salmosan® Vet	Benchmark's sea lice bath treatment
Salten	Benchmark's new land-based salmon egg and broodstock production facility in Norway
Sea lice	Parasite in salmon farming causing significant economic loss and welfare issues
SECR	Streamlined Energy of Carbon Reporting. The requirement to report carbon emissions annually
SIP	Share Incentive Plan
SONIA	Sterling Overnight Index Average Rate
SPR	Specific Pathogen Resistant
tCO2e	Tonnes of CO_2 equivalent. Unit of measure for reporting all greenhouse gas emissions in a common way
Total Adjusted EBITDA	Adjusted EBITDA for continuing and discontinued operations (see income statement)
Total R&D investment	R&D expensed costs plus capitalised development costs
WRI	World Resources Institute

Notes

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