30 November 2022

Benchmark Holdings plc

("Benchmark", the "Company" or the "Group")

Full Year Results for the Financial Year ended 30 September 2022

A year of sustained growth and strategic delivery

Benchmark, the aquaculture biotechnology company, announces its full year audited results for the year ended 30 September 2022 (the "period").

Financial highlights – strong FY2022 results delivered ahead of original market expectations

- Revenue increase of 27% (+21% CER)
  - Advanced Nutrition – excellent performance as the Company continued to capitalise on renewed commercial focus and recovery in the shrimp markets post pandemic; revenues increased by 14% (+7% CER)
  - Genetics – strong performance benefitting from high demand for the Company's salmon eggs delivered from Benchmark's new incubation centre in Iceland; revenue growth +24% (+21% CER)
  - Health – first full year of sales from new sea lice solution Ectosan® Vet and CleanTreat® resulting in revenue growth of 157% (+157% CER)
- Adjusted EBITDA +60% (+54% CER) driven by growth in the three business areas and continued financial discipline
- Adjusted EBITDA margin of 20% (FY21: 16%). Adjusted EBITDA margin excluding fair value uplift from biological assets increased to 19% (FY21: 13%)
- Loss for the period increased to £30.5m as a result of increased depreciation associated with CleanTreat® units and higher net finance expenses
- Disciplined investment in growth areas with tangible capex totalling £10.8m
- Refinancing of NOK 850m bond and post period end refinancing of USD $15m RCF
- Cash and cash equivalents of £36.4m and available liquidity of £45.8m
- At 28 November, cash and cash equivalents of £35m and available liquidity of £51m

£m	**FY 2022**	**FY 2021**	**% AER**	**% CER****
Revenue	158.3	125.1	27%	21%
Adjusted				
Adjusted EBITDA[1]	31.2	19.4	60%	54%
Adjusted EBITDA excluding fair value uplift from biological assets	29.6	16.1	83%	76%
Adjusted operating profit	9.1	10.8	(15%)	(23%)
Statutory				
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%)	
Net debt[3]	(73.7)	(80.9)	9%	
Net debt excluding lease liabilities	(47.5)	(56.9)	17%	

** Constant exchange rate (CER) figures derived by retranslating current year figures using previous year's foreign exchange rates
(1) Adjusted EBITDA is EBITDA (earnings before interest, tax, depreciation and amortisation and impairment), before exceptional items including acquisition related expenditure.
(2) Adjusted Operating Profit is operating loss before exceptional items including acquisition related items and amortisation of intangible assets excluding development costs
(3) Net debt is cash and cash equivalents less loans and borrowings

Business Area Performance - £m	**FY 2022**	**FY 2021**	**% AER**	**% CER****
Revenue				
Genetics	58.0	46.8	24%	21%
Advanced Nutrition	80.3	70.5	14%	7%
Animal Health	20.1	7.8	157%	157%
Adjusted EBITDA[1]				
Genetics	16.0	11.5	39%	39%
- Net of fair value movements in biological assets	14.4	8.2	75%	76%
Advanced Nutrition	19.0	13.8	38%	29%
Animal Health	0.1	(2.7)	104%	102%

** Constant exchange rate (CER) figures derived by retranslating current year figures using previous year's foreign exchange rates
(1) Adjusted EBITDA is EBITDA (earnings before interest, tax, depreciation and amortisation and impairment), before exceptional items including acquisition related expenditure.

Operational highlights

Advanced Nutrition – excellent performance

- Excellent performance driven by commercial focus, continued innovation and cost discipline, supported by positive market conditions
- New products and product upgrades brought to market including Artemia separation tool 'Sep-Art Automag' which delivers sustainability benefits
- Closure of trial facilities in Thailand as part of strategy to optimise operations

Genetics – continued growth

- Continued growth in core salmon egg business with record sales in FY2022

- New incubation centre in Iceland delivering increased quality and capacity which was instrumental in satisfying peak demand in the year
- Commercialisation of SPR shrimp progressing, leveraging Advanced Nutrition's market position in shrimp

Health – further commercialisation progress

- Roll-out of Ectosan® Vet and CleanTreat® progressing with increasing customer adoption. Solution delivered consistent efficacy above 99%, with enhanced animal welfare and protection of the environment
- Marketing Authorisation for Ectosan® Vet and CleanTreat® in Norway extended to one reuse of water
- Marketing Authorisation obtained in the Faroe Islands
- Ectosan® Vet patent grant approved giving 20 year protection

Group - ESG commitment, continued integration and delivery against strategic priorities

- ESG - on track to achieve our Net Zero targets with implementation of carbon reduction plan; issue of first Green bond validates strong ESG credentials
- Continued Group integration by combining the commercial efforts across our salmon products, making the business more customer-centric and increasing efficiency
- Excellent employee engagement results aligned to the Group's goal of making Benchmark "A Great Place to Work"
- Looking forward we remain focused on our four strategic pillars:
    - Maintain and grow our leadership position in established markets
    - Expand our business through the launch of new products and entry into new markets
    - Continue to embed the new One Benchmark culture and to integrate the Group to realise synergies
    - Pursue add-on acquisitions within core areas, adhering to strict criteria and making optimal use of our capital structure

Current trading and outlook – good momentum and tracking in-line with management expectations

- Good start to the year and positive momentum in the business
- The diversified nature of the business and management's proactive commercial approach creates resilience and mitigates the potential impact from ongoing cost inflation and macroeconomic pressures
- Management expects that the recently announced change in tax regime for aquaculture producers in Norway will have a marginal direct effect on the Group's business
- Well progressed towards dual listing on Euronext Growth Oslo as announced this morning; intention to uplist to the Oslo Børs in H1 calendar year 2023
- Longer term, management believe the Group is uniquely positioned in an industry that is structurally growing driven by megatrends

Trond Williksen, CEO, commented:

"In FY2022 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, as well as the underlying strength of our markets.

"Our strategic and commercial focus have contributed to strong results. Going into the new financial year, there is good momentum in line with our expectations and positive dynamics in our industry creating significant opportunities to deliver value for all our stakeholders."

Details of analyst / investor call today

There will be a call at **9.00am UK time** today for analysts and investors. To attend the call, please register via Investor Meet Company: https://www.investormeetcompany.com/benchmark-holdings-plc-analyst-meeting-q4-results/register-investor.

You can address registration questions to MHP Communications on +44 (0)20 3128 8004, or by email on benchmark@mhpc.com.

Enquiries

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About Benchmark

Benchmark's mission is to enable aquaculture producers to improve their sustainability and profitability. We bring together biology and technology, to develop innovative products which improve yield, quality and animal health and welfare for our customers. We do this by improving the genetic make-up, health and nutrition of their stock - from broodstock and hatchery through to nursery and grow out. Benchmark has a broad portfolio of products and solutions, including salmon eggs, live feed (Artemia), diets and probiotics and sea lice treatments. Find out more at www.benchmarkplc.com

Chairman's Statement

A year of delivery

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 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.

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

Chief Executive Officer's Review

Sustained growth and strategic delivery

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 customer's 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

Financial Review

Strong and positive performance in the year

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.

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**
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%)	–

** Constant exchange rate (CER) figures derived by retranslating current year figures using previous year's foreign exchange rates

Adjusted Measures (£m unless otherwise stated)	2022	2021	% AER	% CER**
Gross profit	83.1	65.6	27%	22%
Gross profit %	52%	52%	–	—
Adjusted EBITDA[1]	31.2	19.4	60%	54%
Adjusted EBITDA[1] margin %	20%	16%	–	–
Adjusted Operating Profit[2]	9.1	10.8	(15%)	(23%)
Net debt[3]	(73.7)	(80.9)	9%	–

** Constant exchange rate (CER) figures derived by retranslating current year figures using previous year's foreign exchange rates
(1) Adjusted EBITDA is EBITDA (earnings before interest, tax, depreciation and amortisation and impairment), before exceptional items including acquisition related expenditure.
(2) Adjusted Operating Profit is operating loss before exceptional items including acquisition related items and amortisation of intangible assets excluding development costs
(3) Net debt is cash and cash equivalents less loans and borrowings

Business area performance

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.

Adjusted measures

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 obligations, 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 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, the 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

	Analysis	
£m	**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 investing 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.

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. 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. 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.

Consolidated Income Statement

for the year ended 30 September 2022

	Notes	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)
Share of loss of equity-accounted investees, net of tax		**(595)**	(905)
Adjusted EBITDA[2]		**31,181**	19,449
Exceptional – restructuring/acquisition-related items	4	**16**	(184)
EBITDA[1]		**31,197**	19,265
Depreciation and impairment		**(19,897)**	(8,359)
Amortisation and impairment		**(19,161)**	(16,283)
Operating loss		**(7,861)**	(5,377)
Finance cost	3	**(20,057)**	(7,987)
Finance income	3	**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
		(30,451)	(11,576)
Earnings per share			
Basic loss per share (pence)	5	**(4.60)**	(1.93)
Diluted loss per share (pence)	5	**(4.60)**	(1.93)

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

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)

Consolidated Balance Sheet

as at 30 September 2022

	Notes	2022 £000	2021 £000
Assets			
Property, plant and equipment	6	**81,900**	78,780
Right-of-use assets	7	**27,034**	25,531
Intangible assets	8	**245,264**	229,040
Equity-accounted investees		**3,113**	3,354
Other investments		**15**	15
Biological and agricultural assets	10	**20,878**	21,244
Non-current assets		**378,204**	357,964
Inventories		**29,813**	20,947
Biological and agricultural assets	10	**25,780**	17,121
Trade and other receivables	11	**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			
Trade and other payables	12	**(44,324)**	(46,668)
Loans and borrowings	13	**(17,091)**	(10,654)
Corporation tax liability		**(10,211)**	(5,634)
Provisions		**(1,631)**	(563)
Current liabilities		**(73,257)**	(63,519)
Loans and borrowings	13	**(93,045)**	(109,737)
Other payables	12	**(8,996)**	(911)
Deferred tax		**(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		**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

The financial statements 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

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**

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		**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	3	**(319)**	(1,442)
Finance costs	3	**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		
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 from 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	**36,399**	39,460

The accompanying notes form part of the financial statements

1. Basis of preparation

These audited results have been prepared on the basis of the accounting policies which are to be set out in Benchmark Holdings Plc's annual report and financial statements for the year ended 30 September 2022. Those policies have been consistently applied to all the years presented unless otherwise stated.

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"). While the financial information included in this preliminary statement has been prepared on the basis of the requirements of IFRSs in issue, this statement does not itself contain sufficient information to comply with IFRS.

The financial information set out above does not constitute the company's statutory accounts for the years ended 30 September 2022 or 2021 but is derived from those accounts. Statutory accounts for 2021 have been delivered to the registrar of companies, and those for 2022 will be delivered in due course. The auditor has reported on those accounts. The auditor's report for 2022 was (i) unqualified and (ii) did not contain a statement under section 498(2) or (3) of the Companies Act 2006. Their report for the accounts of 2021 was (i) unqualified, (ii) contained a material uncertainty in respect of going concern to which the auditor drew attention by way of emphasis without modifying their report and (iii) did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

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. 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. 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 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.

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.

2. 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)
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)

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

3. 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)

4. 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.

5. 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.

6. 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)
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

7. 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	**2021 £000**	2020 £000
Leasehold property	**1,383**	1,450
Plant and machinery	**9,176**	1,718
Office equipment and fixtures	**72**	74
	10,631	3,242

Additional information	**2021 £000**	2020 £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.

8. 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**	**2027**	**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

The table below provides further detail of intangibles and their remaining amortisation period.

Description	**Category**	**Net book value 2022**	Net book value 2021	**Remaining life 2022**
Acquisition 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	**Not yet ready for use**
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 intangible assets		**3,740**	3,821	
Total net book value at 30 September		**245,264**	229,040	

9. 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 (Previously Stofnfiskur 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 (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).

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, 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.

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.

10. 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

	2021 £000	2020 £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	**4,532**	2,104
Foreign exchange movement before fair value adjustment	**1,704**	311
Change in fair value through income statement	**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.

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

	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

11. 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).

*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)
Receivables 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.

12. 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

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.

13. 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	**14,765**	14,945
	93,045	109,737
Current		
Bank borrowings	**5,569**	1,612
Lease liabilities	**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.

Benchmark Genetics Salten AS (formerly SalmoBreed 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