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If you have sold or transferred all of your Ordinary Shares in Benchmark Holdings plc (the “Company”), please forward this document together with the accompanying Form of Proxy to the purchaser or transferee or to the stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted in or into the United States of America, Canada, Australia, Japan or the Republic of Ireland or any other territory outside the United Kingdom.

This document, which comprises an AIM admission document drawn up in accordance with the AIM Rules, has been issued in connection with the proposed Acquisition, the Placing and Admission. This document does not contain an offer or constitute any part of an offer to the public within the meaning of sections 85 and 102B of FSMA, the Companies Act 2006 or otherwise. This document is not an approved prospectus for the purposes of section 85 of FSMA and a copy of it has not been, and will not be, delivered to or approved by the FCA in accordance with the Prospectus Rules or delivered to or approved by any other authority which could be a competent authority for the purposes of the Prospectus Directive. In particular, it should be remembered that the price of securities and the income from them can go down as well as up. The AIM Rules are less demanding than those of the Official List. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document. It is emphasised that no application is being made for the Ordinary Shares to be admitted to the Official List or to any other recognised investment exchange

BENCHMARK HOLDINGS PLC

(Incorporated and registered in England with registered number 4115910)

Proposed acquisition of INVE Aquaculture Holding B.V
Proposed placing of 215,922,141 Ordinary Shares at 86p per ordinary share
Issue of 32,396,158 Consideration Shares and
Issue of 6,239,513 Roll-Over Shares at 86p per ordinary share
Readmission of the Enlarged Share Capital to trading on AIM
and
Notice of General Meeting

Nominated Adviser and Broker and
Joint Bookrunner



Joint Bookrunner



Rabobank

Expected share capital of the Company immediately following Admission and the issue of the Consideration Shares and the Roll-Over Shares

	Issued and fully paid	
	Number	Nominal Value
Ordinary Shares of 0.1p each	474,174,896	£474,174.90

Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 14 to 34 (inclusive) of this document and which recommends you to vote in favour of the Resolutions to be proposed at the General Meeting. For a discussion of risks and other matters that should be considered in connection with the Transaction and an investment in the Company, prospective investors should read the section entitled “Risk Factors” set out in Part II of this document.

Notice of the General Meeting to be held at Travers Smith LLP, 10 Snow Hill, London EC1A 2AL at 11 a.m. on 29 December 2015, is set out at the end of this document. The accompanying Form of Proxy for use in connection with the General Meeting should be completed by Shareholders and returned as soon as possible but, in any event, so as to be received by the Registrars no later than 11 a.m. on 23 December 2015 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting). The completion and return of a Form of Proxy will not preclude Shareholders from attending and voting at the General Meeting should they so wish.

The Existing Ordinary Shares are currently admitted to trading on AIM. As the Acquisition is classified as a reverse takeover under the AIM Rules, upon Completion occurring the admission of the Existing Ordinary Shares will be cancelled and application will be made for the immediate re-admission of the Enlarged Share Capital to trading on AIM. Completion is subject to certain conditions being satisfied (or, if permitted, waived), including the Placing Agreement becoming unconditional (save for Admission) and not having been terminated in accordance with its terms, and there is no guarantee that these (or other) conditions will be satisfied (or waived). The Placing is conditional, *inter alia*, on Admission taking place by 8.00 a.m. on 13 January 2016 (or such later date as the Company, Rabobank and Cenkos may agree). The Placing Shares will rank *pari passu* in all respects with the issued Ordinary Share capital of the Company on Admission including the right to receive all dividends or other distributions declared, paid or made after Admission.

A copy of this document will be available, free of charge, during normal business hours on any weekday (except Saturdays, Sundays and public holidays), at the registered office of the Company for a period of one month from the date of Admission.

Cenkos is authorised and regulated in the United Kingdom by the FCA and is advising the Company and no one else in connection with the Placing and Admission (whether or not a recipient of this document), and is acting exclusively for the Company as nominated adviser and broker for the purpose of the AIM Rules. Cenkos will not be responsible to any person other than the Company for providing the protections afforded to its customers, nor for providing advice in relation to the Placing and Admission or the contents of this document. In particular, the information contained in this document has been prepared solely for the purposes of the Placing and Admission and is not intended to inform or be relied upon by any subsequent purchasers of Ordinary Shares (whether on or off exchange) and accordingly no duty of care is accepted in relation to them. Without limiting the statutory rights of any person to whom this document is issued, no representation or warranty, express or implied, is made by Cenkos as to the contents of this document. No liability whatsoever is accepted by Cenkos for the accuracy of any information or opinions contained in this document, for which the Directors and the Company are solely responsible, or for the omission of any information from this document for which it is not responsible.

Rabobank is authorised and regulated in the Netherlands by the Dutch Central Bank and the Netherlands Authority for the Financial Markets and is advising the Company and no one else in connection with the Placing (whether or not a recipient of this document), and is acting for the Company as joint bookrunner. Without limiting the statutory rights of any person to whom this document is issued, no representation or warranty, express or implied, is made by Rabobank as to the contents of this document. No liability whatsoever is accepted by Rabobank for the accuracy of any information or opinions contained in this document, for which the Directors and the Company are solely responsible, or for the omission of any information from this document for which it is not responsible.

FORWARD-LOOKING STATEMENTS

Certain statements contained herein are forward-looking statements and are based on current expectations, estimates and projections about the potential returns of the Company, INVE and the Enlarged Group and the industry and markets in which the Enlarged Group will operate, the Directors' beliefs, and assumptions made by the Directors. Words such as "expects", "should", "intends", "plans", "believes", "estimates", "projects", "may", "targets", "would", "could" and variations of such words and similar expressions are intended to identify such forward-looking statements and expectations. These statements are not guarantees of future performance or the ability to identify and consummate investments and involve certain risks, uncertainties, outcomes of negotiations and due diligence and assumptions that are difficult to predict, qualify or quantify. Therefore, actual outcomes and results may differ materially from what is expressed in such forward-looking statements or expectations. Among the factors that could cause actual results to differ materially are: the general economic climate, competition, foreign exchange fluctuations, changes of strategic direction, minority shareholder action, failure of internal controls, availability of purchasers in due course, price and margin pressure, technology developments, systems or network failures, changes in customer requirements, failure of suppliers to deliver against contract, availability of suitable acquisition targets, interest rate levels, loss of key personnel, the result of legal and commercial due diligence, the availability of equity financing and/or debt financing on acceptable terms and changes in the legal or regulatory environment. These forward-looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based, unless required to do so by applicable law or the AIM Rules.

Market and financial information

The data, statistics and information and other statements in this document regarding the markets in which the Enlarged Group is expected to operate are based on the Company's and INVE's records or are taken or derived from statistical data and information derived from the other sources described in this document.

In relation to these sources, such information has been accurately reproduced from the published information and, so far as the Directors are aware and are able to ascertain from the information provided by the suppliers of these sources, no facts have been omitted which would render such information inaccurate or misleading.

Various figures and percentages in tables in this document have been rounded and accordingly may not total. Certain financial data has also been rounded. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data.

All times referred to in this document are, unless otherwise stated, references to time in London, England.

No profit forecast

No statement in this document is intended as a profit forecast.

Exchange rates

Where amounts in US Dollars have been translated into pounds Sterling they have been done so at an exchange rate of 1.51, save for where otherwise indicated.

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PLACING STATISTICS

Placing Price per Placing Share	86p
Market capitalisation on Admission and following the issue of the Roll-Over Shares and the Consideration Shares (approximately) ¹	£407.6 million
Number of Placing Shares being issued pursuant to the Placing	215,922,141
Number of Roll-Over Shares being issued	6,239,513
Number of Consideration Shares being issued	32,396,158
Dilution to Shareholders ² as a result of the Placing	49.61 per cent.
Number of Existing Ordinary Shares in issue as at the date of this document	219,349,525
Number of Ordinary Shares in issue on Admission	435,271,666
Number of Ordinary Shares in issue following the issue of the Roll-Over Shares and the Consideration Shares	473,907,337
Percentage of the Enlarged Share Capital being placed pursuant to the Placing	45.56 per cent.
Percentage of the Enlarged Share Capital represented by the Roll-Over Shares	1.3 per cent.
Percentage of the Enlarged Share Capital represented by the Consideration Shares	6.8 per cent.
Estimated gross proceeds of the Placing of the Placing Shares	£185.7 million
Estimated net proceeds of the Placing of the Placing Shares receivable by the Company	£173.1 million
AIM ‘ticker’	BMK
ISIN number	GB00BGHPT808

£:\$ exchange rate used for the purposes of this document (save as expressly provided) is 1:1.51

¹ Market capitalisation calculated on the basis of the Placing Price

² Assuming no participation in the Placing

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	<i>Date</i>
Publication of this document	11 December 2015
Latest time and date for receipt of forms of proxy	11 a.m. on 23 December 2015
General Meeting	29 December 2015
Admission and commencement of dealings in the Placing Shares	8.00 a.m. on 30 December 2015
Crediting of the Placing Shares to CREST accounts	8.00 a.m. on 30 December 2015
Completion of the Acquisition Agreement	30 December 2015
Issue of the Roll-Over Shares and the Consideration Shares	30 December 2015
Admission and commencement of dealings in the Roll-Over Shares and the Consideration Shares	8.00 a.m. on 31 December 2015
Crediting of the Roll-Over Shares and the Consideration Shares to CREST accounts	8.00 a.m. on 31 December 2015
Completion of the transfer of the shares in INVE	31 December 2015
Despatch of definitive share certificates	14 January 2016

References to time are to London time unless otherwise stated. Each of the times and dates in the above timetable is subject to change without further notice. Any such change will be notified by an announcement on a Regulatory Information Service.

DEFINITIONS

In this document, where the context permits, the expressions set out below shall bear the following meaning:

“2013 Warrant Instrument”	the warrant instrument dated 12 December 2013 and executed by the Company in respect of certain Warrants, details of which are set out in paragraph 14 of Part VII of this document
“2015 Warrant Instrument”	the warrant instrument dated 30 January 2015 and executed by the Company in respect of certain Warrants, details of which are set out in paragraph 14 of Part VII of this document
“Acquisition Agreement”	the conditional agreement dated 11 December 2015 between the Company, the Vendors, and The Royal Bank of Scotland N.V. relating to the Acquisition, details of which are set out in paragraph 12 of Part VII of this document
“Acquisition”	the proposed acquisition of the entire issued share capital of INVE by Benchmark, pursuant to the terms of the Acquisition Agreement
“Act”	the Companies Act 2006, as amended from time to time
“Admission Document” or “this document”	this document, which comprises an AIM admission document prepared in accordance with the AIM rules
“Admission”	the re-admission to trading on AIM of the Existing Ordinary Shares and the Placing Shares becoming effective in accordance with Rule 6 of the AIM Rules
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange from time to time which set out the rules and responsibilities in relation to companies whose shares are admitted to trading on AIM
“AIM”	the market of that name operated by the London Stock Exchange
“Articles”	the articles of association of the Company
“Benchmark CSOP”	the Benchmark Company Share Option Plan adopted by the Company
“Benchmark JSOP”	the Benchmark Joint Share Ownership Plan adopted by the Company
“Benchmark SIP”	the Benchmark Share Incentive Plan adopted by the Company
“CAGR”	compound annual growth rate
“certificated” or “certificated form”	the description of a share or other security which is not in uncertificated form (that is not in CREST)
“CIS”	Commonwealth of Independent States
“Company” or “Benchmark”	Benchmark Holdings plc, a company incorporated in England and Wales with registration number 4115910
“Completion”	completion of the Acquisition Agreement in accordance with its terms
“Consideration Shares”	the 32,396,158 new Ordinary Shares to be issued to certain of the Vendors pursuant to the Acquisition Agreement
“COOP”	the Great Salt Lake Brine Shrimp Cooperative Inc.
“COR”	Certificate of Registration
“CREST”	the system for the paperless settlement of share transfers and the holding of uncertificated shares operated by Euroclear UK & Ireland Limited (formerly CRESTCo)
“CREST Regulations”	the Uncertificated Securities Regulations 2001
“Directors” or “Board”	the directors of the Company whose names are set out on page 10 of this document, or any duly authorised committee thereof, and “Director” means any one of them

“EBT”	the Benchmark Employee Benefit Trust
“EMI Scheme”	the employees’ share scheme pursuant to which the Company entered into a series of option contracts with employees of the Company dated between August 2010 and August 2013
“Enlarged Group”	the Group and its subsidiaries (including the INVE Group), following Completion
“Enlarged Share Capital”	the issued Ordinary Shares following the Placing, the issue of the Consideration Shares and the issue of the Roll-Over Shares comprising the Existing Ordinary Shares, the Placing Shares, the Consideration Shares and the Roll-Over Shares
“Equity Strategies”	Equity Strategies Limited, a private limited company registered in England and Wales with registered number 8112571
“Existing Ordinary Shares”	the 219,349,525 Ordinary Shares in issue at the date of this document
“FCA”	the Financial Conduct Authority
“Form of Proxy”	the form of proxy accompanying this document for use in connection with the General Meeting
“FSMA”	the Financial Services and Markets Act 2000, as amended, modified or supplemented from time to time
“General Meeting”	the general meeting of the Company to be held at Travers Smith LLP, 10 Snow Hill, London EC1A 2AL at 11 a.m. on 29 December 2015 and any adjournment thereof to be held for the purpose of considering and, if thought fit, approving the Resolutions
“Group”	the Company and its subsidiary undertakings
“INVE”	INVE Aquaculture Holding B.V, a company incorporated under the laws of the Netherlands
“INVE Group”	INVE and its subsidiaries
“INVE Plan”	the existing INVE Management Equity Incentive Plan relating to the interests of certain members of INVE Management in INVE
“HMRC”	Her Majesty’s Revenue and Customs
“IFRS”	International Financial Reporting Standards, as adopted for use in the European Union
“IP”	Intellectual property
“Initial Admission”	the admission of the then entire issued share capital of the Company to trading on AIM which became effective on 18 December 2013
“JSOP Award”	an interest in Ordinary Shares granted under the Benchmark JSOP
“Listing Rules”	the Listing Rules of the FCA
“London Stock Exchange”	London Stock Exchange plc
“Model Code”	the Model Code set out in the Listing Rules issued by the FCA in its capacity as competent authority under Part VI of the Financial Services and Markets Act 2000
“MT”	metric ton
“New Debt Facilities”	senior revolving facilities of \$70 million (approximately £46 million) to be used to part-fund the Acquisition, details of which are set out in paragraph 14.15 of Part VII of this document;
“Nominated Adviser”, “Nomad” or “Cenkos”	Cenkos Securities plc, a company incorporated in England and Wales with company registration number 5210733 and with its registered office at 6.7.8 Tokenhouse Yard, London EC2R 7AS
“Official List”	the Official List of the UKLA

“Ordinary Shares” or “Shares”	ordinary shares of 0.1 pence each in the capital of the Company and including, as the context may require, the Existing Ordinary Shares and/or the Placing Shares
“Placees”	subscribers for the Placing Shares, as procured by Cenkos and/or Rabobank on behalf of the Company pursuant to the Placing Agreement
“Placing”	the conditional issue and allotment at the Placing Price of the Placing Shares to the Placees as further described in Part I of this document
“Placing Agreement”	the conditional agreement dated 11 December 2015 between Cenkos, the executive Directors, Rabobank and the Company relating to the Placing, further details of which are set out in paragraph 11 of Part VII of this document
“Placing Price”	86 pence per Placing Share
“Placing Shares”	the 215,922,141 new Ordinary Shares to be issued to Placees pursuant to the Placing
“Rabobank”	Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.
“Registrar”	Equiniti Limited or any other share registrar appointed by the Company from time to time
“Resolutions”	the ordinary and special resolutions to, among other things, approve the Acquisition, authorise the Board to allot the Placing Shares, the Consideration Shares and the Roll-Over Shares and disapply pre-emption rights in relation to the allotment of the Placing Shares, the Consideration Shares and the Roll-Over Shares, copies of which are set out in the notice of General Meeting in Part VIII of this document
“ROCE”	Return on capital employed
“Roll-Over Shares”	the new Ordinary Shares in the Company for which certain managers of the INVE Group subscribe (whether directly or indirectly) out of the proceeds of the Acquisition
“R&D”	research and development
“SDRT”	stamp duty reserve tax
“Share Schemes”	the Benchmark CSOP, the Benchmark JSOP, the Benchmark SIP and the EMI Scheme
“Shareholders”	holders of Ordinary Shares from time to time
“subsidiary”	as defined in sections 1158 and Schedule 6 of the Companies Act
“Takeover Code”	the City Code on Takeovers and Mergers
“Takeover Panel”	the Panel on Takeovers and Mergers
“Transaction”	the Acquisition, the Placing, the subscription for the Roll-Over Shares and Admission
“UKLA”	the United Kingdom Listing Authority, being the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
“United Kingdom” or “UK”	United Kingdom of Great Britain and Northern Ireland
“USA”	United States of America
“Vendors”	the vendors of INVE, as defined in the Acquisition Agreement
“Warrant Instruments”	the 2013 Warrant Instrument and the 2015 Warrant Instrument
“Warrants”	the warrants over Ordinary Shares granted pursuant to the Warrant Instruments

DIRECTORS, SECRETARY AND ADVISERS

Directors	Malcolm David Foster Pye (Chief Executive Officer) Roland James Bonney (Chief Operating Officer) Mark James Plampin (Chief Financial Officer) Alexander Robert Hambro (Non-Executive Chairman) Susan Jane Searle (Non-Executive Director) Richard Basil Brookes (Non-Executive Director)
Company Secretary	Athene Blakeman
Registered Office of the Company	Benchmark House 8 Smithy Wood Drive Sheffield S35 1QN
Nominated Adviser, Broker and Joint Bookrunner	Cenkos Securities plc 6.7.8 Tokenhouse Yard London EC2R 7AS
Financial Adviser to the Company	Equity Strategies Third Floor, New Liverpool House 15 Eldon Street London EC2M 7LD
Reporting Accountants to the Company	BDO LLP Regent House Clinton Avenue Nottingham NG5 1AZ
Financial Adviser and Joint Bookrunner	Rabobank Postbus 17100 UCR-2101 Croeselaan 18 3521 CB Utrecht Netherlands
Solicitors to the Company	Travers Smith LLP 10 Snow Hill London EC1A 2AL
Solicitors to the Nominated Adviser and Joint Bookrunners	Addleshaw Goddard LLP Milton Gate 60 Chiswell St London EC1Y 4AG

EXECUTIVE SUMMARY

The following information is derived from, and should be read in conjunction with, the whole of this document including in particular the section headed Risk Factors relating to the Company in Part II of this document. Shareholders should read the whole of this document and not rely on this Executive Summary Section.

Introduction

Benchmark has today announced that it has entered into an agreement to acquire the entire issued share capital of INVE for a total consideration of \$342 million (approximately £227 million), of which \$300 million (approximately £199 million) will be payable in cash and \$42 million (approximately £27.9 million) will be satisfied through the issue of Consideration Shares to Inve B.V.. The cash consideration is being financed by the Placing to raise approximately £173.1 million, net of cash expenses, together with debt funding of \$55 million (approximately £36.5 million) to be drawn under New Debt Facilities.

INVE is a leading specialist manufacturer of primary stage technically advanced aquaculture and nutrition health products for shrimp and marine species of fin fish.

In view of the size of the Acquisition relative to the Company, the Acquisition is classified as a reverse takeover under the AIM Rules and is therefore conditional, *inter alia*, upon the publication of this document, the approval of Shareholders and the admission of the Enlarged Share Capital to trading on AIM. Such approval is being sought at the General Meeting to be held at 11 a.m. on 29 December 2015. If the Resolutions are approved by Shareholders, it is expected that Admission will occur at 8.00 a.m. on 30 December 2015 and that the Acquisition will complete on 30 December 2015 and that the Consideration Shares and the Roll-Over Shares will be admitted to trading on AIM on 31 December 2015.

Information on Benchmark

Benchmark is a pioneering innovation company operating, and consolidating opportunities in, the key growth areas of global food production. Benchmark seeks to address key challenges facing multi-national food producers, improving animal health, nutrition and production efficiency whilst conserving resources. Its activities include the development, manufacture and commercialisation of animal health vaccines, medicines, biocides and diagnostics with a focus on aquaculture. In addition, the Company specialises in breeding and genetics, disease management and sustainability to drive efficient production. Alongside these core activities, the Group provides consulting services and scientific and technical information to industry participants across the food chain.

In the financial year ended 30 September 2014, the Group generated total revenue of £35.4 million and adjusted EBITDA (from trading activities) of £6.6 million. In the six months ended 31 March 2015, the Group generated total revenue of £19.8 million and adjusted EBITDA (from trading activities) of £1.2 million. As at 31 March 2015, Benchmark had net assets of £102 million. The Benchmark financial statements for the three years ended 30 September 2014 are incorporated by reference in Part III of this document.

Benchmark was admitted to trading on AIM in December 2013, raising £27.5 million on Initial Admission, through a placing of Ordinary Shares. Since Initial Admission, the Group has progressed and expanded its pipeline of products, undertaken acquisitions, entered into new partnerships and has raised an additional £70 million of equity to fund two major acquisitions to launch, most recently, the Group's Breeding and Genetics division.

Acquisitions, combined with organic growth, have formed an important part of Benchmark's growth strategy to attain a leading position in the global aquaculture market. Over the past few years, Benchmark has executed several significant acquisitions in the animal health and breeding sectors, strengthening its position in aquaculture across a number of the major farmed species. The transactions include the purchases of the Novartis Animal Vaccines business (UK), the Zoetis Aquaculture Vaccines business (Canada) and Atlantic Veterinary Services and Vet-Aqua International (Ireland) to develop Benchmark's Animal Health division, the recent purchases of SalmoBreed (Norway), Stofnfiskur (Iceland), Akvaforsk Genetics (Norway) and Spring Genetics (USA) to form Benchmark's Breeding and Genetics division, and the acquisition of Improve International (UK and Europe) to expand Benchmark's Technical Publishing division into technical training. A focus of Benchmark's growth strategy is to become an integrated provider of value added services, technology and products to the aquaculture industry. Through harnessing R&D and synergies, Benchmark seeks

to provide a differentiated offering to become the world's leading aquaculture technology specialist and a leader in each of its key markets.

Information on INVE

The INVE Group is a leading specialist manufacturer of primary stage technically advanced aquaculture and nutrition health products for shrimp and marine species of fin fish.

In the financial year ended 31 December 2014, the INVE Group generated total revenue of \$89.0 million (£54.0 million) and EBITDA of \$25.4 million (£15.4 million). In the seven months to 31 July 2015, INVE generated total revenue of \$60.6 million (£39.6 million) and EBITDA of \$15.2 million (£10.0 million)¹.

The INVE Group manufactures and sells products in three main categories: artemia, diets (including artemia replacement diets) and health. INVE enjoys a leading market position with more than a 20 per cent. share in the global shrimp and fin fish hatchery/nursery larval diets segments respectively, and sells to customers in more than 70 countries. INVE's global presence is supported by manufacturing bases in Thailand, the USA and China and an extensive network of sales offices. Through its membership of the United States based COOP, INVE has strategic access to high quality artemia and also has long standing relationships with artemia suppliers in the CIS and China.

Rationale for the Acquisition and strategy of the Enlarged Group

The Directors consider the Acquisition to be a key pillar in its future aquaculture franchise which will give the Enlarged Group immediate leadership in an attractive and complementary market segment. Benchmark has been engaged in evaluating the opportunity to combine its business with INVE for more than four years and initiated meetings with the principal shareholders and management two years ago. The Directors believe that there is a strong strategic rationale for the Acquisition for the following reasons. The Acquisition:

- materially strengthens Benchmark's position in aquaculture, a large and growing market – aquaculture is the fastest growing sector of the livestock industry, driven by fundamental societal needs and growing at a CAGR of 5 per cent. Increased fish consumption, combined with stagnating volumes of captured fish is leading to increased growth and professionalisation of the aquaculture industry. It is estimated that aquaculture will represent 50 per cent. of fish consumption by 2030 (Source: World Bank: Fish 2030). Aquaculture producers are increasingly incentivised to improve yield and product quality. Benchmark's animal health and breeding and genetics divisions can deliver demonstrable value in this field. The Directors believe that expanding Benchmark's offering into advanced nutrition products will allow Benchmark to offer more value to the industry. The aquaculture feed ingredients market in which INVE participates is expected to grow at 4.6 per cent. per annum in volume for the next five years (Source: FAO, Global Aquaculture outlook in the next decades);
- provides Benchmark with immediate leadership in the speciality larval feed market, an attractive niche within aquaculture – the Acquisition would provide Benchmark with immediate scale and a market-leading position in the early stage, speciality feeds sector. The Directors believe this is an attractive sector driven by a number of factors, including the increased professionalisation of the aquaculture industry, which is creating demand for technically advanced dietary and health products;
- complements and diversifies Benchmark's offering into new products and species while maintaining its focus on speciality products – INVE's products are positioned in the specialist segment of aquaculture feed ingredients and are highly complementary to Benchmark's product pipeline. The combined businesses will enable the Enlarged Group to offer its customers a broader range of products and services. Benchmark is well recognised in aquaculture genetics and health, whereas INVE has a strong position in early stage feed propositions for multiple aquatic species;
- enhances Benchmark's geographic footprint and distribution network – INVE's extensive international presence and established distribution network in 70 countries across the world significantly strengthen Benchmark's footprint and create significant commercial opportunities; and

¹ Exchange rates used reflect the rate at the relevant accounting reference date.

- creates significant opportunities for synergies across the Enlarged Group – The Directors believe that there is significant potential for synergies in the Enlarged Group including from:
 - leveraging INVE’s substantial sales and marketing network;
 - applying INVE’s expertise in aquaculture nutrition to a number of Benchmark’s proprietary aquaculture health and genetics programmes;
 - cross-fertilisation potential in combined global biology and biotechnology R&D activities; and
 - the use of existing Benchmark technology and market positions to drive new products for INVE.

The Directors believe that the Acquisition is capable of delivering significant revenue synergies and expect that revenue synergies will contribute to the Enlarged Group’s profits from the first full financial year post completion of the Acquisition.

Recommendation and undertakings

The Directors recommend that shareholders vote in favour of the Resolutions, as they have irrevocably undertaken to do in respect of their own aggregate holdings of 30,877,148 Ordinary Shares, representing 14.1 per cent. of the Existing Ordinary Shares.

In addition, irrevocable undertakings to vote in favour of the Resolutions required to effect the Acquisition and the Placing, at the General Meeting have been secured from Shareholders holding in aggregate 156,474,737 Ordinary Shares, representing 71.3 per cent. of the Existing Ordinary Shares.

Action to be taken

A Form of Proxy is enclosed for use at the General Meeting. Whether or not you intend to be present at the meeting you are requested to complete, sign and return the Form of Proxy to the Company’s registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing Business Park, Lancing, West Sussex BN99 6DA as soon as possible but in any event so as to arrive not later than 11 a.m. on 23 December 2015. The completion and return of a Form of Proxy will not preclude you from attending the meeting, speaking at the General Meeting and/or voting in person should you subsequently wish to do so.

Risk factors

Your attention is drawn to the risk factors set out in Part II of this document. In addition to all other information set out in this document, potential investors should carefully consider the risks described in that section before making a decision to invest in the Company.

PART I

LETTER FROM THE CHAIRMAN OF BENCHMARK HOLDINGS PLC

(Incorporated and registered in England and Wales with registered number 4115910)

Directors:

Malcolm Pye (Chief Executive Officer)
Roland Bonney (Chief Operating Officer)
Mark Plampin (Chief Financial Officer)
Alexander Hambro (Non-Executive Chairman)
Basil Brookes (Non-Executive Director)
Susan Searle (Non-Executive Director)

Registered Office:
Benchmark House
8 Smithy Wood Drive
Sheffield
S35 1QN

To Shareholders and, for information only, to the holders of options over Ordinary Shares and of Warrants

11 December 2015

Dear Shareholder

Proposed acquisition of INVE Aquaculture Holding B.V
Proposed placing of 215,922,141 Ordinary Shares at 86p per share
Issue of 32,396,158 Consideration Shares
and issue of 6,239,513 Roll-Over Shares at 86p per share
Re-admission of the Enlarged Share Capital to trading on AIM

and

Notice of General Meeting

1. INTRODUCTION

The Company has today announced that it has entered into an agreement, subject, *inter alia*, to Shareholder approval at the General Meeting and Admission taking place by no later than the date falling 30 Business Days after the date of the Acquisition Agreement, to acquire the INVE Group by way of an acquisition of the entire issued share capital of INVE Aquaculture Holding B.V. The total consideration payable by the Company in respect of the Acquisition is \$342 million (approximately £227 million), of which \$300 million (approximately £199 million) is payable in cash at Completion and \$42 million (approximately £27.9 million) of which will be satisfied through the issue of 32,396,158 Consideration Shares to Inve B.V.. In order to fund the consideration the Company has also today announced it is raising £173.1 million, net of cash expenses by way of the conditional Placing of 215,922,141 Placing Shares with new and existing investors at 86 pence per Ordinary Share in order to finance part of the consideration due under the Acquisition Agreement. In addition, the Company has also entered into the New Debt Facilities to finance the remainder of the consideration due under the Acquisition Agreement. The New Debt Facilities will also be used to fund the ongoing working capital requirements of the Enlarged Group. Certain members of INVE management have agreed to subscribe for the Roll-Over Shares for an aggregate subscription price of \$8.1 million (£5.4 million).

The Directors believe that there is a strong strategic rationale for the Acquisition. INVE's business complements Benchmark's existing expertise and operations within aquaculture and the Enlarged Group would become a leading global provider of technology for sustainable food production, with a strong focus on the aquaculture sector, benefiting from immediate scale in advanced aquaculture nutrition and health products, an enhanced sales, marketing and distribution network and the opportunity for cross selling and new product development. In addition, the Acquisition provides Benchmark with aquaculture nutrition expertise that complements its existing business.

The Directors believe that the Acquisition is capable of delivering significant revenue synergies. The Directors expect that revenue synergies will contribute to the Enlarged Group's profits from the first full financial year post completion of the Acquisition.

In view of the size of the Acquisition relative to the Company, the Acquisition is classified as a reverse takeover under the AIM Rules and is therefore conditional, *inter alia*, upon the publication of this document, the approval of Shareholders and the admission of the Enlarged Share Capital to trading on AIM. Such approval is being sought at the General Meeting to be held at Travers Smith LLP, 10 Snow Hill, London EC1A 2AL at 11 a.m. on 29 December 2015. If the Resolutions are approved by Shareholders, it is expected that Admission will commence at 8.00 a.m. on 30 December 2015 and that the Acquisition will complete on 30 December 2015.

The purpose of this document is to explain the background to and reasons for the Transaction, why the Directors believe that the Acquisition and the Placing are in the best interests of the Company and its Shareholders as a whole and to recommend that you vote in favour of the Resolutions. This document also provides information on the Benchmark Group and the future strategy of the Enlarged Group. The notice of General Meeting is set out in Part VIII of this document.

2. INFORMATION ON BENCHMARK

Benchmark is a pioneering innovation company operating, and consolidating opportunities, in the key growth areas of global food production. It has four established divisions in international animal health, sustainability, breeding and genetics and technical publishing. Through these four divisions, Benchmark seeks to address key challenges facing multi-national food producers, improving animal health, nutrition and production efficiency whilst conserving resources. Its activities include the development, manufacture and commercialisation of animal health vaccines, medicines, biocides and diagnostics with a focus on aquaculture. In addition, the Group specialises in breeding and genetics to drive efficient production, disease management and sustainability within salmon production. Alongside these core activities, the Group provides consulting services and scientific and technical information to industry participants across the food chain. Benchmark operates in segments with high margin, strong intellectual property and attractive returns on capital.

In the financial year ended 30 September 2014, the Group generated total revenue of £35.4 million and adjusted EBITDA (from trading activities) of £6.6 million. In the six months ended 31 March 2015, the Group generated total revenue of £19.8 million and adjusted EBITDA (from trading activities) of £1.2 million.

Benchmark was admitted to trading on AIM in December 2013, raising £27.5 million on Initial Admission, through a placing of Ordinary Shares. Since Initial Admission, the Group has progressed and expanded its pipeline of products, undertaken acquisitions, entered into new partnerships and has raised an additional £70 million of equity to fund two major acquisitions to launch, most recently, the Group's Breeding and Genetics division.

Acquisitions, combined with organic growth, have formed an important part of Benchmark's growth strategy to attain a leading position in the global aquaculture market. Over the past few years, Benchmark has executed several significant acquisitions in the animal health and breeding sectors strengthening its position in aquaculture across a number of the major farmed species. The transactions include the purchases of the Novartis Animal Vaccines business (UK), the Zoetis Aquaculture Vaccines business (Canada) and Atlantic Veterinary Services and Vet-Aqua International (Ireland) to develop Benchmark's Animal Health division, and the recent purchases of SalmoBreed (Norway), Stofnfiskur (Iceland), Akvaforsk Genetics (Norway) and Spring Genetics (USA) to form Benchmark's Breeding and Genetics division and the acquisition of Improve International (UK and Europe) to expand Benchmark's Technical Publishing Division.

Benchmark was established in 2000 to develop sustainable solutions in the food, agriculture and aquaculture sectors. Benchmark is an ethical company with an explicit policy based on the "3E's" definition of sustainability – ethics, environment and economics – which guides its strategy and operations.

Benchmark combines expert knowledge and practical experience with science and technical innovation to deliver products and solutions to help build a sustainable food chain. Benchmark benefits from having its own research and development functions and from the partnership approach it takes with clients and other players in the sector to develop and deliver new products and services that aim to address the challenges and opportunities faced by the industries it serves.

The Group has four divisions: Animal Health; Technical Publishing; Sustainability Science and Breeding and Genetics which the Directors believe:

- are complementary, creating powerful synergies and the ability to identify and deliver growth opportunities; and
- position Benchmark to become a world leader in aquaculture health, sustainable agri-food business development and the communication of technical knowledge to the agricultural and aquaculture sectors.

The Acquisition would establish a new division in the Enlarged Group, 'Advanced Animal Nutrition', which would become the largest division and, the Directors believe, would make the Enlarged Group a key participant in the global aquaculture market with an extensive offering of aquaculture products and technologies across a variety of species.

Benchmark's four existing divisions are described below:

Animal Health

Within Animal Health, the Group's focus is on the use of applied biotechnology and the healthcare sciences in aquaculture. The Group has become an international player in aquaculture by providing a comprehensive offering extending from veterinary health management and diagnostic services through to vaccine and medicine development, manufacture and distribution. Product areas include:

- clinical veterinary services to the international aquaculture sector;
- fish health diagnostic services, technologies and laboratory network;
- supply of vaccines, parasiticides and biocides to the aquaculture sector;
- aquatic environment assessment and analysis;
- fish vaccine research and discovery; and
- EU GMP (Good Manufacturing Practice) animal vaccine manufacture to terrestrial and aquaculture markets.

The animal medicines and vaccines sector is estimated at \$22 billion within the estimated \$92 – 102 billion animal health industry (includes diagnostics, medicated feed and veterinary services). The sector is projected to grow at a CAGR of 5.7 per cent. per year (2011-2016) (Source: Vetnosis)

Breeding and Genetics

Breeding and genetics play a primary role in the development of animal production efficiency, health, welfare and sustainability in the global livestock and aquaculture industries.

In December 2014, the Group acquired a leading salmon genetics company, Salmobreed AS, and a leading salmon breeding company, Stofnfiskur HF, forming the Group's Breeding and Genetics division. These acquisitions made Benchmark a leading player in the aquaculture breeding and genetics market, creating a world leading salmon and aquaculture breeding business and the world's second largest independent salmon egg producer.

In July 2015, the Company acquired Akvaforsk Genetics and Spring Genetics extending the Company's reach into tilapia and other emerging species and extending its team of genetic experts.

The Breeding and Genetics division forms an integral part of Benchmark's aquaculture operations. Globally, the aquaculture breeding and genetics market is estimated by the Directors to be worth, by species:

Tilapia – \$316m (Source: Inocap)

Salmon – \$110m

Shrimp – \$500m

Carps – \$300m

Catfish – \$100m

Other/emerging species – \$200m

Sustainability Science

The Sustainability Science division is an international provider of research, advice and training to a growing number of widely recognised international food brands, agri-businesses and primary producers. Product areas include:

- whole business sustainable re-engineering and leadership programmes;
- sustainable farming research and development;
- sustainable aquaculture research and development;
- supply chain consultancy assurance and data analysis systems;
- environmental planning and technical services; and
- communication, design and brand development.

Verdantix estimates the global sustainability consulting market to be \$13.8 billion. Of this, \$1.2 billion is categorised as strategic and management consulting services and \$12.6 billion relates to technical sustainability consulting.

The overall sustainability consulting market is estimated to be growing at 4 – 5 per cent. per annum, and this growth is projected to continue accelerating as the developed economies emerge from the global recession.

Technical Publishing

The Technical Publishing division has built an estimated global readership of 6 million across its publications, which cover:

- online news and technical information to the global agri-food sectors;
- technical book publishing for producers, practitioners and scientists;
- distance learning and practical learning for industry professionals from CPD (Continuing Professional Development) to MSc;
- industry data analysis and editorial coverage of the latest peer reviewed scientific papers; and
- industry conferences.

The Group's technical publishing business sits primarily within the agriculture segment of the STM (science, technical and medical) publishing market. The STM market was estimated in 2014 as a \$33.7 billion market with projected growth from 2014-2015 estimated at 4.0 per cent. The market is expected to grow by 4.3 per cent. from 2015-2016 and from 2016-2017. From 2017-18 growth is expected to reach 4.4 per cent., creating a market worth just under \$40 billion. CAGR from 2014 to 2018 is estimated at 4.2 per cent. (Source: Outsell, 2015).

Summary Financial Information on Benchmark

For the 52-week period ended 30 September 2014, Benchmark reported revenue of £35.4 million (2013: £27.5 million) and adjusted EBITDA (from trading activities) of £6.6 million (2013: £7.4 million).

In the six months ended 31 March 2015, the Group generated total revenue of £19.8 million and adjusted EBITDA (from trading activities) of £1.2 million. As at 31 March 2015, the Group had net assets of approximately £102 million (2013: £36.9 million). Benchmark financial statements for the three years ended 30 September 2014 are incorporated by reference in Part III of this document.

Key corporate activity since Initial Admission

Since undertaking a placing on Initial Admission to raise £27.5 million for investment in the Group's product pipeline, vaccine production facilities and acquisition opportunities, the Company has achieved a number of key corporate objectives. As at 30 September 2015, the Company had increased the number of products in development to more than 60. Of these, approximately half are vaccines, including the HypoCat vaccine; approximately one third are pharmaceuticals and biocides; and the remainder are toll manufactured vaccines being developed for other animal health companies. The Directors estimate that the total addressable market of its development pipeline is £646 million. The Company has launched five new products since Initial Admission, two of which are toll manufactured for third parties and three of which are in-house products. Capacity of the Group's vaccines production has been increased through the build of a new antigen suite at its Braintree site in Essex. The Group has also set up state-of-the-art diagnostics laboratories in USA, Norway, Scotland and

Thailand to enhance its aquaculture presence in Asia and is currently completing the upgrade of an integrated marine research facility in Ardtoe, West Scotland.

In December 2014, the Company raised £70 million primarily to finance the acquisitions of Stofnfiskur HF and Salmobreed AS., strengthening the Company's foothold in the global aquaculture market and making Benchmark a leading player in the aquaculture breeding and genetics industry. Following this, in July 2015, the Company completed the acquisitions of Akvaforsk Genetics and Spring Genetics to develop tilapia breeding and expand the aquaculture genetics sector into emerging species. In 2015, the Company enhanced its Technical Publishing division with the acquisition of Improve International and expanded its Animal Health division with the integration of TomAlgae, a larval stage nutrition specialist, into the Group.

In addition to these substantial acquisitions, the Company has also entered into new partnerships. Notably, in August 2014, the Company announced that it had entered into an exclusive licensing agreement with Swiss research company HypoPet to develop and commercialise a vaccine for cats intended to neutralise the primary cause of human allergic reaction to cats. The estimated global market from this vaccine is £250 million. The development of the product is on track with positive results from the formulation trials. More recently, the Company announced that it had entered into an agreement with Saiba which will use a similar technology to develop a vaccine for Canine Atopic Dermatitis. This disease affects between 10 and 20 per cent. of the US, Canadian and European dog population, with an estimated total market value for treatment of the disease of £1 billion per annum. Furthermore, Benchmark is underway to launch a range of algae nutrition and health products in China and Thailand, focused on aquaculture feeds. The diagram below represents Benchmark's recent pipeline of major products, excluding toll manufacturing products.

	PRE-POC			PASSED POC				DEVELOPMENT TRIALS			IN REGULATORY		
	20 products			12 products				14 products			7 products		
BIOCIDES/ WATER CONDITIONERS	PAQ004 8m			EAQ004 2m				EAQ001 3m			EAQ002 Pre-Stock Rapid 25m		
AQUACULTURE VACCINES	VAQ006 15m	VAQ017 25m	VAQ024 8m	VAQ002 6m	VAQ005 2m	VAQ007 3m	VAQ008 3m	VAQ001 8m	VAQ019 Advantage SC 1m	VAQ020 2m	VAQ012 FryShield IPN 8m	VAQ016 MarShield NY 6m	
	VAQ025 8m	VAQ031 8m	VAQ032 10m	VAQ010 1m	VAQ011 8m	VAQ015 10m	VAQ029 25m	VAQ021 3m	VAQ022 8m	VAQ028 Marimune Pro 5m			
	VAQ033 4m	VAQ034 10m	VAQ035 6m	VAQ003 5m									
	VAQ036 5m												
AQUACULTURE PARACITICIDES	PAQ016 10m	PAQ021 10m	PAQ022 20m	PAQ007 9m	PAQ017 6m			PAQ006 1m	PAQ009 NadaClean 1m	PAQ018 10m	PAQ008 Ectosan 25m	PAQ010 Klearkol 5m	PAQ014 Salmonax USA 0.1m
	PAQ015 1m	PAQ024 8m											
TERRESTRIAL PRODUCTS	VTS006 6m	VTS008 2m	VTS003 1m					VTS007 2m	PAQ023 3m				
OTHER PHARMA	VC0002 55m							PAQ003 4m		VC0001 Hypocast 200m	NAQ001 Polydive 3m		
ADDRESSABLE MARKET** £	217m			74m				249m			72m		

**total addressable market figures for each product category are based on management estimates. Benchmark's total pipeline is 61 products including toll manufacturing products, with estimated addressable market of £646 million

Geographic footprint and employees

The Group operates internationally with offices in the UK, Ireland, Norway, USA, Brazil, China, Russia, Iceland, Thailand, Belgium, Chile, Spain, Germany, Portugal and Australia. Benchmark employs c. 400 people, approximately half of whom are educated to degree, professional specialist or PhD level.

3. INFORMATION ON THE INVE GROUP

Overview

The INVE Group is a leading specialist manufacturer of primary stage technically advanced aquaculture and nutrition health products for shrimp and marine species of fin fish.

INVE enjoys a leading market position with more than a 20 per cent. share in the global shrimp and marine fin fish hatchery/nursery larval diets segment respectively, and sells into more than 70 countries. Through its membership of the United States based COOP, INVE has strategic access to high quality artemia and also has long standing relationships with artemia suppliers in the CIS and China. INVE has manufacturing facilities in Thailand, the USA and China supported by regional warehouses serving customers worldwide. INVE is led by an experienced management team.

Supported by partnerships with a number of industry participants, INVE continues to focus on the development of innovative advanced nutrition products through its R&D programmes which have previously led to such technologies as SEP-Art and High-5. Through its collaborations with industry partners, INVE seeks to develop advanced products that aim to reduce disease and enhanced immunity within target species, through the application of probiotics and immuno-stimulants.

INVE's products are used in shrimp hatcheries, shrimp farms, fish hatcheries and fish farms. INVE is perceived as the market leader in early stage fish and shrimp hatchery products. Its products are sold primarily in Asia, Europe and the Americas. An indicator of the growth of the aquaculture industry, the addressable feed market volumes for fish and shrimp according to the World Bank are expected to experience a CAGR of 11.3 per cent. and 13.5 per cent respectively between 2014 and 2016, with Asia and the Americas contributing significantly to this growth. Asia is the fastest growing aquaculture region, where larger and more professional farms are emerging, making it an attractive market for INVE. The aquaculture feed ingredients market in which INVE participates is expected to grow at 4.6 per cent. per annum in volume for the next five years (Source: FAO, Global Aquaculture outlook in the next decades). INVE currently provides products for marine fin fish and crustaceans (shrimp). The global production of these species is estimated to represent approximately 17 per cent. of total aquaculture production, equating to \$39.9 billion in value. INVE's core segment, the hatchery segment for shrimp and marine fin fish is estimated to account for \$1.4 billion. (Source: World Bank: Fish 2030).

Products

The INVE Group's products fall within three main categories: live feed (artemia), replacement diets and health products. INVE focuses on advanced nutrition and health products, underpinned by its expertise and IP portfolio in early stage feeding. INVE has a pipeline of 40 products with a strategic focus on in-feed health and disease prevention. In addition, a number of international partnerships with leading universities, institutions and individuals support INVE's continued innovation in new products and technologies. INVE's main product groups are described below:

Artemia (brine shrimp)

Artemia is a live feed used in the early stages of larvae feeding. Easily digested, live artemia offer important health benefits and improved performance when included in feeding regimes for larval shrimp.

Artemia occurs naturally in salt lakes. Artemia is commercialised as processed, dormant eggs or cysts. Following harvesting, cysts are dried and stored before usage, and can be enriched with artificial nutrient-full diets. Once added to water, artemia break out of the cysts and become the live prey feed for the early stages of shrimp and fish larvae.

INVE sources and processes artemia and applies its patented technology to improve the nutritional and hygienic quality of the product, its functionality, and to facilitate the use by customers by implementing adapted feeding protocols. Two of INVE's primary patented technologies for artemia processing are SEP-Art and High-5. SEP-Art utilises magnetisation of specially coated cysts enabling substantially more biomass than conventional methods. High-5 utilises technology that increases hatching rate.

High-grade artemia is found in large numbers in the Great Salt Lake, Utah, USA, and INVE has access to this high quality artemia through its holding of CORs and membership of the COOP. INVE also has long-standing relationships in the CIS and China to purchase artemia from several salt lakes, mainly through spot contracts.

Artemia global supply is limited. Harvest success mainly depends on climatological conditions; average yearly supply was 2,700 MT/year over the past ten years with a minimum of 2,400 MT and maximum of 3,200 MT. INVE is entitled to 44 per cent. of the annual Great Salt Lake harvest by the COOP and has relationships which have historically ensured a supply of approximately 20-25 per cent. of the total annual CIS and Chinese artemia harvest.

For the year ended 31 December 2014, artemia generated sales of \$52.8 million, an average gross margin of approximately 52 per cent. and accounted for approximately 60 per cent. of INVE's revenue and 54 per cent. of its total gross margin.

Replacement diets

Replacement diets are compound feed products used in fish and shrimp hatcheries in both early and later feeding stages. INVE has developed a wide portfolio of high-end diets for crustaceans and marine fish and differentiates itself by providing feeding protocols and technical support to its customers.

Within the hatchery feeding stages, INVE's diets can provide:

- significantly increased growth and improved disease resistance;
- superior quality fry with high survival rates and growth rates; and
- improved immune response stimulation and larval digestion.

An important part of INVE's strategy has been to develop replacement diets capable of replacing artemia in the early stages of feeding and thus reducing INVE's dependency on the supply of artemia. INVE's replacement diets protocol, currently marketed as 'Best Balance', reduces the volume of artemia products per protocol and increases the volume of its typically higher margin diet products.

For the year ended 31 December 2014, replacement diets generated sales of \$28.0m, a gross margin of approximately 65 per cent. and accounted for approximately 31 per cent. of INVE's revenue and approximately 36 per cent. of its total gross margin.

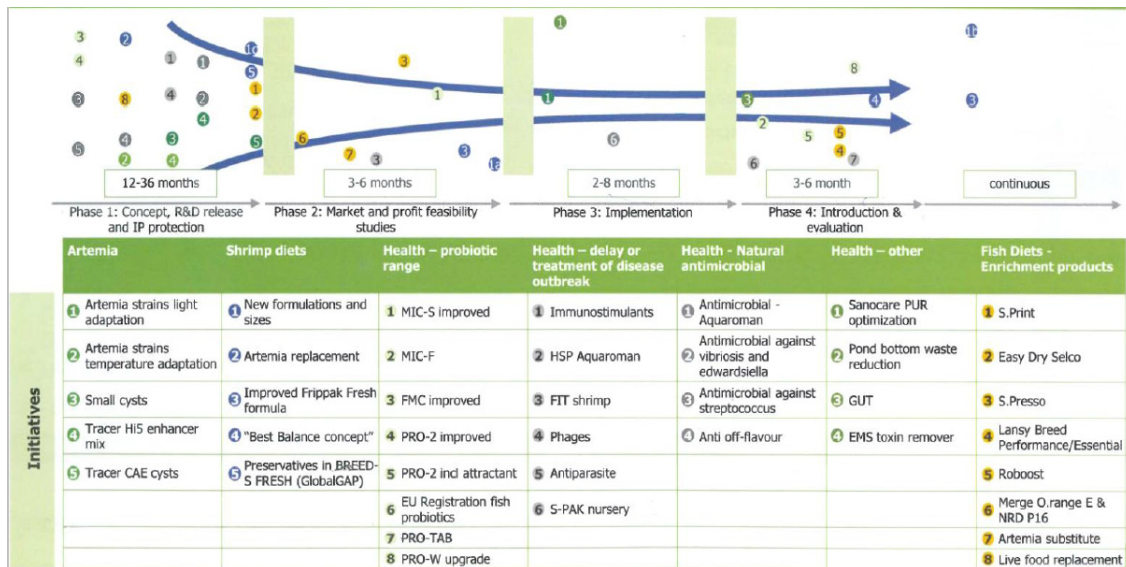
Health products

Health products are used to enhance the production performance of fish and shrimp and provide protection against disease using microbial management and bioremediation, enhanced biosecurity and improvement of immunity and robustness. INVE is a high-end supplier of health products and aims to create innovative products and protocols, utilising probiotics and applying a holistic approach covering all culture stages of crustaceans and fish.

For the year ended 31 December 2014, health products generated sales of \$7.8 million, a gross margin of approximately 60 per cent. and accounted for approximately 9 per cent. of INVE's revenue and 9 per cent. of its total gross margin.

Product pipeline and innovation

Product development is a global function within the INVE Group. INVE has historically developed several new products each year and its research and development department, based in Belgium and supported by two innovation centres in Italy and Thailand, collaborates with INVE's industry partners to bring innovative new products to market. INVE currently has a pipeline of 40 products in development. In addition, INVE has a comprehensive portfolio of over 65 patents and more than 15 trademarks in its portfolio. Over half of INVE's products are in the high value health sector, supporting its strategic shift towards in-feed health and disease prevention. INVE's pipeline has very little or no duplication with the Benchmark pipeline. The diagram below shows existing product in development by INVE.



Production facilities, activities and geographies

INVE enjoys a leading market position with more than a 20 per cent. share in the global shrimp and marine fin fish hatchery/larval feeds segment respectively, and sells to customers in more than 70 countries. Through its holding of CORs and membership of the United States based COOP, INVE has strategic access to high quality artemia and also has long standing relationships with artemia suppliers in the CIS and China. INVE has manufacturing facilities in Thailand, the USA and China supported by regional warehouses serving customers worldwide. INVE is led by an experienced management team.

For the financial year ended 31 December 2014, INVE's sales in Asia (excluding China) comprised 53 per cent. of the total, with Europe, Americas and China contributing approximately 22 per cent., 20 per cent. and 5 per cent. respectively.

INVE's operations are supported by its global network of warehouses, production facilities, sales offices and distribution networks, as shown below, with Thailand being the key location:



INVE's production facility in Thailand was opened in 2000. It accounts for a significant majority of INVE's total production. The Thailand facility has significant further capacity to produce additional volumes of INVE's products in order to accommodate for expected growth in demand. The facility's main activities include artemia mixing, coating, packaging and processing, probiotic mixing, excursion and spray drying.

INVE has two production facilities that manufacture products, one in the USA and one in China. The facility in China undertakes low scale production of CIS artemia as well as health products. The USA facility undertakes artemia mixing, coating and packaging for global sales of Great Salt Lake artemia. In addition, the USA facility is setting up low scale production of health products and finishing of feed products for sales in the Americas, except Mexico and Brazil.

Customers

INVE has longstanding relationships with its clients and works with the majority of industry players. It has low levels of customer attrition. INVE utilises two sales routes to market – direct (to end users) and indirect (through distributors). INVE has tailored routes to market for its products and typically makes direct sales to customers in Europe and the Americas, where markets have a consolidated user base. Sales are made to third party distributors where markets have a more fragmented customer base. INVE is increasingly moving to direct sales as markets consolidate.

History

INVE was established in 1983 by its founders, including Philippe Léger, current chief executive, as a spin out from the University of Ghent and was bought by the Indigne family business, INVE, in 1991, when INVE also acquired Salt Lake Brine Shrimp company, which owned four artemia harvest licenses. By 1999, INVE had acquired a further 31 artemia harvest licenses and in 2000 opened its main production facility in Thailand. INVE financed its ambitious growth through profits from artemia and debt in the early-2000s which, following a turn in the market from the financial crisis, ran INVE into financial difficulties. In 2008, its creditors, Rabobank and The Royal Bank of Scotland, took control and the interest of the founding families, Indigne and Gimv, was significantly diluted. Following this, INVE sold several foreign subsidiaries and artemia harvest licenses (leaving it with 15), and divested its INVE Belgium and Premix INVE divisions via a management buyout. Since 2009, INVE has focused on its core product portfolio consisting of aquaculture specialist nutrition and health products and development of its business through its strong position in the global aquaculture market. In 2012, The Royal Bank of Scotland and Rabobank took full control after a debt-to-equity swap.

Summary Financial Information on INVE Group

In the financial year ended 31 December 2014, the INVE Group generated total revenue of \$89.0 million (£54.0 million) and EBITDA of \$25.4 million (£15.4 million). In the financial year ended 31 December 2013, the INVE Group generated total revenue of \$72.9 million (approximately £46.4 million) and EBITDA of \$14.5 million (approximately £9.3 million). For the seven months ended 31 July 2015 the INVE Group generated total revenue of \$60.6 million (£39.6 million) and EBITDA of \$15.2 million (£10.0 million)². Indicative revenue was achieved by the INVE Group for the financial year ended 2012 of \$65.2 million.³

4. BACKGROUND TO AND REASONS FOR THE ACQUISITION

Benchmark's stated goal is to become the world-leading aquaculture health and technology specialist and a leading global player in each of its markets. The Group's intention is to build a diversified and balanced food sustainability group including through expansion into existing and new business sectors supported by targeted M&A. Through its knowledge of the sector, Benchmark identified INVE as an attractive candidate to join the Group given its technology and intellectual property, its complementary products, its scale and geographic coverage and the reach of its distribution network.

The Directors first engaged with INVE management more than 2 years ago with a view to combining the companies. The Directors believe that there is a strong strategic rationale for the Acquisition for the following reasons.

The Acquisition:

- materially strengthens Benchmark's position in aquaculture, a large and growing market – aquaculture is the fastest growing sector of the livestock industry, driven by fundamental societal needs and growing at CAGR of 5 per cent. Increased fish consumption, combined with

² Exchange rates used reflect the rate at the relevant accounting reference date.

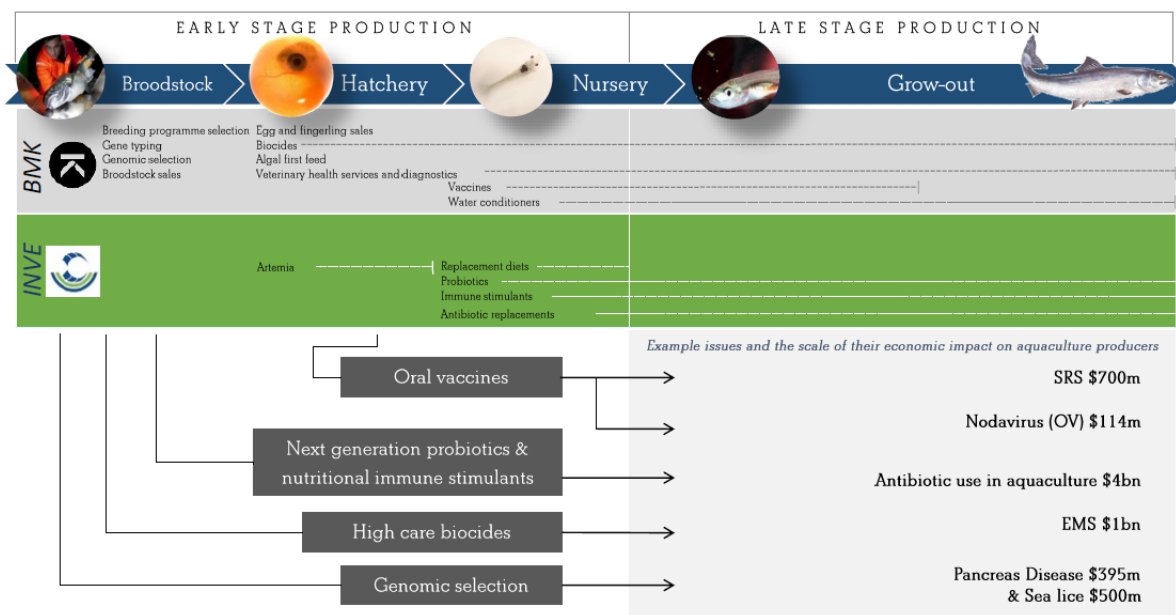
³ Due to a restructuring of the INVE Group in 2012, financial information for FY2012 included above has been derived from holding company INVE B.V. accounts, reported under Dutch GAAP, which do not present INVE as a divisional entity. Financial information on INVE for FY2012 has not been audited and is not directly comparable to financial information for FY 2013 and 2014.

stagnating volumes of captured fish is leading to increased professionalisation of the aquaculture industry. It is estimated that aquaculture will represent 50 per cent. of fish consumption by 2030. Aquaculture producers are increasingly incentivised to improve yield and product quality. Benchmark's animal health and breeding and genetics divisions can deliver demonstrable value in this field. Expanding Benchmark's offering into advanced nutrition products will allow Benchmark to offer more value to the industry. The aquaculture feed ingredients market in which INVE participates is expected to grow at 4.6 per cent. per annum in volume for the next five years (Source: World Bank: Fish 2030);

- provides immediate leadership in the speciality aquaculture nutrition market, an attractive niche within aquaculture – the Acquisition would provide Benchmark with immediate scale and a market-leading position in the early stage, speciality feeds sector. The Directors believe this is an attractive sector driven by a number of factors, including the increased professionalisation of the industry, which create demand for high-value feed and health product;
- complements and diversifies Benchmark's offering while maintaining its focus on speciality products – INVE's products are positioned in the specialist segment of aquaculture feed ingredients and are highly complementary to Benchmark products. The combined businesses will enable the Enlarged Group to offer its customers a broader range of products and services. Benchmark is well recognised in aquaculture genetics and health, whereas INVE has a strong position in early stage feed propositions for multiple aquatic species;
- enhances Benchmark's geographic footprint and distribution network – INVE's extensive international presence and established distribution network significantly strengthen Benchmark's footprint and create significant commercial opportunities; and
- creates significant opportunities for synergies across the Enlarged Group – the Directors believe that there is significant potential from synergies in the Enlarged Group including from:
 - leveraging INVE's substantial sales and marketing network;
 - applying INVE's expertise in aquaculture nutrition to a number of Benchmark's proprietary aquaculture health and genetics programmes;
 - cross-fertilisation potential in combined global biology and biotechnology R&D activities;
 - the use of existing Benchmark technology and market positions to drive new products for INVE; and
 - the enhanced brand and market position of the Enlarged Group which is likely to generate more customer interest.

The Acquisition would make the Enlarged Group a key participant in the rapidly growing aquaculture market, with an extensive offering to its customers of aquaculture products and technologies across a much broader variety of species and geographies.

The diagram below illustrates Benchmark and INVE’s product offering across the aquaculture production process for shrimp and fish from genetics to farm, the last phase prior to commercialisation, and the complementary nature of the two businesses.



The advanced nutrition sector in which INVE operates is highly important to the sustainability of aquaculture production and is a large and growing market. This, together with the preventative technologies applied at the early stages of aquaculture production (broodstock, hatchery and nursery), is worth billions in value to the later stages of production.

5. THE ENLARGED GROUP’S TARGET MARKETS

The Enlarged Group would become a leading global provider of technology solutions for sustainable food production, with a strong focus on the aquaculture sector. Benchmark will continue to focus on its existing markets of animal health, sustainability consulting, technical publishing and breeding and genetics. Information on Benchmark’s existing target sectors is set out in paragraph 2 above. The Acquisition would add a new division to the Group – Advanced Animal Nutrition, allowing the Group to enter the aquaculture specialist feeds market and strengthen the Group’s existing operations in aquaculture. Information on the aquaculture specialist nutrition market and on the product and geographic coverage of the Enlarged Group is presented below.

Aquaculture is the fastest growing sector of the livestock industry underpinned by positive drivers including:

- increased fish consumption – the current world population of approximately 7.3 billion is expected to increase to 9.6 billion in 2050 according to the United Nations. The increase in global population combined with the perception that fish is a healthy source of protein and an increasing middle class in certain emerging markets are driving absolute demand for fish. Per capita consumption of fish has increased from an average of 9kg per year in the 1960s to an average 18.9 kg in 2010 (*Source: FAO, The State of World Fisheries and Aquaculture 2014*) and is expected to increase further;
- stagnating volumes of captured fish – global fish production continues to outpace world population growth, and aquaculture remains one of the fastest-growing food producing sectors. In 2012, aquaculture set another all-time production high and now provides almost half of all fish for human food. This share is projected to rise to 62 per cent. by 2030 as catches from wild capture fisheries level off and demand from an emerging global middle class increases. (*Source: FAO, The State of World Fisheries and Aquaculture 2014*); and
- increased professionalisation of the aquaculture industry. The increased professionalisation and use of technology in aquaculture have supported the industry’s expansion into new geographies and species creating new sources of growth.

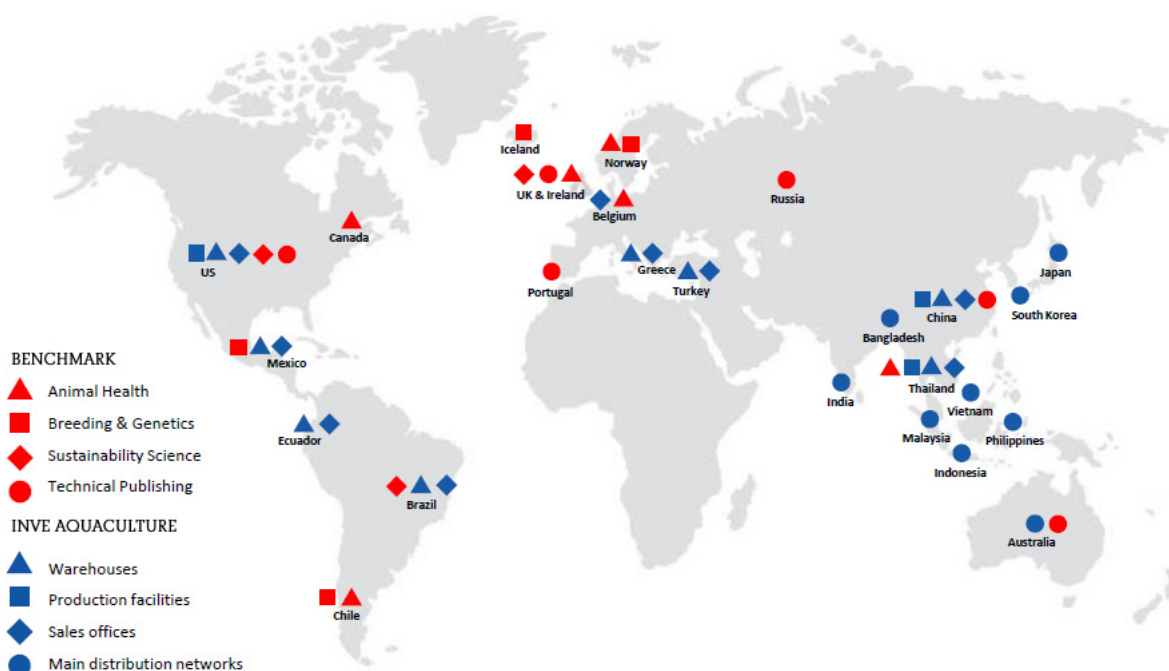
The growth in aquaculture is in turn increasing the demand for high-value feeds and disease preventing feed supplements. In addition, there is an increased demand from the industry for ‘holistic’ technology based solutions.

Enlarged Group’s product and geographic coverage

The Acquisition would allow Benchmark to diversify its operations into new species and technologies as shown below.

Technologies	Benchmark + INVE	Benchmark	INVE	Competitor 1	Competitor 2	Competitor 3	Competitor 4	Competitor 5
Veterinary services	✓	✓						
Diagnostic laboratories	✓	✓		✓				
Pharmaceuticals, vaccines & biocides	✓	✓		✓	✓	✓	✓	
Genetic programmes & breeding stock	✓	✓			✓			
Specialist, advanced nutrition	✓		✓					✓
Species								
Salmon	✓	✓			✓		✓	
Tilapia/Catfish	✓	✓		✓			✓	
Sea Bass/Sea Bream	✓	✓	✓	✓				
Shrimp	✓		✓			✓		✓
Emerging species e.g. grouper	✓		✓					✓

The Enlarged Group would carry out operations in the following regions.



6. THE ENLARGED GROUP’S STRATEGY, SYNERGIES AND POST-ACQUISITION INTEGRATION PLAN

Strategy

Following Completion, the Enlarged Group will continue with Benchmark’s strategy to grow the existing business organically and through selective acquisitions whilst expanding into areas where the

same fundamental biology can be exploited to drive innovation, development and synergies across the Enlarged Group's divisions. The Enlarged Group's core areas of focus will continue to be:

- innovating products and technologies driving improved efficiency of production;
- development of the science and methodologies needed for advancing sustainable production;
- providing the technology and systems to drive product quality improvement programmes; and
- delivering knowledge, training and education to our industries.

The Directors believe that the key components required to ensure that the Enlarged Group continues to deliver this long-term growth strategy are to:

- continue to attract and retain the highest calibre people to drive forward its development;
- maintain leadership capability in scientific research; and
- invest in high-quality production facilities and infrastructure.

The Enlarged Group intends to leverage the combined sales and distribution network to distribute the enlarged portfolio of existing and pipeline products, increasing the market penetration for the whole Enlarged Group.

Synergies

A key part of the integration plan is to conduct, immediately following Completion, further detailed evaluation of the potential synergies that could be generated from the two businesses, building on the initial analysis already undertaken by the Directors and developing a detailed plan to deliver the benefits of these.

The Directors have already identified six important areas of synergy potential for the Enlarged Group. These are principally derived from projected revenue growth and are as follows:

- the sale of 22 of Benchmark's products and services through INVE's sales, marketing, distribution and technical servicing channels made up of:
 - 4 existing products and 1 existing service; and
 - 17 products in Benchmark's development pipeline;
- the sale of 10 of INVE's products through Benchmark's sales, marketing, distribution and technical servicing channels made up of:
 - 4 existing products; and
 - 6 products in INVE's development pipeline;
- the application of existing manufacturing technologies of both groups to the development of improved products and increased production efficiency such as:
 - the production of probiotics using advanced vaccine technology platforms; and
 - the production of oral vaccines and medicated nutritional products using replacement diet technologies;
- sharing of R&D expertise, technologies, research facilities and trials farms;
- increased demand for both groups' products and services which is expected to be driven by the growing demand from major customers for their technology suppliers to provide solutions to production constraints across the breadth of their businesses; and
- prudent rationalisation of centralised functions and of regional offices and/or resources.

The Directors estimate that synergies to be derived from cross-selling (the first two areas outlined above) could deliver additional revenue equivalent to at least 2 per cent. of INVE management's 2016 revenue projection in the first full year post completion of the Acquisition and that this could increase to approximately 7 per cent. of INVE management's 2017 revenue projection in year two and approximately 9 per cent. of INVE management's annual revenue projections thereafter. In the year ended 31 December 2014, INVE generated revenues of approximately \$89.0 million (£54.0 million)¹.

The Directors anticipate that, whilst some of these estimated synergies will be realised shortly after completion of the Acquisition, the majority of the synergy benefits will be contributing to the Enlarged Group's financial results by the end of H1 2018.

¹ Exchange rate used reflects the rate at the relevant accounting reference date.

A sample of these synergies is presented in the graph below:

Product	Target Region	Species	Synergy potential
Vaccines 1	Europe	Seabass & Sea Bream	Expand to Asia, extend to Grouper
Medicine 1	Europe, USA & Asia	Seabass & Sea Bream	Expand to Asia & Americas, extend to Seriola, Pangasius & Barramundi
Biocide 1	Asia, Americas & Europe	Shrimp & Marine fish	Pull forward
Medicine 2	Europe & Americas	Salmon & Trout	Expand to Asia, extend to Tilapia & Catfish
Phylavive – (Tom Algae)	Asia	Shrimp	Expand region to all of Asia and Americas
Biocide 2	Asia & Americas	Shrimp	Expand region to all of Asia and Americas, extend to Tilapia & Pangasius
Aqua Vet & Diagnostic Services	Asia	All	Access to INVE customer base to sell more complete package

Post-Acquisition Integration Plan

Benchmark will manage INVE as a new division within the Enlarged Group while putting in place a comprehensive plan to ensure the success of the Acquisition and the engagement of both businesses in delivering their respective goals and targets, as well as the opportunities for identified synergies. The integration plan will focus on the areas for synergy opportunity to ensure they are well-planned, resourced and the benefits are realised.

The Enlarged Group will integrate Benchmark and INVE's respective R&D and specialist aquaculture trial facilities, biological research programs and technologies. In addition, the Enlarged Group will adopt a shared route to market and will benefit from a strengthened product pipeline. TomAlgae, part of the Benchmark Group which focuses on larval stage nutrition, will be integrated into the new Advanced Animal Nutrition division. The Advanced Animal Nutrition Division would be headed by INVE's Chief Executive Officer, Philippe Léger, and its Chief Financial Officer, Pierre Hugo.

Since Initial Admission, Benchmark management has successfully acquired and integrated four businesses to create the Breeding and Genetics division and will build on this experience to integrate INVE into the Enlarged Group.

7. FINANCIAL INFORMATION

Section A of Part IV of this document contains audited historical financial information on INVE for the two years ended 31 December 2014 and Part V contains unaudited interim financial information for the seven month period ended 31 July 2015. Audited historical financial information on Benchmark for the three years ended 30 September 2014 is incorporated by reference into Part III of this document.

The following summary financial information on INVE and on Benchmark has been derived from the financial information contained in Section B of Part IV of this document (in the case of INVE) and from the financial information incorporated by reference into Part III of this document (in the case of Benchmark). The following summary financial information should be read in conjunction with the full text of this document and with the financial information presented in Part III (by reference) and Section B of Part IV of this document. Investors should not rely solely on this summarised financial information.

Summary historical financial information on INVE

	Year ended 31 December 2013 (audited) £'000	Year ended 31 December 2014 (audited) £'000	Seven months to 31 July 2015 (unaudited) £'000
Revenue	46,582	54,047	39,647
Gross Profit	23,517	29,588	23,766
Operating Profit	7,734	14,371	9,317
Profit after Tax	5,882	14,048	8,634

The results included in the above table have been extracted from the audited consolidated statement of profit or loss for the year ended 31 December 2013 and 2014 and the unaudited interim condensed consolidated statement of profit or loss for the 7 month period ended 31 July 2015.

8. PRINCIPAL TERMS OF THE ACQUISITION

On 11 December 2015, the Company entered into the Acquisition Agreement, under which it has conditionally agreed to acquire the entire issued share capital of INVE. The Company has agreed to pay a total consideration of \$342 million (approximately £227 million) in respect of the Acquisition, of which \$300 million (approximately £199 million) will be payable in cash at Completion and \$42 million (approximately £27.9 million) of which will be satisfied through the issue of 32,396,158 Consideration Shares to Inve B.V. who will enter into a lock-in agreement for a period of 6 months from Admission in respect of the Consideration Shares, and which can be released at the Company's discretion (further details of the lock-in agreement are set out in paragraph 14.17 of Part VII of this document).

The Acquisition Agreement is conditional, *inter alia*, upon the publication of this document, the approval of Shareholders at the General Meeting (notice of which is set out at the end of this document), each of the Placing Agreement and the New Debt Facilities becoming unconditional and the admission of the Enlarged Share Capital to trading on AIM. In addition, certain members of INVE management have agreed to subscribe for the Roll-Over Shares for an aggregate subscription price of \$8.1 million (£5.4 million).

Further details of the Acquisition Agreement are set out in paragraph 12 of Part VII of this document.

9. FINANCIAL IMPACT OF THE ACQUISITION

Benchmark is financing the Acquisition and associated expenses through a Placing raising gross proceeds of £185.7 million and approximately £36.5 million of new debt to be drawn under the New Debt Facilities.

The Acquisition is expected to be earnings enhancing from the first full financial year of ownership. This statement does not constitute a profit forecast.

On 11 December 2015, the Company entered into New Debt Facilities with HSBC and Rabobank. The New Debt Facilities total \$70 million (approximately £46 million). The New Debt Facilities will be used by the Company to part fund the Acquisition, with the remainder being made available to fund the general corporate and working capital purpose of the Enlarged Group, including any permitted future acquisitions.

Further details of the New Debt Facilities are set out in paragraph 14 of Part VII of this document.

10. CURRENT TRADING AND PROSPECTS

On 23 June 2015, the Company published its interim results for the 6 months ended 31 March 2015. Since then there have been a number of developments announced by the Company, including:

- On 27 July – the acquisitions of Norwegian aquaculture genetics and research business Akvaforsk Genetics Center AS (“AFGC”) and 80% of Akvaforsk Genetics Center Inc. (“Spring Genetics”), a US based tilapia genetics and breeding business;
- On 30 September – a major breakthrough at its subsidiary Salmobreed AS in genetic breeding programs for Pancreas Disease (PD) and sea lice resistance through a new genetic method in aquaculture called Genomic Selection.

- On 9 November – worldwide license from Saiba Animal Health GmbH (“**Saiba**”) to develop and commercialise a recombinant vaccine for Canine Atopic Dermatitis (CAD) using Virus Like-Particle (VLP) technology.

On 6 November, the Company announced that Iceland’s national Marine Research Institute (the “**Institute**”) detected a strain of viral haemorrhagic septicaemia virus (“**VHS**”) in its lumpfish stock which led to the Chilean National Fisheries and Aquaculture Service (Sernapesca) temporarily suspending imports of all aquatic biological products from Iceland. Stofnfiskur hf, which is based in Iceland and forms part of Benchmark’s Breeding and Genetics division, exports salmon eggs from its production facilities to customers worldwide, including in Chile. Whilst the Company anticipates short-term disruption and delays to sales, it expects to continue to trade in line with market expectations and with respect to the financial year ended 30 September 2015, the Company expects results to be in line with market expectations.

Operationally, the integration of acquired businesses has been completed with delivery of expected synergies on track and R&D in the new product pipeline continues to progress well and in line with Benchmark’s business plan.

Following the year end the Company has continued to trade in line with expectations.

INVE

INVE’s latest unaudited interim financial statements as set out in Part V of this document relate to the seven months ended 31 July 2015. Since this date, INVE has continued to trade in line with INVE’s management expectations. INVE continues to see strong growth in Asia.

11. DIRECTORS AND KEY INVE MANAGEMENT

At Admission, the Board will remain unchanged and will comprise three executive directors and three non-executive directors. The new Advanced Animal Nutrition segment will be managed by INVE’s CEO, Philippe Léger and its CFO, Pierre Hugo. The biographical details of each member of the Board and new INVE managers are set below:

Executive Directors

Malcolm Pye – (58) CEO (since November 2000) is a graduate of the University of Wales (Bangor) in Zoology/Applied Zoology. Malcolm has over 30 years’ experience in international agribusiness, including at board director level within the Hilldown, Holdings/HMTF animal breeding, feed milling, veterinary and poultry companies prior to joining Ruth Layton and Roland Bonney to set up the Group. During his time at Hilldown, Malcolm also worked extensively on M&A projects, both leading and advising on acquisitions and disposals. Malcolm works within the Group on strategic business development, marketing, acquisitions and commercial matters, and his roles include the development of the important synergies between the Group companies and ensuring that opportunities are resourced and exploited.

Roland Bonney – (51) COO, works across the Group leading on strategic business development, marketing, acquisitions and the development of group synergies. His role (which he has held since 2000) also includes communications and people development across the Group. Roland is an experienced agriculturalist having set up businesses in large-scale extensive farming and food chain development consultancy to global food retailers. He also has wide international experience working on business development in the USA and in the emerging Latin American and Chinese markets.

Mark Plampin – (47) CFO, is responsible for financial controls and management information working with group company boards to develop and deliver the Group strategy. Mark is a qualified Chartered Certified accountant with over 20 years’ experience. A large part of Mark’s career has been spent as a lead advisor in corporate finance, working on M&A and the strategic development of high growth, small and mid-market businesses. Mark joined the Group in his current role in 2010 from PKF (UK) LLP (now BDO LLP) where he was a partner and national chairman of the Food Sector Group.

Non-Executive Directors

Alex Hambro – (53) NED, Chairman and Chair of the Nomination Committee. Alex has been in the private equity industry both in the UK and the USA for 28 years during which time he has acted as a principal investor, manager and sponsor of private equity and venture capital management teams and adviser to high net worth families on their private equity investment strategies. Alex managed Hambros PLC’s proprietary venture capital and private equity investment portfolio prior to its sale to

Société Générale in 1998. Alex is a founder director of Crescent Capital, a venture capital fund based in Belfast, and Judges Scientific plc, a scientific instrumentation manufacturing group. In addition to his Chairmanship responsibilities at these two companies, Alex is a non-executive Chairman or director of Bapco Closures Ltd, Izon Science Ltd, Octopus Eclipse VCT PLC and Hazel Renewable Energy VCT 2 plc.

Basil Brookes – (59) NED, and Chair of the Audit Committee. Basil was one of the founders and Finance Director of Wilmington Group plc, a listed media company which floated in 1995. He held that position until November 2012. Basil has over 20 years' experience as a finance director in the media industry, 18 of which were on the boards of fully listed companies. In his early career, Basil gained extensive corporate finance experience at Maxwell Communication Corporation plc where he went on to be appointed Finance Director in 1990. Prior to working in the media industry, Basil worked at Coopers & Lybrand where he qualified as a Chartered Accountant and went on to become a senior manager gaining experience in audit and financial investigations. Basil holds an MA in Mathematics from Magdalen College, Oxford and is a Member of the Association of Corporate Treasurers.

Susan Searle – (52) NED, and Chair of the Remuneration Committee. Susan has over 20 years' experience working with entrepreneurs and academic inventors in the commercialisation of university research and holds an MA in Chemistry from Exeter College, Oxford. She co-founded Imperial Innovations Group plc, now one of the world's leading technology venture investment businesses, leading as CEO from 2002 to 2013. Susan currently holds non-executive directorships at Horizon Discovery Group plc, an international life science company, and QinetiQ Group plc, an engineering and technology services FTSE 250 company. Susan is the Chairman of the Remuneration Committee for Horizon Discovery Group and sits on the Remuneration, Audit, Nominations and Risk committees at QinetiQ. She is also Chair of Woodford Patient Capital Trust Plc, a FTSE 250 investment trust, and deputy chair of Mercia Technologies PLC where she also chairs its Audit Committee. Susan is a Trustee of charity Fight for Sight which funds research into eye disease.

Key Members of INVE Management (Advanced Animal Nutrition)

Philippe Léger – Chief Executive Officer. Philippe has over 35 years' experience in the aquaculture industry and has worked at INVE since its foundation in 1991. He has occupied a variety of roles including research scientist, R&D manager, manager technical department and CEO. He holds a PhD in Agricultural Sciences from the University of Ghent and two Masters degrees in Environmental Sanitation & Management and Pharmaceutical Sciences.

Pierre Hugo – Finance Director. Pierre joined INVE in 2012 having previously worked at Pfizer for 11 years, including roles as accounting supervisor, controller, senior analyst and business finance manager. Prior to this he spent three years as Finance Director at UCB Pharma and three years working at Sanofi Pasteur MSD. He has over 19 years' experience in finance and holds two Masters degrees in Finance and Taxation as well as Risk and Insurance Management.

Stelios Leontios – Commercial Director. Stelios has worked at INVE since 1993 and has held several functions within the company including technical-commercial support, sales executive, general manager of INVE Hellas, regional manager Europe, regional sales director Europe and commercial director. He has over 22 years of experience in Aquaculture and holds a Masters in Agricultural Sciences from the KU Leuven.

Patrick Lavens – Innovations Director. Patrick has worked at INVE since 1999 and has 35 years' experience in aquaculture. Mr. Lavens has a PhD in Agricultural Science at the University of Ghent and a Masters in Biology from the same university. He worked for 20 years at Ghent University as a researcher.

Wim Martens – Operations Director. Wim has worked at INVE since 2000 and has 15 years of experience in aquaculture. Mr. Martens has a Masters in Bio-engineering at the KU Leuven.

Marc De Feyter – HR Director. Marc has worked at INVE since 2002 and has 11 years of experience within HR management including training and development, recruitment, compensation and benefits and internal communication. Mr. De Feyter has a Bachelor as a qualified teacher in mathematics and economics at the Hogeschool Brussel. He has 19 years of experience in education, having worked as teacher and deputy-headmaster.

12. CORPORATE GOVERNANCE

The Company has a policy, so far as is practicable and appropriate for a company of its size and nature, to comply with the provisions of the Corporate Governance Code for Small and Mid-sized Companies issued by the Quoted Companies Alliance and will continue to apply those principles following Admission. The Company has three independent non-executive Directors to bring an independent view to the Board, and to provide a balance to the executive Directors.

The Board is responsible for formulating, reviewing and approving the Group's strategy, budgets and corporate actions. The Directors will continue to hold meetings of the Board c. 10 times a year and at other times as and when required.

Board Committees

The Company has established Audit, Remuneration and Nomination Committees with formally delegated duties and responsibilities.

(a) Audit Committee

The Audit Committee consists of a committee chaired by Basil Brookes. The Audit Committee has the primary responsibility of monitoring the quality of internal controls and ensuring that the financial performance of the Group is properly measured and reported on. It receives and reviews reports from the Group's management and external auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The Audit Committee meets not less than twice in each financial year and has unrestricted access to the Group's external auditors. The Audit Committee comprises Basil Brookes and Alex Hambro.

(b) Remuneration Committee

The Remuneration Committee consists of a committee chaired by Susan Searle. The Remuneration Committee reviews the performance of the executive directors and makes recommendations to the Board on matters relating to their remuneration and terms of service. The Remuneration Committee also makes recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any employee share option scheme or equity incentive plans in operation from time to time. The Remuneration Committee meets as and when necessary. In exercising this role, the Directors have regard to the recommendations put forward in the QCA Guidelines and, where appropriate, the Combined Code guidelines. The Remuneration Committee comprises Susan Searle and Basil Brookes.

(c) Nomination Committee

The Nomination Committee consists of a committee chaired by Alex Hambro. The Nomination Committee considers the selection and re-appointment of Directors. It identifies and nominates candidates to fill Board vacancies, reviews regularly the structure, size and composition (including the skills, knowledge and experience) of the Board and makes recommendations to the Board with regard to any changes. The Nomination Committee comprises Alex Hambro and Susan Searle.

Share Dealing Code

The Board will continue to comply, and to procure compliance, with Rule 21 of the AIM Rules relating to dealings in the Company's securities by the Directors and other applicable employees. To this end, the Company has adopted a code for share dealings appropriate for a company whose shares are admitted to trading on AIM and will take all reasonable steps to ensure compliance by the Directors and any relevant employees. The form of this code is based on the Model Code contained in the Listing Rules.

13. DIVIDEND POLICY

The Enlarged Group intends in the mid-term to implement a dividend policy having regard to the capital investment opportunities from time to time and its stated growth strategy, as well as to cashflow generation, a significant portion of which is expected to be driven by revenues from products in Benchmark's pipeline.

14. SHARE INCENTIVE SCHEMES

As at 10 December 2015 (being the latest practicable date prior to the publication of this document), Benchmark had outstanding options over a total of 2,394,829 Ordinary Shares representing

approximately 0.5 per cent. of the Enlarged Share Capital. A summary of the Share Schemes is set out in paragraph 5 of Part VII of this document.

Current participants in the INVE Plan who already hold an equity interest (whether direct or indirect) in INVE have agreed to reinvest at least 50 per cent. of the proceeds from the sale of such equity interest (post the deduction of tax and transaction, disposal and/or other costs) into Roll-Over Shares (being new Ordinary Shares in the Enlarged Group). These participants have agreed to restrictions on the disposal of the Roll-Over Shares until September 2017 and orderly marketing provisions until March 2018. Further details of these restrictions are set out in paragraph 14.16 of Part VII. Such participants will be granted options under Part II of the Benchmark CSOP. Philippe Léger will be granted options under Part II of the Benchmark CSOP with a value of £20 for every £100 he reinvests into Roll-Over Shares and the remaining reinvesting managers will be granted options under Part II of the Benchmark CSOP with a value of £40 for every £100 they reinvest. Up to 6 additional managers who are not currently part of the INVE Plan will invest up to 100 per cent. of their salary in Ordinary Shares at the Placing Price and will be granted options under Part II of the Benchmark CSOP with a value of £40 for every £100 they invest.

The options granted to INVE managers under Part II of the Benchmark CSOP will be nominal cost options with an exercise price of 0.1p per Ordinary Share. They will be forfeited if (i) the INVE manager ceases to be employed by the Enlarged Group within the 3 year vesting period from the date of grant (save in certain “Good Leaver” and change of control circumstances) and (ii) to the extent that the INVE manager disposes of his Roll-Over Shares after the expiry of the lock-in period in September 2017 and before the end of the 3 year vesting period from the date of grant. There are no other performance conditions attached. The terms of Part II of the Benchmark CSOP are outlined in more detail in paragraph 5 of Part VII.

Following Admission, the Company intends to maintain its existing policy of making occasional grants of new options under the Share Schemes to incentivise and reward the Directors, senior management and other employees of the Enlarged Group (including employees of the INVE Group). The issue of new options will assist with key senior executive retention and the alignment of their interests with those of the Shareholders. To ensure that the Share Schemes are effective, it will be administered and kept under review by the Remuneration Committee. The Remuneration Committee, where required, will consult with the Company’s Nominated Adviser and/or substantial Shareholders on the issue of new options to the Executive Directors.

15. INFORMATION ON THE PLACING

On Admission (and following the issue of the Placing Shares, the Consideration Shares and the Roll-Over Shares) the Company will have 473,907,337 Ordinary Shares in issue and an expected market capitalisation of approximately £407.6 million. The Placing comprises the issue of 215,922,141 Placing Shares by the Company to raise £185.9 million (before expenses). In addition, 6,239,513 Roll-Over Shares will be issued, for an aggregate subscription price of £5.4 million. The Placing Price of 86p represents a discount of 8 per cent. to the closing share price on 8 October 2015, being the latest practicable date prior to the date the Company’s Ordinary Shares were suspended from trading.

Cenkos and Rabobank have agreed, pursuant to the Placing Agreement and conditional, *inter alia*, on Admission, to use its reasonable endeavours to place the Placing Shares, with institutional and other investors. The Placing, which is not being underwritten, is conditional, *inter alia*, upon: the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms prior to Admission; and Admission becoming effective not later than 13 January 2016, or such later date as Cenkos, Rabobank and the Company may agree, being not later than 31 January 2016. Further details of the Placing Agreement are set out in paragraph 11 of Part VII of this document. The Placing Shares will rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive all dividends and other distributions declared, paid or made after Admission. None of the Placing Shares have been marketed to or will be made available in whole or in part to the public in conjunction with the application for Admission.

On completion of the Placing, and the issue of the Consideration Shares and the Roll-Over Shares, the existing issued share capital of the Company will be increased by 254,557,812 Ordinary Shares, resulting in an immediate dilution of holders of Existing Ordinary Shares who do not participate in the Placing of 49.61 per cent. in aggregate, assuming that no Ordinary Shares are issued in respect of the exercise of options between the date of this document and the date following Admission and the issue of the Consideration Shares and the Roll-Over Shares. The Company anticipates that certain

fees payable to certain of its professional advisers in connection with the Acquisition may be settled by the issue of new Ordinary Shares.

Placing and Transaction Considerations

As set out in the “Recommendation” section below, the Directors believe the Transaction to be in the best interests of the Company and its Shareholders.

Admission, Settlement and CREST

Application will be made by the Company for the Existing Ordinary Shares, the Placing Shares, the Consideration Shares and the Roll-Over Shares to be admitted or re-admitted, as the case may be, to trading on AIM. Subject to the passing of the Resolutions, Admission is expected to occur and dealings to commence on 30 December 2015. It is expected that admission of the Consideration Shares and the Roll-Over Shares will become effective on 31 December 2015.

If the Acquisition is not completed, the Existing Ordinary Shares will continue to be traded on AIM, the Placing will not take place and the Placing Shares, Consideration Shares and the Roll-Over Shares will not be admitted to AIM.

Application has been made for the Placing Shares to be eligible for admission to CREST with effect from Admission and for the Consideration Shares and the Roll-Over Shares with effect from 31 December 2015. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place in CREST if the relevant Shareholder so wishes. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a share certificate and transferred otherwise than by written instrument. The Articles permit the holding and transfer of Ordinary Shares under the CREST system. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so. Persons acquiring shares as a part of the Placing may elect to receive Ordinary Shares in uncertificated form if, but only if, that person is a “system-member” (as defined in the CREST Regulations) in relation to CREST.

It is expected that, subject to the satisfaction of the conditions of the Placing, the Placing Shares will be registered in the names of the Placees subscribing for them and issued either: in certificated form, where the Placee so elects, with the relevant share certificate expected to be dispatched by post, at the Placee’s risk, by/or in CREST, where the Placee so elects and only if the Placee is a “system member” (as defined in the CREST Regulations) in relation to CREST, with delivery (to the designated CREST account) of the Ordinary Shares subscribed for expected to take place on 30 December 2015. Notwithstanding the election by Placees as to the form of delivery of the Placing Shares, no temporary documents of title will be issued. All documents or remittances sent by or to a Placee, or as they may direct, will be sent through the post at their risk. Pending the dispatch of definitive share certificates (as applicable), instruments of transfer will be certified against the Company’s register of members.

16. RELATED PARTY TRANSACTIONS

Woodford Investment Management LLP, Invesco Asset Management Ltd and Lansdowne Partners (UK) LLP currently own 19.14 per cent., 16.96 per cent. and 13.68 per cent. respectively of the Company’s existing ordinary share capital and are therefore each treated as a related party of the Company under Rule 13 of the AIM Rules as substantial shareholders. Woodford Investment Management LLP, Invesco Asset Management Ltd and Lansdowne Partners (UK) LLP respective participations in the Placing are therefore treated as related party transactions for the purposes of the AIM Rules.

The Directors of the Company consider, having consulted with Cenkos as the Company’s nominated adviser, that the terms of the Placing are fair and reasonable insofar as the Company’s shareholders are concerned.

17. TAXATION

Your attention is drawn to the taxation section contained in paragraph 13 of Part VII of this document. If you are in any doubt as to your tax position, you should consult your own independent financial adviser immediately.

18. GENERAL MEETING AND VOTING UNDERTAKINGS

The Company has received undertakings from certain Shareholders to vote in favour of each of the Resolutions. These persons, which includes the Directors, together have an aggregate beneficial holding of 197,520,200 Ordinary Shares, amounting to 90.1 per cent. of the Existing Ordinary Shares.

General Meeting

A notice is set out at the end of this document convening the General Meeting to be held at Travers Smith LLP, 10 Snow Hill, London EC1A 2AL at 11 a.m. on 29 December 2015 at which the following Resolutions will be proposed:

1. an ordinary resolution, subject to and conditional on the Placing Agreement becoming unconditional in all respects save for any condition relating to Admission having occurred, to approve the Acquisition;
2. conditional on the passing of resolution 1 above, an ordinary resolution, to grant authority to the Directors to allot, pursuant to the Placing, the Acquisition and the subscription for Roll-Over Shares, Ordinary Shares in the capital of the Company or to grant rights to subscribe for or convert any security into shares in the capital of the Company pursuant to section 551 of the Act, up to an aggregate nominal amount of £255,500. This authority is in respect of the allotment of Ordinary Shares pursuant to the Placing, the allotment of Consideration Shares pursuant to the Acquisition and the subscription for Roll-Over Shares and is in addition to the authorities granted to the Directors at the Annual General Meeting of the Company held on 5 March 2015, and will expire (along with such authorities) at the conclusion of the Annual General Meeting of the Company to be held in 2016; and
3. conditional on the passing of resolution 2 above, a special resolution, to disapply the statutory pre-emption rights contained in section 561(1) of the Act in respect of the allotment for cash pursuant to the Placing of Ordinary Shares, the allotment of the Consideration Shares and the issue of the Roll-Over Shares up to an aggregate nominal amount of £255,500. This authority is in addition to the authorities granted to the Directors at the Annual General Meeting of the Company held on 5 March 2015, and will expire (along with such authorities) at the conclusion of the Annual General Meeting of the Company to be held in 2016.

Action to be taken

Please check that you have received a Form of Proxy for use in relation to the General Meeting with this document:

Whether or not you intend to be present in person at the General Meeting, you are strongly encouraged to complete, sign and return your Form of Proxy in accordance with the instructions printed thereon so as to be received, by post or, during normal business hours only, by hand to Equiniti Limited, Aspect House, Spence Road, Lancing, West Sussex, BN99 6DA, as soon as possible but in any event so as to arrive by not later than 11 a.m. on 23 December 2015 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any part of a day that is not a business day)).

Appointing a proxy will enable your vote to be counted at the General Meeting in the event of your absence.

The completion and return of a Form of Proxy will not preclude you from attending and voting in person at the General Meeting, or any adjournment thereof, should you wish to do so.

Recommendation

The Directors consider the Transaction to be in the best interests of the Company and the Shareholders as a whole and accordingly unanimously recommend that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting as they intend to do in respect of their own beneficial holdings amounting, in aggregate, to 30,877,148 Ordinary Shares, representing approximately 14.1 per cent. of the Existing Ordinary Shares.

Yours faithfully

Alexander Hambro
Non-Executive Chairman

PART II – RISK FACTORS

THE FOLLOWING FACTORS DO NOT PURPORT TO BE AN EXHAUSTIVE LIST OR EXPLANATION OF ALL THE RISK FACTORS INVOLVED IN INVESTING IN THE COMPANY. IN PARTICULAR, THE COMPANY'S PERFORMANCE MIGHT BE AFFECTED BY CHANGES IN MARKET AND/OR ECONOMIC CONDITIONS IN LEGAL, REGULATORY AND TAX REQUIREMENTS. ADDITIONALLY, THERE MAY BE RISKS OF WHICH THE BOARD IS NOT AWARE OR BELIEVES TO BE IMMATERIAL WHICH MAY, IN THE FUTURE, ADVERSELY AFFECT THE GROUP'S OR THE ENLARGED GROUP'S BUSINESS AND THE MARKET PRICE OF THE ORDINARY SHARES. IN SUCH CASES, THE MARKET PRICE OF THE ORDINARY SHARES MAY DECLINE AND HOLDERS OF ORDINARY SHARES MAY LOSE ALL OR PART OF THEIR INVESTMENT.

YOU SHOULD CAREFULLY CONSIDER THE RISKS DESCRIBED BELOW AND ENSURE THAT YOU HAVE READ THIS DOCUMENT IN ITS ENTIRETY BEFORE MAKING A DECISION TO INVEST IN THE COMPANY.

1. RISKS RELATING TO THE ACQUISITION

The Acquisition is subject to various conditions which may not be satisfied or waived

Completion of the Acquisition is conditional upon, *inter alia*:

- (a) the Resolutions being duly passed;
- (b) the Placing Agreement becoming unconditional (save for Admission) and not having been terminated in accordance with its terms; and
- (c) Admission occurring.

There can be no guarantee that all necessary conditions will be satisfied and therefore no guarantee that the Acquisition will complete. If the Acquisition does not proceed, Benchmark will have incurred advisory and other costs which it will have to pay in any event.

Integration of the INVE Group

Following Completion, it may be necessary for the Company to implement changes to the structure of the Enlarged Group's business in order to optimise the potential benefits available from the integration of the INVE Group. The Enlarged Group may face unforeseen difficulties both with the integration of the INVE Group, and as structural changes are carried out.

Furthermore, issues may arise during the course of integration that could have an adverse effect on the financial condition and results of operations of the Enlarged Group. These issues may also cause the estimated synergy benefits of combining both the Benchmark Group and the INVE Group to not materialise. The Acquisition will place additional demands on the management of the Enlarged Group and may require the provision of supplemental resource.

The Board has undertaken commercial, financial and legal due diligence to seek to ensure that the Enlarged Group will meet expectations; however no guarantee can be given that this will be the case.

Limited warranties are being given under the Acquisition Agreement

In connection with the Acquisition, the Vendors have given limited warranties to the Company in the Acquisition Agreement. Such warranties are subject to caps on liability, accordingly, the Company will have limited, if any, rights of redress against the Vendors should there prove to be any undisclosed liabilities or other matters adversely affecting the INVE Group which the Company was not aware of at the time of entry into the Acquisition Agreement. Further details of the Acquisition Agreement are set out in paragraph 12 of Part VII of this document.

General uncertainty related to the Acquisition could harm the financial performance of Benchmark, the Benchmark Group and/or the Enlarged Group

Either or both of Benchmark's and the INVE Group's current and prospective customers may, in response to the announcement of the Acquisition, delay, defer or cancel future purchasing decisions. If Benchmark and/or INVE Group customers delay, defer or cancel purchasing decisions, the revenues of Benchmark and/or INVE Group, respectively, could materially decline or any anticipated increases in revenue could be lower than expected. Also, speculation regarding the likelihood of completion could increase the volatility of Benchmark's share price.

Material facts or circumstances may not be revealed in the due diligence process in relation to the Acquisition

The Company has conducted such due diligence as it deems practicable and appropriate in the context of the sale process. The objective of the due diligence process is to identify material issues which might affect the decision to proceed with the Acquisition or the consideration payable for the Acquisition. Whilst conducting due diligence and assessing the Acquisition, the Company has relied on publicly available information and information provided by INVE and the Vendors.

There can be no assurance that the due diligence undertaken with respect to the Acquisition has revealed all relevant facts that may be necessary to evaluate the Acquisition, including the determination of the price the Company has agreed to pay, or to formulate a business strategy for the Enlarged Group. As part of the due diligence process, the Company has also made subjective judgments regarding the results of operations, financial condition and prospects of the INVE Group. If the due diligence investigation has failed to correctly identify material issues and liabilities that may be present in the INVE Group, or if the Company has concluded such material risks are commercially acceptable relative to the opportunity, the Company may subsequently incur substantial impairment charges or other losses. In addition, following the Acquisition, the Company may be subject to significant, previously undisclosed liabilities or technical difficulties of the INVE Group that were not identified during due diligence and which could have a material adverse effect on the Enlarged Group's financial condition and results of operations.

Execution risk under the Acquisition Agreement

The shares in INVE will not be transferred until the Company makes payment of the consideration to the Vendors. The Company requires part of the proceeds of the Placing in order to make such payment. The proceeds of the Placing will not be available until shortly after Admission. Consequently the shares in INVE will only be transferred after Admission. It is expected that such transfer will occur on the same day as Admission or within 2 days thereafter, but there can be no guarantee that it will not be delayed. During the period between Admission and the transfer of the shares in INVE to the Company, neither the Vendors nor the Company have any termination rights and the Company will have no control over INVE save for certain contractual restrictions.

2. RISKS RELATING TO THE ENLARGED GROUP, ITS BUSINESS AND THE INDUSTRY IN WHICH IT OPERATES

The following sets out some of the risks relating to the Enlarged Group's business. If any of the following risks are borne out in reality, the Enlarged Group's business, financial condition or results of operations could be seriously affected.

Sales and access to artemia and the COOP arrangements

In the twelve months ended 31 December 2014, sales of artemia accounted for approximately 60 per cent. of INVE's total revenue. The loss or reduction of artemia sales or the limited availability of or access to artemia could have a material adverse effect on the Group.

1. Access to artemia from the Great Salt Lake

In recent years the INVE Group has sourced between 48 per cent. and 73 per cent. of its annual artemia needs from the Great Salt Lake, Utah, USA. INVE holds 15 CORs issued by the Utah authorities. COR's give the holder thereof rights to harvest artemia cysts from the Great Salt Lake. In 2005 INVE held 50 CORs and sold 35 CORs with the aim of setting up a cooperative for the harvesting and processing of Great Salt Lake product. The COOP members hold 68 CORs, the equivalent of 86 per cent. of the harvest licenses issued by the State of Utah. In doing this and through the execution of several agreements with the COOP, INVE has the right to 22 per cent. of the COOP's net proceeds of harvest, which is payable by means of a dividend (representing 15 CORs out of 68).

A sales and marketing agreement was entered into with the COOP in 2009 and extended in 2010 and 2012. This agreement provides INVE exclusive rights to market 44 per cent. of the annual COOP harvest. INVE acquires 22 per cent. of the artemia harvest at minimum distributor grid price (Pool A) and 22 per cent. at cost price (Pool B) which affects the harvesting costs of the COOP before certain central costs. The Pool B discount is in lieu of the dividend relating to INVE's 22 per cent. participation in the COOP's proceeds of harvest as described in the paragraph above. The sales and marketing agreement comes up for renewal on 31 December 2017 and automatically renews for successive one year periods unless either party gives notice to terminate. Both the Directors and

INVE management recognise that there are mutual benefits to both INVE and the COOP arising from the marketing agreement and therefore expect this agreement to be renewed in 2017. However, if the sales and marketing agreement is not renewed, INVE would lose the right to distribute 44 per cent. of the COOP's annual harvest, and the right to purchase artemia from Pool B at cost, which would have a material impact on the Enlarged Group's revenues and profits. In this situation, INVE would still remain a member of the COOP until at least 2026, the COOP would continue to harvest INVE's allocation of artemia under its CORs, and INVE would then be entitled to receive 22 per cent. of the distributable surplus of the COOP net of their allocation of certain COOP's central costs.

Certain of INVE's arrangements with the COOP contain change of control provisions which could be triggered by the Acquisition. Although the INVE Group has been advised that such provisions are unlikely to be enforceable in these circumstances, if the COOP is entitled to terminate some or all of its arrangements with the INVE Group at any point in the future and does so, the INVE Group's ability to source its annual artemia needs and retain its CORs may be adversely affected.

2. Access to artemia from the CIS and Russia

In addition to the Great Salt Lake artemia, INVE is heavily reliant on its ability to source artemia from the CIS. Whilst it has good relationships with suppliers of CIS artemia, INVE does not have any arrangements in place that grant it exclusivity over securing supply from the lakes in the CIS and continually competes with other buyers on pricing. Consequently, INVE is exposed to enhanced competition risk than for its Great Salt Lake artemia and aggressive pricing activity undertaken by its competitors could have a material impact on INVE's ability to secure artemia and consequently reduce its sales materially. In addition, the COOP has the right to acquire up to 50 per cent. of the CIS artemia to which INVE has access, on the same terms as INVE. In order to enhance its competitiveness INVE is in the process of setting up an alliance with the top 12 artemia traders of CIS and Chinese artemia. In this alliance members will need to contribute part of their purchases to INVE in exchange for IP rights for the use of INVE's patents pertinent to the enhancement of CIS and Chinese artemia. The COOP, through an agreement with INVE, can form a joint venture with INVE for up to 50 per cent. of such product acquired by INVE (as at the date of this document, the COOP has historically participated between 5 per cent. and 20 per cent., and has participated approximately 10 per cent. for the 2015/16 season.)

3. Environmental risk to artemia supply

The supply and/or quality of artemia available to INVE may be adversely impacted by environmental factors. Historically, the COOP has experienced certain years of reduced supply, caused by adverse weather conditions during the months prior to the harvest. Artemia need a very high level of salinity in the lake to thrive. Heavy rain fall dilutes the lake resulting in salinity and a reduced supply of artemia. In addition, supply of artemia is limited by environmental constraints caused by the size of the lakes in which they are harvested.

INVE currently has access to a strategic inventory held by the COOP equivalent to one year's harvest and alternative sources of artemia from the CIS and China, but there can be no guarantee that artemia will be consistently sourced in sufficient amount and/or quality to meet the demand of INVE's or the Enlarged Group's direct customers and distributors, which could have a material adverse effect on the Enlarged Group's business, results of operations, financial condition and/or prospects following the Transaction becoming effective.

Artemia global supply is limited. Harvest success mainly depends on climatological conditions. The estimated average yearly supply was 2,700 MT/year over the past ten years with a minimum of 2,400 MT and maximum of 3,200 MT.

The average yearly supply from the Great Salt Lake was 1,149MT/year over the past ten years with a minimum of 598MT and a maximum of 1,685MT.

Changes in the terms of, or participation of, INVE as a member of the COOP could have a material adverse effect on the Enlarged Group

Pursuant to the terms of the membership agreement with the COOP (as described at paragraph 14.18 of Part VII), INVE is entitled to remain a member of the COOP until 2026. However, should INVE cease to be a member of the COOP, pursuant to the bylaws of the COOP, it would be required to offer its CORs to the COOP or an existing member designated by the COOP, and would consequently lose its right to harvest artemia from the Great Salt Lake, Utah which would have a material adverse effect on its ability to source its annual artemia requirements. In addition, should the COOP disband and INVE retain its CORs, in order to continue harvesting from the Great Salt Lake,

the Enlarged Group would be required to incur costs to acquire specialist equipment and resources currently provided through its membership to the COOP and which could have a material adverse effect on the business, financial position and operating results of the Enlarged Group.

The loss of any of Benchmark or INVE Group key customers could have a material adverse effect on their respective businesses

In the twelve months ended 31 December 2014, the top five customers, including distributors and affiliates, by value accounted for 41.9 per cent. of INVE's revenue. Similarly, in the 12 months ended 30 September 2014, the top five customers by value accounted for 76 per cent. of Benchmark's revenue. Although the Enlarged Group is expected to have low levels of customer concentration, any significant deterioration in Benchmark's, INVE's or, following Completion, the Enlarged Group's relationships with its key customers, which includes distributors, whether as a result of inability to agree terms on renewal of the relevant contract(s), a key customer ceasing to require a product, a change of management of a customer, gains made by the Enlarged Group's competitors or otherwise, could have a material adverse effect on the Enlarged Group's business, results of operations, financial condition and/or prospects following the Acquisition becoming effective.

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

The INVE Group (and to a lesser extent the Company) contract with certain customers and suppliers on an unwritten basis, and although in some instances these are long-term relationships, these customers and suppliers could seek to end their relationship with the Enlarged Group or vary the terms of the relationship in a way that is disadvantageous to the Enlarged Group at any time. Such a change could have a material adverse effect on the Enlarged Group's business, results of operation and financial position.

Patents and Intellectual Property

1. Infringement of intellectual property rights; limited ability to protect IP

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

The INVE Group has alleged that certain of its intellectual property has been, or is being, infringed, particularly in China and Thailand. Whilst the Enlarged Group will take steps to protect such intellectual property and to enforce its rights in the relevant jurisdictions, there can be no guarantee that such rights will be able to be enforced, or that they can be enforced without significant cost.

2. Infringement of others' intellectual property rights

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

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

The Enlarged Group is expected to benefit from revenue synergies following the integration of INVE and Benchmark, as described in Part I of this document. Realisation of these synergies is important

to the future growth of the Enlarged Business. There can be no guarantee that any or all of these synergy benefits will be realised, which may have a material adverse effect on the Enlarged Group's financial prospects.

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

The Enlarged Group would operate in a competitive market in which large well-established competitors operate. Such competitors have significant resources and capital which may be in excess of those of the Enlarged Group. The sales tactics and activities of such competitors and their pricing policies or the successful introduction of new competing products or brands could cause a reduction in the Enlarged Group's sales and margins, results of operations, financial condition and/or prospects.

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

The Group will continue to face competition from products produced by other companies possibly including generic alternatives to the Group's products. As a result, the Group may in the future face competition from lower priced generic alternatives to some of its products. Generic competitors can be more aggressive in terms of pricing and generic products are a part of some of the Group's markets. In particular, the Group is facing competition to Salmosan from generics in Norway and Chile, which has resulted in reduced sales and pricing pressures in 2015. If customers increase their use of new or existing generic products, the Group's operating results and financial condition could be adversely affected.

Loss of key manufacturing sites and/or facilities may materially impact the Enlarged Group's operations, financial condition and/or prospects

On Completion of the Acquisition, the Enlarged Group's sales would be dependent, *inter alia*, on its global production facilities and warehouses, sales offices and distribution networks. INVE's facility in Thailand currently accounts for more than 95 per cent. of its production. Benchmark's vaccine manufacturing site at Braintree is vital to its toll manufacturing operations and important to its pipeline of toll manufactured products, and the Company has recently invested in a new antigen suite at that site. The vaccine manufacturing facility may be affected by contamination which can delay or result in losses to production and sales, and may result in additional costs associated with compliance, remedial action or compensation.

Biosecurity and disease

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

INVE's primary customers are shrimp and marine fish hatcheries. Early Mortality Syndrome (EMS) came to prominence in 2010 and has had a severe impact on the farmed shrimp industry, in particular farms growing the Vannamei shrimp species. EMS may have had a positive impact on INVE's sales of artemia and shrimp diets in recent years as hatcheries re-stocked pools with shrimp larvae but a negative impact on the sale of health products as grow-out operators in countries most impacted by EMS, such as Thailand, reduced shrimp densities or reduced production capacity. EMS may continue to adversely impact the performance of the Enlarged Group in the future.

Regulation

The Enlarged Group's business is subject to substantial regulation and this may affect the Group's ability to derive long term revenues from some of its products or products in development. The Enlarged Group is not able to market new products until all the necessary regulatory approvals have been obtained in each jurisdiction where it is intending to market each product. Even after a product has reached market it can still be subject to various kinds of re-review and could lose its approval.

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

The majority of the Enlarged Group's revenues derive from products with no or limited patent protection

The Directors estimate that almost all of the Group revenues in the financial year ended 30 September 2015 were derived from products which are either unpatented, or are off patent, or are covered by patents that whilst providing some competitive advantage, do not provide market exclusivity. Although the Group intends to bring new patented products to market in the future, there can be no guarantee that patents will be granted. Even if patents are granted, they may face competition from generic products over time. Patents and other forms of product protection may not provide sufficient protection for the Enlarged Group's products.

The future effective tax rate of the INVE Group may be higher than forecast

The INVE Group currently operates across numerous jurisdictions in which it accounts for tax. The Company, in valuing the INVE Group and in assessing the synergies for the Enlarged Group following Completion, has assumed a higher future effective tax rate for the INVE Group than that currently payable by the INVE Group across those numerous jurisdictions. The Company has undertaken tax due diligence to seek to ensure that such assumptions are materially correct. There can be no certainty, however, that such due diligence will have revealed all relevant facts necessary to evaluate fully such assumptions. If all relevant facts have not been revealed, then the future effective rate of the INVE Group may be higher than forecast by the Company in its valuation of the INVE Group and in its assessment of the synergies of the Enlarged Group, which may have a material adverse effect on the results of operations, financial conditions and prospects of the Enlarged Group.

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

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

Product liability and warranty claims

In common with many companies in the pharmaceutical sector, the Group is exposed to the risk of product liability claims, should its or relevant third party products not fulfil the terms of the contracts under which they are sold or otherwise cause loss or damage. A defective product could have significant consequences for the customer and the environment. The Group operates quality control and other procedures to mitigate this risk but there can be no guarantee that such procedures will be effective.

Demand for vaccine manufacturing facilities

The Group's main toll manufacturing agreements allow its customers to substitute or remove products, subject to transitional arrangements. The Group has recently invested in building a new antigen suite at its Braintree manufacturing site. If demand from current customers for toll manufacturing were to reduce, or the Group were unable to grow its toll manufacturing business through new customers or increased demand from current customers, it may be unable to fully utilise its manufacturing capacity, which may have a material adverse effect on the business and its profitability.

Development of resistance to some animal health products

Some pharmaceutical products have a product life that can be affected by the early onset of resistance to the product in the target organism, and whilst a significant proportion of the Group's product portfolio and pipeline comprises vaccines and biocides to which resistance is not a significant factor in product life, this can be a problem in some ectoparasiticides which are also a part of the

Group's portfolio and product pipeline, including Salmosan. The development of resistance to parasitocides can be affected by the particular active chemical in the product and/or by the way it is used in treatments, either singly or in rotation with other treatments. Whilst the Group has an active programme of technical servicing in each of its markets to help its customers adopt treatment practices which reduce and manage the risk of resistance, and whilst the exact use of these products in the future and therefore the potential for early onset of resistance cannot be fully predicted, the Enlarged Group's business, results, operations and financial condition could be materially adversely affected by the onset of early resistance to some of its products or products in development at some point in the future.

Environmental, health and safety and chemicals laws, regulations and standards

The Group is, and the Enlarged Group will be, subject to a broad range of laws, regulations and standards, including those relating to pollution, health and safety of employees, protection of the public, protection of the environment and the storage, handling and use of hazardous substances and chemicals and waste management. These regulations and standards are becoming increasingly stringent. Violations of such laws, regulations and standards and/or related claims, could result in restrictions on the operations of the Enlarged Group's sites and/or placing in the market of the Enlarged Group's products, as well as damages, fines or other sanctions and increased costs of compliance with potential reputational damage. It is the Group's, and will continue to be the Enlarged Group's, policy to require that all of its subsidiaries and products comply with applicable laws, regulations and standards.

The market for some of the Enlarged Group's products and services experiences seasonal fluctuations in demand

Three of the Enlarged Group's key products – artemia, salmon eggs and Salmosan, are subject to seasonal fluctuations in production and in sales. The effects of seasonal fluctuations in the demand for the Enlarged Group's products and services (in particular in the Animal Health division, Breeding and Genetics division and the new Advanced Animal Nutrition division to be created following the transaction) may lead to lower revenues, low utilisation of people, plant and equipment during periods of low demand; increased working capital requirements and/or volatility in operating results.

The Enlarged Group's borrowings could adversely affect its results of operations, financial condition and/or prospects

As part of the Acquisition, the Enlarged Group is entering into the New Debt Facilities for up to \$70 million (approximately £46 million). As described in Part VII of this document, \$55 million (approximately £36.5 million) is intended to be drawn on the same day as Admission with the remainder being made available to fund the general corporate and working capital purposes of the Enlarged Group, including any permitted future acquisitions. The INVE group also has access to a \$16 million working capital facility in Thailand, none of which is currently drawn. The Enlarged Group will therefore be more highly leveraged than historically and will be subject to restrictive covenants under the facilities.

The amount of debt that the Enlarged Group will have at any point in time will be dependent, *inter alia*, on creditor and debtor payment and working capital cycles. The degree to which the Enlarged Group is leveraged could have important consequences for the business, including:

- making it more difficult to satisfy obligations with respect to indebtedness;
- increasing vulnerability to, and reducing flexibility to respond to, general adverse economic and industry conditions, including rises in interest rates;
- restricting the ability to make strategic acquisitions or pursue other business opportunities;
- limiting the Enlarged Group's ability to obtain additional financing, dispose of assets or pay cash dividends other than as permitted by the terms of the New Debt Facilities;
- requiring the Enlarged Group to dedicate a substantial portion of its cash flow from operations to service the New Debt Facilities, thereby reducing the availability of such cash flow to fund dividend payments;
- limiting flexibility in planning for, or reacting to, changes in the business and the industry in which the Enlarged Group operates;
- placing the Enlarged Group at a competitive disadvantage compared to its competitors that have less debt; and
- increasing the cost of borrowing.

Any of these consequences or events could have a material adverse effect on the Enlarged Group's business, prospects, financial condition and results of operations.

Dependence on key personnel

Attracting, training, retaining and motivating technical and managerial personnel, is an important component of the future success of the Enlarged Group's business. Following the Acquisition, continued growth may cause a significant strain on managerial, operational, financial and information systems resources of the Enlarged Group.

The INVE management team will be retained within the Enlarged Group following Completion. The Company has implemented incentivisation structures designed to promote retention. These are outlined in more detail in paragraph 14 of Part I and paragraph 5 of Part VII. The Company also operates employee share options schemes which it intends to extend to the Enlarged Group (as outlined in paragraph 14 of Part I and paragraph 5 of Part VII).

The departure of any of the Enlarged Group's executive officers or other key employees could have a negative impact on its operations. In the event that future departures of employees occur, the Enlarged Group's ability to execute its business strategy successfully, or to continue to provide services to its customers and users or attract new customers and users, could be adversely affected.

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

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

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

In 2006, an Inve Group company granted Golden West-Sanders Consolidated LLC ("GWS") a right to acquire the CORs (or any company which is the registered owner of CORs) held by the INVE Group in the event of a sale of such CORs (or company). GWS has alleged that the right of first refusal was triggered by the current shareholders taking control of the INVE Group in 2008 and related transactions in 2012, and may be triggered by the Acquisition. INVE has been advised by its legal counsel that such claims are not valid and the Company's legal advisers fully agree that such claims would be very unlikely to succeed. In addition, the Company has obtained protection against certain risks relating to such claims. There can, however, be no guarantee that a Court would find against such claims and that such protections would prevent liability falling on the Enlarged Group. Whilst no legal proceedings have been brought to date, if a claim were to be successful, there is a risk that some or all of the CORs, and thereby the INVE Group's right to harvest artemia from the Great Salt Lake, would have to be offered to GWS for sale and/or of significant damages being awarded to GWS, which could have a significant adverse effect on the financial position of the Enlarged Group.

3. RISKS RELATING TO THE ORDINARY SHARES

Future sale of Ordinary Shares

Investment in the Ordinary Shares may not be suitable for all readers of this document. Readers are accordingly advised to consult a person authorised under FSMA who specialises in investments of this nature before making any investment decisions.

Investment in AIM-traded securities

Investment in shares traded on AIM involves a higher degree of risk, and such shares may be less liquid, than shares in companies which are listed on the Official List. The AIM Rules are less demanding than those of the Official List. It is emphasised that no application is being made for the admission of the Company's securities to the Official List. An investment in the Ordinary Shares may be difficult to realise. Prospective investors should be aware that the value of an investment in the Company may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Enlarged Group. Investors may therefore realise less than, or lose all of, their investment.

Share price volatility and liquidity

The share price of quoted companies can be highly volatile and shareholdings can be illiquid. The price at which the Ordinary Shares are quoted and the price which investors may realise for their Ordinary Shares will be influenced by a large number of factors, some specific to the Enlarged Group and its operations and others which may affect quoted companies generally. These factors could include the performance of the Enlarged Group, large purchases or sales of the Ordinary Shares, currency fluctuations, legislative changes and general economic, political, regulatory or social conditions.

Access to further capital

The Enlarged Group may require additional funds to respond to business challenges or to enhance existing products and services. Accordingly, the Enlarged Group may need to engage in equity or debt financings to secure additional funds. If the Company raises additional funds through further issues of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities could have rights, preferences and privileges superior to those of current shareholders. Any debt financing secured by the Enlarged Group in the future could involve restrictive covenants relating to its capital raising activities and other financial and operational matters, which may make it more difficult for the Enlarged Group to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, the Enlarged Group may not be able to obtain additional financing on terms favourable to it, if at all. If the Enlarged Group is unable to obtain adequate financing or financing on terms satisfactory to it, when the Enlarged Group requires it, its ability to continue to support its business growth and to respond to business challenges could be significantly limited or could affect its financial viability.

Market perception of the Company may change

Market perception of the Company may change, potentially affecting the value of investors' holdings and the ability of the Company to raise further funds by the issue of further Ordinary Shares or otherwise.

The interests of significant Shareholders may conflict with those of other Shareholders

Upon Admission and in the future, it is possible that a limited number of Shareholders may have significant holdings of Ordinary Shares. Accordingly, such Shareholders will possess sufficient voting power to have significant influence on matters requiring Shareholder approval. The interests of such significant Shareholders may conflict with those of other holders of Ordinary Shares.

4. GENERAL RISK FACTORS

Legislation and tax status

This document has been prepared on the basis of current legislation, regulation, rules and practices and the Directors interpretation thereof. Such interpretation may not be correct and it is always possible that legislation, rules and practice may change. Any change in legislation and in particular in tax status or tax residence of the Enlarged Group or in tax legislation or practise may have an adverse effect on the returns available on an investment in the Company.

Economic, political, judicial, administrative, taxation or other regulatory matters

In addition to the impact of the downturn of the world's economies, the Enlarged Group may be adversely affected by other changes in economic, political, judicial, administrative, taxation or other regulatory or other unforeseen matters.

Taxation

The attention of potential investors is drawn to paragraph 13 of Part VII of this document. The tax rules and their interpretation relating to an investment in the Company may change during its life.

Any change in the Company's tax status or in taxation legislation or its interpretation could affect the value of the investments held in the Company or the Company's ability to provide returns to Shareholders or alter the post-tax returns to Shareholders. Representations in this document concerning the taxation of the Company and its investors are based upon current tax law and practice which is, in principle, subject to change.

5. FORWARD-LOOKING STATEMENTS

This document contains certain forward-looking statements that are subject to certain risks and uncertainties, in particular statements regarding the Enlarged Group's plans, goals and prospects. These statements and the assumptions that underline them are based on the current expectations of the Directors and are subject to a number of factors, many of which are beyond their control. As a result, there can be no assurance that the actual performance of the Enlarged Group will not differ materially from the description in this document.

PART III – HISTORICAL FINANCIAL INFORMATION ON THE GROUP

In accordance with Rule 28 of the AIM Rules, this Admission Document does not contain historical financial information on the Company which would be required by Section 20 of Annex I of the Prospectus Rules.

However, whilst the full financial information required by Section 20 of Annex I is not included, comparative tables are presented below which summarise the Company's key historical financial information. These tables have been extracted without material adjustment from the Company's audited annual reports for the three years to 30 September 2014.

The audited accounts for the financial years ended 30 September 2012, 30 September 2013 and 30 September 2014 are incorporated by reference into this Part III and are available via the Company's website (www.Benchmarkplc.com). Shareholders or other recipients of this document may request a copy of the information incorporated by reference from the Company Secretary of Benchmark, who can be contacted at the below address or by telephone:

Benchmark House
8 Smithy Wood Drive
Sheffield
S35 1QN
United Kingdom
Tel: +44 (0)1142 409 939

Consolidated Income Statement

for the years ended 30 September 2012, 30 September 2013 and 30 September 2014

	2012 £000	2013 £000	2014 £000
Revenue	18,546	27,543	35,354
Cost of sales	(10,687)	(14,766)	(20,582)
Gross profit	7,859	12,777	14,772
Other income	177	111	101
Operating costs	(3,993)	(6,491)	(12,965)
Operating costs – Exceptional	—	(162)	(1,691)
EBITDA	4,043	6,235	217
Depreciation	(252)	(347)	(533)
Amortisation	(153)	(784)	(871)
Operating profit/(loss)	3,638	5,104	(1,187)
Finance cost	(115)	(259)	(248)
Finance income	11	8	60
Profit/(loss) on ordinary activities before taxation	3,534	4,853	(1,375)
Tax on (loss)/profit on ordinary activities	(751)	(560)	54
Profit/(loss) for the year	2,783	4,293	(1,321)
Profit/(loss) for the year attributable to:			
– Owners of the parent	2,782	4,294	(1,315)
– Non-controlling interest	1	(1)	(6)
	2,783	4,293	(1,321)
Basic earnings/(loss) per share (pence)	—	4.72	(1.04)
Diluted earnings/(loss) per share (pence)	—	4.56	(1.04)

Consolidated Statement of Comprehensive Income

For the years ended 30 September 2012, 30 September 2013 and 30 September 2014

	2012 £000	2013 £000	2014 £000
Profit/(loss) for the year	2,783	4,293	(1,321)
Other comprehensive (expense)/income			
Movement on foreign exchange reserve	(29)	(5)	89
Total comprehensive income/(expense) for the year	2,754	4,288	(1,232)
Total comprehensive income/(expense) for the year attributable to:			
– Owners of the parent	2,753	4,289	(1,226)
– Non-controlling interest	1	(1)	(6)
	2,754	4,288	(1,232)

Consolidated Balance Sheet
as at 30 September 2012, 30 September 2013 and 30 September 2014

	2012	2013	2014
	£000	£000	£000
Assets			
Non-current assets			
Property, plant and equipment	2,172	3,572	7,242
Intangible assets	4,032	3,674	7,821
Trade and other receivables	82	—	523
Deferred tax assets	144	241	339
Total non-current assets	6,430	7,487	15,925
Current assets			
Inventories	4,551	4,203	4,470
Agricultural assets	413	507	539
Trade and other receivables	5,501	6,969	11,058
Cash and cash equivalents (excluding bank overdrafts)	1,019	3,250	16,511
Total current assets	11,484	14,929	32,578
Total assets	17,914	22,416	48,503
Liabilities			
Current liabilities			
Trade and other payables	(3,839)	(5,069)	(8,281)
Loans and borrowings	(1,713)	(2,244)	(115)
Corporation tax liability	(932)	(857)	(48)
Provisions	—	—	(1,080)
Total current liabilities	(6,484)	(8,170)	(9,524)
Non-current liabilities			
Loans and borrowings	(2,849)	(2,199)	(96)
Other payables	(24)	—	(1,631)
Provisions	(585)	(135)	—
Total non-current liabilities	(3,458)	(2,334)	(1,727)
Total liabilities	(9,942)	(10,504)	(11,251)
Net assets	7,972	11,912	37,252
Issued capital and reserves attributable to owners of parent			
Share capital	92	90	137
Share premium	693	693	26,903
Capital redemption reserve	3	5	5
Share based payment reserve	301	626	1,106
Foreign exchange reserve	(10)	(15)	74
Retained earnings	6,876	10,497	9,017
Equity attributable to owners of the parent	7,955	11,896	37,242
Non-controlling interest	17	16	10
Total equity and reserves	7,972	11,912	37,252

Consolidated Statement of Changes in Equity
for the years ended 30 September 2012, 30 September 2013 and 30 September 2014

	Share capital £000	Share premium reserve £000	Other reserves £000	Retained earnings £000	Total attributable to equity holders of parent £000	Non- controlling interest £000	Total equity £000
At 1 October 2011	93	693	156	4,581	5,523	16	5,539
Comprehensive income for the year:							
Profit for the year	—	—	—	2,782	2,782	1	2,783
Deferred tax on share options	—	—	31	—	31	—	31
Other comprehensive income	—	—	(29)	—	(29)	—	(29)
Total comprehensive income for the year	—	—	2	2,782	2,784	1	2,785
Contributions by and distributions to owners:							
Dividends	—	—	—	(194)	(194)	—	(194)
Share based payments	—	—	135	—	135	—	135
Shares purchased for cancellation	(1)	—	1	(293)	(293)	—	(293)
Total contributions by and distributions to owners	(1)	—	136	(487)	(352)	—	(352)
At 30 September 2012	92	693	294	6,876	7,955	17	7,972
Comprehensive income for the year:							
Profit/(loss) for the year	—	—	—	4,294	4,294	(1)	4,293
Other comprehensive expense	—	—	(5)	—	(5)	—	(5)
Total comprehensive income for the year	—	—	(5)	4,294	4,289	(1)	4,288
Contributions by and distributions to owners:							
Dividends	—	—	—	(401)	(401)	—	(401)
Share based payments	—	—	233	—	233	—	233
Deferred tax on share options	—	—	92	—	92	—	92
Shares purchased for cancellation	(2)	—	2	(272)	(272)	—	(272)
Total contributions by and distributions to owners	(2)	—	327	(673)	(348)	—	(348)
At 30 September 2013	90	693	616	10,497	11,896	16	11,912
Comprehensive income for the year:							
Loss for the year	—	—	—	(1,315)	(1,315)	(6)	(1,321)
Other comprehensive income	—	—	89	—	89	—	89
Total comprehensive income for the period	—	—	89	(1,315)	(1,226)	(6)	(1,232)
Contributions by and distributions to owners:							
Dividends	—	—	—	(165)	(165)	—	(165)
IPO costs recognised through equity	—	(1,538)	—	—	(1,538)	—	(1,538)
Acquisition part paid in shares	—	100	—	—	100	—	100
Share based payment	3	—	438	—	441	—	441
Deferred tax on share options	—	—	42	—	42	—	42
IPO share issue	43	27,457	—	—	27,500	—	27,500
Employee shares issued	1	191	—	—	192	—	192
Total contributions by and distributions to owners	47	26,210	480	(165)	26,572	—	26,572
At 30 September 2014	137	26,903	1,185	9,017	37,242	10	37,252

Consolidated Statement of Cash Flows
For the years ended 30 September 2012, 30 September 2013 and 30 September 2014

	2012	2013	2014
	£000	£000	£000
Cash flows from operating activities:			
Profit/(loss) before tax	3,534	4,853	(1,375)
Adjustments for:			
Depreciation of property, plant and equipment	252	347	533
Impairment of property, plant and equipment	42	—	—
Amortisation of intangible fixed assets	153	784	871
Impairment losses on intangible assets	110	—	—
Loss on sale of property, plant and equipment	1	3	41
Finance income	(11)	(8)	(60)
Finance expense	115	259	248
Share based payment expense	135	233	438
Exchange movements	27	—	—
	4,358	6,471	696
Increase in trade and other receivables	(3,101)	(1,483)	(4,272)
Decrease in inventories and agricultural assets	120	254	3
Increase in trade and other payables	1,480	1,268	2,903
Increase/(decrease) in provisions	5	(450)	945
	2,862	6,060	275
Income taxes paid	(500)	(542)	(812)
Net cash flows from/(used in) operating activities	2,362	5,518	(537)
Investing activities:			
Acquisition of subsidiaries and businesses, net of cash acquired	(6,000)	(280)	(2,942)
Purchases of property, plant and equipment	(666)	(1,636)	(3,864)
Sale of property, plant and equipment	42	—	—
Purchase of intangibles	(56)	(156)	(727)
Interest received	—	—	60
Net cash flows used in investing activities	(6,680)	(2,072)	(7,473)
Financing activities:			
Proceeds of IPO share issue	—	—	27,500
IPO costs recognised through equity	—	—	(1,538)
Employee share issues	—	—	195
Purchase of ordinary shares	(293)	(272)	—
Proceeds from bank borrowings	3,460	145	—
Repayment of bank borrowings	—	(876)	(2,864)
Interest paid	(104)	(251)	(248)
Payments to finance lease creditors	(27)	(42)	(105)
Dividends paid to the holders of the parent	(194)	(401)	(165)
Net cash flows from/(used in) financing activities	2,842	(1,697)	22,775
Net (decrease)/increase in cash and cash equivalents	(1,476)	1,749	14,765
Cash and cash equivalents at beginning of year	1,473	(3)	1,746
Cash and cash equivalents at end of year	(3)	1,746	16,511

PART IV – HISTORICAL FINANCIAL INFORMATION ON THE INVE GROUP

SECTION A: ACCOUNTANTS REPORT ON THE INVE GROUP HISTORICAL CONSOLIDATED FINANCIAL INFORMATION



Regent House
Clinton Avenue
Nottingham
NG5 1AZ

11 December 2015

The Directors
Benchmark Holdings plc
Benchmark House
8 Smithy Wood Drive
Sheffield
S35 1QN

Cenkos Securities plc
6.7.8 Tokenhouse Yard
London
EC2R 7AS

Dear Sirs

INVE Aquaculture Holding B.V. (the “Company”) and its subsidiary undertakings (together, the “INVE Group”)

Introduction

We report on the financial information set out in Section B of Part IV. This financial information has been prepared for inclusion in the admission document dated 11 December 2015 of Benchmark Holdings plc (the “Admission Document”) on the basis of the accounting policies set out in note 1 to the financial information. This report is required by paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

The directors of the Company are responsible for preparing the financial information in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity’s circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the INVE Group as at 31 December 2013 and 31 December 2014 and of its profits, cash flows, changes in equity for the financial years ended on these dates in accordance with International Financial Reporting Standards as adopted by the European Union.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

BDO LLP
Chartered Accountants

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

**SECTION B: HISTORICAL CONSOLIDATED FINANCIAL INFORMATION ON
THE INVE GROUP**

Consolidated statement of financial position

		1 January 2013 £'000	31 December 2013 £'000	31 December 2014 £'000
Assets				
Property, plant and equipment	12	5,153	4,434	4,211
Intangible assets	13	3,084	2,810	2,963
Equity accounted investees	17	796	830	427
Other receivables		73	47	51
Non-current assets		9,106	8,121	7,652
Inventories	14	10,949	9,886	14,804
Trade and other receivables	15	10,398	4,586	6,746
Prepayments		3,625	3,691	5,104
Cash and cash equivalents	16	4,433	6,306	4,693
Current assets		29,405	24,469	31,347
Total assets		38,511	32,590	38,999
Group equity				
Share capital	18	14	14	1
Share premium	18	—	19,868	20,071
Translation reserve		496	(1,211)	(1,542)
Other reserves		—	21,128	21,128
Retained earnings		(43,103)	(37,204)	(22,409)
Equity attributable to owners of the Company		(42,593)	2,595	17,249
Non-controlling interests		49	9	(15)
Total equity		(42,544)	2,604	17,234
		1 January 2013 £'000	31 December 2013 £'000	31 December 2014 £'000
Liabilities				
Loans and borrowings	20	1,146	895	600
Provisions	21	660	1,204	921
Total non-current liabilities		1,806	2,099	1,521
Current tax liabilities		2,277	1,911	2,011
Loans and borrowings	20	24,455	19,234	10,145
Trade and other payables	22	47,968	3,951	4,571
Other liabilities and accrued expenses	23	4,549	2,791	3,517
Total current liabilities		79,249	27,887	20,244
Total liabilities		81,055	29,986	21,765
Total equity and liabilities		38,511	32,590	38,999

The notes on pages 58 to 86 are an integral part of these consolidated financial statements.

Consolidated statement of profit or loss for the year ended 31 December

		2013	2014
		£'000	£'000
Revenue	5,6	46,582	54,047
Cost of raw materials and consumables used		(23,065)	(24,459)
Gross profit		23,517	29,588
Other income	7	657	509
Employee benefit expenses	9	(7,573)	(8,512)
Depreciation and amortization	12,13	(1,542)	(995)
Other operating expenses	7	(7,325)	(6,219)
Operating profit		7,734	14,371
Finance income	8	80	345
Finance costs	8	(1,097)	(318)
Net finance income		(1,017)	27
Result from equity accounted investments	17	99	36
Profit before tax		6,816	14,434
Income tax expense	11	(934)	(386)
Profit		5,882	14,048
Profit attributable to:			
Owners of the Company		5,899	14,072
Non-controlling interests		(17)	(24)
		5,882	14,048

The notes on pages 58 to 86 are an integral part of these consolidated financial statements.

Consolidated statement of other comprehensive income for the year ended 31 December

	2013	2014
	£'000	£'000
Profit	5,882	14,048
Other comprehensive income		
Items that will never be reclassified to profit or loss	—	—
Items that are or may be reclassified to profit or loss		
Foreign operations – foreign currency translation differences	(1,730)	(331)
	<u> </u>	<u> </u>
Other comprehensive income, net of tax		
Owners of the Company	(1,707)	(331)
Non-controlling interests	(23)	—
	<u> </u>	<u> </u>
Total other comprehensive income	<u>(1,730)</u>	<u>(331)</u>
	<u> </u>	<u> </u>
Total comprehensive income attributable to:		
Owners of the Company	4,192	13,741
Non-controlling interests	(40)	(24)
	<u> </u>	<u> </u>
Total comprehensive income	<u>4,152</u>	<u>13,717</u>

The notes on pages 58 to 86 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity for the year ended 31 December

		Attributable to owners of the Company					Non-	Total
		Share capital	Share premium	Translation reserve	Other reserves	Retained earnings	controlling interest	equity
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 January 2013		14	—	496	—	(43,103)	49	(42,544)
Total comprehensive income								
Profit		—	—	—	—	5,899	(17)	5,882
Other comprehensive income		—	—	(1,707)	—	—	(23)	(1,730)
Total comprehensive income		—	—	(1,707)	—	5,899	(40)	4,152
Transactions with owners of the Company								
Contributions and distributions:								
Conversion of loan into equity	18	—	20,571	—	21,128	—	41,699	41,699
Share premium distribution		—	(703)	—	—	—	—	(703)
Total contributions and distributions		—	19,868	—	21,128	—	40,996	40,996
Total transactions with owners of the Company		—	19,868	—	21,128	—	40,996	40,996
Balance as at 31 December 2013		14	19,868	(1,211)	21,128	(37,204)	9	2,604

The notes on pages 58 to 86 are an integral part of these consolidated financial statements.

	Attributable to owners of the Company					Non-		Total equity £'000
	Share capital £'000	Share premium £'000	Translation reserve £'000	Other reserves £'000	Retained earnings £'000	Total £'000	controlling interest £'000	
Balance as at 1 January 2014	14	19,868	(1,211)	21,128	(37,204)	2,595	9	2,604
Total comprehensive income								
Profit	—	—	—	—	14,072	14,072	(24)	14,048
Other comprehensive income	—	—	(331)	—	—	(331)	—	(331)
Other movements	—	—	—	—	—	—	—	—
Total comprehensive income	—	—	(331)	—	14,072	13,741	(24)	13,717
Transactions with owners of the Company								
Contributions and distributions:								
● Issue of ordinary shares	—	190	—	—	—	190	—	190
● Reduction of nominal value of shares	(13)	13	—	—	—	—	—	—
Total contributions and distributions	(13)	203	—	—	—	190	—	190
Equity settled share based payment plan	—	—	—	—	723	723	—	723
Total transactions with owners of the Company	(13)	203	—	—	723	913	—	913
Balance as at 31 December 2014	1	20,071	(1,542)	21,128	(22,409)	17,249	(15)	17,234

The notes on pages 58 to 86 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows for the year ended 31 December

	2013	2014
	£'000	£'000
Cash flows from operating activities		
Profit	5,882	14,048
Adjustments for:		
● Depreciation	1,191	660
● Amortisation	350	334
● Equity settled share based payment	—	723
● Unrealised foreign exchange	228	(37)
● Result from Equity accounted investment	(99)	(36)
● Income tax	934	386
● Interest income and expense	1,017	249
Changes in:		
● Inventories	(439)	(5,257)
● Trade and other receivables	6,470	(2,215)
● Prepayments	565	(590)
● Trade and other payables	(8,375)	18
● Provisions	624	(278)
Cash generated from operating activities	8,348	8,005
Taxes paid	(584)	(339)
Net cash from operating activities	7,764	7,666
Cash flows from investing activities		
Investment in intangible assets	(121)	(451)
Investment in tangible assets	(860)	(594)
Investment in financial fixed assets	—	(2)
Disposal of intangible fixed assets	2	95
Disposal of tangible fixed assets	262	126
Disposal of financial fixed assets	25	—
Return of capital from associate undertaking	—	489
Interest received	80	69
Net cash from (used in) investing activities	(612)	(268)
Cash flows from financing activities		
Share premium distribution	(703)	—
Proceeds from issue of share capital	—	190
Repayment of borrowings	(3,088)	(8,589)
Finance lease payments	(242)	(333)
Interest paid	(1,097)	(318)
Net cash from (used in) financing activities	(5,130)	(9,050)
Net increase/decrease in cash and cash equivalents	2,022	(1,652)
Cash and cash equivalents at 1 January	4,433	6,306
Effect of movements in exchange rates on cash held	(149)	39
Cash and cash equivalents at 31 December	6,306	4,693

The notes on pages 58 to 86 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1 Reporting entity

Inve Aquaculture Holding B.V. (the 'Company') is a company domiciled in the Netherlands. The Company was incorporated on 6 October, 2011 and is ultimately owned by Inve B.V., Breda, The Netherlands. The Company's registered office is at Verlengde Poolseweg 16, Breda, The Netherlands. These consolidated financial statements comprise the Company and its subsidiaries (collectively the 'Group' and individually 'Group companies'). The Group is primarily involved in production of, and trade in, advanced food solutions for animal rearing, in aquaculture. Sales are realised in both domestic and foreign markets. The core markets are Europe, Asia and the Americas.

2 Basis of preparation

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs). These are the Group's first consolidated financial statements prepared in accordance with IFRSs and IFRS 1 First-time Adoption of International Financial Reporting Standards has been applied (see note 29).

The consolidated financial statements were authorised for issue by Management of Directors on 19 November 2015.

b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis:

- Equity settled share based payment arrangements (note 10).

c) Functional and presentation currency

These consolidated financial statements are presented in UK Pound Sterling (£), which is the Company's presentation currency. The functional currency of the Company is US Dollar (USD).

d) Use of estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Assumption and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 December 2014 is included in the following notes:

- Note 11 – recognition of deferred tax assets: availability of future taxable profit against which carry forward tax losses can be used;
- Notes 21 and 27 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources; and
- Internally generated intangible assets (development costs – refer note 3(k))

Measurement of fair values

The Group has no assets or liabilities accounted for at fair value in these financial statements however some disclosures are made regarding the fair values of financial instruments (IFRS 7).

In the assessment significant unobservable inputs and valuation adjustments would be reviewed. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the evidence obtained from the third parties is assessed to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Equity settled share based payment arrangements (note 10).

3 Significant accounting policies

a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries at 31 December 2013 and 31 December 2014.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The consolidated financial statements present the results of the Company and its subsidiaries (“the Group”) as if they formed a single entity. Intercompany transactions, balances, unrealised gains and losses resulting from intra-Group transactions and dividends are eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the consolidated balance sheet, the acquiree’s identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date.

Non-controlling interests, presented as part of equity, represent a proportion of a subsidiary’s profit or loss and net assets that is not held by the Group. The total comprehensive income or loss of non-wholly owned subsidiaries is attributed to owners of the parent and to the non-controlling interests in proportion to their respective ownership interests.

b) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of agricultural produce is recognised when the Group has transferred the significant risks and rewards of ownership to the buyer, usually on delivery. Where the buyer has a right of return, revenue and cost of sales are adjusted for the value of the expected returns based on historical results, taking into consideration the specifics of each arrangement.

c) Government grants

Government grants are initially recognised as deferred income at fair value if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant, and are then recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the periods in which the expenses are recognised.

d) Finance income and finance costs

The Group’s finance income and finance costs include:

- interest income;
- interest expense;
- the foreign currency gain or loss on financial assets and financial liabilities;
- impairment losses recognised on financial assets (other than trade receivables);

Interest income or expense is recognised using the effective interest method.

e) Foreign currency

The Group's consolidated financial statements are presented in £. For each entity the Group determines the functional currency, and items included in the financial statements of each entity are measured using that functional currency.

Transactions entered into by Group entities in a currency other than the currency of the primary economic environment in which they operate (their "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in the consolidated income statement.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations, including goodwill arising on the acquisition of those operations, are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income and accumulated in the foreign exchange reserve.

Exchange differences recognised in the income statement in the Group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the overseas operation concerned are reclassified to other comprehensive Income and accumulated in the foreign exchange reserve on consolidation.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are transferred to the consolidated income statement as part of the profit or loss on disposal.

f) Employee benefits

Share-based payment transactions

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

Defined contribution schemes

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

g) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statements of cash flows.

h) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

ii. Deferred tax

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the balance sheet differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised. The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/assets are settled/recovered.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- the same taxable Group company; or
- different Group entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

i) Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. The cost of inventories is based on the first-in, first-out principle. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

j) Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group.

iii. Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Buildings	3% – 5% per annum straight line
Plant and equipment	10% – 20% per annum straight line
Other fixed assets	10% – 100% per annum straight line

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

k) Intangible assets

Expenditure on research activities is recognised in profit or loss as incurred.

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Externally acquired intangible assets are initially recognised at cost and subsequently amortised over their useful economic lives, generally not exceeding 20 years, on a straight-line basis from the time they are available for use.

Intangible assets are recognised on business combinations if they are separable from the acquired entity or give rise to other contractual/legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques (see section related to critical estimates and judgements above).

In-process research and development programmes acquired in such combinations are recognised as an asset, even if subsequent expenditure is written off because it does not meet the criteria specified in the policy for development costs above.

Harvesting rights acquired are amortised over a period of 20 years. This period is directly related to the duration of the collaboration agreement with the COOP.

The significant intangibles recognised by the Group, their useful economic lives and the methods used to determine the cost of intangibles:

Intangible asset	Useful economic life	Valuation method
Software	5 years	Cost
Harvesting rights	20 years	Cost

l) Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

m) Financial instruments

i. Financial assets

Loans and receivables

Loans and receivable assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within operating costs in the consolidated income statement. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

From time to time, the Group elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the consolidated income statement (operating profit).

The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents in the consolidated balance sheet.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less from inception, and for the purpose of the statements of cash flows, bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the consolidated balance sheet.

ii. Financial liabilities

The Group classifies its financial liabilities as other financial liabilities which include the following items:

- Bank borrowings which are initially recognised at fair value net of any transaction costs directly attributable to the Issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated balance sheet.
- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

n) Share capital

The Group's ordinary shares are classified as equity instruments.

o) Impairment

The carrying values of all non-current assets are reviewed for impairment, either on a stand-alone basis or as part of a larger cash generating unit, when there is an indication that the assets might be impaired. Additionally, goodwill, intangible assets with indefinite useful lives and intangible assets which are not yet available for use are tested for impairment annually. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows: its cash generating units ('CGUs'). Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from the synergies of the combination giving rise to the goodwill.

Impairment charges are included in the consolidated income statement, except to the extent they reverse gains previously recognised in other comprehensive income. An impairment loss recognised for goodwill is not reversed.

p) Provisions

The Group has recognised provisions for liabilities of uncertain timing or amount including those for onerous leases, leasehold dilapidations, sale or return obligations and legal disputes. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date, discounted at a pre-tax rate reflecting current market assessments of the time value of money and risks specific to the liability. In the case of leasehold dilapidations, the provision takes into

account the potential that the properties in question may be sublet for some or all of the remaining lease term.

q) Leases

Where substantially all of the risks and rewards incidental to ownership of leased asset have been transferred to the Group (a “finance lease”), the asset is treated as if it had been purchased outright. The amount initially recognised as an asset is the lower of the fair value of the leased property and the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to the consolidated income statement over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

Where substantially all of the risks and rewards incidental to ownership are not transferred to the Group (an “operating lease”), the total rentals payable under the lease are charged to the consolidated income statement on a straight-line basis over the lease term. The aggregate benefit of lease incentives is recognised as a reduction of the rental expense over the lease term on a straight-line basis.

r) Cash flow statement

The consolidated statement of cash flows has been prepared according to the indirect method. Cash flows in foreign currencies have been recorded against the transaction rate. Exchange rate differences for cash and cash equivalents are shown separately in the cash flow statement. Payments for and receipts of corporate taxes have been included under cash flow from operating activities. Receipts of interest and dividends have been included under cash flow from investing activities. Payments for interest and dividends paid have been included under cash flow from financing activities. Transactions not involving an exchange of cash, including financial lease, are not included in the cash flow statement. The payment of lease instalments under the finance lease contract are shown as a cash-out under financing activities as far as the repayment is concerned and as a cash-out under operating activities as far as the interest is concerned.

4 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015, and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

IFRS 9 Financial Instruments

IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 9.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 15.

5 Geographical information

The geographic information below analyses the Group's revenue by the Company's country of domicile and other countries. In presenting the following information, revenue has been based on the geographical location of customers.

	2013 £'000	2014 £'000
Asia	26,159	31,375
Europe	10,531	11,486
North America	1,166	1,171
Central America	767	1,014
South America	7,628	8,362
Africa and Middle East	331	639
	<u>46,582</u>	<u>54,047</u>

6 Revenue

	2013 £'000	2014 £'000
Sale of goods	46,582	54,047
	<u>46,582</u>	<u>54,047</u>

Major customer

Revenues from two customers of the Group represents approximately £14.8 million (2013: £12.5 million) of the Group's total revenues.

7 Income and expenses

Other income

	2013 £'000	2014 £'000
Other operating income	657	509
	<u>657</u>	<u>509</u>

Other operating expenses

	2013 £'000	2014 £'000
Other staff expenses	656	761
Housing expenses	992	835
Operating and machine expenses	1,507	1,160
Selling expenses	1,577	1,410
Car expenses	469	467
Office expenses	318	322
General expenses	1,806	1,264
	<u>7,325</u>	<u>6,219</u>

Other operating expenses includes expenses incurred on research and development in 2014 amounting to £432 thousands (in 2013: £595 thousands).

8 Net finance costs

	2013 £'000	2014 £'000
Interest income	80	69
Dividend income	—	—
Net foreign exchange gain	—	276
Finance income	80	345
Interest expense	(1,097)	(318)
Net foreign exchange loss	—	—
Finance costs	(1,097)	(318)
Net finance costs recognised in profit or loss	(1,017)	27

9 Employee benefit expenses

	2013 £'000	2014 £'000
Wages and salaries	6,233	6,320
Social security contributions and pensions	1,294	1,202
Termination benefits	46	267
Expenses from equity-settled share based payments	—	723
	7,573	8,512

10 Share based payment arrangements

At 31 December 2014, the Group has the following share-based payment arrangement.

Share purchase plan (equity-settled)

On 31 October 2014, the Group offered to a group of selected members of the management the opportunity to participate in a management equity incentive plan (share purchase plan). To participate in the plan, the employees were required to acquire shares of the Group. Under the terms of the plan, as per the grant date of 31 October 2014, the employees are entitled to purchase shares at a price below the market price at the grant date. Only employees that remain in service will become entitled to hold the shares until a liquidity or exit event arises.

Measurement of fair values

The fair value of the employee share purchase plan has been measured using a markets multiple valuation approach. In the market multiple method, several companies listed on a stock exchange, which have comparable characteristics to the ones of the company to be valued, are selected with respect to a number of relevant aspects. These aspects may include size, markets served, geographical presence and capital structure.

The conditions for the employees to remain entitled to the benefits of the management equity incentive plan have been incorporated into the fair value at grant date.

The inputs used in the measurement of the fair values at grant date of the equity-settled share-based payment plans were as follows:

Number of shares	1,200
Average share purchase price	181
Average fair value of each share at grant date	£8,167

Expense recognised in profit or loss

The total expenses to be recognised in equity over the vesting period amounts to £9.8 million. The Management expects that the vesting period, based upon a liquidity event, will end at 31 December 2016. For details on the related employee benefit expenses, see note 9.

11 Income taxes

Income tax recognised in profit or loss

	2013 £'000	2014 £'000
Current tax expense		
Current year	934	386

Reconciliation of effective tax rate

	2013		2014	
	%	£'000	%	£'000
Profit before tax from continuing operations	—	5,882	—	14,434
Tax using the Company's domestic tax rate	25.0	1,471	25.0	3,609
Effect of tax rates in foreign jurisdictions	(1.4)	(81)	(19.5)	(2,784)
Tax effect of:				
● Current year losses for which no deferred tax asset was recognised	(2.2)	(128)	(2.9)	(439)
Recognition of tax effect of previously unrecognised tax losses	(5.6)	(328)	—	—
	15.8	934	2.6	386

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom.

	2013 £'000	2014 £'000
Tax losses	2,851	4,128
	2,851	4,128

Tax losses carried forward

Unrecognized tax losses carried forward expire as follows:

	2013 £'000	Expiry Date	2014 £'000	Expiry date
Never expire	2,647	—	3,520	—
Expire	76	Year 2015	79	Year 2015
	96	Year 2016	90	Year 2016
	32	Year 2031	405	Year 2019
			34	After 2019
	2,851	—	4,128	—

12 Property, plant and equipment
Reconciliation of the carrying amount

	Land and buildings £'000	Plant and equipment £'000	Other fixed assets £'000	Fixed assets in progress £'000	Total £'000
Cost					
Balance at 1 January 2013	4,182	12,599	3,004	45	19,830
Additions	15	549	187	110	861
Disposals/reclassification	—	(310)	(165)	—	(475)
Effect of movements in exchange rates	176	(610)	(100)	(4)	(538)
Balance at 31 December 2013	4,373	12,228	2,926	151	19,678
Balance at 1 January 2014	4,373	12,228	2,926	151	19,678
Additions	27	333	117	117	594
Disposals/reclassification	(1)	(526)	(534)	(140)	(1,201)
Effect of movements in exchange rates	(492)	(347)	(110)	(63)	(1,012)
Balance at 31 December 2014	3,907	11,688	2,399	65	18,059
Accumulated depreciation and impairment losses					
Balance at 1 January 2013	2,040	10,007	2,630	—	14,677
Depreciation	729	309	154	—	1,192
Disposals	15	(154)	(95)	—	(234)
Effect of movements in exchange rates	107	(414)	(84)	—	(391)
Balance at 31 December 2013	2,891	9,748	2,605	—	15,244
Balance at 1 January 2014	2,891	9,748	2,605	—	15,244
Depreciation	218	302	141	—	661
Disposals	—	(543)	(532)	—	(1,075)
Effect of movements in exchange rates	(418)	(445)	(119)	—	(982)
Balance at 31 December 2014	2,691	9,062	2,095	—	13,848
Carrying amounts					
At 1 January 2013	2,142	2,592	374	45	5,153
At 31 December 2013	1,482	2,480	321	151	4,434
At 31 December 2014	1,216	2,626	304	65	4,211

Land and buildings includes a finance lease as disclosed in note 20.

13 Intangible assets

Reconciliation of carrying amount

	Software £'000	Harvesting rights £'000	Total £'000
Cost			
Balance at 1 January 2013	724	5,752	6,476
Additions	121	—	121
Effect of movements in exchange rates	(6)	(109)	(115)
Balance at 31 December 2013	839	5,643	6,482
Balance at 1 January 2014	839	5,643	6,482
Additions	451	—	451
Disposals	(489)	—	(489)
Effect of movements in exchange rates	—	358	358
Balance at 31 December 2014	801	6,001	6,802
Accumulated amortisation			
Balance at 1 January 2013	640	2,752	3,392
Amortisation	39	311	350
Effect of movements in exchange rates	—	(70)	(70)
Balance at 31 December 2013	679	2,993	3,672
Balance at 1 January 2014	679	2,993	3,672
Amortisation	38	296	334
Disposals	(394)	—	(394)
Effect of movements in exchange rates	—	227	227
Balance at 31 December 2014	323	3,516	3,839
Carrying amounts			
At 1 January 2013	84	3,000	3,084
At 31 December 2013	160	2,650	2,810
At 31 December 2014	478	2,485	2,963

Harvesting rights are amortised over 20 years and amortization started in the course of 2003. The projected earnings levels and required rates of return do not imply a write down.

14 Inventories

	1 January 2013 £'000	31 December 2013 £'000	31 December 2014 £'000
Raw materials	3,519	2,998	2,916
Artemia	4,075	2,022	5,495
Work in progress	—	—	17
Finished goods	2,060	1,895	1,802
Goods in transit	1,931	3,641	5,460
	<u>11,585</u>	<u>10,556</u>	<u>15,690</u>
Less: provision for obsolete stocks	<u>636</u>	<u>670</u>	<u>886</u>
	<u>10,949</u>	<u>9,886</u>	<u>14,804</u>

15 Trade and other receivables

	1 January 2013 £'000	31 December 2013 £'000	31 December 2014 £'000
Trade receivables			
– Related parties	2,997	—	13
– Third parties	9,924	7,208	8,556
	<u>12,921</u>	<u>7,208</u>	<u>8,569</u>
Less: provision for doubtful debts	<u>2,523</u>	<u>2,622</u>	<u>1,823</u>
Non-current	—	—	—
Current	<u>10,398</u>	<u>4,586</u>	<u>6,746</u>

Credit and market risks, and impairment losses

Information about the Group's exposure to credit and market risks, and impairment losses for trade and other receivables, excluding construction contracts in progress, is included in note 24.

16 Cash and cash equivalents

	1 January 2013 £'000	31 December 2013 £'000	31 December 2014 £'000
Cash in hand	18	17	14
Cash at bank	4,415	6,289	4,679
	<u>4,433</u>	<u>6,306</u>	<u>4,693</u>

17 Equity accounted investees

	1 January 2013 £'000	31 December 2013 £'000	31 December 2014 £'000
Investment in Great Salt Lake Brine Shrimp Cooperative	796	830	427
	<u>796</u>	<u>830</u>	<u>427</u>

The Group has a 22% participation in Great Salt Lake Brine Shrimp Cooperative, Ogden USA. The Company has significant influence in the participating interest, therefore the investment is accounted for under equity method.

18 Capital and reserves

Share capital and share premium

	Ordinary shares Number		Share premium £'000
In issue at 1 January 2013	18,000	14	—
Share premium distribution	—	—	(703)
Conversion of Related party payables			20,571
	<hr/>	<hr/>	<hr/>
In issue at 31 December 2013	18,000	14	19,868
	<hr/>	<hr/>	<hr/>
In issue at 1 January 2014	18,000	14	19,868
Issued	1,200	—	190
Reduction of nominal value of shares	—	(13)	13
	<hr/>	<hr/>	<hr/>
In issue at 31 December 2014	19,200	1	20,071
	<hr/>	<hr/>	<hr/>

All ordinary shares rank equally with regard to the Company's residual assets.

Issued share capital

The authorised share capital of the Company was €18,000, divided into 18,000 ordinary shares of €1.

On 31 October 2014, a change in the capital structure of the Company has taken place. The original authorised share capital of the company was made of 18,000 shares with a nominal value of €1. After the modifications of the articles of associations, the capital structure has been divided in 4 categories of shares (A, B, C, D): Shares A, B and C having a nominal value of \$1 each while D shares have a nominal value of \$0.1 each.

The 18,000 shares of €1 were converted in D shares with a nominal value of \$0.1 each. 1,200 new shares were issued: 100 shares of class A of \$1 each, 100 shares of class B of \$1 each and 1,000 shares of Class C of \$0.1 each.

The shares of classes A, B and C are held by for the purpose of the management incentive plan (note 10).

Share premium

The financial position of the Company has been improved during 2013 resulting from a capital contributions the shareholder Inve BV amounting to £ 20.6 million.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Other reserves

The shareholder forfeited a receivable owed from Inve Asia Ltd. and redeemed a bank loan of Inve Asia Ltd totalling £21.1 million, which is recognised as Other reserves. Other reserves are freely distributable.

19 Capital management

Management's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

Management seeks to maintain a balance between the higher returns that might be possible with borrowings and a sound capital position.

The Group initiates a management incentive plan in 2014 for key management and other senior employees.

The Group monitors capital using a ratio of adjusted net debt to adjusted equity. For this purpose, adjusted net debt is defined as total liabilities less cash and cash equivalents. Equity comprises all components of equity.

The Group's adjusted net debt to equity ratio at 31 December was as follows:

	1 January 2013 £'000	31 December 2013 £'000	31 December 2014 £'000
Total liabilities	81,056	29,987	21,765
Less: cash and cash equivalents	4,433	6,306	4,693
Adjusted net debt	<u>76,623</u>	<u>23,681</u>	<u>17,072</u>

20 Loans and borrowings

Non-current liabilities

	1 January 2013 £'000	31 December 2013 £'000	31 December 2014 £'000
Finance lease liabilities	1,146	895	600
	<u>1,146</u>	<u>895</u>	<u>600</u>

Current liabilities

	1 January 2013 £'000	31 December 2013 £'000	31 December 2014 £'000
Bank loans	24,455	19,234	10,145
	<u>24,455</u>	<u>19,234</u>	<u>10,145</u>

Information about the Group's exposure to interest rate, foreign currency and liquidity risk is included in note 24.

Terms and repayment schedule

The terms and conditions of outstanding loans are as follows:

		Nominal interest rate %	Year of maturity	Face value	Carrying amount	Face value	Carrying amount	Face value	Carrying amount
				1 January 2013 £'000	1 January 2013 £'000	31 December 2013 £'000	31 December 2013 £'000	31 December 2014 £'000	31 December 2014 £'000
Finance lease liabilities	USD	3.86		1,146	1,146	895	895	600	600
				1,146	1,146	895	895	600	600

The interest rates of the loans and financing in 2014 amounted:

- Bangkok Bank: 6.75%
- TMB Bank: 5.50%
- Royal Bank of Scotland: Libor plus 2.5%

Debt to credit institutions are covered by mortgages taken out on land and buildings. The shares of nearly all companies are pledged and collateral is offered on just about all assets of the group as security for the credit facility.

On 30 January 2015 a waiver and amendment agreement has been concluded between The Company and the Royal Bank of Scotland, in which it is stipulated that RBS waives the requirement to deliver separate 2012 and 2013 financial statements within 180 days after the end of such financial years.

Furthermore the termination date of the existing facility was amended to 31 March 2016 and a new timing and schedule to reduce the facility has been determined. The Company repaid the facility at the end of April 2015.

Finance lease liabilities

Finance lease liabilities are payable as follows:

	2013		2014		2014	
	Future minimum lease payments £'000	Interest £'000	Present value of minimum lease payments £'000	Future minimum lease payments £'000	Interest £'000	Present value of minimum lease payments £'000
Less than 1 year	183	5	178	195	4	191
Between 1 and 5 years	640	8	632	486	4	482
More than 5 years	—	—	—	—	—	—
	823	13	810	681	8	673

The long term leasing debts have a remaining period of 4 years. The interest rate of the lease liabilities amounted to 0.75%. This pertains to the ITECH building and the Company will own that building in 2018.

21 Provisions

	2013			2014		
	Legal	Other	Total	Legal	Other	Total
	£'000	provisions £'000	£'000	£'000	provisions £'000	£'000
Balance at 1 January	92	568	660	476	728	1,204
Provisions made during the year	384	318	702	—	6	6
Provisions used during the year	—	(9)	(9)	—	(54)	(54)
Provisions reversed during the year	—	(67)	(67)	(91)	(137)	(228)
Foreign exchange effects	—	(82)	(82)	—	(7)	(7)
Balance at 31 December	476	728	1,204	385	536	921
Non-current	476	728	1,204	385	536	921
Current	—	—	—	—	—	—
	476	728	1,204	385	536	921

Legal

The change in the legal provision can mainly be explained by the reversal of a provision for a law suit in US won in last appeal by the Company, and a provision related to customs in Thailand for which an outcome is expected in 2015, which has been transferred to short term accrued charges.

Other provisions

These other provisions relate to potential supply chain settlements.

22 Accounts payable

	1 January 2013 £'000	31 December 2013 £'000	31 December 2014 £'000
Due to related parties	44,284	1,265	735
Other trade payables	3,684	2,686	3,836
	47,968	3,951	4,571

Information about the Group's exposure to currency and liquidity risk is included in note 24.

23 Other liabilities and accrued expenses

	1 January 2013 £'000	31 December 2013 £'000	31 December 2014 £'000
Other payables	732	449	1,535
Accrued charges and deferred income	3,817	2,342	1,982
	4,549	2,791	3,517

The accrued liabilities mainly concerns amounts received in advance and invoices to be received.

24 Financial instruments

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

1 January 2013

	Carrying amount			
	Loans and receivables £'000	Available- for-sale £'000	Other financial liabilities £'000	Fair value £'000
Financial assets not measured at fair value				
Other receivables	73	—	—	73
Trade and other receivables	10,398	—	—	10,398
Cash and cash equivalents	4,433	—	—	4,433
	14,904	—	—	14,904
Financial liabilities not measured at fair value				
Bank loans	—	—	24,455	24,455
Finance lease liabilities	—	—	1,146	1,146
Trade payables	—	—	47,968	47,968
	—	—	73,569	73,569

31 December 2013

	Carrying amount			
	Loans and receivables £'000	Available- for-sale £'000	Other financial liabilities £'000	Total £'000
Financial assets not measured at fair value				
Other receivables	47	—	—	47
Trade and other receivables	4,586	—	—	4,586
Cash and cash equivalents	6,306	—	—	6,306
	10,939	—	—	10,939
Financial liabilities not measured at fair value				
Bank loans	—	—	19,234	19,234
Finance lease liabilities	—	—	895	895
Trade payables	—	—	3,951	3,951
	—	—	24,080	24,080

	Carrying amount			
	Loans and receivables £'000	Available- for-sale £'000	Other financial liabilities £'000	Total £'000
Financial assets not measured at fair value				
Other receivables	51	—	—	51
Trade and other receivables	6,746	—	—	6,746
Cash and cash equivalents	4,693	—	—	4,693
	11,490	—	—	11,490
Financial liabilities not measured at fair value				
Bank loans	—	—	10,145	10,145
Finance lease liabilities	—	—	600	600
Trade payables	—	—	4,571	4,571
	—	—	15,316	15,316

Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk;
- market risk.

Risk management framework

Management has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies of the Group's finance function.

Management receives monthly reports from the Group Chief Financial Officer through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of Management is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating 'A' are accepted.

The carrying amount of financial assets represents the maximum credit exposure.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate. Further details of concentration of revenue are included in note 5.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the Group's management.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a wholesale, retail or end-user customer, their geographic location, industry and existence of previous financial difficulties.

The Group is closely monitoring the economic environment in the eurozone and is taking actions to limit its exposure to customers in countries experiencing particular economic volatility. In 2014, certain purchase limits have been reduced because the Group's experience is that the recent economic volatility has had a greater impact for customers in those countries than for customers in other countries.

Goods are sold subject to retention of title clauses, so that in the event of non-payment the Group may have a secured claim. The Group does not otherwise require collateral in respect of trade and other receivables.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables (see Note 15).

At 31 December the maximum exposure to credit risk for trade and other receivables *by geographic region* was as follows.

	Carrying amount 2013 £'000	Carrying amount 2014 £'000
Europe	3,245	3,887
Asia	525	1,914
Americas	816	945
	<u>4,586</u>	<u>6,746</u>

At 31 December the ageing of trade and other receivables (gross) was as follows:

	2013 £'000	2014 £'000
Current	3,949	4,929
Past due 1 – 30 days	464	1,560
Past due 31 – 90 days	354	602
Past due 90 – 120 days	162	44
Past due 120 days	2,280	1,433
	<u>7,209</u>	<u>8,568</u>

Cash and cash equivalents

The Group held cash and cash equivalents of £4,693 thousands at 31 December 2014 (2013: £6,306 thousands). The cash and cash equivalents are mostly held with banks.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, the Group seeks to maintain cash balances (or agreed) facilities sufficient to meet expected requirements detailed in rolling three month cash flow forecasts, and in longer term cash flow forecasts.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and excluding the impact of netting agreements:

1 January 2013

	Contractual cash flows						
	Carrying amount £'000	Total £'000	3 months or less £'000	3 – 12 months £'000	1 – 2 years £'000	2 – 5 years £'000	More than 5 years £'000
Non-derivative financial liabilities							
Secured bank loans	24,455	24,455	24,455	—	—	—	—
Trade payables	47,969	47,969	47,969	—	—	—	—
Other liabilities and accrued expenses	4,549	4,549	4,549	—	—	—	—
	<u>76,973</u>	<u>76,973</u>	<u>76,973</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

31 December 2013

	Contractual cash flows						
	Carrying amount £'000	Total £'000	3 months or less £'000	3 – 12 months £'000	1 – 2 years £'000	2 – 5 years £'000	More than 5 years £'000
Non-derivative financial liabilities							
Secured bank loans	19,234	19,234	19,234	—	—	—	—
Trade payables	3,952	3,952	3,952	—	—	—	—
Other liabilities and accrued expenses	2,791	2,791	2,791	—	—	—	—
	<u>25,977</u>	<u>25,977</u>	<u>25,977</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

31 December 2014

	Contractual cash flows						
	Carrying amount £'000	Total £'000	3 months or less £'000	3 – 12 months £'000	1 – 2 years £'000	2 – 5 years £'000	More than 5 years £'000
Non-derivative financial liabilities							
Secured bank loans	10,145	10,145	10,145	—	—	—	—
Trade payables	4,571	4,571	4,571	—	—	—	—
Other liabilities and accrued expenses	3,517	3,517	3,517	—	—	—	—
	<u>18,233</u>	<u>18,233</u>	<u>18,233</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign exchange risk

The group does not hedges its foreign currency exposure. The Group does not use forward exchange contracts to hedge its currency risk. The currencies in which the transactions are primarily denominated are EUR, USD and Thai Baht. Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Group, primarily USD. In addition, interest on borrowings is denominated in the currency of the borrowing.

The Group considers that the exposure to foreign currency is naturally hedged through its trading activities.

Interest rate risk

Resulting from the financial restructuring and the redemption of bank loans during 2013 and 2014, the Group's exposure to interest rate risks is significantly reduced and is considered as low.

25 List of subsidiaries

Set out below is a list of subsidiaries:

Name	Country of incorporation	% held
Inve Aquaculture Temp Holding B.V.	Netherlands	100
INVE Asia Ltd.	Hong Kong	99.9
INVE Asia Services Ltd.	Thailand	99.9
INVE Thailand Ltd.	Thailand	99.9
Tianjin Bolian Feed & Biotech Co. Ltd	China	100
Tianjin North INVE Feed & Biotech Co. Ltd	China	100
Tianjin INVE Aquaculture Co. Ltd	China	95
WUDI INVE Feed & Biotech Co. Ltd	China	100
Fortune Ocean Technologies Ltd	Hong Kong	99.9
PT INVE Indonesia	Indonesia	99.5
Geneng Ltd	Hong Kong	99.9
GenThai Aquaculture LTD	Thailand	90.0
Shrimp Culture Research & Development Co. Ltd	Thailand	73.5
INVE Latin Americas B.V.	Netherlands	100
INVE do Brasil LTDA	Brasil	100
INVE Ecuador SA	Campinas	100
INVE Aquaculture Mexico SA de CV	Mexico	99
INVE Servicios	Mexico	99.9
INVE Aquaculture Europe Holding B.V.	Breda	100
INVE HELLAS SA	Greece	99.9
INVE Eurasia	Turkey	99
INVE Animal Health SA-SU	Spain	100
INVE Technologies NV	Belgium	100
Maricoltura Di Rosignano Solvay Srl	Italy	100
INVE Aquaculture NV	Belgium	99.9
INVE USA Holdings Inc	USA	100
INVE Aquaculture Inc	USA	100
United Aquaculture Technologies Inc	USA	100
Inland Sea Inc	USA	100
Golden West Artemia	USA	100
Sanders Brine Shrimp Co LLC	USA	100
Salt Creek Holdings Inc1q	USA	100
Salt Creek Inc	USA	100

26 Operating leases

Leases as lessee

The Group leases land and buildings, machines, equipments and vehicles under operating leases. The leases typically run for a period of 5 years, with an option to renew the lease after that date.

Future minimum lease payments

At 31 December, the future minimum lease payments under non-cancellable leases were receivable as follows.

	2014 £'000
Less than 1 year	389
Between 1 and 5 years	457
More than 5 years	3
	<hr/>
	849
	<hr/>

27 Commitments and contingencies

Securities

An amount of £9,845,000 is carried by different group companies as joint and several debtors.

28 Related parties

Transactions with key management personnel

Key management personnel compensation comprised the following:

	2013 £'000	2014 £'000
Short-term employee benefits	1,077	1,142
Share based payments	—	723
Post-employment benefits	—	—
Other long-term benefits	—	—
Termination benefits	—	—
	<hr/>	<hr/>
	1,077	1,865
	<hr/>	<hr/>

In relate to a management incentive program, a new private company Inve Aquaculture management Holding BV has been established. This company has acquired all new shares of Class A, B and C of Inve Aquaculture Holding B.V. against a purchase price of £217,000. The amount has been paid in cash to Inve Aquaculture Holding BV.

Transactions with Equity accounted investees

The Group has a 22% participation in Great Salt Lake Brine Shrimp Cooperative, Ogden USA. In addition to the participating interest the Group has also entered into a so called sales and marketing agreements under which it buys artemia product at a discount to market prices. Below is an overview of the balances and transactions.

	2013 £'000	2014 £'000
Trade and other payables	189	735
Trade and other receivables	—	4
Purchases	12,730	13,170
Sales	50	47

Other balances with related parties are included in the Notes to these financial statements.

Other

The financial position of the Company has been improved during 2013 resulting from a capital contributions the shareholder Inve BV amounting to £20.6 million. Additionally the shareholder forfeited a receivable owed from Inve Asia Ltd. and redeemed a bank loan of Inve Asia Ltd totaling £21.1 million, which is recognised in other reserves.

29 Explanation of transition to IFRS

These financial statements, for the year ended 31 December 2014, are the first the Group has prepared in accordance with IFRS.

Until the financial year 2013 the Group made use of the exemption for filing financial statements in accordance with Section 403 of Book 2 of the Netherlands Civil Code. The financial information of the Group was previously included in its parents, Inve B.V., consolidated financial statements. The Group prepared its first Dutch GAAP statutory financial statements for the periods ended 31 December 2014. Accordingly, the Group has prepared financial statements which comply with IFRS applicable for periods ending on or after 31 December 2014, together with the comparative period data as at and for the year ended 31 December 2013, as described in the summary of significant accounting policies.

In preparing its opening IFRS statement of financial position, the Group has adjusted, in accordance with IFRS 1, amounts reported previously – i.e. financial position 31 December 2013, 2014 and the result for the years 2013 and 2014- in financial statements prepared in accordance with Dutch GAAP (previous GAAP). An explanation of how the transition from previous GAAP to IFRSs has affected the Group's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

Exemptions applied:

the Group has applied the following exemptions:

- The transitional provision in IFRIC 4 Determining whether an arrangement contains a lease has been applied and thus all arrangements have been assessed based upon the conditions in place as at the date of transition.
- The designation of financial assets and liabilities as at fair value through profit or loss or as available-for-sale is conducted at the date of transition to IFRS.

Estimates

The estimates at 1 January 2013 and 31 December 2013 are based on the information available at that time and are consistent with those made for the same dates in accordance with Dutch GAAP (after adjustments to reflect any differences in accounting policies). As such, the estimates used by the Group to present these amounts in accordance with IFRS reflect conditions at 1 January 2013, the date of transition to IFRS and at 31 December 2013.

Reconciliation of statement of financial position

31 December 2013			
	Previous GAAP £'000	Effect of transition £'000	IFRS £'000
Assets			
Property, plant and equipment	4,434	—	4,434
Intangible assets	2,810	—	2,810
Investments	<i>D</i> 728	(728)	—
Equity-accounted investees	<i>D</i> —	830	830
Other receivables	47	—	47
Non-current assets	8,019	102	8,121
Inventories	12,477	(2,591)	9,886
Trade and other receivables	4,586	—	4,586
Prepayments	1,100	2,591	3,691
Cash and cash equivalents	6,306	—	6,306
Current assets	24,469	—	24,469
Total assets	32,488	102	32,590
Equity			
Share capital	14	—	14
Share premium	19,868	—	19,868
Translation reserve	(1,211)	—	(1,211)
Other reserves	<i>B</i> —	21,128	21,128
Retained earnings	<i>B</i> (16,210)	(20,994)	(37,204)
Equity attributable to owners of the Company	2,461	134	2,595
Non-controlling interests	9	—	9
Total equity	2,470	134	2,604
Liabilities			
Loans and borrowings	<i>C</i> 10,336	(9,441)	895
Provisions	1,204	—	1,204
Liabilities to group companies	249	(249)	—
Total non-current liabilities	11,789	(9,690)	2,099
Current tax liabilities	1,911	—	1,911
Loans and borrowings	<i>C</i> 9,793	9,441	19,234
Trade and other payables	3,702	249	3,951
Other liabilities and accrued expenses	2,823	(32)	2,791
Total current liabilities	18,229	9,658	27,887
Total liabilities	30,018	(32)	29,986
Total equity and liabilities	32,488	102	32,590

Reconciliation of statement of profit and loss account and other comprehensive income for the year ended 31 December 2013

		Previous GAAP £'000	Effect of transition £'000	IFRS £'000
Revenue		46,582	—	46,582
Cost of raw materials and consumables used	<i>D</i>	(26,663)	3,598	(23,065)
Gross profit		19,919	3,598	23,517
Other income	<i>B</i>	657	—	657
Employee benefit expenses		(7,573)	—	(7,573)
Depreciation and amortization		(1,542)	—	(1,542)
Other operating expenses		(7,325)	—	(7,325)
Operating profit		4,136	3,598	7,734
Finance income	<i>D</i>	3,678	(3,598)	80
Finance costs		(1,097)	—	(1,097)
Net finance costs		2,581	(3,598)	(1,017)
Result from equity accounted investment		—	99	99
Profit before tax		6,717	99	6,816
Income tax expense		(934)	—	(934)
Profit		<u>5,783</u>	<u>99</u>	<u>5,882</u>
Profit attributable to:				
Owners of the Company		5,800	99	5,899
Non-controlling interests		(17)	—	(17)
		<u>5,783</u>	<u>99</u>	<u>5,882</u>
		Previous GAAP £'000	Effect of transition £'000	IFRS £'000
Other comprehensive income				
Items that are or may be reclassified to profit or loss				
Foreign operations – foreign currency translation differences		(1,730)	—	(1,730)
Other comprehensive income, net of tax		<u>(1,730)</u>	<u>—</u>	<u>(1,730)</u>
Total comprehensive income		<u>4,053</u>	<u>99</u>	<u>4,152</u>
Total comprehensive income attributable to:				
Owners of the Company		4,093	99	4,192
Non-controlling interests		(40)	—	(40)
		<u>4,053</u>	<u>99</u>	<u>4,152</u>

Reconciliation of statement of financial position

31 December 2014			
	Previous GAAP £'000	Effect of transition £'000	IFRS £'000
Assets			
Property, plant and equipment	4,211	—	4,211
Intangible assets	2,963	—	2,963
Investments	<i>D</i> 257	(257)	—
Equity-accounted investees	<i>D</i> —	427	427
Other receivables	51	—	51
Non-current assets	7,482	170	7,652
Inventories	18,259	(3,455)	14,804
Trade and other receivables	6,746	—	6,746
Prepayments	1,649	3,455	5,104
Cash and cash equivalents	4,693	—	4,693
Current assets	31,347	—	31,347
Total assets	38,829	170	38,999
Equity			
Share capital	1	—	1
Share premium	20,071	—	20,071
Translation reserve	(1,542)	—	(1,542)
Other reserves	<i>B</i> —	21,128	21,128
Retained earnings	<i>B</i> (1,451)	(20,958)	(22,409)
Equity attributable to owners of the Company	17,079	170	17,249
Non-controlling interests	(15)	—	(15)
Total equity	17,064	170	17,234
Liabilities			
Loans and borrowings	600	—	600
Provisions	921	—	921
Total non-current liabilities	1,521	—	1,521
Loans and borrowings	10,145	—	10,145
Current tax liabilities	2,011	—	2,011
Trade and other payables	4,571	—	4,571
Other liabilities and accrued expenses	3,517	—	3,517
Total current liabilities	20,244	—	20,244
Total liabilities	21,765	—	21,765
Total equity and liabilities	38,829	170	38,999

Reconciliation of statement of profit and loss account and other comprehensive income for the year ended 31 December 2014

		Previous GAAP £'000	Effect of transition £'000	IFRS £'000
Revenue		54,047	—	54,047
Cost of raw materials and consumables used	<i>D</i>	(30,970)	6,511	(24,459)
Gross profit		23,077	6,511	29,588
Other income		509	—	509
Employee benefit expenses	<i>A</i>	(7,789)	(723)	(8,512)
Depreciation and amortization		(995)	—	(995)
Other operating expenses		(6,219)	—	(6,219)
Operating profit		8,583	5,788	14,371
Finance income	<i>D</i>	6,856	(6,511)	345
Finance costs		(318)	—	(318)
Net finance costs		6,538	(6,511)	27
Result from equity accounted investment		—	36	36
Profit before tax		15,121	(687)	14,434
Income tax expense		(386)	—	(386)
Profit		14,735	(687)	14,048
Profit attributable to:				
Owners of the Company		14,759	(687)	14,072
Non-controlling interests		(24)	—	(24)
		14,735	(687)	14,048
		Previous GAAP £'000	Effect of transition £'000	IFRS £'000
Other comprehensive income				
Items that are or may be reclassified to profit or loss				
Foreign operations – foreign currency translation differences		(331)	—	(331)
Other comprehensive income, net of tax		(331)	—	(331)
Total comprehensive income		14,404	(687)	13,717
Total comprehensive income attributable to:				
Owners of the Company		14,428	(687)	13,741
Non-controlling interests		(24)	—	(24)
		14,404	(687)	13,717

Explanatory notes on transition to IFRS

Notes to the reconciliation of equity and total comprehensive income for the year

A – Share-based payments

In relation to a management incentive program, a new private company Inve Aquaculture management Holding BV has been established. This company has acquired all new shares of Class A, B and C of Inve Aquaculture Holding B.V. The amount has been paid in cash to Inve Aquaculture Holding BV. Under previous GAAP the Group has accounted for its management incentive plan as a transaction with shareholders. For IFRS financial reporting the management equity incentive programme is considered in scope of IFRS 2 as an equity settled share-based payment plans by recording the related expenses upon the grant date in profit and loss. Under IFRS 2 the related

share-based payment expenses are recognized in profit and loss over the vesting period of the share-based payment plan.

B – Redemption of Related party payable

An amount of £21,128 was redeemed during 2013 (see also Note 18). Under IFRS this is recognised in Other reserves. Under previous GAAP this amount was recorded directly in Retained Earnings. As a result total Equity did not change.

C – Loan and borrowings

Certain amount are classified as short term under IFRS as the covenants were breached at the balance sheet dates giving the borrowers the option to request immediate repayment. As these breaches were amended after balance sheet date the classification under previous GAAP remained as a non-current liability.

D – Equity accounted investment

The Group has a 22% participation in Great Salt Lake Brine Shrimp Cooperative, Ogden USA. Under IFRS the investment is accounted for as an equity accounted investment as management considers to have significant influence through the sales and marketing agreement and board presence.

Under previous GAAP the participating interest was measured at cost or lower market value. Dividend receipts were previously recognised as finance income. Resulting from the sales and marketing agreement receipts from the participating interest are settled in transactions and presented in cost of raw materials and consumables used.

Reconciliation of Statement of changes in cash flows

The reconciliations required by paragraph IFRS 1.24 shall give sufficient detail to enable users to understand the material adjustments to the statement of financial position and statement of comprehensive income. If an entity presented a statement of cash flows under its previous GAAP, it shall also explain the material adjustments to the statement of cash flows. As The Company did not present a statement of cash flows in its financial statements 2014, no reconciliation to the IFRS Statements of changes in cash flows is applicable.

PART V – UNAUDITED INTERIM FINANCIAL INFORMATION ON THE INVE GROUP

BASIS OF PREPARATION

The following unaudited interim financial information is the condensed consolidated financial information on the INVE Group for the seven months ended 31 July 2015 for which the Directors are solely responsible.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the seven months ended 31 July 2015

Condensed consolidated statement of financial position as at 31 July 2015

		31 December	
		2014	31 July 2015
		£'000	£'000
Assets			
Property, plant and equipment	7	4,211	3,709
Intangible assets	8	2,963	2,842
Equity accounted investees		427	442
Other receivables		51	53
		<hr/>	<hr/>
Non-current assets		7,652	7,046
Inventories		14,804	13,119
Trade and other receivables		6,746	6,677
Prepayments		5,104	2,043
Cash and cash equivalents		4,693	7,904
		<hr/>	<hr/>
Current assets		31,347	29,743
		<hr/>	<hr/>
Total assets		38,999	36,789
		<hr/> <hr/>	<hr/> <hr/>
Group equity			
Share capital	10	1	1
Share premium	10	20,071	20,071
Translation reserve		(1,542)	(3,324)
Other reserves		21,128	21,128
Retained earnings		(22,409)	(8,309)
		<hr/>	<hr/>
Equity attributable to owners of the company		17,249	29,567
Non-controlling interests		(15)	(22)
		<hr/>	<hr/>
Total equity		17,234	29,545
		<hr/> <hr/>	<hr/> <hr/>

		31 December 2014 £'000	31 July 2015 £'000
Liabilities			
Loans and borrowings	9	600	535
Provision	11	921	316
		<hr/>	<hr/>
Total non-current liabilities		1,521	851
Loans and borrowings	9	10,145	61
Current tax liabilities		2,011	1,698
Trade and other payables		4,571	2,980
Other liabilities and accrued expenses		3,517	1,654
		<hr/>	<hr/>
Total current liabilities		20,244	6,393
Total liabilities		21,765	7,244
		<hr/>	<hr/>
Total equity and liabilities		38,999	36,789
		<hr/> <hr/>	<hr/> <hr/>

Condensed consolidated statement of profit or loss account for the seven months period ended 31 July 2015

	31 July 2014 £'000	31 July 2015 £'000
Revenue	33,465	39,647
Cost of raw materials and consumables used	(13,352)	(15,881)
	<hr/>	<hr/>
Gross profit	20,113	23,766
Other income	351	205
Employee benefit expenses	(4,637)	(10,043)
Depreciation and amortization	(582)	(649)
Other operating expenses	(4,163)	(3,962)
	<hr/>	<hr/>
Operating profit	11,082	9,317
Finance income	306	4
Finance costs	(505)	(259)
	<hr/>	<hr/>
Net finance costs	(199)	(255)
Result from equity accounted investment	42	17
	<hr/>	<hr/>
Profit before tax	10,925	9,079
Income tax expense	(313)	(445)
	<hr/>	<hr/>
Profit	10,612	8,634
	<hr/>	<hr/>
Profit attributable to:		
Owners of the Company	10,618	8,641
Non-controlling interests	(6)	(7)
	<hr/>	<hr/>
	10,612	8,634
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 92 to 97 are an integral part of these consolidated financial statements.

Condensed consolidated statement of other comprehensive income for the seven months period ended 31 July 2015

	31 July 2014 £'000	31 July 2015 £'000
Profit	10,612	8,634
Other comprehensive income		
Items that will never be reclassified to profit or loss	—	—
Items that are or may be reclassified to profit or loss		
Foreign operations – foreign currency translation differences	(62)	(1,782)
Other comprehensive income, net of tax attributable to:		
Owners of the Company	(62)	(1,782)
Non-controlling interests	—	—
Total other comprehensive income, net of tax	(62)	(1,782)
Total comprehensive income attributable to:		
● Owners of the Company	10,556	6,859
● Non-controlling interests	(6)	(7)
Total comprehensive income	10,550	6,852

Condensed consolidated statement of changes in equity for the seven months period ended 31 July 2014

	Share capital £'000	Share premium £'000	Translation reserve £'000	Other reserves £'000	Retained earnings £'000	Total £'000	Non- controlling interests £'000	Total equity £'000
Balance at 1 January 2014	14	19,868	(1,211)	21,128	(37,204)	2,595	9	2,604
Total comprehensive income for the period								
Profit for the period	—	—	—	—	10,618	10,618	(6)	10,612
Other comprehensive income	—	—	(62)	—	—	(62)	—	(62)
Total comprehensive income	—	—	(62)	—	10,618	10,556	(6)	10,550
Transactions with owners of the Company								
Contributions and distributions:								
Total contributions by and distributions	—	—	—	—	—	—	—	—
Total transactions with owners of the Company	—	—	—	—	—	—	—	—
Balance at 31 July 2014	14	19,868	(1,273)	21,128	(26,586)	13,151	3	13,154

The Notes on pages 92 to 97 are an integral part of these consolidated financial statements

Condensed consolidated statement of changes in equity for the seven months period ended 31 July 2015

	Share capital £'000	Share premium £'000	Translation reserve £'000	Other reserves £'000	Retained earnings £'000	Total £'000	Non- controlling interests £'000	Total equity £'000
Balance at 1 January 2015	1	20,071	(1,542)	21,128	(22,409)	17,249	(15)	17,234
Total comprehensive income for the period								
Profit for the period	—	—	—	—	8,641	8,641	(7)	8,634
Other comprehensive income	—	—	(1,782)	—	—	(1,782)	—	(1,782)
Total comprehensive income	—	—	(1,782)	—	8,641	6,859	(7)	6,852
Transactions with owners of the Company								
Contributions and distributions								
● Issue of ordinary shares	—	—	—	—	—	—	—	—
● Conversion of loan into equity	—	—	—	—	—	—	—	—
● Equity settled share based payments	—	—	—	—	5,459	5,459	—	5,459
Total contributions by and distributions	—	—	—	—	5,459	5,459	—	5,459
Total transactions with owners of the Company	—	—	—	—	—	—	—	—
Balance at 31 July 2015	1	20,071	(3,324)	21,128	(8,309)	29,567	(22)	29,545

The notes on pages 92 to 97 are an integral part of these consolidated financial statements

Condensed consolidated statement of cash flow for the seven months period ended 31 July 2015

	31 July 2014 £'000	31 July 2015 £'000
Cash flows from operating activities		
Profit	10,612	8,634
Adjustments for:		
● Depreciation	381	377
● Amortisation	204	258
● Unrealised foreign exchange	238	146
● Equity settled share based payments	—	5,459
● Result from equity accounted investment	(42)	(17)
● Income tax	313	445
● Interest income and expense	408	243
Changes in:		
● Inventories	449	4,067
● Trade and other receivables	(2,494)	(399)
● Prepayments	(98)	(565)
● Trade and other payables	(1,014)	(3,689)
● Provisions	(193)	(553)
Cash generated from operating activities	8,764	14,406
Taxes paid	(246)	(671)
Net cash from operating activities	8,518	13,735
Cash flows from investing activities		
Investment in intangible assets	(74)	(178)
Investment in tangible assets	(203)	(347)
Disposal of tangible fixed assets	59	154
Return of capital from associate undertaking	481	—
Interest received	97	4
Net cash from (used in) investing activities	360	(367)
Cash flows from financing activities		
Repayment of borrowings	(8,849)	(9,533)
Interest paid	(505)	(247)
Net cash from (used in) financing activities	(9,354)	(9,780)
Net increase/decrease in cash and cash equivalents	(476)	3,588
Cash and cash equivalents at 1 January	6,306	4,693
Effect of movements in exchange rates on cash held	(169)	(377)
Cash and cash equivalents at 31 July	5,661	7,904

The notes on pages 92 to 97 are an integral part of these condensed consolidated interim financial statements.

Notes to condensed consolidated interim financial statements for the seven months period ended 31 July 2015

1 Reporting entity

Inve Aquaculture Holding B.V. (the 'Company') is a company domiciled in the Netherlands. The Company's registered office is at Verlengde Poolseweg 16, Breda, the Netherlands. These consolidated financial statements comprise the Company and its subsidiaries (collectively the 'Group' and individually 'Group companies'). The Group is primarily involved in production of, and trade in, advanced food solutions for animal rearing, in aquaculture. Sales are realised in both domestic and foreign markets. The core markets are Europe, Asia and the Americas.

2 Basis of accounting

These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2014.

The same accounting policies and methods of computations are followed in these interim financial statements as compared with those followed in the Group's consolidated financial statements prepared under IFRS as at and for the year ended 31 December 2014.

3 Use of judgements and estimates

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Assumption and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the period ending 31 July 2015 is included in the following notes:

- a) Note 6 – recognition of deferred tax assets: availability of future taxable profit against which carry forward tax losses can be used;
- b) Notes 11 and 13 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources; and
- c) Internally generated intangible assets (development costs)
- d) Note 14 – Equity settles share based payments: management expects that the vesting period, based upon a liquidity event, will end at 31 December 2015, which was initially estimated at 31 December 2016. The total expense to be recognised in equity over the vesting period remains amounts to £9.8 million.

Measurement of fair values

The Group has no assets or liabilities accounted for at fair value in these financial statements however some disclosures are made regarding the fair values of financial instruments (IFRS 7).

In the assessment significant unobservable inputs and valuation adjustments would be reviewed. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the evidence obtained from the third parties is assessed to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible.

4 Geographical information

The geographic information below for the seven months ended 31 July analyses the Group's revenue by the Company's country of domicile and other countries. In presenting the following information, revenue has been based on the geographical location of customers.

	Revenue	
	2014 £'000	2015 £'000
Asia	20,280	24,230
Europe	7,156	7,699
North America	1,487	840
Central America	730	794
South America	3,485	5,648
Africa and Middle East	327	436
Consolidated totals	33,465	39,647

5 Seasonality

The Group's revenue is not subject to seasonal fluctuations.

For the 7 months ended 31 July 2015, the Group reported revenues of £39,647 thousands. (7 months ended 31 July 2014 £33,465 thousands), and profit before tax of £9,079 thousands (7 months ended 31 July 2014 £10,925 thousands).

6 Tax expense

Tax expense is recognised based on management's best estimate of the weighted-average annual income tax rate expected for the full financial year multiplied by the pre-tax income of the interim reporting period.

The Group's consolidated effective tax rate for the seven months ended 31 July 2015 was 5% (seven months ended 31 July 2014: 3%). The change in effective tax rate was caused mainly by the effect of tax rates in foreign jurisdiction and tax losses for which no deferred tax asset was recognised.

7 Property, plant and equipment

Acquisition and disposal

During the seven months ended 31 July 2015, the Group acquired assets with a cost of £347 thousands (seven months ended 30 July 2014: £203 thousands). In the same period the Group disposed assets for £154 thousands (seven months ended 30 July 2014: £59 thousands).

8 Intangible assets

Acquisition and disposal

During the seven months ended 31 July 2015, the Group acquired software with a cost of £178 thousands (seven months ended 30 July 2014: £74 thousands).

9 Loans and borrowings

Terms and repayment schedule

The terms and conditions of outstanding loans are as follows:

	Currency	Nominal interest rate (%)	Year of maturity	Face value 31 December 2014 £'000	Carrying amount 31 December 2014 £'000	Face value 31 July 2015 £'000	Carrying amount 31 July 2015 £'000
Finance lease liabilities	USD	3.86	2018	600	600	535	535
				600	600	535	535

The interest rates of the loans and financing in 2014 amounted:

- Bangkok Bank: 6.75%
- TMB Bank: 5.50%
- Royal Bank of Scotland: Libor plus 2.5%

Debt to credit institutions are covered by mortgages taken out on land and buildings. The shares of nearly all companies are pledged and collateral is offered on just about all assets of the group as security for the credit facility.

On 30 January 2015 a waiver and amendment agreement has been concluded between the Company and the Royal Bank of Scotland, in which it is stipulated that RBS waives the requirement to deliver separate 2012 and 2013 financial statements within 180 days after the end of such financial years.

Furthermore the termination date of the existing facility was amended to 31 March 2016 and a new timing and schedule to reduce the facility has been determined. The Company repaid the facility at the end of April 2015.

10 Capital and reserves

Share capital and share premium

	Ordinary shares		Share Premium
	Number	£'000	£'000
In issue at 1 January 2014	18,000	14	19,868
Issued for cash	—	—	—
Reduction of nominal value of shares	—	—	—
In issue at 31 July 2014	18,000	14	19,868
In issue at 1 January 2015	19,200	1	20,071
Issued	—	—	—
In issue at 31 July 2015	19,200	1	20,071

All ordinary shares rank equally with regard to the Company's residual assets.

Issued share capital

The authorised share capital of the Company was €18.000, divided into 18.000 ordinary shares of €1.

On 31 October 2014, a change in the capital structure of the Company has taken place. The original authorized share capital of the company was made of 18,000 shares with a nominal value of €1. After the modifications of the articles of associations, the capital structure has been divided in 4 categories of shares (A, B, C, D): Shares A, B and C having a nominal value of \$1 each while D shares have a nominal value of \$0.1 each.

The 18,000 shares of € 1 were converted in D shares with a nominal value of \$0.1 each. 1,200 new shares were issued: 100 shares of class A of \$1 each, 100 shares of class B of \$1 each and 1,000 shares of Class C of \$0.1 each.

The shares of classes A, B and C are held by for the purpose of the management incentive plan.

11 Provisions

	31 July 2015		
	Legal	Other	Total
	£'000	provisions £'000	£'000
Balance at 1 January	385	536	921
Provisions made during the year	—	194	194
Provisions used during the year	—	—	—
Provisions reversed during the year	(381)	(404)	(785)
Foreign exchange effects	—	(14)	(14)
Balance at 31 July	4	312	316
Current	—	—	—
Non-current	4	312	316

Legal

The change in the long term provision can mainly be explained by the reversal of a provision for a law suit in the United States won in last appeal by the Company, and a provision related to customs in Thailand for which an outcome is expected in 2015, which has been transferred to short term accrued charges.

Other provisions

These other provisions relate to potential supply chain settlements.

12 Financial instruments

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	31 December 2014						
	Held for trading £'000	Designated at fair value £'000	Held to maturity £'000	Loans and receivables £'000	Other financial liabilities £'000	Total £'000	Fair value £'000
Financial assets not measured at fair value							
Other receivables	—	—	—	51	—	51	51
Trade and other receivables	—	—	—	6,746	—	6,746	6,746
Cash and cash equivalents	—	—	—	4,693	—	4,693	4,693
	—	—	—	11,490	—	11,490	11,490
Financial liabilities not measured at fair value							
Bank loans	—	—	—	—	10,145	10,145	10,145
Finance lease liabilities	—	—	—	—	600	600	600
Trade payables	—	—	—	—	4,571	4,571	4,571
	—	—	—	—	15,316	15,316	15,316

	31 July 2015						
	Held for trading £'000	Designated at fair value £'000	Held to maturity £'000	Loans and receivables £'000	Other financial liabilities £'000	Total £'000	Fair value £'000
Financial assets not measured at fair value							
Other receivables	—	—	—	53	—	53	53
Trade and other receivables	—	—	—	6,677	—	6,677	6,677
Cash and cash equivalents	—	—	—	7,904	—	7,904	7,904
	<u>—</u>	<u>—</u>	<u>—</u>	<u>14,634</u>	<u>—</u>	<u>14,634</u>	<u>14,634</u>
Financial liabilities not measured at fair value							
Bank loans	—	—	—	—	61	61	61
Finance lease liabilities	—	—	—	—	535	535	535
Trade payables	—	—	—	—	2,980	2,980	2,980
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>3,576</u>	<u>3,576</u>	<u>3,576</u>

13 Commitments and contingencies

Rental obligations and operational lease obligations

The total obligations with respect to rental and operational leasing contracts amount to kUSD 1,323 and expire within 5 years. The short-term components of these obligations amount to kUSD 606. The part payable within 2 to 5 years amounts to kUSD 713.

Surface right

A surface right is granted to the R&D company in Italy. The total net amount per end of December 2014 is kUSD 380.

Securities

The securities for the amounts payable to credit institutions and for the credit facility with the banks of kUSD 15,436 are as follows. An amount of kUSD 15,436 is earned by different group companies as joint and several debtors.

14 Related parties

Transactions with key management personnel

Key management personnel compensation

Key management personnel compensation comprised the following:

	31 July 2014 £'000	31 July 2015 £'000
Short-term employee benefits	666	616
Share based payments	—	5,459
Post-employment benefits	—	—
Other long-term benefits	—	—
Termination benefits	—	—
	<u>666</u>	<u>6,075</u>

In relate to a management incentive program, a new private company Inve Aquaculture management Holding BV has been established. This company has acquired all new shares of Class A, B and C of Inve Aquaculture Holding B.V. against a purchase price of £217,000. The amount has been paid in cash to Inve Aquaculture Holding BV.

Transactions with Equity accounted investees

The Group has a 22% participation in Great Salt Lake Brine Shrimp Cooperative, Ogden USA. In addition to the participating interest the Group has also entered into a so called sales and marketing agreements under which it buys artemia product at a discount to market prices.

15 Subsequent events

There are no subsequent events to report.

PART VI – PROFORMA STATEMENT OF NET ASSETS OF THE ENLARGED GROUP

The unaudited *pro forma* statement of net assets set out below has been prepared to illustrate the effect of the Transaction on the Group's net assets as if the Transaction had taken place on 31 March 2015. This unaudited *pro forma* financial information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and, therefore, does not represent the Enlarged Group's actual financial position or results.

The financial information on which the *pro forma* financial information is based has been prepared in accordance with IFRS and on the basis of the accounting policies of Benchmark.

	Benchmark Holdings plc as at 31 March 2015 Note 1 £'000	INVE Group as at 31 July 2015 Note 2 £'000	Fund raising and associated costs Note 3 £'000	Acquisition Note 4 £'000	Enlarged Group £'000
Non-current assets					
Property, plant and equipment	14,891	3,709	—	—	18,600
Intangible assets	59,210	2,842	—	200,820	262,872
Investments	95	442	—	—	537
Trade and other receivables	450	—	—	—	450
Biological and agricultural assets	1,954	—	—	—	1,954
Other financial fixed assets	—	53	—	—	53
Deferred tax assets	—	—	—	—	—
	<u>76,600</u>	<u>7,046</u>	<u>—</u>	<u>200,820</u>	<u>284,466</u>
Current assets					
Inventories	5,666	13,119	—	—	18,785
Biological and agricultural assets	6,801	—	—	—	6,801
Trade and other receivables	10,493	8,720	—	—	19,213
Cash and cash equivalents	38,615	7,904	226,544	(208,375)	64,688
	<u>61,575</u>	<u>29,743</u>	<u>226,544</u>	<u>(208,375)</u>	<u>109,487</u>
Total assets	<u>138,175</u>	<u>36,789</u>	<u>226,544</u>	<u>(7,555)</u>	<u>393,953</u>
Current liabilities					
Trade and other payables	(10,140)	(4,634)	—	—	(14,774)
Loans and borrowings	(163)	(61)	—	—	(224)
Corporation tax liability	(428)	(1,698)	—	—	(2,126)
Provisions	(1,307)	—	—	—	(1,307)
	<u>(12,038)</u>	<u>(6,393)</u>	<u>—</u>	<u>—</u>	<u>(18,431)</u>
Non-current liabilities					
Loans and borrowings	(93)	(535)	(47,151)	—	(47,779)
Other payments	(16,265)	—	—	—	(16,265)
Deferred tax	(7,815)	—	—	—	(7,815)
Provisions	—	(316)	—	—	(316)
	<u>(24,173)</u>	<u>(851)</u>	<u>(47,151)</u>	<u>—</u>	<u>(72,175)</u>
Total liabilities	<u>(36,211)</u>	<u>(7,244)</u>	<u>(47,151)</u>	<u>—</u>	<u>(90,606)</u>
Net assets	<u>101,964</u>	<u>29,545</u>	<u>179,393</u>	<u>(7,555)</u>	<u>303,347</u>

Notes to unaudited *pro forma* statement of net assets

- Figures shown as at 31 March 2015 of Benchmark Holdings Plc have been extracted, without material adjustment from the unaudited interim results as published by the Company on 23 June 2015.
- Figures shown as at 31 July 2015 of the INVE Group have been extracted, without material adjustment from the unaudited interim financial information presented in Part V of this document.

3. Fund raising and associated costs reflect the following:
 - The receipt of £179.4 million from the issue of 215,922,141 Ordinary Shares as part of the placing net of £6.3 million of associated costs; and
 - The receipt of \$70 million (approximately £47 million) from the New Debt Facilities of which \$55 million will be used to part fund the Acquisition with the remainder being made available to fund the general corporate and working capital purposes of the Enlarged Group, including any permitted future acquisitions.
4. The figures reflect adjustments to account for the Acquisition. The combination has been accounted for as an acquisition in accordance with IFRS 3. The *pro forma* net assets statement does not give effect to fair value adjustments arising from the purchase price being greater than the book value of the net assets acquired. The *pro forma* purchase price has been attributed solely to goodwill (included within intangible assets), being the difference between the total net consideration payable \$342 million (£230.3 million) less the INVE Group's net assets at 31 July 2015 (£29.5 million). No *pro forma* amortisation nor impairment charge has been applied to the resulting goodwill balance of £200.8 million in the period presented. The fair value adjustments, when finalised post-acquisition, may be material.
£208.4 million net cash outflow consists of:
 - The cash consideration of \$300 million (£202.1 million); and
 - £6.3 million of transaction costs associated with the acquisition excluding share placing costs.
5. The *pro forma* statement of net assets does not constitute statutory accounts within the meaning of Part 15 of the Companies Act 2006.
6. No account has been taken of trading or other transactions of the Group since 31 March 2015 and of the INVE Group since 31 July 2015. In particular, the net assets and adjustments in relation to the acquisition by the Benchmark Group of Akvaforsk Genetics Center AS and Akvaforsk Genetics Center Inc. which took place on 27 July 2015.
7. Exchange rates applied to translate the New Debt Facilities of \$70 million and consideration payable of \$342 million (which are denominated in United States Dollars) to Great British Pounds have been applied at the 31 March 2015 rate of 1.4846.

PART VII

ADDITIONAL INFORMATION

1. Responsibility

The Directors, whose names and functions appear on page 10 of this document, and the Company accept responsibility both individually and collectively for the information contained in this document. To the best of the knowledge and belief of the Directors, and the Company, each of whom have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and contains no omission likely to affect the import of such information. All the Directors accept individual and collective responsibility for compliance with the AIM Rules. Under no circumstances should the information contained in this document be relied upon as being accurate at any time after Admission.

2. Incorporation and status of the Company

- 2.1** The Company was incorporated and registered in England and Wales under the Companies Act 1985 on 28 November 2000 with registered number 4115910 as a private company limited by shares with the name Benchmark (Endeavour) Limited. On 25 January 2001 the Company changed its name to Benchmark Holdings Limited. On 22 November 2013 the Company re-registered as a public limited company with the name Benchmark Holdings plc.
- 2.2** The principal legislation under which the Company operates and under which the Ordinary Shares will be issued is the Act and the regulations made thereunder.
- 2.3** The Company is domiciled in the UK. The registered office of the Company is at Benchmark House, 8 Smithy Wood Drive, Sheffield, United Kingdom, S35 1QN and its telephone number is +44 (0)1142 409 939.
- 2.4** The liability of the members of the Company is limited.
- 2.5** The address of the Company's website which discloses the information required by Rule 26 of the AIM Rules is www.Benchmarkplc.com.

3. Share capital of the Company

- 3.1** The Company was incorporated with an authorised share capital of £3 divided into three ordinary shares of £1 each. On 30 September 2012, the issued share capital of the Company was £91,711 divided into 91,711 ordinary shares of £1 each.
- 3.2** The following changes to the issued share capital of the Company have taken place since 30 September 2012:
 - 3.2.1** on 8 April 2013, the buy back and cancellation of 1,404 ordinary shares of £1 each;
 - 3.2.2** on 14 October 2013, 184 ordinary shares of £1 each were issued as consideration for the acquisition of 100 ordinary shares of £1 each in the capital of Viking Fish Farms Limited;
 - 3.2.3** on 21 November 2013, the Company issued 1,500 ordinary shares of £1 each as a result of the exercise of certain enterprise management incentive options;
 - 3.2.4** on 18 December 2013:
 - (a) each ordinary share of £1 each was sub-divided into 1,000 Ordinary Shares, with each Ordinary Share having the rights attaching thereto pursuant to the Articles; and
 - (b) 42,968,750 Ordinary Shares were allotted and issued to placees subscribing for Ordinary Shares on Initial Admission at a price of 64p per Ordinary Share, at which point there was a total of 136,416,750 Ordinary Shares in issue;
 - 3.2.5** on 24 January 2014, 560,345 Ordinary Shares were allotted and issued to certain employees and directors of the Group pursuant to the terms of the Benchmark SIP;
 - 3.2.6** on 19 December 2014, 82,353,000 Ordinary Shares were allotted and issued to placees to fund the acquisition of the entire issued share capital in SalmoBreed AS and 89.45 per cent. of the issued share capital of Stofnfiskur HF, and to increase the vaccine manufacturing capacity of Benchmark's Biocampus facility in Edinburgh; and

3.2.7 on 21 September 2015, 800,000 Ordinary Shares were subject to a block admission application to trading on AIM. Since 21 September 2015, 19,430 Ordinary Shares have been issued and allotted in accordance with the block admission application, resulting in an increase in the Company's issued share capital to 219,349,525 Ordinary Shares.

3.3 At the General Meeting, the Resolutions are being proposed in the following terms:

3.3.1 the Directors being unconditionally authorised in accordance with section 549 of the Act to allot shares and to grant such subscription and conversion rights as are contemplated by sections 551(1)(a) and (b) of the Act up to an aggregate nominal amount of £255,500, such authority to expire on the conclusion of the next annual general meeting of the Company; and

3.3.2 the Directors being empowered to allot equity securities (as defined in sub-section 560 of the Act) as if sub-section 561(1) of the Act did not apply during the period of the authority referred to in paragraph 3.3.1 above provided that such power is limited to the allotment of equity securities pursuant to the Placing the issue of the Consideration Shares and the issue of the Roll-Over Shares, and in addition up to an aggregate nominal value of £255,500.

3.4 With effect immediately upon Admission, and pursuant to the authority given by the resolution referred to in paragraph 3.3 above, the Placing Shares will be allotted at the Placing Price pursuant to the Placing.

3.5 The Company's issued share capital as at the date of this document and as it is expected to be immediately following Admission and the issue of the Consideration Shares and the Roll-Over Shares is as set out below:

	Number of Ordinary Shares	Nominal Value
At the date of this document	219,349,525	£219,349.53
Following Admission and the issue of the Consideration Shares and the Roll-Over Shares	473,907,337	£473,907.34

3.6 The Company's accounting reference date is 30 September. The following is a reconciliation of the number of issued Ordinary Shares for the six months ended 31 March 2015 and the financial year ended 30 September 2015.

	1 October 2014	31 March 2015	30 September 2015
Issued Ordinary Shares	136,977,095	219,330,095	219,349,525

3.7 The following table shows the number of Ordinary Shares under option pursuant to the terms of the Share Schemes as at 10 December 2015 (being the latest practicable date before publication of this document), further details of which are provided at paragraph 5 below:

Share Scheme	Number of Ordinary Shares under Option
CSOP (Part II granted 9 March 2015)	982,396
CSOP (Part II granted July 2015)	140,433
EMI Scheme	1,272,000

3.8 The following table shows the number of Warrants that have not been exercised pursuant to the relevant Warrant Instrument as at 10 December 2015 (being the latest practicable date before publication of this document), further details of which are provided at paragraphs 14.5 and 14.13 below:

Warrant Instrument	Number of Ordinary Shares to satisfy unexercised Warrants
2013 Warrant Instrument	375,146
2015 Warrant Instrument	259,312

- 3.9** The issued share capital of the Company would increase to 444,537,942 Ordinary Shares if all options under the Share Schemes and all unexercised Warrants as at 10 December 2015 (being the latest practicable date before publication of this document), were exercised immediately following the Placing, Admission (assuming all of the Placing Shares are allotted pursuant to the Placing) and the issue of the Consideration Shares and the Roll-Over Shares.
- 3.10** Application has been made for the Placing Shares, the Consideration Shares and the Roll-Over Shares to be admitted to trading on AIM. The Placing Shares, the Consideration Shares and the Roll-Over Shares are not listed or traded on, and no application has been or is being made for the admission of the Placing Shares or the Roll-Over Shares to listing or trading on, any other stock exchange or securities market.
- 3.11** With effect from Admission, all of the Ordinary Shares will be in registered form and, subject to the Ordinary Shares being admitted to and accordingly enabled for settlement in CREST, the Ordinary Shares will be capable of being held in uncertificated form. No temporary documents of title will be issued.
- 3.12** 215,922,141 new Ordinary Shares are being issued pursuant to the Placing at a price of 86p per new Ordinary Share which represents a premium of 85.9p over their nominal value of 0.1p each. No expenses are being charged to any subscriber or purchaser.
- 3.13** 32,396,158 Consideration Shares are being issued to Inve B.V. in connection with the Acquisition.
- 3.14** 6,239,513 Roll-Over Shares are being issued to members of INVE's management at a price of 86p per share which represents a premium of 85.9p over their nominal value of 0.1p each.
- 3.15** Following the Placing, the issue of the Consideration Shares, the Roll-Over Shares and Admission (assuming all of the Placing Shares are allotted pursuant to the Placing), the Existing Ordinary Shares will represent 85.9 per cent. of the Enlarged Share Capital.
- 3.16** Save in connection with the Placing, the issue of the Consideration Shares and the Roll-Over Shares, to fulfil options granted under the Share Schemes described in paragraph 5 below or in respect of any exercised Warrants and other than the fact that the Company anticipates that certain fees payable to certain of its professional advisers in connection with the Acquisition may be settled by the issue of new Ordinary Shares, there is no present intention to issue any share or loan capital in the company following Admission.
- 3.17** Save as disclosed in this document, as at the date of this document:
- 3.17.1** there are no shares in the Company which are held by, or on behalf of, the Company or any other member of the Group;
- 3.17.2** no shares have been issued otherwise than as fully paid;
- 3.17.3** the Company had no outstanding convertible securities, exchangeable securities or securities with warrants;
- 3.17.4** the Company has given no undertaking to increase its share capital;
- 3.17.5** no capital of any member of the Group is under option or is agreed, conditionally or unconditionally, to be put under option; and
- 3.17.6** the Company does not have in issue any securities not representing share capital.

4. Articles of association

The Articles contain provisions, *inter alia*, to the following effect:

4.1 Voting rights

Subject to any special terms as to voting upon which any shares may be issued, or may for the time being be held and any restriction on voting referred to below, every Shareholder present in person or by proxy at a general meeting of the Company shall (unless the proxy is himself a member entitled to vote) have one vote on a show of hands and, on a poll, every Shareholder present in person or by proxy shall have one vote for every Ordinary Share of which he is the holder. The duly authorised representative of a corporate Shareholder may exercise the same powers on behalf of that corporation as it could exercise if it were an individual Shareholder.

A Shareholder is not entitled to vote unless all calls due from him have been paid.

A Shareholder is also not entitled to attend or vote at meetings of the Company in respect of any shares held by him in relation to which he or any other person appearing to be interested in such shares has been duly served with a notice under section 793 of the Act and, having failed to comply with such notice within the period specified in such notice (being (a) in the case where such shares represent at least 0.25 per cent. of their class, 14 days and (b) in any other case, 28 days, from the date of such notice), is served with a disenfranchisement notice. Such disenfranchisement will apply only for so long as the notice from the Company has not been complied with or until the Company has withdrawn the disenfranchisement notice, whichever is the earlier.

4.2 General meetings

The Company must hold an annual general meeting each year in addition to any other general meetings held in the year. The Directors can call a general meeting at any time.

At least 21 clear days' written notice must be given for every annual general meeting. For all other general meetings, not less than 14 clear days' written notice must be given. The notice for any general meeting must state:

- (1) whether the meeting is an annual general meeting or general meeting;
- (2) the date, time and place of the meeting;
- (3) the general nature of the business of the meeting;
- (4) any intention to propose a resolution as a special resolution; and
- (5) that a member entitled to attend and vote is entitled to appoint one or more proxies.

All members who are entitled to receive notice under the Articles must be given notice.

Before a general meeting starts, there must be a quorum, being two members present in person or by proxy.

Each Director can attend and speak at any general meeting.

4.3 Dividends

Subject to the Act, the Company may, by ordinary resolution, declare dividends to be paid to members of the Company according to their rights and interests in the profits of the Company available for distribution, but no dividend shall be declared in excess of the amount recommended by the Board.

Subject to the Act, the Board may from time to time pay to the Shareholders of the Company such interim dividends as appear to the Board to be justified by the profits available for distribution and the position of the Company, on such dates and in respect of such periods as it thinks fit.

Except insofar as the rights attaching to, or the terms of issue of, any share otherwise provide (no such shares presently being in issue), all dividends shall be apportioned and paid *pro rata* according to the amounts paid or credited as paid up (other than in advance of calls) on the shares during any portion or portions of the period in respect of which the dividend is paid. Any dividend unclaimed after a period of 12 years from the date of declaration shall be forfeited and shall revert to the Company.

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

The Board may withhold dividends payable on shares representing not less than 0.25 per cent. in nominal value of the issued shares of any class after there has been a failure to comply with any notice under section 793 of the Act requiring the disclosure of information relating to interests in the shares concerned as referred to in paragraph 4.1 above.

4.4 Return of capital

On a voluntary winding-up of the Company the liquidator may, with the sanction of a special resolution of the Company and subject to the Act and the Insolvency Act 1986 (as amended), divide amongst the shareholders of the Company in specie the whole or any part of the assets

of the Company, or vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as the liquidator, with the like sanction, shall determine, but no member shall be compelled to accept any assets on which there is a liability.

4.5 *Transfer of shares*

The Ordinary Shares are in registered form.

The Articles provide for shares to be held in CREST accounts, or through another system for holding shares in uncertificated form, such shares being referred to as “**Participating Securities**”. Subject to such of the restrictions in the Articles as shall be applicable, any member may transfer all or any of his shares. In the case of shares represented by a certificate (“**Certificated Shares**”) the transfer shall be made by an instrument of transfer in the usual form or in any other form which the Board may approve. A transfer of a Participating Security need not be in writing, but shall comply with such rules as the Board may make in relation to the transfer of such shares, a CREST transfer being acceptable under the current rules.

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

The Board may refuse to register a transfer unless:

- (1) in the case of a Certificated Share, the instrument of transfer, duly stamped (if required) is lodged at the registered office of the Company or at some other place as the Board may appoint accompanied by the relevant share certificate and such other evidence of the right to transfer as the Board may reasonably require;
- (2) in the case of a Certificated Share, the instrument of transfer is in respect of only one class of share; and
- (3) in the case of a transfer to joint holders of a Certificated Share, the transfer is in favour of not more than four such transferees.

In the case of Participating Securities, the Board may refuse to register a transfer if the Uncertificated Securities Regulations 2001 (as amended) allow it to do so, and must do so where such regulations so require.

The Board may also decline to register a transfer of shares if they represent not less than 0.25 per cent. in nominal value of the issued shares of their class and there has been a failure to comply with a notice requiring disclosure of interests in the shares (as referred to in paragraph 4.8 below) unless the shareholder has not, and proves that no other person has, failed to supply the required information. Such refusal may continue until the failure has been remedied, but the Board shall not decline to register:

- (1) a transfer in connection with a *bona fide* sale of the beneficial interest in any shares to any person who is unconnected with the shareholder and with any other person appearing to be interested in the share;
- (2) a transfer pursuant to the acceptance of an offer made to all the Company’s shareholders or all the shareholders of a particular class to acquire all or a proportion of the shares or the shares of a particular class; or
- (3) a transfer in consequence of a sale made through a recognised investment exchange or any stock exchange outside the UK on which the Company’s shares are normally traded.

4.6 *Variation of rights*

Subject to the Act, all or any of the rights attached to any class of share may (unless otherwise provided by the terms of issue of shares of that class) be varied (whether or not the Company is being wound up) either with the written consent of the holders of not less than three-quarters in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of such holders. The quorum at any such general meeting is two persons holding or representing by proxy at least one-third in nominal value of the issued shares of that class and at an adjourned meeting the quorum is one holder present in person or by proxy, whatever the amount of his shareholding. Any holder of shares

of the class in question present in person or by proxy may demand a poll. Every holder of shares of the class shall be entitled, on a poll, to one vote for every share of the class held by him. Except as mentioned above, such rights shall not be varied.

The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the Articles or the conditions of issue of such shares, be deemed to be varied by the creation or issue of new shares ranking *pari passu* therewith or subsequent thereto.

4.7 *Share capital and changes in capital*

Subject to and in accordance with the provisions of the Act, the Company may issue redeemable shares. Without prejudice to any special rights previously conferred on the holders of any existing shares, any share may be issued on terms that they are, at the option of the Company or a member liable, to be redeemed on such terms and in such manner as may be determined by the Board (such terms to be determined before the shares are allotted).

Subject to the provisions of the Articles and the Act, the power of the Company to offer, allot and issue any unissued shares and any shares lawfully held by the Company or on its behalf (such as shares held in treasury) shall be exercised by the Board at such time and for such consideration and upon such terms and conditions as the Board shall determine.

The Company may by ordinary resolution alter its share capital in accordance with the Act. The resolution may determine that, as between the holders of shares resulting from the subdivision, any of the shares may have any preference or advantage or be subject to any restriction as compared with the others.

4.8 *Disclosure of interests in shares*

Section 793 of the Act provides a public company with the statutory means to ascertain the persons who are, or have within the last three years been, interested in its relevant share capital and the nature of such interests. When a shareholder receives a statutory notice of this nature, he or she has 28 days (or 14 days where the shares represent at least 0.25 per cent. of their class) to comply with it, failing which the Company may decide to restrict the rights relating to the relevant shares and send out a further notice to the holder (known as a “**disenfranchisement notice**”). The disenfranchisement notice will state that the identified shares no longer give the shareholder any right to attend or vote at a shareholders’ meeting or to exercise any other right in relation to shareholders’ meetings.

Once the disenfranchisement notice has been given, if the Directors are satisfied that all the information required by any statutory notice has been supplied, the Company shall, within not more than seven days, withdraw the disenfranchisement notice.

The Articles do not restrict in any way the provisions of section 793 of the Act.

4.9 *Non-UK shareholders*

Shareholders with addresses outside the UK are not entitled to receive notices from the Company unless they have given the Company an address within the UK at which such notices shall be served.

4.10 *Untraced shareholders*

Subject to various notice requirements, the Company may sell any of a shareholder’s shares in the Company if, during a period of 12 years, at least three dividends on such shares have become payable and no dividend has been claimed during that period in respect of such shares and the Company has received no communication from such shareholder.

4.11 *Borrowing powers*

The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any of its undertaking, property and assets (present and future) and uncalled capital and, subject to any relevant statutes, to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligations of the Company or any third party provided that the Board shall restrict the borrowings of the Company, so as to secure (in relation to its subsidiaries so far as the Board is able) that the aggregate amount for the time being of all borrowings by the Group (excluding any money owed between members

of the Group) shall not at any time without the previous sanction of an ordinary resolution of the Company exceed an amount equal to 3.5 times the adjusted capital and reserves of the Company.

These borrowing powers may be varied by an alteration to the Articles which would require a special resolution of the shareholders.

4.12 Directors

Subject to the Act, and provided he has made the necessary disclosures, a Director may be a party to or otherwise directly or indirectly interested in any transaction or arrangement with the Company or in which the Company is otherwise interested or a proposed transaction or arrangement with the Company.

The Board has the power to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a Director under section 175 of the Act to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with, the interests of the Company. Any such authorisation will only be effective if the matter is proposed in writing for consideration in accordance with the Board's normal procedures, any requirement about the quorum of the meeting is met without including the Director in question and any other interested director and the matter was agreed to without such directors voting (or would have been agreed to if the votes of such directors had not been counted). The Board may impose terms or conditions in respect of its authorisation.

Save as mentioned below, a Director shall not vote in respect of any matter in which he has, directly or indirectly, any material interest (otherwise than by virtue of his interests in shares or debentures or other securities of, or otherwise in or through, the Company) or a duty which conflicts or may conflict with the interests of the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

A Director shall (in the absence of material interests other than those indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters:

- (1) the giving of any guarantee, security or indemnity to him or any other person in respect of money lent to, or an obligation incurred by him or any other person at the request of or for the benefit of, the Company or any of its subsidiaries;
- (2) the giving of any guarantee, security or indemnity to a third party in respect of an obligation of the Company or any of its subsidiaries for which he himself has assumed any responsibility in whole or in part alone or jointly under a guarantee or indemnity or by the giving of security;
- (3) any proposal concerning his being a participant in the underwriting or sub-underwriting of an offer of shares, debentures or other securities by the Company or any of its subsidiaries;
- (4) any proposal concerning any other company in which he is interested, directly or indirectly, and whether as an officer or shareholder or otherwise, provided that he is not the holder of or beneficially interested in one per cent. or more of any class of the equity share capital of such company (or of any corporate third party through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed to be a material interest in all circumstances);
- (5) any arrangement for the benefit of employees of the Company or any of its subsidiaries which does not accord to any Director any privilege or advantage not generally accorded to the employees to which such arrangement relates; and
- (6) any proposal concerning any insurance which the Company is empowered to purchase and/or maintain for the benefit of any of the Directors or for persons who include Directors, provided that for that purpose "insurance" means only insurance against liability incurred by a Director in respect of any act or omission by him in the execution of the duties of his office or otherwise in relation thereto or any other insurance which the Company is empowered to purchase and/or maintain for, or for the benefit of any groups of persons consisting of or including, Directors.

The Directors shall be paid such remuneration by way of fees for their services as may be determined by the Board, save that, unless otherwise approved by ordinary resolution of the Company in general meeting, the aggregate amount of such fees (which do not include remuneration for employment) of all Directors shall not exceed £400,000 per annum. The Directors shall also be entitled to be repaid by the Company all hotel expenses and other expenses of travelling to and from board meetings, committee meetings, general meetings or otherwise incurred while engaged in the business of the Company. Any Director who by request of the Board performs special services or goes or resides abroad for any purposes of the Company may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the Board may determine.

The Company may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, to or for the benefit of past directors who held executive office or employment with the Company or any of its subsidiaries or a predecessor in business of any of them or to or for the benefit of persons who are or were related to or dependants of any such Directors.

The Directors and officers of the Company are entitled to be indemnified against all losses and liabilities which they may sustain in the execution of the duties of their office, except to the extent that such an indemnity is not permitted by sections 232 or 234 of the Act. Subject to sections 205(2) to (4) of the Act, the Company may provide a Director with funds to meet his expenditure in defending any civil or criminal proceedings brought or threatened against him in relation to the Company. The Company may also provide a Director with funds to meet expenditure incurred in connection with proceedings brought by a regulatory authority and indemnify a Director in connection with the Company's activities as a trustee of a pension scheme.

The Directors are obliged to retire by rotation and are eligible for re-election at the third annual general meeting after the annual general meeting at which they were elected. Any non-executive Director who has held office for nine years or more is subject to re-election annually. Any Director appointed by the Board holds office only until the next annual general meeting, when he is eligible for re-election.

There is no age limit for Directors.

Unless and until otherwise determined by ordinary resolution of the Company, the Directors (other than alternate Directors) shall not be less than two nor more than 10 in number.

4.13 *Redemption*

The Ordinary Shares are not redeemable.

4.14 *Electronic communication*

The Company may communicate electronically with its members in accordance with the provisions of the Act.

5. *Share incentive arrangements*

Paragraphs 5.1 to 5.5 below summarise the Share Schemes. As at the date of this document, no options or awards have been granted under Part I of the Benchmark CSOP or the Benchmark JSOP.

Current participants in the INVE Plan who already hold an equity interest (whether direct or indirect) in INVE have agreed to reinvest at least 50 per cent. of the proceeds from the sale of such equity interest (post the deduction of tax and transaction, disposal and/or other costs) into Roll-Over Shares (being new Ordinary Shares in the Enlarged Group). These participants have agreed to restrictions on the disposal of the Roll-Over Shares until September 2017 and orderly marketing provisions until March 2018. Further details of these restrictions are set out in paragraph 14.16 of Part VII. Such participants will be granted options under Part II of the Benchmark CSOP. Philippe Léger will be granted options under Part II of the Benchmark CSOP with a value of £20 for every £100 he reinvests into Roll-Over Shares and the remaining reinvesting managers will be granted options under Part II of the Benchmark CSOP with a value of £40 for every £100 they reinvest. Up to 6 additional managers who are not currently

part of the INVE Plan will invest up to 100 per cent. of their salary in Ordinary Shares at the Placing Price and will be granted options under Part II of the Benchmark CSOP with a value of £40 for every £100 they invest.

The remaining employees of the INVE Group who are not currently part of the INVE Plan may also be offered options under Part II of the Benchmark CSOP (the initial value of such options to be determined as an appropriate percentage of their salary).

The maximum number of Ordinary Shares subject to options which remain unexercised at Admission is 2,394,829. These comprise options over 2,394,829 Shares which will become exercisable on the third anniversary of grant until the tenth anniversary of grant.

5.1 The CSOP

On 21 November 2013, the Company adopted the Benchmark CSOP. Part I of the Benchmark CSOP provides for the grant of HMRC tax-advantaged options under Schedule 4 to the Income Tax (Earnings and Pensions) Act 2003. Part II of the Benchmark CSOP provides for the grant of non-tax advantaged options. To date, options have only been granted under Part II of the Benchmark CSOP, the key terms of which are summarised below. There are currently 1,112,829 options outstanding under Part II of the Benchmark CSOP. Options granted under Part II of the Benchmark CSOP on 9 March 2015 and 9 July 2015 were nominal value options and have no performance conditions attached.

(i) *Grant of options*

Options may be granted to eligible employees selected by the Remuneration Committee, at any time other than when the Remuneration Committee is restricted from granting options by Statute, order or regulation (including any regulation, order or requirement imposed by the London stock Exchange or any other regulatory authority).

Options may be granted (at the discretion of the Remuneration Committee) on terms that their exercise is subject to the satisfaction of conditions. Options may also be granted on terms that their exercise will be subject to the option holder paying any employer's National Insurance contributions due in respect of the disposal or exercise of the option. No options may be granted more than 10 years after the adoption of the Benchmark CSOP.

(ii) *Exercise price*

The price at which an option holder may acquire Shares on the exercise of an option shall be determined by the Board, but shall be not less than the nominal value of an ordinary share at the time of grant.

(iii) *Scheme limits*

The number of Ordinary Shares over which options may be granted under the Benchmark CSOP on any date shall be limited so that:

- (i) the total number of Ordinary Shares issued and issuable in respect of options granted in any ten year period under the Benchmark CSOP and any other discretionary share option scheme of the Company is restricted to 10 per cent. of the Company's issued Ordinary Shares from time to time; and
- (ii) the total number of Ordinary Shares issued and issuable pursuant to rights granted under any employee share scheme operated by the Company in any ten year period is restricted to ten per cent. of the Company's issued Ordinary Shares from time to time.

The aggregate exercise price of options granted to an individual under any discretionary share option scheme operated by the Company or any associated company in any calendar year shall not exceed 200 per cent. of his annual salary for that year, save in exceptional circumstances.

(iv) *Exercisability; termination of employment; change of control*

Options will normally only be exercisable by an option holder who is still an eligible employee of the Group and after the third anniversary of its date of grant and before the tenth anniversary of its date of grant. Options will normally lapse on cessation of employment save in the circumstances set out below.

Earlier exercise may be permitted in certain limited circumstances and subject to the rules of the Benchmark CSOP, for example if the option holder dies or leaves employment through injury, disability, redundancy or retirement, where a participant leaves employment of the Group by reason of his employing company ceasing to be a member of the Group, if the undertaking in which he is employed is sold outside the Group, in certain change of control scenarios and in any other circumstances as determined by the Remuneration Committee, acting fairly and reasonably.

5.2 The JSOP

On 21 November 2013, the Company adopted the Benchmark JSOP. To date, no awards have been granted under the Benchmark JSOP, and the Company has no current intention of making grants under the Benchmark JSOP. The Benchmark JSOP provides for the acquisition of an interest in a number of Ordinary Shares by a participant (the “**JSOP Award**”), jointly with the Trustee of the EBT. A JSOP Award is intended to reflect the value of Ordinary Shares above a specified hurdle.

5.2 The SIP

On 21 November 2013, the Company adopted the Benchmark SIP. The Benchmark SIP is an HMRC tax-advantaged share incentive plan under Schedule 2 to the Income Tax (Earnings and Pensions) Act 2003.

A ‘global SIP’ was also adopted by the Company on 21 November 2013. The global SIP provides for invitations to be made on substantially the same terms as invitations under the Benchmark SIP to eligible employees who are not UK residents, subject to the requirements of applicable local law and regulations.

The SIP scheme is operated on an ad hoc basis and to date has only been used once, at the time of Initial Admission when employees were offered the opportunity to purchase £1,500 worth of partnership shares which were matched by an equal number of ordinary shares. 94 per cent. of employees at the time of Initial Admission participated in the scheme.

(i) *Administration*

The Benchmark SIP is an HMRC tax-advantaged share ownership plan. All shares obtained under the plan must initially be held in a UK resident employee benefit trust (the “**SIP Trust**”).

(ii) *Eligibility*

All UK-resident employees (including executive directors) of the Group, who have been continuously employed for a qualifying period (not exceeding 18 months where no accumulation period is provided for and 6 months where an accumulation period is provided for) as determined by the Board are eligible to participate in the Benchmark SIP. Non-executive directors are not eligible to participate in the Benchmark SIP.

(iii) *Types of awards*

The Benchmark SIP is an ‘all-purpose’ plan and may be operated with any or all of the features described in the paragraphs below.

Awards of Shares may be made by the SIP Trustee on a free (the “**Free Shares**”) and/or matching (the “**Matching Shares**”) basis. Employees can also agree to the acquisition of partnership shares (the “**Partnership Shares**”) out of their pre-tax salary by the SIP Trustee on their behalf.

(i) *Free Shares*

Under the Benchmark SIP, up to £3,600 worth of Free Shares in the Company may be awarded to each eligible employee in each tax year. The award of Free Shares can be linked to individual, team, divisional and corporate performance. Free Shares must be held by the SIP Trustee for between three and five years. Free Shares will be made subject to forfeiture if a participant ceases to be an employee of the Group within three years of the award other than by reason of his death, injury, disability, redundancy or retirement or the transfer of the business or company for which he works.

(ii) ***Partnership Shares***

Under the Benchmark SIP, Partnership Shares may be purchased on behalf of eligible employees. Up to a maximum of £1,800 per year or 10 per cent. of an employee's annual pre-tax salary (whichever is lower) can be used to buy Partnership Shares. Partnership Shares can be withdrawn from the SIP Trust at any time and cannot be subject to forfeiture. Partnership Shares acquired pursuant to the SIP will rank *pari passu* with existing Shares.

(iii) ***Matching Shares***

Employees who elect to purchase Partnership Shares may be awarded Matching Shares on the basis of up to two Matching Shares for each Partnership Share purchased. Matching Shares may be forfeited in certain circumstances if the employee ceases to be employed by a participating company within the three years following their award (other than for one of the reasons specified in relation to Free Shares in (i) above) or if the corresponding Partnership Shares are transferred out of the SIP Trust within three years.

The limits applicable to each type of award do not reduce the limits for another type. For example, the Company could allow each eligible employee to acquire up to £9,000 shares in one tax year under the Benchmark SIP, comprising £3,600 Free Shares, £1,800 Partnership Shares and £3,600 Matching Shares.

(iv) ***Limit on the number of Ordinary Shares used for the SIP***

The number of Ordinary Shares used pursuant to the Benchmark SIP in any 10 year period when aggregated with the Shares issued or issuable pursuant to rights granted in that period under any other employee share scheme of the Company, may not exceed 10 per cent. of the Company's issued share capital from time to time.

5.3 EMI Scheme

The Group historically operates an HMRC tax-advantaged Enterprise Management Incentive scheme (the “**EMI Scheme**”) to provide equity settled share options for certain employees. Options are exercisable at a price equal to 0.1p per share (following the subdivision of shares which occurred as part of the Initial Admission process, for which see below). If the options remain unexercised after a period of ten years from the date of grant the options expire. Options are forfeited if the employee leaves the group before the option vest.

The maximum number of Ordinary Shares subject to EMI options which remain unexercised at Admission is 1,272,000. These comprise options over 1,272,000 Ordinary Shares (the “**Unvested Options**”) which will become exercisable on the third anniversary of grant until the tenth anniversary of grant. No performance conditions attach to the Unvested Options.

On 21 November 2013, the Company adjusted the outstanding options granted under the EMI Scheme to reflect the subdivision of shares which occurred as part of the Initial Admission process.

5.4 The EBT

On 21 November 2013, the Company approved the establishment of the EBT for the benefit of employees and former employees of the Group, principally for the purpose of operating the JSOP. As at the date of this document, a trustee has not been appointed.

6. Information on the Directors

6.1 The names, business addresses and functions of the Directors are as follows:

Name	Function
Malcolm David Foster Pye	<i>Chief Executive Officer</i>
Mark James Plampin	<i>Chief Financial Officer</i>
Roland James Bonney	<i>Chief Operating Officer</i>
Alexander Robert Hambro	<i>Non-executive Chairman</i>
Susan Jane Searle	<i>Non-executive director</i>
Richard Basil Brookes	<i>Non-executive director</i>

- 6.2** The business address of each of the Directors listed above is Benchmark House, 8 Smithy Wood Drive, Sheffield, United Kingdom, S35 1QN.
- 6.3** In addition to any directorship of a member of the Group, the Directors hold or have held the following directorships or have been partners in the following partnerships within the five years prior to the date of this document:

Director	Current directorships and partnerships	Past directorships and partnerships in past 5 years
Roland James Bonney	Farm Animal Care Trust R.J. Bonney & A. Samdahl	
Alexander Robert Hambro	Izon Science Limited (New Zealand) BACIT (UK) Limited Welbeck Capital Partners LLP Izon Science Ltd Octopus Eclipse VCT Plc Crescent Capital III GP Limited Hazel Renewable Energy VCT2 Plc Bapco Closures Research Limited Bapco Closures Holdings Limited Whitley Asset Management Ltd Crescent Capital II GP Limited Judges Scientific Plc Halkin Development Limited Crescent Capital NI Limited First Magazine Limited Targa Fund Limited Hazel Targa VCT PLC HF Partnership LLP	Welbeck Investment Partners Member Limited Chloride Extraction Technologies Limited Octopus Eclipse VCT 3 Plc Octopus Eclipse VCT 4 Plc Aldersgate House Limited
Malcolm David Foster Pye	Rigel Pedigree Malcolm David Foster Pye and Gillian Pye	
Susan Jane Searle	Horizon Discovery Group Plc SS Businesses Limited Imperial Innovations Businesses LLP Mercia Technologies PLC Qinetiq Group plc Woodford Patient Capital Trust plc	Plaxica Limited Imperial Innovations Investments Limited Imperial Innovations Limited Imperial Innovations Group Plc Imperial College Company Maker Limited Macsko 21 Limited Ryvoan Limited
Mark James Plampin		Angela Court (Toton) Management Company Limited
Richard Basil Brookes		Pimco (Holdings) Limited LearnDirect (Holdings) PLC Pendragon Professional Information Limited Waterlow Information Services Limited Wilmington Millennium Limited Caritas Data Limited Axco Insurance Information Services Limited Production and Casting Report Limited Adline Publishing Limited CLT International Limited Aspire Publications Limited

Director	Current directorships and partnerships	Past directorships and partnerships in past 5 years
		Wilmington Group Limited Bond Solon Training Limited Hollis Directories Limited A.P. Information Services Limited Wilmington Publishing & Information Limited Mercia Group Limited Wilmington Insight Limited Hollis Publishing Limited Wilmington Plc Wilmington Risk & Compliance Limited Wilmington Finance Limited Wilmington Legal Limited APM International S.A.
6.4	Save as set out in the table above, none of the Directors has any business interests or activities outside the Group which are significant with respect to the Group.	
6.5	Save as disclosed in paragraph 6.6, 6.7 and 6.8 below, none of the Directors:	
6.5.1	has any unspent convictions in relation to indictable offences;	
6.5.2	has been made bankrupt or has made an individual voluntary arrangement with creditors or suffered the appointment of a receiver over any of his assets;	
6.5.3	has been a director of any company which, whilst he was such a director or within 12 months after his ceasing to be such a director, was put into receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with the company's creditors generally or with any class of creditors of any company or had an administrator or an administrative or other receiver appointed;	
6.5.4	has been a partner in any partnership which, whilst he was a partner, or within 12 months after his ceasing to be a partner, was put into compulsory liquidation or had an administrator or an administrative or other receiver appointed or entered into any partnership voluntary arrangement;	
6.5.5	has had an administrative or other receiver appointed in respect of any asset belonging either to him or to a partnership of which he was a partner at the time of such appointment or within the 12 months preceding such appointment; or	
6.5.6	has received any public criticisms by statutory or regulatory authorities (including recognised professional bodies) or has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.	
6.6	In 1991, Maxwell Communication Corporation plc was placed into administration, together with many of its numerous subsidiaries. Basil Brookes was a director of MCC and many of such subsidiaries at the time, and he worked with the administrators until joining Wilmington Publishing Limited in 1992. Subsequently he appeared as a prosecution witness in the trial of Kevin Maxwell and others.	
6.7	Basil Brookes was a director of Tarlort Limited which went into creditors' voluntary liquidation in 1994 whilst he was still a director.	
6.8	Basil Brookes was a director of LearnDirect (Holdings) PLC, which went into creditors' voluntary liquidation within 12 months of his resignation as a director. LearnDirect (Holdings) PLC was a special purpose company formed for an IPO which was subsequently aborted. The company never traded.	
6.9	Susan Searle was a director of Adaptive Profiling Limited which went into creditors' voluntary liquidation in 2004 whilst she was still a director.	

7. Directors' and other interests

7.1 The Directors hold the following options:

Director	Number of shares subject to Options	Share Scheme	Exercise Price per share	Exercise Period
Mark James Plampin	135,000	EMI Scheme	0.1p	29 August 2016 – 29 August 2023
Mark James Plampin	67,647	CSOP	0.1p	9 March 2015 – 9 March 2025

7.2 In addition to the options referred to above, the interests (all of which are or will be beneficial unless otherwise stated) of each Director including any interest known to that Director or which could with reasonable diligence be ascertained by him of any person connected with a Director within the meaning of sections 252 to 255 of the Act (a “**Connected Person**”) in the share capital of the Company at the date of this document and as they will be immediately following Admission and the issue of the Consideration Shares and the Roll-Over Shares are as follows:

Director	Number of Ordinary Shares currently held	Percentage of issued share capital currently held	Number of Ordinary Shares to be held immediately following Admission and the issue of the Consideration Shares and the Roll-Over Shares	Percentage of enlarged issued share capital to be held immediately following Admission and the issue of the Consideration Shares and the Roll-Over Shares
Roland James Bonney	15,145,700	6.90%	15,145,700	3.20%
Alexander Robert Hambro	46,875	0.02%	46,875	0.01%
Malcolm David Foster Pye	15,145,700	6.90%	15,145,700	3.20%
Susan Jane Searle	98,125	0.04%	98,125	0.02%
Mark James Plampin	401,686	0.18%	401,686	0.08%
Richard Basil Brookes	39,062	0.02%	39,062	0.01%

7.3 Save as disclosed above, no Director, nor any Connected Person has at the date of this document, or will have immediately following Admission and the issue of the Consideration Shares and the Roll-Over Shares, any interest, whether beneficial or non-beneficial, in the share or loan capital of the Company or any of its subsidiaries or any related financial product referenced to the Shares. In addition to the interests of Directors disclosed above, the Company is aware of the following Shareholders who are at the date of this document, or will be immediately following Admission and the issue of the Consideration Shares and the Roll-Over Shares, interested, directly or indirectly, in three per cent. or more of the issued share capital of the Company.

Shareholder	Number of Ordinary Shares currently held	Percentage of issued share capital currently held	Number of Ordinary Shares to be held immediately following Admission and the issue of the Consideration Shares and the Roll-Over Shares	Percentage of enlarged issued share capital to be held immediately following Admission and the issue of the Consideration Shares and the Roll-Over Shares
Invesco Asset Management Ltd	37,200,000	16.87%	79,060,400	16.68%
Woodford Investment Management LLP	41,994,402	19.14%	109,378,102	22.64%
Lansdowne Partners	30,000,000	13.68%	80,000,000	16.88%
Ruth Layton	15,155,700	6.91%	15,155,700	3.2%
Wheatsheaf Investments Ltd	10,000,000	4.56%	10,000,000	2.11%
Slater Investments Ltd	7,610,750	3.47%	7,610,750	1.61%
Hargreave Hale Ltd	7,215,960	3.29%	14,192,660	2.99%
Octopus Investments Nominees Limited	7,179,635	3.27%	8,167,935	1.72%
Inve B.V.	0	—%	32,396,165	6.84%

7.4 The Shareholders listed in the table above do not have different voting rights.

7.5 The Company is not aware of any person or entity who, directly or indirectly, jointly or severally, will or could exercise control over the Company immediately following Admission and the issue of the Consideration Shares and the Roll-Over Shares and there are no arrangements the operation of which could result in a change of control of the Company.

7.6 No Director has or has had any interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Group and was effected during the current or immediately preceding financial year or was effected during any earlier financial year which remains outstanding and unperformed in any respect.

7.7 There are no loans or guarantees granted or provided by the Company and/or any of its subsidiaries to or for the benefit of any of the Directors which are now outstanding.

8. Service agreements and remuneration of the Directors

8.1 Executive Service Agreements

8.1.1 *Malcolm Pye*

Under an agreement dated 12 December 2013, the Company employs Malcolm Pye as Chief Executive Officer of the Company for a salary of £150,000 per annum and all reasonable expenses properly incurred. The agreement is terminable by the Company or Mr Pye on 12 months' notice. At any time during Mr Pye's employment or during any period of notice, provided that the Company continues to pay Mr Pye's salary and provide all benefits, the Company is entitled to require Mr Pye not to carry out his duties, not attend the workplace, return Company documentation and undertake work from home, to appoint another person to perform his duties and to instruct Mr Pye not to communicate with employees, customers and professional contacts of the Company or any company within the Group except where such employees, customers or professional contacts are personal friends of the Executive and he is contacting them in a personal capacity. Following termination, Mr Pye is restricted from, without consent (i) for a period of 12 months, directly or indirectly being employed by any business which is similar to or competes with the business of the Company with which Mr Pye has been materially involved in the 12 months prior to termination of the agreement; (ii) for a period of 12 months, soliciting any entity or person that was a customer, client, supplier

or sponsor of the Group during in the six months prior to termination of the agreement; and (iii) for a period of 12 months, soliciting or employing any employee Group who was employed in the six months prior to termination of the agreement. The agreement is governed by English law. Mr Pye is also entitled to participate in a discretionary bonus scheme, on terms specified by the Company from time to time.

8.1.2 *Roland Bonney*

Under an agreement dated 12 December 2013, the Company employs Roland Bonney as Chief Operating Officer of the Company for a salary of £145,000 per annum and all reasonable expenses properly incurred. The agreement is terminable by the Company or Mr Bonney on 12 months' notice. At any time during Mr Bonney's employment or during any period of notice, provided that the Company continues to pay Mr Bonney's salary and provide all benefits, the Company is entitled to require Mr Bonney not to carry out his duties, not attend the workplace, return Company documentation and undertake work from home, to appoint another person to perform his duties and to instruct Mr Bonney not to communicate with employees, customers and professional contacts of the Company or any company within the Group except where such employees, customers or professional contacts are personal friends of the Executive and he is contacting them in a personal capacity. Following termination, Mr Bonney is restricted from, without consent (i) for a period of 12 months, directly or indirectly being employed by any business which is similar to or competes with the business of the Company with which Mr Bonney has been materially involved in the 12 months prior to termination of the agreement; (ii) for a period of 12 months, soliciting any entity or person that was a customer, client, supplier or sponsor of the Group during in the six months prior to termination of the agreement; and (iii) for a period of 12 months, soliciting or employing any employee Group who was employed in the six months prior to termination of the agreement. The agreement is governed by English law. Mr Bonney is also entitled to participate in a discretionary bonus scheme, on terms specified by the Company from time to time.

8.1.3 *Mark Plampin*

Under an agreement dated 12 December 2013, the Company employs Mark Plampin as Chief Financial Officer of the Company for a salary of £140,000 per annum and all reasonable expenses properly incurred. The agreement is terminable by the Company or Mr Plampin on 12 months' notice. At any time during Mr Plampin's employment or during any period of notice, provided that the Company continues to pay Mr Plampin's salary and provide all benefits, the Company is entitled to require Mr Plampin not to carry out his duties, not attend the workplace, return Company documentation and undertake work from home, to appoint another person to perform his duties and to instruct Mr Plampin not to communicate with employees, customers and professional contacts of the Company or any company within the Group except where such employees, customers or professional contacts are personal friends of the Executive and he is contacting them in a personal capacity. Following termination, Mr Plampin is restricted from, without consent (i) for a period of 12 months, directly or indirectly being employed by any business which is similar to or competes with the business of the Company with which Mr Plampin has been materially involved in the 12 months prior to termination of the agreement; (ii) for a period of 12 months, soliciting any entity or person that was a customer, client, supplier or sponsor of the Group during in the six months prior to termination of the agreement; and (iii) for a period of 12 months, soliciting or employing any employee Group who was employed in the six months prior to termination of the agreement. The agreement is governed by English law. Mr Plampin is also entitled to participate in a discretionary bonus scheme, on terms specified by the Company from time to time.

8.2 Non-Executive Letters of Appointment

8.2.1 *Alex Hambro*

Under an agreement dated 12 December 2013, the Company engaged Alex Hambro as chairman and Non-Executive Director for an initial period of three years (expiring on the third anniversary of Admission) at a fee of £45,000 per annum. The agreement is terminable by either party on three months' written notice.

8.2.2 Susan Searle

Under an agreement dated 12 December 2013, the Company engaged Susan Searle as Non-Executive Director for an initial period of three years (expiring on the third anniversary of Admission) at a fee of £35,000 per annum. The agreement is terminable by either party on three months' written notice.

8.2.3 Basil Brookes

Under an agreement dated 12 December 2013, the Company engaged Basil Brookes as Non-Executive Director for an initial period of three years (expiring on the third anniversary of Admission) at a fee of £35,000 per annum. The agreement is terminable by either party on three months' written notice.

8.3 Save as set out above, on Admission there will be no existing or proposed service agreements between any of the Directors and any member of the Group. Furthermore, save in connection with the share incentive arrangements described in paragraph 5 above, there are no commissions or profit-sharing arrangements with any of the Directors.

8.4 There is no arrangement under which any Director has waived or agreed to waive future emoluments nor has there been any waiver of emoluments during the financial year immediately preceding the date of this document.

9. Employees

9.1 The number of employees of the Group, including the Directors, as at 10 December 2015 was as follows:

Production	252
Administration	55
Management	91
	<hr/>
	398
	<hr/>

The geographic breakdown of such employees was as follows:

UK	232
Iceland	57
Norway	37
Portugal	17
United States	14
Thailand	13
Brazil	11
Chile	5
Mexico	3
Belgium	3
Spain	2
Canada	1
Ireland	1
Australia	1
Russia	1
	<hr/>
	398
	<hr/>

9.2 As at 10 December 2015, the INVE Group has 432 full-time equivalent employees. The table below sets out INVE's average number of total full-time equivalent employees, for each of the periods indicated:

	Year ended	Year ended	Year ended
	31 December 2012	31 December 2013	31 December 2014
Average total employees	380	395	427

10. Subsidiaries

10.1 The Company is the holding company of the Group. The following table contains details of the Company's subsidiaries, subsidiary undertakings and other undertakings in which it has an interest held on a long-term basis:

Name	Nature of business	Registered office and country of incorporation/ residence	Proportion of share capital held	Issued and fully paid share capital	Immediate Parent
<i>Direct shareholding</i>					
Benchmark Animal Health Group Limited	Animal Health	Benchmark House 8 Smithy Wood Drive Sheffield South Yorkshire S35 1QN	100%	777,502 ordinary shares of £1	Benchmark Holdings Plc
Trie Benchmark Limited	Consulting	The Field Station Northfield Farm Oxford Oxfordshire OX2 8QJ	100%	210,001 ordinary shares of £1	Benchmark Holdings Plc
Dust Collective Limited	Consulting	Benchmark House 8 Smithy Wood Drive Sheffield South Yorkshire S35 1QN	100%	105,110 ordinary shares of £1	Benchmark Holdings Plc
Allan Environmental Limited	Consulting	Benchmark House 8 Smithy Wood Drive Sheffield South Yorkshire S35 1QN	100%	620,001 ordinary share of £1	Benchmark Holdings Plc
RL Consulting Limited	Consulting	The Field Station Northfield Farm Oxford Oxfordshire OX2 8QJ	100%	150,001 ordinary shares of £1	Benchmark Holdings Plc
FAI Farms Limited	Consulting	The Field Station Northfield Farm Oxford Oxfordshire OX2 8QJ	100%	1,000,001 ordinary share of £1	Benchmark Holdings Plc
FAI Aquaculture Limited	Marine Aquaculture	Benchmark House 8 Smithy Wood Drive Sheffield South Yorkshire S35 1QN	100%	1,030,100 ordinary shares of £1 each	Benchmark Holdings Plc
Woodland Limited	Dormant	The Field Station Northfield Farm Oxford Oxfordshire OX2 8QJ	100%	1 ordinary share of £1	Benchmark Holdings Plc
5M Enterprises Limited	Publishing	Benchmark House 8 Smithy Wood Drive Sheffield South Yorkshire S35 1QN	98.46%	207,723 ordinary shares of £1	Benchmark Holdings Plc
Improve International Limited	Post-graduate level higher education	Benchmark House 8 Smithy Wood Drive Sheffield South Yorkshire S35 1QN	100%	15,515 ordinary shares of £0.01	Benchmark Holdings Plc

Name	Nature of business	Registered office and country of incorporation/ residence	Proportion of share capital held	Issued and fully paid share capital	Immediate Parent
Ascomber Limited	Scientific and technical activities	22 Carsegate Road, Inverness, IV3 8EX	100%	2 ordinary shares of £1	Benchmark Holdings Plc
Benchmark Genetics Limited	Freshwater aquaculture	Benchmark House 8 Smithy Wood Drive Sheffield South Yorkshire S35 1QN	100%	15,000,002 ordinary shares of £1	Benchmark Holdings Plc
Tomalgae C.V.B.A	Produces and distributes algal feed	Graaf van Hoornestraat 1 9850 Nevele Belgium	98%	100 shares	Benchmark Holdings Plc
<i>Indirect shareholding (UK and Ireland)</i>					
Benchmark Animal Health Limited	Animal Health	Benchmark House 8 Smithy Wood Drive Sheffield South Yorkshire S35 1QN	100%	5,100,001 ordinary shares of £1	Benchmark Animal Health Group Limited
Benchmark Vaccines Limited	Animal Health	Benchmark House 8 Smithy Wood Drive Sheffield South Yorkshire S35 1QN	100%	5,160,000 ordinary shares of £1	Benchmark Animal Health Group Limited
Curriculo Ltd	Dormant	Benchmark House 8 Smithy Wood Drive Sheffield South Yorkshire S35 1QN	100%	1 ordinary share of £1	5M Enterprises Limited
Fish Vet Group Limited	Animal Health	Benchmark House 8 Smithy Wood Drive Sheffield South Yorkshire S35 1QN	100%	1 ordinary share of £1	FVG Limited
FVG Limited	Animal Health	22 Carsegate Road Inverness Invernessshire IV3 8EX	100%	777,501 ordinary shares of £1	Benchmark Animal Health Group Limited
Atlantic Veterinary Services Limited	Animal Health	Unit 7B, Oranmore Business Park, Oranmore, CO Galway, Ireland	100%	100 ordinary shares of £1	FVG Limited
Viking Fish Farms Limited	Dormant	Benchmark House 8 Smithy Wood Drive Sheffield South Yorkshire S35 1QN	100%	1 ordinary share of £1	FAI Aquaculture Ltd
European School of Veterinary Post-Graduate Studies Ltd	Post-Graduate Higher Education	C/O Simon Murray & Co, Woburn House, Yelverton, Devon, PL20 6BS	100%	Limited by guarantee without share capital use	Improve International Limited
Aquaculture UK Ltd	Marine Aquaculture	22 Carsegate Road, Inverness, Scotland, IV3 8EX	100%	1 ordinary share of £1	Ascomber Limited

Name	Nature of business	Registered office and country of incorporation/ residence	Proportion of share capital held	Issued and fully paid share capital	Immediate Parent
Xelect Limited	Service Activities	Kinburn Castle, Doubledykes Road, St Andrews, Fife, KY16 9DR	6.38%	94 ordinary shares of £1	SalmoBreed AS
<i>Indirect shareholding (overseas)</i>					
5M Enterprise Inc.	Online technical publishing	2712 West Atlanta Court Broken Arrow, Tulsa, 74012 2711 Centreville Road Suite 400 Wilmington DE 19808	98.5%	1000 shares of nil par value	5M Enterprises Limited
Fai DO Brasil Criacao Animal Limited	Consultancy	Fazenda Santa Terezinha s/no – Zona Rural, Jaboticabal, Sao Paulo	100%	271,000 shares of Brazilian Real 000	FAI Farms Limited
Fish Vet Group Asia Limited	Animal health diagnostics	8th Floor, Bubhajil Building, 20 North Suthom Road Kwaeng Silom, Khel Bangrak, Bangkok	100%	400,000 shares of 10 baht	FVG Ltd
Fish Vet Group Norge AS	Animal health diagnostics	Gaustadalleen 21 0349 Oslo	100%	30,000 NOK	FVG Limited
FVG Inc	Animal health diagnostics	Corporation Service Company 45 Memorial Circle Augusta ME 04330	100%	100 ordinary shares of \$10	FVG Ltd
Salmobreed AS	Salmon genetics and breeding	Bontelabo 2 5003 Bergen, Norway	100%	90,000 shares of NOK 100 each	Benchmark Genetics Limited
Fish Vet Group SPA	Animal health diagnostics	Bernardino N° 1978, Centro Empresarial San Andrés, Cardonal, Puerto Montt, Chile	100%	500,000 shars of CL\$ 1 each	FVG Ltd
Akvaforsk Genetic Center Spring Mexico, SA de CV	Holding company	Calle Caguama 3023 Residencial Loma Benita Zapapan 45086 Mexico	100%	49,500 series A shares of MXN\$ 1 each	Akvaforsk Genetics Center Inc
Stofnfiskur HF	Salmon genetics and breeding	Kalmanstjorn 221 Hafnafjordur Iceland	89%	143,105,110 common shares of ISK1 each	Benchmark Genetics Limited
Stofnfiskur Chile Limitada	Distribution	Urmenta Street 581 Of.42., Puerto Montt Chile	100%	434,533 272 shares of CL\$ each	Stofnfiskur HF (99.93%) Sudourlax EHF (0.07%)
Stofngen EHF	Dormant	Staðarberg 2.4 221 Hafunarfjörður Iceland	100%	Dormant	Stofnfiskur HF
Sudourlax EHF	Dormant	Staðarberg 2.4 221 Hafunarfjörður Iceland	100%	Dormant	Stofnfiskur HF

Name	Nature of business	Registered office and country of incorporation/ residence	Proportion of share capital held	Issued and fully paid share capital	Immediate Parent
Improve France SARL	Veterinary Training Company	41 Avenue des Tilleuls, 91300 Massy France	100%	5000 shares of Eur 1,5 each	Improve International Limited
Improve Formacion Veterinaria	Veterinary Training Company	C/ Rio Lozoya S/N Portal 5, Esc. Dr, Planta 3, Puerta A 28981 parla Spain	100%	3.006 shares of Eur 1 each	Continuous Medical Training Unipessoal LDA (Portugal)
Improve International Australia PTY	Veterinary Training Company	17 Bursaria Street Peregrin Beach QLD 4573 Australia	70%	100 shares of 1 UAD each	Improve International GmbH (Germany) (70%) Herold PTY (30%)
Continuous Medical Training Unipessoal LDA	Veterinary Training Company	Rua do Bolhão n°53 5º andar, 400-112 Porto Portugal	100%	5.000 shares of Eur 1 each	Improve International Limited
Improve International GmbH	Veterinary Training Company	Hauptstr. 332, 65760 Eschborn Germany	100%	25.000 shares of Eur 1 each	Improve International Limited
Akvaforsk do Brasil Cultivo de Especies Aquaticas Limitada	Genetic consulting	Rua Dr. Ribamar Lobo 451 Coco, Fortaleza Ceara, Brazil	100%	627,793 shares	Akvaforsk Genetics Center Inc (99.9%) Akvaforsk Genetic Center As (0.1%)
Akvaforsk Genetics Center AS	Genetic consulting	N-6600 Sunadalsora Norway	100%	153,699 shares	Benchmark Genetics Limited
Salmobreed Salten AS	Salmon genetics and breeding	c/o Salten Stamfisk As Skysselvik 8211 Fauske 1841 Fauske Norge	50%	100 shares of NOK 1 each	Salmobreed AS
Genetilapia SA de CV	Tilapia genetics and breeding	Ave, Dr. Carlos Canseco 5994 – Planta Alta, El Cid, Mazatlán Sin. 82110, Mexico	51%	25,500 series A shares of MXN\$ 1 each	Akvaforsk Genetic Center Spring Mexico SA de CV
Akvafors Genetics Centre Inc.	Genetic consulting	2711 Centerville Road Suite 400 Wilmington Delaware 19808, USA	100%	1,000 shares of common stock of \$0.01 per value each	Benchmark Genetics Limited
Dust Collective LLC	Consulting	Gregory Mastrianni 222 Broadway New York, NY 10038 USA	100%	Not applicable	Dust Collective Limited

10.2 Assuming completion of the Acquisition, the Company will have the following additional subsidiaries, subsidiary undertakings and other undertakings:

Name	Registered office and country of incorporation/ residence	Proportion of share capital held	Number of shares in issue	Immediate Parent
<i>Direct shareholding</i>				
Inve Aquaculture Holding B.V.	Verlengde Poolseweg 16, 4818 CL Breda, the Netherlands	100%	100 A shares 100 B shares 100 C shares 18,000 D shares	Benchmark Holdings plc
<i>Indirect shareholding</i>				
Inve Aquaculture Temp Holding B.V.	Verlengde Poolseweg 16, 4818 CL Breda, the Netherlands	100%	18,000 ordinary shares	Inve Aquaculture Holding B.V. (Netherlands) (Target) (100%)
Inve Technologies NV	Hoogveld 93, 9200 Dendermonde, Belgium	100%	20,169 shares	Inve Aquaculture Temp Holding B.V (99.995%) INVE Aquaculture Europe Holding B.V. (Netherlands) (0.005%)
Inve Aquaculture NV	Hoogveld 93, 9200 Dendermonde, Antwerp, Belgium	100%	64,000 shares	Inve Technologies NV (Belgium) (100%)
Inve do Brasil Ltda.	Rua Augusto Calheiros, n° 226, Messejana, Fortaleza, Ceará, Zip Code 60.863-290	100%	2.060.000 quotas	INVE Latin America B.V. (Netherlands) (99%) Inve Technologies NV (Belgium) (1%)
Tianjin INVE Aquaculture Co., Ltd.	No. 108, 83 Area, Xiamen Road, Tanggu Economic Development Zone, Binhai New Area, Tianjin	95%	The registered capital is USD 130,000	Inve Asia Ltd. (Hong Kong) (95%)
Wudi INVE Feed & Biotech Co., Ltd	No. 1 Jinshan Road, Mashanzi Town, Wudi county	100%	The registered capital is USD 1,000,000	Inve Asia Ltd. (Hong Kong) (100%)
Tianjin Bolian Feed & Biotech Co. Ltd.	Libei Road, Dongli Economic Development Zone, Tianjin	100%	The registered capital is USD 2,305,000	Inve Asia Ltd. (Hong Kong) (100%)
INVECUADOR S.A.	CDLA. Las Conchas, MZ A-11 No. Lot 8 , Salinas, Santa Elena – Ecuador	100%	250.000 shares	INVE Latin America B.V. (Netherlands) (99%) INVE Technologies NV (Belgium) (1%)
INVE Hellas S.A.	93 Kiprou Str., 16451, Argyproupoli, Greece	100%	1,000 shares	Inve Aquaculture Europe Holding B.V. (Netherlands) (99.9%) Inve Animal Health S.A. (Spain) (0.1%)
Fortune Ocean Technologies Ltd.	25/F., OTB Building 160 Gloucester Road, Wanchai, Hong Kong	100%	390,000 ordinary shares	Inve Asia Ltd. (Hong Kong) (100%)
Inve Asia Ltd.	25/F., OTB Building, 160 Gloucester Road, Wanchai, Hong Kong	100%	3,000,000 ordinary shares	INVE Aquaculture Temp Holding B.V. (Netherlands) (100%)

Name	Registered office and country of incorporation/ residence	Proportion of share capital held	Number of shares in issue	Immediate Parent
PT. Inve Indonesia	Cilandak Commercial Estate, Jl. Cilandak KKO – Cilandak Timur – Pasar Minggu – South Jakarta 12560	99%	100 Series A shares 100 Series B shares	Inve Asia Ltd (Hong Kong) (99%)
Maricoltura di Rosignano Solvay S.r.l.	Rosignano Marittimo (LI), in via Pietro Gigli, 57013 , Solvay Loc. Lillatro	100%	EUR 99,000 share capital	Inve Technologies NV (Belgium) (100%)
Inve Aquaculture México, S.A. de C.V.	Avenida Camaron Sabalo # 51, Local 6, Interior, Plaza Riviera, Zona Dorada, Mazatlán Sinaloa 82110, México	100%	2,305 shares	Inve Latin America B.V. (Netherlands) (99%) Inve Technologies NV (Belgium) (1%)
Inveservicios, S.A. de C.V	Mazatlán Sinaloa, México	100%	1,000 shares	Inve Aquaculture México, S.A. de C.V. (Mexico) (99.9%) Inve Aquaculture Holding B.V. (Netherlands) (0.1%)
Inve Aquaculture Europe Holding B.V.	Verlengde Poolseweg 16, 4818 CL Breda, the Netherlands	100%	18,000 ordinary	Inve Aquaculture Temp Holding B.V. (Netherlands) (100%)
Inve Latin America B.V.	Verlengde Poolseweg 16, 4818 CL Breda, the Netherlands	100%	180 shares	Inve Aquaculture Temp Holding B.V. (Netherlands) (100%)
Inve Animal Health, S.A.	C/ Policarpo Sanz 12, 4º, 36202 Vigo, Pontevedra	100%	10,000 shares	Inve Aquaculture Europe Holding B.V.(Netherlands) (100%)
INVE Asia Services Limited	471 Bond Street, Tumbol Bang-Pood, Amphur Pakkred, Nonthburi Province, Thailand	100%	450,000 ordinary shares	INVE Asia Limited (Hong Kong) (99.9996%) INVE (Thailand) Ltd (0.0002%) Inve Aquaculture Holding BV (0.0002%)
INVE (Thailand) Ltd.	No. 79/ 1 Moo 1 Nakhonsawan-Pitsanulok Road, Tumbol Nhong Lhum, Amphur Wachirabharammee, Phichit Province, Thailand	100%	235,000 ordinary shares	INVE Asia Limited (99.999%) INVE Asia Services Ltd. (Thailand) (0.00043%) Inve Acquaculture Holding B.V. (0.00043%)
INVE Eurasia S.A.	Karacaoğlan Mahallesi 6170 Sokak No. 17/B Işikkent/Izmir	100%	294,769 shares	INVE Aquaculture Europe Holding BV (Netherlands) (99%) INVE Animal Health S.A (Spain) (0.25%) INVE Hellas S.A (Greece) (0.25%) INVE

Name	Registered office and country of incorporation/ residence	Proportion of share capital held	Number of shares in issue	Immediate Parent
				Technologies NV (Belgium) (0.25%) INVE Aquaculture NV (Belgium) (0.25%)
Fortune Ocean Americas, LLC	3528 W 500 South, Salt Lake City, Utah 84104	100%	Not applicable	Fortune Ocean Technologies Ltd. (100%)
INVE USA Holdings, Inc.	3528 W 500 South, Salt Lake City, Utah 84104	100%	6,000 common shares	Inve Technologies NV (Belgium) (100%)
INVE Aquaculture, Inc.	3528 W 500 South, Salt Lake City, Utah 84104	100%	4,000 common shares	INVE USA Holdings, Inc. (USA) (100%)
United Aquaculture Technologies, LLC	3528 W 500 South, Salt Lake City, Utah 84104	100%	Not applicable	INVE USA Holdings, Inc. (USA) (100%)
Inland Sea Incorporated	3528 W 500 South, Salt Lake City, Utah 84104	100%	7,315 common shares	INVE USA Holdings, Inc. (USA) (100%)
Golden West Artemia	3528 W 500 South, Salt Lake City, Utah 84104	100%	2,734.98 common shares	INVE USA Holdings, Inc. (USA) (100%)
Sanders Brine Shrimp Company, L.C.	3528 W 500 South, Salt Lake City, Utah 84104	100%	Not applicable	INVE USA Holdings, Inc. (USA) (100%)
Salt Creek Holdings, Inc.	3528 W 500 South, Salt Lake City, Utah 84104	100%	10,000 common shares	INVE USA Holdings, Inc. (USA)
Salt Creek, Inc.	3528 W 500 South, Salt Lake City, Utah 84104	100%	508,780 common shares	Salt Creek Holdings, Inc. (100%)

Inve Asia Ltd holds 20 per cent. of the shares in Inve Mangistan Bioresources Kazakhstan Ltd., a Kazakh entity

11. Arrangements relating to the Placing

On 11 December 2015, (1) the Company (2), the executive Directors (3) Cenkos; and (4) Rabobank entered into the Placing Agreement pursuant to which Cenkos and Rabobank have agreed, conditionally upon, *inter alia*, Admission taking place not later than 31 January 2016, to use their reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price.

Under the Placing Agreement:

- (a) Cenkos will receive (exclusive of VAT) and to be paid by the Company:
 - (i) a corporate finance fee of £450,000;
 - (ii) a commission of 1.25 per cent. of the aggregate value at the Placing Price of the Placing Shares raised and to be paid by the Company from certain key Existing Shareholders; and
 - (iii) a commission of 2.75 per cent. of the aggregate value at the Placing Price of the Placing Shares raised by Cenkos from persons other than those covered by (ii), above; and
- (b) Rabobank will receive (exclusive of VAT):

- (i) a commission of 1.25 per cent. of the aggregate value at the Placing Price of the Placing Shares raised by Rabobank from Existing Shareholders; and
- (ii) a commission of 2.75 per cent. of the aggregate value at the Placing Price of the Placing Shares raised by Rabobank from persons other than Existing Shareholders.

In addition, in the complete discretion of the Company, Cenkos is entitled to receive an incentive fee of £1.43 million. Of the total fees received by Cenkos, £2.2 million is payable through the issue of Placing Shares. The Company has agreed to pay all other costs, charges and expenses of, or incidental to, the Placing and the application for Admission and related arrangements.

The Placing Agreement, which contains warranties, undertakings and indemnities by the Company and the executive Directors in favour of Cenkos and Rabobank, is conditional, *inter alia*, on (i) Admission occurring not later than 13 January 2016 (or such later date as the Company, Cenkos and Rabobank may agree, not being later than 31 January 2016) and (ii) none of the warranties given to Cenkos and Rabobank being untrue, inaccurate or misleading in any material respect.

Cenkos and Rabobank may terminate the Placing Agreement in specified circumstances, including for breach of warranty at any time prior to Admission and in the event of *force majeure* at any time prior to Admission.

12. Arrangements relating to the Acquisition

On 11 December 2015, the Company entered into a conditional share purchase agreement for the acquisition of the entire issued share capital of INVE for a total consideration of \$342 million (approximately £227 million), of which \$300 million (approximately £199 million) is payable in cash and \$42 million (approximately £27.9 million) of which will be satisfied through the issue of Consideration Shares. The Acquisition Agreement is conditional on the passing of the Resolutions, the Placing Agreement becoming unconditional (save as to Admission) and not having been terminated and Admission. Except in very limited circumstances, if the conditions are not satisfied by the date falling 30 Business Days after the date of the agreement, then the Acquisition Agreement will terminate automatically.

The Acquisition Agreement includes limited but customary warranties from the Vendors and includes a locked box mechanism. The Acquisition Agreement also contains certain indemnities from the Vendors, and the Company has obtained additional deal protection through warranty and indemnity insurance (subject to customary exclusions and an excess).

The Acquisition Agreement provides for the retention of, in aggregate, \$15 million of the total consideration, which may be released, subject to satisfaction of various conditions, over the 24 month period following Completion.

13. United Kingdom taxation

The comments set out below summarise the material aspects of the UK taxation treatment of shareholders in respect of the re-admission and their holding of Ordinary Shares and do not purport to be a complete analysis of all tax considerations relating to the Ordinary Shares. They are based on current UK legislation and what is understood to be current HMRC practice, both of which are subject to change, possibly with retrospective effect.

The following statements are intended only as a general guide and apply only to shareholders who are resident for tax purposes in the UK, who are absolute beneficial owners of Ordinary Shares and who hold their Ordinary Shares as an investment (other than under a personal equity plan or individual savings account). These comments do not deal with certain types of shareholders in the Company, such as dealers in securities, persons holding or acquiring shares in the course of a trade, persons who have or could be treated for tax purposes as having acquired their Ordinary Shares by reason of their employment, collective investment schemes, persons subject to UK tax on the remittance basis and insurance companies. The position may be different for future transactions and may alter between the date of this document and Admission. **Any person who is in any doubt as to his or her tax position, or who is subject to taxation in any jurisdiction other than that of the UK, should consult his or her own professional advisers immediately.**

(a) **Dividends**

Under current UK tax legislation, the Company is not required to withhold tax at source from dividend payments it makes.

Individuals

A shareholder who is an individual resident in the UK for tax purposes and who receives a dividend from the Company will be entitled to a tax credit which may be set off against his total income tax liability. The tax credit will be equal to 10 per cent. of the aggregate of the dividend and the tax credit (the “**Gross Dividend**”), which is also equal to one-ninth of the amount of the cash dividend received.

In the case of such a shareholder who is not liable to UK income tax at either the higher or the additional rate, that shareholder will be subject to UK income tax on the Gross Dividend at the rate of 10 per cent. The tax credit will, in consequence, satisfy in full the shareholder’s liability to UK income tax on the Gross Dividend.

In the case of a shareholder who is liable to UK income tax at the higher rate, the shareholder will be subject to UK income tax on the Gross Dividend, at the rate of 32.5 per cent. for the tax year 2015/2016, to the extent that the Gross Dividend falls above the threshold for the higher rate of UK income tax but below the threshold for the additional rate of UK income tax when it is treated as the top slice of the shareholder’s income. The tax credit will, in consequence, satisfy only part of the shareholder’s liability to UK income tax on the Gross Dividend and the shareholder will have to account for UK income tax equal to 22.5 per cent. of the Gross Dividend (which is also equal to 25 per cent. of the cash dividend received). For example, if the shareholder received a dividend of £80 from the Company, the dividend received would carry a tax credit of £8.89 and therefore represent a Gross Dividend of £88.89. The shareholder would then be required to account for UK income tax of £20 on the Gross Dividend (being £28.89 (i.e. 32.5 per cent. of £88.89) less £8.89 (i.e. the amount of the tax credit)).

In the case of a shareholder who is liable to UK income tax at the additional rate, the shareholder will be subject to UK income tax on the Gross Dividend, at the rate of 37.5 per cent. for the tax year 2015/2016, to the extent that the Gross Dividend falls above the threshold for the additional rate of UK income tax when it is treated as the top slice of the shareholder’s income. After setting off the tax credit comprised in the Gross Dividend, the shareholder will, accordingly, have to account for UK income tax equal to 27.5 per cent. of the Gross Dividend (which is also equal to 30.55 per cent. of the cash dividend received). For example, if the shareholder received a dividend of £80 from the Company, the dividend received would carry a tax credit of £8.89 and therefore represent a Gross Dividend of £88.89. The shareholder would then be required to account for UK income tax of £24.44 on the Gross Dividend (being £33.33 (i.e. 37.5 per cent. of £88.89) less £8.89 (i.e. the amount of the tax credit)).

A UK resident individual shareholder whose liability to UK income tax in respect of a dividend received from the Company is less than the tax credit attaching to the dividend will not be entitled to any payment from HMRC in respect of any part of the tax credit attaching to the dividend.

In the Summer Budget on 8 July 2015 the UK Government announced prospective changes to the taxation of dividend receipts by UK resident individuals. Assuming that these proposals are adopted in their current form, with effect from 6 April 2016 UK resident individuals will receive an annual tax free allowance in relation to dividend receipts of £5,000. Dividend receipts in excess of this allowance will be taxed at the rates of 7.5 per cent. for basic rate income tax payers, 32.5 per cent. for higher rate income tax payers, and 38.1 per cent. for additional rate income tax payers. Dividends received after introduction of the changes will no longer carry tax credits.

Companies

Shareholders within the charge to UK corporation tax which are “small companies” (for the purposes of UK taxation of dividends) will not generally be subject to tax on dividends paid on the Ordinary Shares, provided certain conditions are met.

Other shareholders within the charge to UK corporation tax will not be subject to tax on dividends on the Ordinary Shares so long as (i) the dividends fall within an exempt class and (ii) do not fall within certain specified anti-avoidance provisions and (iii) the shareholder has not elected for the dividends not to be exempt. Each shareholder's position will depend on its own individual circumstances, although it would normally be expected that dividends paid on the Ordinary Shares would fall within an exempt class. Examples of dividends that are within an exempt class are dividends in respect of portfolio holdings, where the recipient owns less than 10 per cent. of the issued share capital of the payer (or any class of that share capital). Shareholders will need to ensure that they satisfy the requirements of an exempt class before treating any dividend as exempt, and seek appropriate professional advice where necessary.

Other shareholders

Trustees who are liable to income tax at the rate applicable to trusts (currently 45 per cent.) will pay tax on the gross dividend at the dividend trust rate of 37.5 per cent. against which they can set the tax credit. To the extent that the tax credit exceeds the trustees' liability to account for income tax the trustees will have no right to claim repayment of the tax credit.

UK pension funds and charities are generally exempt from tax on dividends which they receive but they are not entitled to claim repayment of the tax credit.

Individual shareholders who are resident for tax purposes in countries other than the UK but who are nationals of states which are part of the European Economic Area, residents of the Isle of Man or the Channel Islands or certain other persons are entitled to a tax credit as if they were resident for tax purposes in the UK, which they may set off against their total UK income tax liability. Such shareholders will generally not be able to claim payment of the tax credit from HMRC.

Other shareholders who are not resident in the UK for tax purposes should consult their own advisers concerning their tax liabilities on dividends received. They should note that they will not generally be entitled to claim payment of any part of their tax credit from HMRC under any double taxation treaty or otherwise or such claim may be negligible.

(b) Chargeable gains

A disposal or deemed disposal of Ordinary Shares by a shareholder who is resident in the UK for tax purposes may, depending on the particular circumstances of the shareholder and subject to any available exemptions or reliefs, give rise to a chargeable gain or an allowable loss for capital gains tax purposes.

Individuals

Subject to available reliefs and allowances, gains arising on a disposal of Ordinary Shares to an individual shareholder who is resident in the UK for tax purposes will be taxed at the rate of 18 per cent., except to the extent that the gain, when it is added to the shareholder's other taxable income and gains in the relevant tax year, exceeds the upper limit of the income tax rate band (£31,785 for the tax year ending 5 April 2016), in which case it will be taxed at the rate of 28 per cent.

The capital gains tax annual exemption (£11,100 for the tax year ending 5 April 2016) may be available to an individual shareholder to offset against chargeable gains realised on the disposal of the shareholder's Ordinary Shares.

Corporation Tax Payers

A gain on the disposal or deemed disposal of Ordinary Shares by a shareholder within the charge to UK corporation tax will form part of the shareholder's profits chargeable to corporation tax (the rate of which is currently 20 per cent.). For such shareholders indexation allowance may be available in respect of the full period of ownership of the Ordinary Shares to reduce any chargeable gain arising (but not to create or increase any allowable loss).

Overseas Shareholders and Temporary Non-residents

Subject to the paragraph below (dealing with temporary non-residents) shareholders who are not resident in the UK for UK tax purposes will not generally be subject to UK tax on chargeable gains, unless they carry on a trade, profession or vocation in the UK through a branch or agency or (in the case of a company) permanent establishment and the Ordinary Shares disposed of are used or held for the purposes of that branch, agency or permanent establishment.

However, shareholders who are not resident in the UK may be subject to charges to foreign taxation depending on their personal circumstances.

A shareholder who is an individual, who has ceased to be resident for tax purposes in the UK for a period of less than five years and who disposes of Ordinary Shares during that period may be liable to UK taxation on capital gains (subject to any available exemption or relief). If applicable, the tax charge will arise in the tax year that the individual returns to the UK.

(c) ***Stamp duty and stamp duty reserve tax (“SDRT”)***

With effect from 28 April 2014, the UK Government granted full relief from stamp duty and SDRT on transactions in shares admitted to trading only on “recognised growth markets”, including AIM. It is anticipated that the Placing will fall within this exemption.

(d) ***AIM***

Companies whose shares trade solely on AIM are deemed to be unlisted for the purposes of certain areas of UK taxation. Ordinary Shares held by individuals for at least two years may qualify for more generous exemptions from inheritance tax on death or in relation to lifetime transfers of those shares. Shareholders should consult their own professional advisers on whether an investment in an AIM security is suitable for them, or whether the tax benefit referred to above may be available to them. It is possible to hold shares traded solely on AIM in individual savings accounts (ISAs).

14. Material contracts

The following are the only contracts (not being contracts entered into in the ordinary course of business) which have been entered into by any member of the Enlarged Group within the two years immediately preceding the date of publication of this document and which are, or may be, material to the Enlarged Group or have been entered into by any member of the Enlarged Group at any time and contain a provision under which any member of the Enlarged Group has any obligation or entitlement which is material to the Enlarged Group at the date of this document:

The Group

14.1 *Placing Agreement*

Please see the summary provided at paragraph 11 above.

14.2 *Acquisition Agreement*

Please see the summary provided at paragraph 12 above.

14.3 *Initial Admission Placing Agreement*

On 12 December 2013, the Company, the Directors, Ruth Layton and Cenkos entered into a placing agreement pursuant to which Cenkos agreed to use its reasonable endeavours as agent of the Company to procure subscribers for Ordinary Shares and purchasers of the Sale Shares in connection with Initial Admission. Under the agreement Cenkos received (exclusive of VAT) a corporate finance fee of £175,000 plus a commission of 4.25 per cent. of the aggregate value at the relevant placing price of the placing shares placed with certain placees.

14.4 *Nomad and broker agreement with Cenkos*

On 12 December 2013 the Company entered into an agreement with Cenkos, pursuant to which the Company appointed Cenkos to act as nominated adviser and broker to the Company from the date of the agreement and thereafter subject to termination on the giving of three months’ notice by either party.

In consideration of its services, the Company will pay Cenkos an annual retainer of £60,000 (exclusive of VAT).

14.5 *2013 Warrant Instrument*

By a warrant instrument dated 12 December 2013 and a board resolution passed on 9 December 2013, the Company issued Warrants to Equity Strategies which entitle Equity Strategies to subscribe for in aggregate for 375,146 Ordinary Shares at a price of 64p per Ordinary Share. The Warrants are exercisable by warrant holders at any time after the first anniversary of Initial Admission and before the fourth anniversary of Initial Admission. The Warrants are only transferable (i) with the consent of the Company or (ii) to certain permitted transferees being Leon Boros, Nigel Mason, their family members and/or connected companies. No application has been or will be made for the Warrants to be admitted to trading on AIM (or any other stock exchange).

14.6 *Lock-in agreements with Shareholders*

A lock-in agreement dated 12 December 2013 was entered into between Cenkos, the Company and each of Malcolm Pye, Roland Bonney, Mark Plampin, Ruth Layton and various others (the “**Locked-In Shareholders**”), pursuant to which the Locked-in Shareholders agreed not to dispose of any interest in Ordinary Shares for the period of 12 months following Initial Admission, except with the agreement of Cenkos and the Company, pursuant to acceptance of an offer that would result in the offeror obtaining or consolidating control of the company, pursuant to an intervening court order, in the event of the death of the shareholder, in respect of transfers by way of a gift to family members, connected companies or qualifying family trusts, transfers under a scheme of arrangement or scheme of reconstruction or transfers made pursuant to a share buy-back offer made to all Shareholders. The Locked-in Shareholders also agreed for a further period of 12 months (subject to the exceptions above) only to dispose of an interest in Ordinary Shares following consultation with Cenkos and, if requested by Cenkos, provided such disposal is effected through the Company’s broker and in such manner as the broker may reasonably require with a view to maintenance of an orderly market in the Ordinary Shares.

14.7 *Orderly marketing agreements with Equity Strategies, Leon Boros and Nigel Mason*

An orderly marketing agreement dated 12 December 2013 was entered into between the Company, Cenkos, Equity Strategies, Leon Boros and Nigel Mason pursuant to which Equity Strategies and, to the extent that they hold Ordinary Shares arising on exercise of the Warrants, Leon Boros and Nigel Mason, have agreed, for a period of 12 months following exercise of the Warrants, only to dispose of an interest in the Ordinary Shares acquired pursuant to such exercise following consultation with Cenkos and, if requested by Cenkos, provided such disposal is effected through the Company’s broker and in such manner as the broker may reasonably require with a view to maintenance of an orderly market in the Ordinary Shares. This agreement is subject to various exceptions in respect of disposals pursuant to acceptance of an offer that would result in the offeror obtaining or consolidating control of the company, pursuant to an intervening court order, in the event of the death of the shareholder, in respect of transfers by way of a gift to family members, connected companies or qualifying family trusts, transfers under a scheme of arrangement or scheme of reconstruction or transfers made pursuant to a share buy-back offer made to all Shareholders.

14.8 *Subscription Letter*

On 11 December 2013, the Company entered into a subscription letter with Sussex Trading Company Limited pursuant to which Sussex Trading Company Limited agreed to subscribe for 375,000 Ordinary Shares at a price of 64 pence per Ordinary Share. The subscription letter contains certain warranties, undertakings and indemnities given by Sussex Trading Company Limited in favour of the Company.

14.9 *Zoetis acquisition*

On 11 February 2014 FVG Limited entered into an agreement for the purchase of certain aquaculture vaccine and development assets from Zoetis Canada Inc. for cash consideration of US\$3,000,000. The agreement included a worldwide licence granted in favour of the Company in respect of related know-how of Zoetis.

14.10 *HypoPet agreements*

On 29 August 2014 Benchmark Animal Health Limited entered into a number of agreements with HypoPet AG, a Swiss research company based at the University of Zurich, for the funding, commercialisation, manufacture and distribution of HypoCat®, a vaccine for human cat allergies. Pursuant to the terms of a funding agreement, the Company agreed to invest up to approximately £7,900,000.

14.11 *SalmoBreed and Stofnfiskur acquisitions*

On 20 November 2014, Benchmark Genetics Limited entered into a share purchase agreement with the shareholders of SalmoBreed AS, for the acquisition by the Company of the entire issued share capital of SalmoBreed AS. The consideration for SalmoBreed AS comprised an initial cash payment of approximately £19,500,000 with an additional amount of up to approximately £2,900,000 being payable to the sellers under a three year earn-out upon the satisfaction of certain performance conditions.

On 21 November 2014 and subsequently on 2 December 2014 and 9 December 2014, Benchmark Genetics Limited (as buyer) and the Company (as guarantor) also entered into a number of share purchase agreement with the shareholders of Stofnfiskur HF, for the acquisition by the Company of 89.45 per cent. of the issued share capital of Stofnfiskur HF. The consideration for Stofnfiskur HF comprised an initial cash payment of approximately £21,800,000 with an additional amount of up to approximately £9,000,000 being payable to the sellers under a three year earn out upon the satisfaction of certain performance conditions.

Each of the share purchase agreements above incorporated warranties, indemnities and covenants that are typical for transactions of this nature.

14.12 *Improve acquisition*

On 30 January 2015, the Company entered into a share purchase agreement with David Babington, Rui Lobau and Heber Alves (the “**Improve Sellers**”) for the acquisition by the Company of the entire issued share capital of Improve International Limited. Initial consideration comprised of an initial payment of £3,200,000 in cash and warrants to acquire 259,312 Ordinary Shares (as detailed further below). The Improve Sellers could also earn further consideration not exceeding £3,000,000 based on the financial performance of the acquired group between 1 January 2015 and 31 December 2015. The share purchase agreement incorporated specific indemnities and warranties, indemnities and covenants that are typical for transactions of this nature.

14.13 *2015 Warrant Instrument*

By a warrant instrument dated 30 January 2015 and a board resolution passed on 30 January 2015, the Company issued Warrants to each of the Improve Sellers which entitle the Improve Sellers to subscribe for, in aggregate, 259,312 Ordinary Shares at a price of 112p per Ordinary Share. The Warrants shall be exercisable by the Improve Sellers for a period of six months from the exercise date. The exercise date is the date on which Improve International Limited receive written notice from the Department for Environment, Food & Rural Affairs that the contract for the provision of Official Veterinarian Training and Assurance, entered into between such parties, has been extended for a minimum of two years.

14.14 *Akvaforsk transactions*

On 27 July 2015, Benchmark Genetics Limited entered into a share purchase agreement with the shareholders of Akvaforsk Genetics Center AS for the acquisition by Benchmark Genetics Limited of the entire issued share capital of Akvaforsk Genetics Centre AS. The share purchase agreement incorporated specific indemnities and warranties, indemnities and covenants that are typical for transactions of this nature.

On 27 July 2015, Benchmark Genetics Limited also entered into a share purchase agreement with Veterinaemedisinsk Oppdragssenter AS for the acquisition by Benchmark Genetics Limited of initially 80 per cent. of the issued share capital of Akvaforsk Genetics Center Inc. Pursuant to the agreement, Benchmark Genetics Limited was granted a call option (and Veterinaemedisinsk Oppdragssenter AS was granted a put option) in respect of the remaining 20 per cent. of the issued shares. Such put and call

option may be exercised in the 12 months following 1 March 2022. The share purchase agreement incorporated specific indemnities and warranties, indemnities and covenants that are typical for transactions of this nature.

The combined initial consideration for the two transactions was approximately £11,000,000, satisfied from existing cash balances.

14.15 *New Debt Facilities*

On 11 December 2015, the Company entered into a revolving credit facility with, amongst others, HSBC Bank plc and Rabobank (together the “**Lenders**”), pursuant to which a total of \$70 million (approximately £46 million) was provided to the Company and of which \$55 million (approximately £36.5 million) is to be drawn on the same day as Admission to part fund the consideration for the Acquisition, with the remainder being made available to fund the general corporate and working capital purposes of the Enlarged Group, including any permitted future acquisitions.

Loans under the New Debt Facilities accrue interest at a rate of between 1.90 per cent. per annum and 2.50 per cent. per annum above LIBOR, EURIBOR or the relevant benchmark rate (depending on the currency in which the relevant loans are drawn) by reference to a leverage linked ratchet. The termination date for the New Debt Facilities is 11 December 2020.

The New Debt Facilities are available to the Company and any other members of the Enlarged Group who accede to the facility agreement as additional borrowers and are available for drawing in US dollars, Sterling, Euro, and Norwegian Krone.

Cross-guarantees and security are provided by the Enlarged Group (in each case representing at least 7.5 per cent. or more of the consolidated adjusted EBITDA, gross assets or turnover of the Enlarged Group) and by any other members of the Enlarged Group required to ensure that the guarantor group accounts for not less than 85 per cent. of consolidated adjusted EBITDA, gross assets or turnover of the Enlarged Group.

Upon a change of control, either or both of the Lenders may cancel its commitments and declare that all amounts owed are immediately due and payable.

14.16 *Lock-in and orderly market agreements with INVE shareholders*

Lock-in and orderly market agreements dated 11 December 2015 entered into between the Company, Cenkos, Rabobank and each of Philippe Léger, Pierre Hugo, Stelios Leontios, Wim Martens, Patrick Lavens, Marc De Feyter, Emiel Debecker and Rudi Bijnes (the “**Locked-in INVE shareholders**”), pursuant to which the Locked-in INVE shareholders agreed not to dispose of any interest in Ordinary Shares until 1 October 2017, except, amongst others, with the agreement of Cenkos, Rabobank and the Company, pursuant to acceptance of an offer that would result in the offeror obtaining or consolidating control of the Company, pursuant to an intervening court order or pursuant to any scheme of arrangement. The Locked-in INVE shareholders also agreed for a further period of 6 months (subject to the exceptions referred to above), only to dispose of an interest in Ordinary Shares following consultation with Cenkos and Rabobank and, if requested by Cenkos and Rabobank, provided such disposal is effected through the Company’s broker and in such manner as the broker may reasonably require with a view to maintenance of an orderly market in the Ordinary Shares.

14.17 *Lock-in and orderly market agreement with Inve B.V.*

Lock-in and orderly marketing agreement with Inve B.V. A lock-in and orderly market agreement dated 11 December 2015 entered into between Inve B.V., Cenkos and the Company, pursuant to which Inve B.V. agreed not to dispose of any interest in Ordinary Shares received as Consideration Shares in connection with the Acquisition for a period of six months following Admission, except with the agreement of the Company. Inve B.V. has also agreed for a further period of 3 months, only to dispose of an interest in Ordinary Shares through the Company’s broker and in such manner as the broker may reasonably require with a view to the maintenance of an orderly market in the Ordinary Shares.

The INVE Group

14.18 Arrangements with the COOP

Following its incorporation in 2006, the COOP and various members of the INVE Group have entered into certain agreements in relation to the artemia harvested from the Great Salt Lake, Utah, USA including, but not limited to:

- a) a membership agreement entered into between INVE Aquaculture, Inc. and the COOP, dated 28 September 2006 (the “**Membership Agreement**”);
- b) a representation agreement entered into between INVE Aquaculture, Inc. and the COOP, dated September 2007;
- c) a right of first refusal agreement entered into between INVE Americas, Inc. and Golden West-Sanders Consolidated LLC (“**GWS**”), dated 29 September 2006 (the “**ROFR Agreement**”);
- d) a sales and marketing agreement entered into between Sanders Brine Shrimp Company, L.C. (“**Sanders**”), Fortune Ocean Americas, LLC (“**FOA**”), Inve Aquaculture Inc. and the COOP, dated 28 December 2009 (as amended on 1 October 2010 and 22 June 2012) (the “**Sales and Marketing Agreement**”);
- e) a bylaws agreement entered into between the COOP, Sanders, INVE Aquaculture, Inc., and FOA, dated 5 November 2010;
- f) a joint venture agreement entered into between the COOP, Sanders, INVE Aquaculture, Inc., and FOA, dated 5 November 2010; and
- g) a patent licence agreement dated 22 June 2012, pursuant to which Inve Technologies NV has granted the COOP a non-exclusive, and royalty bearing license of the SEP-Art patent for the purpose of treating artemia from the Great Salt Lake.

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

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

Pursuant to the terms of the Membership Agreement, the COOP granted INVE one share of common (voting) stock and the right to receive patron preferred stock upon the transfer of assets to the COOP and INVE granted the COOP the exclusive right to harvest, process and to serve as its sales agent for all artemia represented by INVE’s CORs, for a period of 20 years. INVE also agreed to pay its *pro rata* share of all operating costs of the COOP and to be bound by the COOP’s bylaws. Upon termination of membership of the COOP, the departing member is required to offer its CORs to the COOP (or to an existing member of the COOP) against fair market value (subject to approval by the State of Utah).

Pursuant to the terms of the Sales and Marketing Agreement, the INVE Group, through FOA, is entitled to distribute 44 per cent. of the COOP’s annual harvest volumes, and to purchase half of these harvest volumes at cost price, and the other half at the COOP’s minimum distributor grid price. The agreement is effective until 31 December 2017, and will be automatically renewed for further one year periods unless either party gives 180 days prior written notice of termination. In addition, the agreement will terminate within 20 days after certain events, including the sale of or the change in control of INVE at the option of the COOP, and upon a notice by such terminating party within 10 days after such 20 day period.

The ROFR Agreement with GWS obliges either party, in the event of a proposed sale of any CORs (or any company that is the registered owner of a COR) to offer such CORs to the other party first. GWS has alleged that this right was triggered by the current shareholders of INVE taking control of the INVE Group in 2008 and related transactions in 2012, and may be triggered by the Acquisition. INVE has been advised by its legal counsel that such claims are not valid and the Company's legal advisers fully agree that such claims would be very unlikely to succeed. No legal proceedings have been brought to date.

15. Related Party Transactions

Details of related party transactions to which the Company has been party for the three year period ended 30 September 2014 are contained in the financial statements and notes to accounts in the audited annual report and accounts of the Group for each of the financial years ended 30 September 2014, 30 September 2013 and 30 September 2012.

No member of the INVE Group is party to any related party transactions.

Details of related party transactions to which the Company has been party for the period from 1 October 2014 to 31 October 2015 (being the latest practicable date prior to publication of this document) are as follows:

Identity of related parties

The Company has a related party relationship with its subsidiaries, with its Directors and with a Group SSAS pension scheme.

Transactions with subsidiaries

The main transactions between the Company and its subsidiaries consist of:

- Directors' attendance at company board meetings provided by all subsidiaries;
- IT hardware, software and website services provided by 5M Enterprises;
- research and development services provided by FAI Farms;
- sustainability consultancy services provided by FAI Farms, RL consulting and Trie;
- office space and meeting rooms provided by FAI Farms and Benchmark Vaccines;
- HR and health and safety management services provided by Benchmark Vaccines;
- creative and design services provided by Dust Consulting;
- property management services provided by 5M Enterprises;
- brand support and development services provided by 5M Enterprises;
- management and administration services provided by the Company to all of its subsidiaries; and
- transactions to provide funding within the Group for working capital investments and purchase of new businesses.

Aggregate purchases made by the Company from its subsidiaries totalled £2,138,000, aggregate recharges from the Company to its subsidiaries totalled £3,984,000 and funding transactions made to its subsidiaries, net of £2,500,000 recapitalised into subsidiary share capital, totalled £40,792,000 in the period 1 October 2014 to 31 October 2015 (being the latest practicable date prior to the publication of this document).

Amounts are owed both by the Company to its subsidiary undertakings and by subsidiary undertakings to the Company. The net amounts due to the Company from its subsidiary undertakings, as at 31 October 2015 (being the latest practicable date) are as follows:

	£'000
FAI Farms Ltd	2,724
FVG Ltd	(2,384)
Benchmark Animal Health Ltd	6,303
Benchmark Vaccines Ltd	17,076
Allan Environmental Ltd	28
FVG Inc	(25)
FAI Aquaculture Ltd	2,355
Fish Vet Group Norge AS	517
Fish Vet Group Asia Ltd	90
Benchmark Animal Health Group Ltd	2,192
5M Enterprises inc.	(17)
5M Enterprises Ltd	1,628
Atlantic Veterinary Services Ltd	2
Benchmark Genetics Ltd	26,268
Dust Collective Ltd	380
Dust Collective LLC	3
FAI do Brasil	2
Improve International Ltd	10
Salmobreed AS	411
Stofnfiskur HF	202
TomAlgae CVBA	357
Total of the above	58,122

Transactions with Directors

There were no transactions with Directors in the period from 1 October 2014 to 31 October 2015 (being the latest practicable date prior to publication of this document), but there is an outstanding liability of £60,000 due on a loan from Malcolm Pye, Chief Executive Officer, which has no fixed repayment date and attracts no interest.

Transactions undertaken by the Group with other related parties

Routine rental payments totalling £78,000 were made by the Group in respect of property leased from a SSAS pension scheme as well as with the routine pension contributions to such scheme.

16. Working capital

Having made due and careful enquiry, the Directors are of the opinion that following Completion, taking into account available banking facilities (including the New Debt Facilities) and the net proceeds of the Placing, the Enlarged Group will have sufficient working capital available for its present requirements, that is, for at least the 12 months following the date of Admission.

17. Litigation

- 17.1** FVG Limited and Benchmark Animal Health Limited, both companies within the Group, have brought claims in the Norwegian courts for trademark infringement and breach of the Norwegian Marketing Control Act (theft of intellectual property and breach of business practices) against Neptune Pharma and others. Neptune Pharma is the supplier of Azasure, the main generic competitor to the Group's leading ectoparasiticide Salmosan. The Group has succeeded on a number of initial procedural actions and the full trial is expected to take place in 2016 (if not previously settled). The Group is claiming that Neptune Pharma and others must cease production and distribution of Azasure and/or a share of profits deriving from Azasure, and also for damages amounting to over NOK 100m. Neptune Pharma and others have also brought counterclaims against the Group alleging that its trademark 'Trident' is

invalid and for breach of the Norwegian Marketing Control Act, which claims have not been quantified. The Group is confident that its claims are strong, although it recognises that recovery of any damages awarded may be challenging.

- 17.2** Save as otherwise disclosed in paragraph 17.1 above, no member of the Enlarged Group is, nor has at any time in the 12 months immediately preceding the date of this document been, involved in any governmental, legal or arbitration proceedings, and the Company is not aware of any governmental, legal or arbitration proceedings pending or threatened by or against any member of the Enlarged Group, nor of any such proceedings having been pending or threatened at any time in the 12 months immediately preceding the date of this document, in each case which may have, or have had in the recent past, a significant effect on the Enlarged Group's financial position or profitability.

18. Mandatory bids, squeeze-out and sell-out rules relating to the Shares

18.1 *Mandatory bid*

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

- (i) a person acquires an interest in shares in the Company which, when taken together with shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights in the Company; or
- (ii) a person who, together with persons acting in concert with him, is interested in not less than 30 per cent. and not more than 50 per cent. of the voting rights in the Company acquires additional interests in shares which increase the percentage of shares carrying voting rights in which that person is interested,

the acquiror and, depending on the circumstances, its concert parties, would be required (except with the consent of the Panel on Takeovers and Mergers) to make a cash offer for the outstanding shares in the Company at a price not less than the highest price paid for any interests in the Shares by the acquiror or its concert parties during the previous 12 months.

18.2 *Compulsory Acquisition*

Under sections 974 – 991 of the Act, if an offeror acquires or contracts to acquire (pursuant to a takeover offer) not less than 90 per cent. of the shares (in value and by voting rights) to which such offer relates it may then compulsorily acquire the outstanding shares not assented to the offer.

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

19. General

- 19.1** The total costs and expenses of, and incidental to, the Acquisition, the Placing and Admission are expected to be approximately £15.4 million. The net proceeds of the Placing after deducting costs relating to the Placing are expected to be approximately £173.1 million.
- 19.2** BDO LLP Chartered Accountants and registered auditors of Regent House, Clinton Venue, Nottingham NG5 1AZ as the reporting accountant has given and has not withdrawn its written consent to the inclusion of its report in Section A of Part IV of this document in the form and content in which it is included.
- 19.3** Cenkos has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of its letter and name in the form and context in which it is included.
- 19.4** Rabobank has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of its letter and name in the form and context in which it is included.
- 19.5** The financial information set out in this document relating to the Group does not constitute statutory accounts within the meaning of section 434 of the Act. BDO LLP of Regent House, Clinton Venue, Nottingham NG5 1AZ have given unqualified audit reports on the consolidated statutory accounts of the Company for each of the three financial years ended 30 September 2012, 30 September 2013 and 30 September 2014 within the meaning of section 495 of the Act. None of these reports contained any statements under sub-section 498 of the Act. Statutory

accounts of the Company for each of the three financial years ended 30 September 2012, 30 September 2013 and 30 September 2014 have been delivered to the Registrar of Companies in England and Wales pursuant to section 441 of the Act.

- 19.6** There are no arrangements in place under which future dividends are to be waived or agreed to be waived.
- 19.7** The Placing Price is payable in full in cash on acceptance.
- 19.8** The Ordinary Shares have not been admitted to dealing on any recognised investment exchange nor has any application for such admission been made or refused nor are there intended to be any other arrangements for dealings in the Ordinary Shares.
- 19.9** The Directors are not aware of any exceptional factors which have influenced the Enlarged Group's activities.
- 19.10** Save as set out in Part I of this document, the Directors are not aware of any patents or other intellectual property rights, licences or particular contracts which are or may be of fundamental importance to the Enlarged Group's business.
- 19.11** Save as disclosed in paragraph 10 of Part I and paragraph 17.1 of Part VII of this document, there has been no significant change in the trading or financial position of the Group since 31 March 2015, being the date to which the unaudited interim financial information was prepared.
- 19.12** There has been no significant change in the trading or financial position of the INVE Group since 31 July 2015, being the date to which the unaudited interim financial information set out in Part V of this document has been prepared.
- 19.13** Save as disclosed in paragraph 14 above, no person (excluding the Company's professional advisers to the extent disclosed elsewhere in this document and trade suppliers) in the 12 months preceding the Company's application for Admission received, directly or indirectly, from the Company or has entered into any contractual arrangements to receive, directly or indirectly, from the Company on or after Admission any of the following:
- (i) fees totalling £10,000 or more;
 - (ii) securities in the Company with a value of £10,000 or more calculated by reference to the Placing Price; or
 - (iii) any other benefit with a value of £10,000 or more at the date of Admission.
- 19.14** Save as described in this document, the Directors are not aware of any significant recent trends in production, sales and inventory, and costs and selling prices since the end of its last financial year and are similarly not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company, or the Enlarged Group's, prospects in the current financial year.
- 19.15** Monies received from applicants pursuant to the Placing will be held by Cenkos' custodian in payment for the Placing and/or Rabobank until such time as the Placing Agreement becomes unconditional in all respects. If the Placing Agreement does not become unconditional in all respects by 13 January 2016 (or such later date as Cenkos, Rabobank and the Company may agree), application monies will be returned to applicants at their own risk without interest prior to delivery of the shares.
- 19.16** Save as described in this document, there are no investments in progress which are significant to the Enlarged Group and there are no principal future investments on which the Company or INVE has at the date hereof made firm commitments. Save as described in paragraph 19.17 below and elsewhere in this document, there are no existing or planned material tangible fixed assets of the Enlarged Group.
- 19.17** The Company has announced:
- 19.17.1** an expected investment of £1.6 million to upgrade and expand the capacity of the Group's facilities at the Ardtoe marine research facility, including the construction of a new trials facility, fin-fish unit, micro-algae production unit and a shellfish research centre;
 - 19.17.2** that, following the completion of a new office and marketing suite, the second phase of the development of the Group's Braintree site is underway, involving the construction of an antigen-manufacturing facility; and

- 19.17.3** that detailed planning has been carried out for the development of the existing BioCampus near Edinburgh and the construction of a new factory to increase the projected vaccine manufacturing capacity at the site.
- 19.18** Where information in this document has been sourced from a third party, this information has been accurately reproduced. So far as the Company and the Directors are aware and are able to ascertain from information provided by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 19.19** The Ordinary Shares have not been sold, nor are they available, in whole or in part, to the public in conjunction with the application for Admission.
- 19.20** As described in paragraph 3 above, statutory rights of pre-emption have been dis-applied in order to permit the Directors to allot 216,189,700 Placing Shares for which subscribers are being procured by Cenkos and Rabobank pursuant to the Placing and to issue the Consideration Shares and the Roll-Over Shares.
- 19.21** Copies of the following documents will be available for inspection during usual business hours on any day (Saturdays, Sundays and public holidays excepted) at the registered office of the Company for a period of 14 days from the date of this document:
- (i) the Articles;
 - (ii) a copy of this document;
 - (iii) copies of the service agreements of the executive Directors; and
 - (iv) copies of the letters of appointment of the non-executive Directors.

Dated: 11 December 2015

PART VIII – NOTICE OF GENERAL MEETING

BENCHMARK HOLDINGS PLC

(Registered in England and Wales under number 4115910)

NOTICE IS HEREBY GIVEN that a general meeting of Benchmark Holdings plc (the “**Company**”) will be held at Travers Smith LLP, 10 Snow Hill, London, EC1A 2AL on 29 December 2015 at 11 a.m. (the “**Meeting**”) for the purpose of considering and, if thought fit, passing the following resolutions, of which Resolutions 1 and 2 will be proposed as ordinary resolutions and Resolution 3 will be proposed as a special resolution.

ORDINARY RESOLUTIONS

Resolution 1

THAT, subject to and conditional upon the placing agreement entered into between the Company, Cenkos Securities plc and Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (“**Rabobank**”) dated 11 December 2015 (the “**Placing Agreement**”) becoming unconditional in all respects save for any condition relating to Admission having occurred (as such term is defined in the admission document issued by the Company dated 11 December 2015 (the “**Admission Document**”)), the proposed acquisition by the Company of the entire issued share capital of INVE Aquaculture Holding B.V. (registered with the Dutch Chamber of Commerce under number 53698673) on the terms summarised in the Admission Document (the “**Acquisition**”) be and is hereby approved and that the directors of the Company (the “**Directors**”), or a duly constituted committee of the Directors, be and are hereby authorised to waive, amend, vary or extend any of the terms and conditions of the Acquisition (as defined in the Admission Document) or the Acquisition Agreement (as defined in the Admission Document) or related agreements, and do all such things as they may consider necessary or desirable to implement the Acquisition.

Resolution 2

THAT, subject to the passing of Resolution 1 and in addition to the authorities granted to the Directors at the annual general meeting of the Company held on 5 March 2015, the Directors be and are hereby unconditionally and generally authorised pursuant to and in accordance with section 551 of the Companies Act 2006 (the “**Act**”) to exercise all powers of the Company to allot ordinary shares of 0.1p each in the capital of the Company (the “**Ordinary Shares**”) up to an aggregate nominal amount of £255,500, in connection with the Placing (as defined in the Admission Document), the Acquisition and associated issue of the Consideration Shares (as defined in the Admission Document) and the issue of the Roll-Over Shares (as defined in the Admission Document), **provided that** such authority will expire at the conclusion of the next annual general meeting of the Company (save that the Company may at any time before such expiry make an offer or agreement which might require such Ordinary Shares to be allotted after such expiry and the Directors may issue and allot Ordinary Shares in pursuance of such an offer or agreement notwithstanding that the authority hereby conferred has expired).

SPECIAL RESOLUTION

Resolution 3

THAT, subject to the passing of Resolution 2 and in addition to the authorities granted to the Directors at the annual general meeting of the Company held on 5 March 2015, the Directors be and are hereby empowered pursuant to section 571 of the Act to allot equity securities (within the meaning of section 560 of the Companies Act 2006 (the “**Act**”) for cash, up to a maximum nominal value of £255,500, pursuant to the authority conferred by Resolution 2 above as if section 561(1) of the Act did not apply to the allotment of those Ordinary Shares, **provided that** this authority shall expire at the conclusion of the next annual general meeting of the Company, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors of the Company may allot equity securities in pursuance of such an offer or agreement as if this power had not expired.

By order of the Board

Athene Blakeman

Company Secretary

11 December 2015

Registered Office

Benchmark House
8 Smithy Wood Drive
Sheffield
S35 1QN

Notes:

- (i) A member entitled to attend and vote at the Meeting convened by the above notice is entitled to appoint a proxy to exercise all or any of the rights of the member to attend and speak and vote on his behalf. A proxy need not be a member of the Company. A member may appoint more than one proxy in relation to the Meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member.
- (ii) To appoint a proxy you may:
 - (a) use the form of proxy enclosed with this notice. To be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of the same, must be received by post or (during normal business hours only) by hand at Equiniti Limited, Aspect House, Spencer Road, Lancing, west Sussex BN99 6DA, so as to arrive no later than 11 a.m. on 23 December 2015;
 - (b) register the appointment of your proxy electronically by logging on to www.sharevote.co.uk using the Voting ID, Task ID and Shareholder reference number printed on your enclosed proxy form and following the instructions provided. Please note that any electronic communication sent to the Company’s registrar in respect of the appointment of a proxy that is found to contain a computer virus will not be accepted; or
 - (c) if you hold your shares in uncertificated form, use the CREST electronic proxy appointment service as described in paragraph (iii) below.Completion of the form of proxy or appointment of a proxy through CREST will not prevent a member from attending and voting in person.
- (iii) CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual which can be found at www.euroclear.com. CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear UK & Ireland’s specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer’s agent, ID RA19, by 11 a.m. on 23 December 2015. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
- (iv) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), only members registered in the register of members of the Company as at 6 p.m. on 23 December 2015 shall be entitled to attend and vote at the Meeting in respect of the number of shares registered in their name at such time. If the Meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned Meeting is 11 a.m. on the day being two days prior to the date fixed for the adjourned meeting (excluding any part of a day that is not a business day). Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the Meeting.
- (v) In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
- (vi) You may not use any electronic address provided either in the above notice or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.
- (vii) As at 10 December 2015 (being the last business day prior to the publication of this notice) the Company’s issued share capital consists of 219,349,525 ordinary shares of 0.1p each, carrying one vote each. Therefore, the total voting rights in the Company as at 10 December 2015 are 219,349,525.

