

Benchmark Holdings plc

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

Full Year Results for the Financial Year ended 30 September 2023

*Third consecutive year of financial and strategic delivery**Strategic steps to further streamline and integrate the Group, positioning it for the next phase of growth*

Benchmark, the aquaculture biotechnology company, announces its full year audited results for the year ended 30 September 2023 (the "period").

Financial highlights – Revenue growth and improved profitability with steady progress in all business areas

- Revenue from continuing operations increase of 7% (+7% CER**):
 - Advanced Nutrition** – strong performance in challenging shrimp markets, further strengthening our leading market position; revenues -2% (-7% CER)
 - Genetics** – strong performance with record salmon egg sales in our three facilities – Iceland, Norway and Chile; revenue growth of +14% (+20% CER)
 - Health** – growing adoption of sea lice solution Ectosan® Vet and CleanTreat® and increase in sales of Salmosan® Vet resulting in revenue growth of 27% (+29% CER)
- 15% increase (+16% CER) in Adjusted EBITDA from continuing operations, excluding fair value movements from biological assets, as a result of higher revenues and tight cost control
- Adjusted EBITDA¹ margin from continuing operations excluding fair value uplift from biological assets increased to 21% (FY22: 20%)
- Significant progress towards profitability:
 - Adjusted operating profit from continuing operations increased by 36% to £14.6m (FY22: £10.7m)
 - Loss before tax from continuing operations reduced to £12.7m (FY22 restated: £21.4m) due to the positive trading result and lower finance costs, partially offset by higher exceptional items
- Significant improvement in cash generation with operational cash flow close to double to £20m (FY22: £10.8m); cash conversion⁴ increased from 35% to 58%
- Net debt³ reduced to £65.5m (FY22: £73.7m)
- Cash and cash equivalents of £35.6m and available liquidity of £48.8m
- At 27 November, cash and cash equivalents of £29.3m and available liquidity of £41.5m

£m	FY 2023	FY 2022 restated*	% AER	% CER**
Revenue from continuing operations	169.5	157.7	7%	7%
Adjusted				
Adjusted EBITDA ¹ from continuing operations	35.5	32.6	9%	11%
Adjusted EBITDA from continuing operations excluding fair value uplift from biological assets	35.6	31.0	15%	16%
Adjusted operating profit ² from continuing operations	14.6	10.7	36%	41%

Statutory				
Operating loss from continuing operations	(5.3)	(6.2)	15%	22%
Loss before tax from continuing operations	(12.7)	(21.4)	41%	44%
Loss for the period including discontinued operations	(21.6)	(30.5)	29%	31%
Basic loss per share (p)	(3.16)	(4.60)	31%	
Net debt ³	(65.5)	(73.7)		
Net debt excluding lease liabilities	(45.6)	(47.5)		

* 2022 figures have been restated to reflect changes to the ongoing continuing business during the year following the disposal of the tilapia business

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

(1) Adjusted EBITDA is EBITDA (earnings before interest, tax, depreciation and amortisation and impairment), before exceptional items including acquisition related items.

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

(3) Net debt is cash and cash equivalents less loans and borrowings

(4) Cash generated from operations after working capital and taxes as percentage of Adj. EBITDA

Business Area Performance (continuing operations) £m	FY 2023	FY 2022 restated *	% AER	% CER**
Revenue				
Genetics	65.5	57.4	14%	20%
Advanced Nutrition	78.5	80.3	(2%)	(7%)
Animal Health	25.5	20.1	27%	29%
Adjusted EBITDA¹				
Genetics	15.7	17.4	(10%)	(1%)
- excluding fair value movements in biological assets	15.8	15.8	0%	8%
Advanced Nutrition	18.4	19.0	(3%)	(8%)
Animal Health	4.8	0.1	4,295%	4,165%

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

(1) Adjusted EBITDA is EBITDA (earnings before interest, tax, depreciation and amortisation and impairment), before exceptional items including acquisition related expenditure.

Operational highlights

Advanced Nutrition – commercial focus and programme of efficiencies translate into business resilience and stronger market position

- Continued commercial focus leveraging technical services capabilities and adapting to market conditions
- Commenced implementation of structured programme of operational efficiencies focused on automation, supply chain integration, and digitalised data management
- Continued innovation with launch of first AI-enabled live feed counting tool SnappArt and establishment of new R&D collaborations in Ecuador and Singapore

Genetics – continue to strengthen global position in salmon eggs

- Record volume of salmon eggs of 335 million, a 15% increase
- Acquired remaining 10.52% minority interest in Benchmark Genetics Iceland (50% of Group's salmon egg production) for €9m
- Doubling of sales demonstrate growing commercial traction in Chile where our facilities obtained disease-free compartment status enabling future exports
- Development of a new shrimp genetics product portfolio underway; shrimp activities reorganised and aligned to realise synergies with Advanced Nutrition
- Divestment of tilapia business through an MBO
- Expanded R&D team with a focus on reproductive technologies paving the way for breakthrough developments in sterility and gene editing

Health – increased adoption of Ectosan® Vet and CleanTreat®

- Increased adoption of Ectosan® Vet and CleanTreat® by large and small producers along the entire Norwegian coastline
- Further progress in the development of a new business model and configuration for CleanTreat® to integrate the system into customers' wellboat infrastructure
- Good year for our second sea lice treatment, Salmosan® Vet, which showed a resurgence of demand driven mainly by label changes which allow longer use in certain territories

Group – further streamlining and integration creating opportunities for commercial and cost synergies

- Important strategic alignment bringing together our salmon activities under the leadership of our Head of Genetics and our shrimp activities under the leadership of our Head of Advanced Nutrition. This customer-centric structure will enable us to increase our commercial impact with a combined offering and customer network and realise synergies
- Continued progress on sustainability initiatives including energy efficiency and GHG emissions, certification and development of novel feed ingredients. ESG rating improvement by MSCI to AA
- Looking forward the Group remains focused on its four strategic pillars:
 - Maintain and grow its leadership position in established markets
 - Expand its business through the launch of new products and development of key growth vectors
 - Continue to embed the "One Benchmark" culture and integrate the Group to realise synergies
 - Pursue strategic opportunities adhering to strict criteria

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

- Good start to FY24 and positive momentum in the business
 - Good visibility of revenues in salmon genetics
 - Early indications of improvement in the shrimp markets
 - Increase in sea lice treatments post period end with good capacity utilisation of CleanTreat®; expect normal seasonality

Trond Williksen, CEO, commented:

“We delivered good growth in revenue and Adjusted EBITDA, and increased cash conversion, despite challenging conditions in the global shrimp markets. This demonstrates the strength of our business and the agility of our organisation to adapt – mitigating the impact of a soft market and taking advantage of commercial opportunities to further consolidate our leading market position. The new financial year has also started well and in line with our expectations, with positive momentum in our three business areas.

“Since the end of FY20 when we completed the Group restructuring, we have been building a track record of growth and improved profitability, reflected by revenues and Adjusted EBITDA from continuing operations which have increased over this period by 61% and 128%, respectively.

“Benchmark is uniquely positioned in an industry that is structurally growing supported by attractive megatrends. With a clear strategy and an integrated commercial network covering the main aquaculture species, we have significant opportunity to deliver growth and shareholders returns. We will continue the execution of our strategy to realise the value inherent in our business for the benefit of all our stakeholders.”

Presentation for analysts and institutional investors at 8am GMT

Trond Williksen, Chief Executive Officer and Septima Maguire, Chief Financial Officer will host a presentation for analysts and institutional investors on the day at 08.00 GMT (09.00 CET).

The presentation will be held in person at Haakon Vlls Gate 2, Oslo, Norway. To register your interest, please contact benchmark@mhpgroup.com

A live webcast of the presentation will be available for analysts and investors to join remotely at the following link: https://channel.royalcast.com/hegnarmedia/#!/hegnarmedia/20231129_1

Equity Development webcast for retail investors at 12pm GMT

Trond Williksen, Chief Executive Officer and Septima Maguire, Chief Financial Officer will host a second webcast for retail investors and wealth managers at 12.00 GMT (13:00 CET). The webcast is open to all existing and potential shareholders.

To register please visit: <https://www.equitydevelopment.co.uk/news-and-events/benchmark-investor-presentation-29november2023>

Enquiries

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About Benchmark

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

Chairman's Statement

A year of delivery

2023 marks the third consecutive year of financial and strategic delivery following the Group restructuring and the appointment of a new management team in 2020. The new financial discipline and commercial focus implemented by our CEO and CFO are now well embedded in the Group and, together with our ongoing organisational change programme, are driving continued growth and strategic progress. Since 2020 Benchmark's revenue from continuing operations has grown from £105.4m (after adjusting for £0.2m revenue from the divested tilapia business) to £169m and Adjusted EBITDA has increased from £15.5m (after adjusting for loss of £1.1m from the divested tilapia business) to £35.5m, turning operating cashflow positive. In the same period, operating loss has reduced from £9.6m (after adjusting for loss of £1.2m from the divested tilapia business) to £5.3m, and total loss for the year has reduced from £31.9m to £21.6m.

We have a strong business with a capable organisation which is capitalising on the attractive megatrends in our industry, and which has proven its agility to adapt to the cyclicity in our end markets, taking every opportunity to further consolidate our leading market position.

The structural growth drivers in our industry are increasingly compelling. Aquaculture plays a crucial role in meeting the demand for seafood and represents a growing proportion of seafood consumption.

In addition, there are a number of exciting trends gaining momentum which are further driving the demand for innovative biotechnology solutions which are our focus. For instance, the increasing adoption of certification standards; the adoption of technological advancements, from automation to genetic improvements; the emergence of alternative feeds; and the increased use of data driven, AI enabled decision making are all aligned with and support Benchmark's future growth.

Organisational transformation

We continued our strategic journey to integrate and streamline our organisation in order to realise synergies, reduce costs and enhance our customer value proposition. This is an effort that commenced three years ago and crystallised this year with the integration of our Health, Genetics and Advanced Nutrition salmon and shrimp offerings by species in order to drive greater synergies into those end markets.

This means we can now fully leverage our customer relationships and commercial footprint to cross-sell our offerings and develop new products and solutions. Our salmon and shrimp activities are now respectively led by Geir Olav Melingen and Patrick Waty, both strong commercial leaders, who also continue to be business area heads for Genetics and Advanced Nutrition. As a result of the change we were able to streamline the teams with immediate cost savings.

Listing venue and share price performance

It is evident to the Board that our share price does not reflect the fundamental value of the business, its growing track record, or unique strategic positioning and attractive prospects. In an effort to address this longstanding issue, the Board decided to pursue a listing in Oslo, the leading seafood market in order to attract specialist investors and over time attain a fair valuation for our shares. An initial listing on Euronext Growth Oslo announced in November 2022 represented a first step towards this goal, to be followed by an uplisting to the Oslo Børs, subject to shareholder approval.

In 2023, we conducted a consultation with shareholders regarding an uplisting to the Oslo Børs and simultaneous delisting from AIM. However, we concluded from these discussions that it was necessary to maintain listings on both Euronext Growth Oslo and on AIM for the foreseeable future and keep an uplisting under review as part of the Group's ongoing strategy to deliver shareholder value.

Board changes

During the year we made changes to the Board that increased shareholder representation, improved the gender balance, and addressed the normal Board rotation cycle.

In December we appointed Laura Lavers as Non-Executive Director. Laura is an experienced investment professional with two decades of experience and acts as shareholder representative for JNE Partners, a significant shareholder in the Company. In April, we announced the appointment of Torgeir Svae as Non- Executive Director with Atle Eide stepping down at the same time. Torgeir is an Investment Director at Kverva AS, one of the Company's main shareholders, and acts as their shareholder representative.

Following the appointments of Mrs Lavers and Mr Svae, alongside our independent directors, we have three Non-Executive Directors representing our three main shareholders who collectively hold 71% of the Company's shares.

As a step to enhance Board diversity in the normal rotation of Directors, on 30 June we appointed Marie Danielsson as Non-Executive Director and Chair of the Audit Committee succeeding Kevin Quinn who joined the Board in 2016.

In December 2023, Susan Searle, the Company's most tenured Board member, will conclude her service on the Board. The Board wishes to express its heartfelt gratitude for her exceptional contributions and dedicated work over the past decade.

Sustainability

Sustainability is at the core of our mission and our sustainability strategy runs across all our business and extends to our supply chain; it guides our decision-making and investment strategy. Our sustainability report including in the group's Annual Report for the year ended 30 September 2023 sets out the initiatives the progress made during the year in our three Sustainability pillars: Environment, Animal Welfare and People and Communities. We set priorities for our three pillars in alignment with a materiality assessment carried out annually which reflects key areas of impact for the business and our stakeholders. This year areas of focus included certification of our operations, sustainability of our supply chain, and enhanced climate risk assessment reporting.

Through enhanced disclosure and policies we were pleased to achieve an improvement in our MSCI ESG ratings to AA.

We have an ambitious commitment to energy transition. In 2023, we made substantial progress towards our Net Zero goals with the installation of solar panels in our facility in Thailand which represents the majority of our GHG emissions. The new solar panels will be operational in Q1 FY24.

Our People

Benchmark is driven by a group of highly talented and motivated people at all levels around the world, and I thank them all on the Board's behalf for their contribution this year. We continued to invest in making Benchmark a great place to work through an ambitious engagement programme, new learning and development resources, and regular, open communication with the management team. For a third consecutive year we obtained excellent engagement scores in our employee survey, well above the industry norm.

Looking forward

Our organisation is stronger than ever and, with market leading positions in our three business areas, I am confident that we will continue to build on our record of consistent delivery despite short term headwinds in some of our markets. Our focus continues to be on creating shareholder value by building a sustainably profitable, cash generative business positioned to capitalise on the opportunity to deliver healthy, nutritious, sustainable food for our future generations.

Peter George

Chairman

Chief Executive Officer's Review

Delivery and strategic progress

Third consecutive year of financial and strategic delivery

I am pleased to report a third consecutive year of financial delivery and strategic progress at Benchmark. The change programme which we embarked on three years ago and which is ongoing has transformed Benchmark into a robust and commercial organisation with leading market positions focused on delivering growth and shareholder value.

Supported by industry megatrends and growing interest in sustainability, farming efficiency and animal welfare, Benchmark is uniquely positioned in the aquaculture industry. With a clear focus on three business areas – Genetics, Advanced Nutrition and Health we deliver specialised, mission critical solutions that address the most important challenges facing the aquaculture industry today. This creates excellent opportunities and prospects ahead for Benchmark.

FY23 Overview

We delivered good growth in revenue and Adjusted EBITDA despite challenging conditions in the global shrimp markets. This demonstrates the strength of our business and the agility of our organisation to adapt - mitigating the impact of a soft market and taking advantage of commercial opportunities to further consolidate our leading market position. We continued to build on our established track record of growth and improved profitability with revenues increasing by 7%, and Adjusted EBITDA from continuing operations excluding fair value movements from biological assets by 15%. Operating loss for the year reduced by 15% from the previous year, and total loss for the year reduced 29%. Since the end of FY20 when we completed the Group restructuring, revenues and Adjusted EBITDA from continuing operations have increased by 61% and 128%, respectively after adjusting for the divested tilapia business. In the same period, operating loss reduced by 45% and total loss for the year reduced by 32%.

Good performance in our core established business

Our three business areas reported good contribution and progress. Advanced Nutrition showed the strength of an excellent organisation and was able to land a good year despite weak shrimp markets which resulted in a drop in demand for our products in key markets. Genetics increased revenues by 14% driven by its core established business with record salmon egg sales from its three facilities in Iceland, Salten and Chile, and continued to invest in its growth vectors. Health reported 27% revenue growth. With leading market positions, good commercial momentum, and growth in our underlying markets we expect further organic growth in our core areas.

Innovation capability coupled with deep market insight sets us apart. During the year we strengthened our Genetics R&D team with a focus on reproductive technologies aiming to bring new breakthroughs in sterility and gene editing to the market in the coming years. In Advanced Nutrition we launched our first AI-powered artemia counting tool SnappArt, an example of how we incorporate state of the art technology into our product offering.

Growth vectors

In addition to the growth potential across our established core business, we have three significant growth vectors which represent strategic priorities for the Group:

- the commercial expansion of our salmon genetics into the Chilean market;
- the commercialisation of our shrimp genetics products; and
- the development of a new business model and operating platform for Ectosan® Vet and CleanTreat®.

During the year we devoted considerable effort and resources to ensure that we have a compelling customer proposition and the right infrastructure and cost base in each of our growth vectors to deliver adequate returns.

Chile is the second largest salmon producing country in the world and a natural new market for our salmon genetics business. Barriers to entry in genetics are high and it is by leveraging our world class genetics expertise to develop a pure Chilean strain and our extensive operational capabilities that we have a competitive product in the market which is reliable, biosecure and high performing. Results from our first full production cycle demonstrate this, translating into

new customer wins and a growing pipeline of orders supported by an intense commercial effort from our local and global team.

We see significant potential in shrimp genetics as a driver of growth and sustainability in shrimp production; indeed, this is an area where Benchmark has world class capabilities and expertise. We launched our first commercial shrimp genetics products in 2022 exporting breeders from our production facility in Florida to multiple markets in Asia. Based on feedback from the first commercial phase, in FY23 we decided to develop a new range of products addressing a need in the market for growth and balanced strains in addition to resistance, as well as a need for locally adapted strains tailored to variations in customer needs across countries. We undertook trials to enable product testing in local conditions and our new product development is well progressed. We also took the decision to exit our JV multiplication centre in Thailand and plan to develop alternative market routes for our shrimp genetics through partnerships with other industry players, leveraging our extensive network and established relationships. In order to leverage our leading market position and commercial network in the shrimp market through Advanced Nutrition, we combined our shrimp activities across Genetics and Advanced Nutrition under the leadership of Patrick Waty, our Head of Advanced Nutrition.

Our sea lice solution Ectosan® Vet and CleanTreat® has proven to be highly efficacious, protective of animal welfare and the environment, and represents a key growth vector for Benchmark. During the year there was increased adoption of our sea lice solution by small and large producers along the entire Norwegian coastline. Full market penetration, however, relies on the development of a new business model and configuration aligned to our customers' infrastructure. During the year we signed an agreement with a specialist wellboat equipment provider, MMC, and ship designer, SALT, to integrate CleanTreat® systems into new wellboats.

This also opens up opportunities for retro-fits or installations on platforms other than the current PSV (platform supply vessel) setup. The implementation of the new business model will allow us to streamline the organisation and reduce capital intensity. Part of these actions are reviewing different options to optimise operations and cash flow on our journey towards fully integrated customer-owned systems, including taking down the exposure to the capital intensive setup we currently hold with two PSV's.

Strategic Action

We continue our efforts to integrate and streamline the Group - making sure we have an organisation that is as optimal as possible from an operational and commercial point of view. To this end we executed an important alignment in the year bringing together our salmon activities under the leadership of our Head of Genetics and our shrimp activities under the leadership of our Head of Advanced Nutrition. This customer-centric will enable us to increase our commercial impact with a combined offering and customer network, leveraging resources and knowledge and further strengthening our market leading position.

Our overarching aim to achieve profitability and sustainable cash generation led to the decision to exit from our tilapia breeding operation while maintaining our exposure to this species through our Genetic Services business. Having developed top performing genetics and an efficient operation and supply chain, the slow industrialisation and adoption of tilapia genetics in the industry meant that we did not see a path to adequate returns in the short and medium term. We were pleased to have exited the business through a management buyout and we continue to work with the new owners providing support for the breeding programme through our Genetics Services activities.

Our culture and our people

Benchmark's purpose driven team and culture is our most important asset. Our values underpin the way we conduct our business and create a collaborative, innovative and commercial organisation which I am very proud of. We take employee well-being and engagement seriously and create regular opportunities to facilitate dialogue. These are an important pillar in making Benchmark a 'Great Place to Work'.

Looking forward – Outlook

We have had a good start to the year and there is good momentum in the business. We have good visibility of sales in Genetics at normalised levels following the supply shortage experienced Q1 FY23. In Advanced Nutrition we are seeing early signs of recovery in the shrimp markets which we expect will contribute positively from Q2 FY24 onwards. Our

CleanTreat® units are currently operating at a good capacity utilisation and we expect this to be reflected in Q1 FY24. We expect normal seasonality with low treatment volumes in the second half. We are considering actions to optimise our operations and cashflow during the transition to an integrated customer solution. The continued integration and streamlining of the Group will enable us to further leverage the Group capabilities and drive efficiencies contributing to a positive outlook for the year ahead.

Looking into the future, we are uniquely positioned in an industry that is structurally growing. With a clear strategy addressing the main aquaculture species, we have significant opportunity to deliver growth and shareholder returns. We will continue the development of the Group and ongoing consideration of our strategy to realise the value inherent in our business for the benefit of all our stakeholders.

Trond Williksen
Chief Executive Officer

Financial Review

Strong and positive performance in the year

We continued to develop a business structured for growth and resilience. FY23 has been a year of significant progress in which we have delivered sales growth in both Genetics and Health, our two salmon focussed business areas. Additionally, in Advanced Nutrition, we have been able to continue to make progress even despite difficult economic conditions in which the market contracted. Our continued focus on cost and cash conservation has proven key to our progress and we ended the year with healthy cash, net debt and available liquidity position. We anticipate that the shrimp markets will improve somewhat in FY24 and our shrimp focussed businesses are poised to benefit. Salmon continues to be a very solid market for the Group allowing us to continue to progress the business in line with our strategic objective to be the preferred supplier of salmon eggs in all key markets.

Overview of reported financial results During 2023, the Group's focus was on continuing to strengthen the business and deliver good commercial results and advancing its strategic priorities with the aim to be cash generative.

Advanced Nutrition continued to deliver strong results even as they faced headwinds in the shrimp markets demonstrating good resilience within the business area. Genetics had a good year with strong sales and solid results, and with Ectosan® Vet and CleanTreat® sales gaining more traction in Health this resulted in an increase in Group revenue of 7% to £169.5m in the year (2022 restated: £157.7m). This increase in sales meant that gross profit increased to £86.8m (2022 restated: £83.9m). Gross margin was slightly down at 51% (2022 restated: 53%). Using the same foreign exchange rates experienced in 2022 (constant currency⁵) revenue increased by 7%.

As Reported (£m unless otherwise stated)	2023	2022 restated*	% AER	% CER**
Revenue from continuing operations	169.5	157.7	7%	7%
Operating loss from continuing operations	(5.3)	(6.2)	15%	22%
Loss before tax from continuing operations	(12.7)	(21.4)	41%	44%
Loss for the period including discontinued operations	(21.6)	(30.5)	29%	31%
Basic loss per share (p)	(3.16)	(4.60)	31%	–

*2022 numbers have been restated to reflect changes to the ongoing continuing business following the disposal of the tilapia business during the year.

** Constant exchange rate (CER) is the change year on year translating current figures using last year's foreign exchange rates.

Adjusted Measures (£m unless otherwise stated)	2023	2022 restated*	% AER	% CER**
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Gross profit from continuing operations	86.8	83.9	3%	4%
Gross profit %	51%	53%	–	–
Gross profit from continuing operations exc movements in fair value of biological assets	86.9	82.3	5%	6%
Gross profit %	51%	52%	–	–
Adjusted EBITDA ¹ from continuing operations	35.5	32.6	9%	11%
Adjusted EBITDA ¹ margin %	21%	21%	–	–
Adjusted EBITDA ¹ from continuing operations exc movements in fair value of biological assets	35.6	31.0	15%	16%
Adjusted EBITDA ¹ exc fair value movements margin %	21%	20%	–	–
Adjusted Operating Profit ² from continuing operations	14.6	10.7	36%	41%
Net debt ³	(65.5)	(73.7)	11%	–

*2022 numbers have been restated to reflect changes to the ongoing continuing business following the disposal of the tilapia business during the year.

** Constant exchange rate (CER) is the change year on year translating current figures using last year's foreign exchange rates.

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

2 Adjusted Operating Profit is operating loss before exceptional and acquisition-related items and amortisation of intangible assets excluding development costs.

3 Net debt is cash and cash equivalents less loans, borrowings and lease obligations.

Business area performance

We continued to manage costs across the Group very closely. Operating costs from the continuing business increased by 2% to £45.2m (2022 restated: £44.1m) with increased costs in Genetics and Advanced Nutrition driven in the main by inflation offset by cost cuts in Health. Expensed R&D from continuing operations decreased by 9% to £6.1m (2022 restated: £6.6m).

Adjusted EBITDA from continued operations increased by 9% to £35.5m (2022 restated: £32.6m) driven by increased performance in Health which offset Genetics where we had significant investment in shrimp genetics as well as lower fair value uplift and Advanced Nutrition.

Adjusted measures

We continue to use adjusted results as our primary measures of financial performance. We believe that these adjusted measures enable a better evaluation of our underlying performance. This is how the Board monitors the progress of the Group.

We use growth at constant exchange rate metrics when considering our performance, in which currency balances are retranslated at the same exchange rates in use for the prior year to illustrate growth on a currency like-for-like basis.

In line with many of our peers in the sector, we highlight expensed R&D on the face of the income statement separate from operating expenses. Furthermore, we report earnings before interest, tax, depreciation and amortisation ("EBITDA") and EBITDA before exceptional and acquisition-related items ("Adjusted EBITDA"). The activities of the Group's equity accounted investees are closely aligned with the Group's principal activities, as these arrangements were set up to exploit opportunities from the Intellectual Property ("IP") held within the Group. As a result, to ensure that adjusted performance measures are more meaningful, the Group's share of the results of these entities is included within Adjusted EBITDA. We also report this adjusted measure after depreciation and amortisation of capitalised development costs ("Adjusted Operating Profit") as the Board considers this reflects the result after taking account of the utilisation of the recently expanded production capacity.

In addition, in line with the Salmon industry, we also report Gross profit and AEBITDA excluding fair value uplift under IAS 41. Available liquidity, being cash and undrawn facilities, is an important metric for management of the business as it gives a measure of the available liquid funds and is also a key financial covenant in the Group's main debt facilities.

Genetics

Despite forex headwinds impacting both NOK and ISK, Genetics delivered good growth in revenue driven by sales of salmon eggs where volumes increased by 15% to 335 million eggs. Total revenues from continuing operations of £65.5m (2022 restated: £57.4m) were up 14%, 20% in constant currency.

Egg sales in our biggest market, Norway, increased by 17% during the year, with most of the demand being met by higher production volumes from our Salten facility. We also saw increased sales to almost all other territories in the year, resulting in an increase in revenue from salmon eggs of 19% to £45.6m (2022: £38.3m).

In non-product-based revenue streams, revenues from harvested fish were aided by increased salmon prices resulting in harvest income in the year of £11.1m (2022: £8.5m). Royalties earned from use of our genetic IP fell in the year, with sales down to £0.5m (2022: £0.8m). No further revenues are expected from this revenue stream as the expected unwind of contracts is now complete. Genetic Services delivered slightly lower revenues of £1.2m in the year (2022: £1.3m), but revenues from this income stream are expected to increase in future years as we build on the strength and depth of our recently expanded genetics team and our IP in the business. Revenues from other products totalled £7.4m (2022: £9.1m).

Gross profit from continuing operations reduced by 7% in 2023 to £30.6m (2022 restated: £32.8m) and gross margin fell to 47% (2022 restated: 57%). The reduction in gross margin was due to a number of factors. We experienced higher third-party production costs on our broodstock licence, inflation in our own costs and non-capitalisation of shrimp development costs in the year (£1.0m capitalised in 2022). Additionally, the fair value movement of bio assets fell to a reduction of £0.1m in 2023 which is a combination of a slowing in the growth of our biomass and lower eggs being incubated at the end of the year, compared to an increase of £1.6m in 2022, as the overall value of biological assets fell versus prior year.

The previously announced strategic review of our tilapia business was completed in Q4 and as a result we sold the tilapia assets in a management buy-out. Our Genetics Services team will continue to support the ongoing development of the tilapia breeding programme on an arms-length basis. The tilapia operation had revenues of £0.3m in the year (2022: £0.6m) and an AEBITDA loss of £1.3m (2022: loss of £1.4m). We also booked exceptional costs of £3.9m in the year (2022: £nil) relating to termination of the business.

Our work to refine the shrimp genetics product line is ongoing and we have lower commercial activities during the year. Prevailing conditions in the shrimp markets have also affected this area of our business. Shrimp sales in the year of £1.2m were behind last year (2022: £2.0m) and Adjusted EBITDA losses of £3.6m were £2.0m worse than prior year, £1.0m of which, as noted above, was due to capitalisation of development costs for the shrimp nucleus in 2022 before it launched commercially.

R&D spend was £0.6m lower in the year (2023: £3.7m, 2022: £4.3m) and operating costs were higher by £0.6m (2023: £11.2m, 2022: £10.6m) as the business grew. R&D reduced due to good cost optimisation in this area. R&D activities in this business area are focused on developing the traits of growth, disease resistance and sea lice resistance by selecting the best performing animals from each generation supported by cutting edge genetic technologies. The search for markers for new traits that can be included in the breeding programme continues.

The share of profits/losses from the equity accounted investees relates to the joint venture with Salmar Genetics AS where we recorded a share of profit of £0.03m in 2023 (2022: share of loss of £0.5m), and a share of losses of £0.2m at Benchmark Genetics Thailand (2022: share of losses of £0.1m). Post year-end, as part of consolidating the shrimp genetics business under Patrick Waty, Genetics has continued to establish its facilities in Chile and with overall AEBITDA losses of £2.9m and £0.1m invested in capex in these facilities in 2023 (2022: £3.4m and 0.6mm). These facilities have potential production capacity of 50 million eggs and is currently utilising capacity of around 30 million eggs. During the year we sold 7 million eggs.

All these factors contributed to increased AEBITDA from continuing business of £15.7m (2022 restated: £17.4m) and AEBITDA margin of 24% (2022 restated: 30%). AEBITDA from continuing business excluding fair value was the same as prior year at £15.8m (2022 restated: £15.8m) with an AEBITDA margin of 24% (2022 restated: 28%).

Advanced Nutrition

Throughout 2023, Advanced Nutrition delivered a resilient performance driven by continued commercial and customer focus. Advanced Nutrition had a good start to the year but at that stage we could already see weakening within the shrimp markets. This continued throughout the year but we have delivered strong results despite the market trends. Revenues in Advanced Nutrition decreased by only 2% in the year (7% at CER) as our strong commercial focus has allowed us to continue to strengthen our position and take increased market share even as the market has softened.

In 2023 and 2022, 73% of our revenues derived from shrimp, with the balance 27% of derived from the Mediterranean sea bass and sea bream sector. By product area, artemia revenue were £36.7m (2022: £37.4m) followed by diets £32.6m (2022: £35.3m). health which covers our probiotic and environmental pond management portfolio grew revenues by 13.6% to £9.2m (2022: £8.1m).

Gross profit of £43.8m (2022: £42.6m) showed an increase of 3% at AER but a reduction of 1% at CER after the effect of the foreign exchange tailwinds. However, good cost control and reducing logistics costs during the year along with lower cost of goods for our Artemia products helped support the resilience of the business. As a result we saw an increase in gross profit margin up from 53% to 56%. This increase in gross profit was offset in part by an increase in operating costs as we saw the full year effect of the investment made in the business during 2022. There continued to be strong cost control and where appropriate staff reductions throughout this year in light of difficult market conditions. Operating costs grew to £23.4m (2022: £21.5m). This led to Advanced Nutrition reporting AEBITDA of £18.4m (2022: £19.0m) and a slight decrease in AEBITDA margin from 24% to 23%.

Within this business area, an important barrier to entry is the access to GSL Artemia where we, through our relationship with the Great Salt Lakes Cooperative have access to 44% of the annual harvest of Artemia from the Great Salt Lakes.

Health

Health reported revenue of £25.5m (2022: £20.1m) largely reflecting increased market traction for Ectosan®Vet and CleanTreat® which represented of £17.2m of revenue (2022: £14.8m) of which £4.8m relates to revenue for vessel-related costs (2022: £2.5m). Additionally, it was a good year for our other sea lice treatment, Salmosan® Vet, which showed a resurgence of demand in the year driven mainly by label changes which allow longer use in certain territories and delivered revenue of £8.3m (2022: £5.4m).

Gross profit increased by £3.8m to £12.3m, driven by the increased sales from of Ectosan®Vet and CleanTreat® combined with increased margins from Salmosan® Vet. Gross margin increased to 48% (2022: 43%), due to increased Ectosan®Vet and CleanTreat® sales.

During the year, the focus of this business area has been to drive demand for Ectosan®Vet and CleanTreat® in Norway and also to lay the ground work for moving the Cleantreat® treatments away from Benchmark leased and controlled vessels, onto customer owned platforms. This will reduce the capital intensive nature of the solution and ultimately reduce costs for the customer, making it a more attractive solution to use for the treatment of sea lice. To date capacity utilisation on the Cleantreat® vessels varied with treatment seasonality which translated into utilisation of c.50% in each vessel during FY23. We are reviewing different options to manage capacity and optimise operations and cash flow as we transition towards fully integrated customer owned systems on wellboats. This may include reducing the exposure to the capital intensive setup we currently hold with two PSV's. With cash and cost control being a very key focus for this business area, operating costs decreased to £7.3m (2022: £8.1m) and research and development fell to £0.3m (2022: £0.4m). Adjusted EBITDA for the business area was £4.8m (2022: £0.1m). AEBITDA margin was 19% for 2023 (2022: 1%).

Within Health and Genetics, given the commonality of customers we adopted a single sales and marketing team approach which has been in place during the financial year. To further drive these efforts, Health and Genetics were brought under common operational leadership during the year under Geir Olav Melingen. We will continue to report these as separate segments to aid in transparency of results.

Cost Inflation

As noted earlier, cost control remains of significant importance in Benchmark and in the current inflationary environment becomes even more so. During the year, we saw higher cost inflation in a number of areas, the most significant of which related to salaries. Within Health we were able to mitigate this by reducing the overall number of headcount and limiting discretionary spend. Within Genetics and Advanced Nutrition, we have, within the constraints of existing contracts, tried to increase prices and also limit discretionary spend to mitigate. Within Advanced Nutrition, a number of roles were also reorganised to make the operation leaner to best fit the current market conditions.

Exceptional items

Items that are material because of their nature whose significance is sufficient to warrant separate disclosure and identification within the consolidated financial statements are referred to as exceptional items. The separate reporting of exceptional items helps to provide an understanding of the Group's underlying performance.

	2023	2022
	£mil	£mil
Aborted acquisition related items	0.6	–
Exceptional restructuring costs	0.9	1.2
Costs associated with the Oslo listing	2.6	–
Cost in relation to disposals	(0.2)	(1.2)
Total exceptional items	3.9	(nil)

The above table excludes £3.9m of exceptionals included within discontinued operations as mentioned earlier.

Exceptional expenses in 2023 were mainly driven by legal and professional costs in relation to the dual listing on the Oslo exchange of and consideration of uplisting to the Oslo Børs of £2.6m. Within Health and Advanced Nutrition some restructuring occurred during the year, in Health to move towards the integration of the operational leadership and within Advanced Nutrition to adapt to the changes in the markets. This resulted in costs of £0.9m (2022: £1.2m). The costs were offset by a credit of £0.2m (2022: £1.2m) relating to additional contingent consideration received in the period following the disposal of Improve International on 23 June 2020, actually cash received was £1.25m related to this divestment.

Depreciation, amortisation and impairments

Depreciation and impairment of tangible assets including discontinued operations and right of use assets was £18.7m (2022 restated: £19.9m). In total, depreciation and impairment charges on right of use assets under IFRS 16 was £10.3m (2022 restated: £11.3m). The charge within discontinued operations included above was £0.3m (2022: £0.2m). Amortisation and impairment of intangible assets totalled £18.5m (2022: £19.2m). This includes an impairment charge of £0.5m related to some intellectual property within Health which is deemed no longer to be of value. We expect the amortisation charge to start reducing from FY25 as some of the Advanced Nutrition (INVE) assets will be fully amortised then.

Research and development

£m	Expensed				Total expensed and capitalised			
	2023 Continuing business	As % of sales	2022 restated	As % of sales	2023 Continuing business	As % of sales	2022 restated	As % of sales
Expensed R&D by business area								
Genetics	3.7	6%	4.3	7%	3.7	6%	5.2	9%
Advanced Nutrition	2.1	3%	2.0	2%	2.1	3%	2.1	3%
Health	0.3	1%	0.4	2%	0.9	4%	1.0	5%
Total research and development	6.1	4%	6.7	4%	6.7	4%	8.3	5%

Expensed R&D activities decreased in the year by £0.5m with Genetics having good cost optimisation in this area while continuing to focus on improvements in the breeding nucleus. Health spending remained low due to their significantly reduced R&D programmes. Genetics' research is focused around continually developing new disease and parasitic

resistant traits as well as growth traits which we can breed into our products. Advanced Nutrition's focus is on expanding our product portfolio and driving growth through product improvements.

Other operating costs

£m	2023	As % of sales	2022 restated	As % of sales
Operating Expenses for continuing business by Business Area				
Genetics	11.2	17%	10.6	18%
Advanced Nutrition	23.4	30%	21.5	27%
Health	7.3	29%	8.1	40%
Corporate (net)	3.3		3.9	
Total operating expenses	45.2	27%	44.1	28%

Other operating costs within the continuing business increased from £44.1m in 2022 (restated) to £45.2m in 2023. The modest increase in costs reflects the impact of cost inflation being mitigated by good cost control and limiting discretionary spend.

Discontinued Operations

During the year we initiated a strategic review of our tilapia operations with a view to understanding the timeline to cash generation within the area of our Genetics business. As a consequence of this review we divested the business via a management buy-out in the fourth quarter of the financial year.

Net finance costs

£m	2023	2022 restated
Interest Income	(0.6)	(0.3)
Foreign Exchange gains	(0.3)	(2.8)
Interest on bond and bank debt	8.4	6.2
Amortisation of deferred financing fees	0.5	1.9
Penalty for early settlement of the bond	–	1.6
Movements in hedging instruments	(2.2)	7.0
Finance lease interest	1.6	1.6
Total net finance expenses	7.4	15.2

The Group incurred net finance costs of £7.4m during the year (2022 restated: £15.2m). Included within this was interest charged on the Group's interest-bearing debt facilities of £8.4m (2022: £6.2m), the higher interest cost was due to higher utilisation of the RCF facility during the year and also higher interest coupon on the bond. In addition, a further £0.5m was charged on amortisation of the deferred finance costs (2022: £1.9m). Net foreign exchange gains of £0.3m (2022 restated: net gain of £2.8m) arose due to the movement in exchange rates on intercompany loans and external debt. Movements on the hedging instruments associated with the Group's NOK bond debt resulted in gains of £2.2m (2022: loss of £7.0m).

Statutory loss before tax

The loss before tax from continuing operations for the year at £12.7m is lower than the prior year (2022 restated: loss of £21.4m). This was a result of the positive trading result offset by higher exceptional items and lower finance costs due to changes in fair value of in-effective portion of cash flow hedges slightly offset by unfavourable foreign exchange movements.

Taxation

There was a tax charge on the loss for the year of £3.4m (2022: £7.3m), mainly due to overseas tax charges in Genetics and Advanced Nutrition in territories where no loss relief is available, partially offset by deferred tax credits on intangible assets mainly arising on consolidation from acquisitions.

Other Comprehensive Income

In addition to the loss for the year of £21.6m, there was a significant movement of £23.0m in OCI resulting from movements in the foreign exchange and hedging reserves. The forex loss of £23.5m was driven by USD and NOK impacting the retranslation of foreign currency denominated subsidiary balance sheets into GBP offset by amounts designated as net investment hedges, together with long term internal loans not expected to be repaid in the foreseeable future which are treated like equity with the movements going directly to reserves. These were offset by £0.5m credit into the hedge reserve from hedge accounting on cashflow hedges.

Transfer and cancellation of share premium

During 2023, we obtained approval via the AGM to cancel part of the share premium account and transfer it to retained earnings. This amounted to £394.2m. This has allowed the business to increase its distributable reserves and serves as a step towards the goal of being a cash generative group, able to issue dividends in line with its dividend policy.

Reported loss for the year

The loss for the year from the continuing business was £16.1m (2022 restated: loss of £28.7m). The total loss from continuing activities and discontinued operations was £21.6m (2022: £30.5m).

Loss per share

Basic loss and diluted loss per share were both 3.16p (2022: loss per share 4.60p). The movement year on year is due to the movement in the result as well as the increase in the weighted average number of shares in issue of 33.7m.

Dividends

No dividends have been paid or proposed in either 2023 or 2022 and the Board is not recommending a final dividend in respect of the year ended 30 September 2023.

Biological assets

A feature of the Group's net assets is its investment in biological assets, which under IAS 41 are stated at fair value. At 30 September 2023, the carrying value of biological assets was £46.0m (2022: £46.7m). This decrease is due principally to the reduction in eggs available for sale in FY24 compared to FY23, as demand for our eggs was higher at the start of FY23 while there were supply issues in the market which did not affect Benchmark. This has normalised during the year. The fair value movement on biological assets included in cost of sales for the year was a reduction of £0.1m (2022: uplift of £1.6m).

Intangibles

Additions to intangibles were £0.8m (2022: £1.9m) with the main area of investment being capitalised development costs which in the year decreased by £1.1m to £0.6m (2022: £1.7m). R&D costs related to products that are close to commercial launch have to be capitalised when they meet the requirements set out under IAS 38. In this financial year, the main development project capitalised was Salmosan Vet (£0.6m).

Capital expenditure

During 2023, to manage cash, we curtailed the investment incurred and focussed on purely business critical areas. The Group incurred tangible fixed asset additions of £6.0m (2022: £10.8m) broken down as follows:

- Health: £0.7m (2022: £2.6m)
- Genetics: £3.4m (2022: £5.6m)
- Nutrition: £1.9m (2022: £2.6m)

Within Health, there was an increase in the provision to demobilise the Cleantreat® units from the current vessels of £0.4m and additional equipment for the existing Cleantreat® units of £0.3m. Capex associated with our Genetics business was £3.4m where we finished the building of new tanks at Salten to support ramping up to the 150 million egg capacity at that facility (£1.4m) and we continue to invest in our production footprint in Iceland and Salten. 2023 saw minimal

investment in our growth initiatives in Chile and shrimp as we believe they have been sufficiently invested. In Advanced Nutrition we continued to invest in the two manufacturing facilities to support growth and operational efficiency.

Cashflow, liquidity and net debt

	2023 £m	2022 £m
Movement in net debt		
Net debt at 30 September 2022/2021	(73.7)	(80.9)
Cash generated from operations excluding working capital and taxes paid	29.6	30.3
Investment in working capital	(1.1)	(12.0)
Capital expenditure	(6.8)	(12.7)
Other disposal activities	0.2	(0.2)
Foreign exchange on cash and debt	4.3	10.5
Interest and tax	(17.1)	(17.0)
Proceeds from previous year disposals of subsidiaries	1.3	1.5
Acquisition of subsidiaries net of cash/debt acquired	(0.2)	–
Investment in associates	(0.6)	(0.4)
Acquisition of non controlling interest	(8.0)	–
Additions to/modifications of leases (IFRS 16)	(3.7)	(11.5)
Shares issued	10.9	20.2
Other non-cash movements	(0.6)	(1.5)
Net debt at 30 September 2023/2022	(65.5)	(73.7)

Cash flow

With improved trading in the business, we saw strong cash generated from operations of £29.6m (2022: £30.3m). During 2023 with significant focus on cash conservation, we restricted the investment in working capital to £1.1m versus an outflow last year £12.0m. Interest and taxes were in line with last year. Capital expenditure, both intangible and tangible, showed a significant decrease of £5.9m to £6.8m (2022: £12.7m) as we continue to moderate our capex.

Working capital

Working capital has reduced slightly in the period driven by a number of factors. We can see the impact of foreign exchange on the balance sheet as noted above in the other comprehensive income section and this impacted the working capital balances at 30 September 2023, but our investment in working capital was more moderate this year as can be seen in the cash flow.

We noted earlier the decrease in biological assets within the genetics areas. Other Inventories fell in Advanced Nutrition as we had less GSL Artemia in inventory than previous years.

In Health, we had transferred the CleanTreat® equipment into inventory in 2022 but we had lower levels of inventory of Salmosan® Vet than 2022.

Trade debtors and creditors, of course, increased as a result of increased sales but trade debtors decreased as a percentage of sales from 20% to 16% in the year. Trade payables were 20% higher than last year as expected from higher level of costs both from activity levels and from cost inflation.

A significant amount of cash is tied up with the working capital of the group and focus will continue to be on releasing that investment in the years to come.

Refinancing and borrowing facilities

The Group has a senior unsecured green bond issue of NOK 750 million, with an expected maturity date of 27 September 2025. The bond has a coupon of three months NIBOR* + 6.5% p.a. with quarterly interest payments. The Group also had a USD 15m revolving credit facility ("RCF") which was due to mature in December 2022 and had £4m drawn at 30 September 2022. During the year, this RCF was refinanced by a new £20m RCF on 21 November 2022 with a June 2025 maturity. The interest rate on the facility is between 2.5% and 3.25% above compound interest rate depending on leverage. At 30 September 2023, there was £7.75m drawn on this facility (2022: £4.0m).

There are other borrowing facilities held within Benchmark Genetics Salten AS which were originally put in place to fund the building of the Salten salmon eggs facility. On 1 November 2022 the term loan facility outstanding balance and the overdraft facility provided by Nordea were refinanced into one facility totalling NOK179.5m with a maturity date of January 2028. The margin on the new facility is 2.5%. In addition, a working capital facility of NOK 20.0m (renewal annually in March) is in place for use solely by Benchmark Genetics Salten AS. This facility is undrawn (2022: undrawn). Two additional ten-year term loans of NOK 25,000,000 and NOK 30,000,000 respectively provided by Innovasjon Norge in 2018. These loans currently have a flat interest rate of 5.95% per annum.

Cash and total debt

Net debt

£m	2023	2022
Cash	36.5	36.4
NOK 750m bond	(57.6)	(62.0)
Other borrowings	(24.5)	(21.8)
Lease liabilities	(19.9)	(26.3)
Net debt	(65.5)	(73.7)

The RCF combined with the year-end cash balance of £36.5m (2022: £36.4m) means the Group had total liquidity of £48.8m (2022: £45.8m). This, while utilising tight cost and cash control, is expected by the Directors to provide the Group with sufficient liquidity to fund the investment and working capital required to crystallise the growth opportunities which are part of the strategic priorities of the Group and provide adequate headroom.

Equity raise and Oslo Euronext Growth Listing

In December 2022, £10.8m net proceeds were raised through a placing to provide the Company with sufficient free float to establish a listing on Oslo Euronext Growth. The listing was completed on 15 December 2022 and we have remained dual listed since that time. During 2023, the Board considered an uplisting to Oslo Børs but ultimately through shareholder consultation, the decision was made to remain dual listed on Euronext Growth and AIM. The proceeds of this equity raise facilitated us in having sufficient available cash to purchase the minority interest in our Icelandic operation.

Covenants

Banking covenants for the NOK bond and RCF exist in relation to liquidity and an 'equity ratio'. Liquidity, defined as 'freely available and unrestricted cash and cash equivalents, including any undrawn amounts under the RCF', must always exceed the minimum liquidity value, set at £10m. Available liquidity at 30 September 2023 is £48.8m (2022: £45.8m). The equity ratio, defined as 'the ratio of Book Equity to Total Assets' must always exceed 40%. The equity ratio at 30 September 2023 was 60% (2022: 61%). In addition, an equity to asset ratio covenant exists for the Benchmark Genetics Salten AS debt with a target threshold of 40%, this equity to asset ratio was 60.0% at 30 September 2023 (2022: 51.3%).

Acquisition of Iceland minority Interest

In December 2014 Benchmark acquired an 89.48% interest in Stofnfiskur, subsequently rebranding it Benchmark Genetics Iceland. Since the acquisition, the business has grown substantially, benefitting from Benchmark's leading market position, investment and knowledge transfer within the Group. In February 2023, we acquired the remaining 10.52% minority interest in Benchmark Genetics Iceland for a consideration of €9m. This acquisition is strategically important as Benchmark Genetics Iceland is core to the Company's ability to supply highly specialist, biosecure salmon eggs year-round to salmon producers in c.25 countries around the world. Benchmark Genetics Iceland represents 50% of the Group's salmon egg capacity.

Going concern

As at 30 September 2023 the Group had net assets of £282.6m (2022: £323.3m), including cash of £36.5m (2022: £36.4m) as set out in the Consolidated Balance Sheet. The Group made a loss for the year of £21.6m (2022: £30.5m). As at 30 September 2023 the Company had net assets of £363.2m (2022: £346.6), including cash of £0.3m (2022: £3.2m) as set out on the Company Balance Sheet. The Company made a loss for the year of £4.2m (2022: £16.5m).

As noted in the Strategic Report, the business has performed steadily during the year, showing resilience to some tough market conditions towards the end of the year. The Directors have reviewed forecasts and cash flow projections for a period of at least 12 months including downside sensitivity assumptions in relation to trading performance across the Group to assess the impact on the Group's trading and cash flow forecasts and on the forecast compliance with the covenants included within the Group's financing arrangements.

In the downside analysis performed, the Directors considered severe but plausible scenarios on the Group's trading and cash flow forecasts, firstly in relation to continued roll out of the Ectosan® Vet and CleanTreat® offering. Sensitivities considered included modelling slower ramp up of the commercialisation of Ectosan® Vet and CleanTreat® through delayed roll-out of the revised operating model for the service, together with reductions in expected biomass treated and reduction in short-term treatment capacity. Key downside sensitivities modelled in other areas included assumptions on slower commercialisation of SPR shrimp, slower salmon egg sales growth in Chile and removal of an additional financing opportunity within Genetics, along with sensitivities on sales growth in revenues and pressure on pricing on CIS artemia in Advanced Nutrition. Mitigating measures within the control of management have been identified should they be required in response to these sensitivities, including reductions in areas of discretionary spend, tight control over new hires, deferral of capital projects and temporary hold on R&D for non-imminent products.

The refinancing exercise which commenced in FY22 was completed at the start of FY23, so that adequate finance facilities are in place, and with financial instruments in place to fix interest rates and opportunities available to mitigate globally high inflation rates, the Group continues to show resilience against current global economic pressures. The Directors are therefore confident that even under all of the above sensitivity analysis, the Group has sufficient liquidity and resources throughout the period under review whilst still maintaining adequate headroom against the borrowing covenants. They therefore remain confident that the Group has adequate resources to continue to meet its liabilities as and when they fall due within the period of 12 months from the date of approval of these financial statements. Based on their assessment, the Directors believe it remains appropriate to prepare the financial statements on a going concern basis.

Consolidated Income Statement
for the year ended 30 September 2023

		2023 £000	2022 Restated* £000
Revenue		169,476	157,707
Cost of sales		(82,726)	(73,777)
Gross profit		86,750	83,930
Research and development costs		(6,069)	(6,634)
Other operating costs		(45,157)	(44,095)
Share of (loss)/profit of equity-accounted investees, net of tax		(32)	(595)
Adjusted EBITDA²		35,492	32,606
Exceptional – restructuring/acquisition and disposal related items	4	(3,904)	16
EBITDA¹		31,588	32,622
Depreciation and impairment		(18,409)	(19,692)
Amortisation and impairment		(18,495)	(19,161)
Operating loss		(5,316)	(6,231)
Finance cost	3	(15,048)	(19,893)
Finance income	3	7,670	4,741
Loss before taxation		(12,694)	(21,383)
Tax on loss		(3,365)	(7,268)
Loss from continuing operations		(16,059)	(28,651)
Discontinued operations			
Loss from discontinued operations, net of tax	5	(5,505)	(1,800)
		(21,564)	(30,451)
Loss for the year attributable to:			
– Owners of the parent		(23,146)	(32,087)
– Non-controlling interest		1,582	1,636
		(21,564)	(30,451)
Earnings per share			
Basic loss per share (pence)	6	(3.16)	(4.60)
Diluted loss per share (pence)	6	(3.16)	(4.60)
Earnings per share - continuing operations			
Basic loss per share (pence)	6	(2.41)	(4.34)
Diluted loss per share (pence)	6	(2.41)	(4.34)
		£000	£000
Adjusted EBITDA from continuing operations		35,492	32,606
Adjusted EBITDA from discontinued operations		(1,254)	(1,425)
Total Adjusted EBITDA		34,238	31,181

1. EBITDA – earnings before interest, tax, depreciation, amortisation and impairment.

2. Adjusted EBITDA – EBITDA before exceptional and acquisition-related items.

* 2022 numbers have been restated to reflect certain operations of the Group that have been classified as discontinued operations during the year in line with IFRS 5

Consolidated Statement of Comprehensive Income
for the year ended 30 September 2023

	2023 £000	2022 £000
Loss for the year	(21,564)	(30,451)
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss		
Foreign exchange translation differences	(23,475)	47,606
Cash flow hedges – changes in fair value	(2,123)	2,627
Cash flow hedges – reclassified to profit or loss	2,623	2,546
Total comprehensive income for the period	(44,539)	22,328
Total comprehensive income for the period attributable to:		
– Owners of the parent	(45,404)	20,326
– Non-controlling interest	865	2,002
	(44,539)	22,328
Total comprehensive income for the period attributable to owners of the parent:		
– Continuing operations	(39,777)	21,509
– Discontinued operations*	(5,627)	(1,183)
	(45,404)	20,326

* Total comprehensive income for the period relating to discontinued operations for FY23 includes the loss of £5,505,000 (2022: £1,800,000) and foreign exchange loss of £122,000 (2022: gain of £617,000).

Consolidated Balance Sheet
as at 30 September 2023

	Notes	2023 £000	2022 £000
Assets			
Property, plant and equipment	7	73,411	81,900
Right-of-use assets	8	19,804	27,034
Intangible assets	9	206,077	245,264
Equity-accounted investees		3,558	3,113
Other investments		14	15
Biological and agricultural assets	11	18,406	20,878
Non-current assets		321,270	378,204
Inventories		25,269	29,813
Biological and agricultural assets	11	27,586	25,780
Trade and other receivables	10	59,795	56,377
Cash and cash equivalents		36,525	36,399
		149,175	148,369
Assets held for sale		850	–
Current assets		150,025	148,369
Total assets		471,295	526,573
Liabilities			
Trade and other payables	13	(47,329)	(44,324)
Loans and borrowings	14	(20,045)	(17,091)
Corporation tax liability		(6,422)	(10,211)
Provisions		(1,280)	(1,631)
Current liabilities		(75,076)	(73,257)
Loans and borrowings	14	(81,954)	(93,045)
Other payables	13	(6,842)	(8,996)
Deferred tax		(24,106)	(27,990)
Provisions		(700)	–
Non-current liabilities		(113,602)	(130,031)
Total liabilities		(188,678)	(203,288)
Net assets		282,617	323,285
Issued capital and reserves attributable to owners of the parent			
Share capital		739	704
Additional paid-in capital		37,428	420,824
Capital redemption reserve		5	5
Retained earnings		183,489	(185,136)
Hedging reserve		(203)	(703)
Foreign exchange reserve		54,947	77,705
Equity attributable to owners of the parent		276,405	313,399
Non-controlling interest		6,212	9,886
Total equity and reserves		282,617	323,285

The financial statements were approved and authorised for issue by the Board of Directors on 29 November 2023 and were signed on its behalf by:

Septima Maguire
Chief Financial Officer

Company number: 04115910

Consolidated Statement of Changes in Equity
for the year ended 30 September 2023

	Share capital £000	Additional paid-in share capital £000	Other reserves £000	Hedging reserve £000	Retained earnings £000	Total attributable to equity holders of parent £000	Non-controlling interest £000	Total equity £000
As at 1 October 2021	670	400,682	30,470	(5,876)	(154,231)	271,715	7,884	279,599
Comprehensive income for the year								
(Loss)/profit for the year	–	–	–	–	(32,087)	(32,087)	1,636	(30,451)
Other comprehensive income	–	–	47,240	5,173	–	52,413	366	52,779
Total comprehensive income for the year	–	–	47,240	5,173	(32,087)	20,326	2,002	22,328
Contributions by and distributions to owners								
Share issue	34	20,704	–	–	–	20,738	–	20,738
Share issue costs recognised through equity	–	(562)	–	–	–	(562)	–	(562)
Share-based payment	–	–	–	–	1,182	1,182	–	1,182
Total contributions by and distributions to owners	34	20,142	–	–	1,182	21,358	–	21,358
Changes in ownership								
Acquisition of NCI	–	–	–	–	–	–	–	–
Total changes in ownership interests	–	–	–	–	–	–	–	–
Total transactions with owners of the Company	34	20,142	–	–	1,182	21,358	–	21,358
As at 30 September 2022	704	420,824	77,710	(703)	(185,136)	313,399	9,886	323,285
Comprehensive income for the year								
(Loss)/profit for the period	–	–	–	–	(23,146)	(23,146)	1,582	(21,564)
Other comprehensive income	–	–	(22,758)	500	–	(22,258)	(717)	(22,975)
Total comprehensive income for the year	–	–	(22,758)	500	(23,146)	(45,404)	865	(44,539)
Contributions by and distributions to owners								
Share issue	35	12,985	–	–	–	13,020	–	13,020
Share issue costs recognised through equity	–	(2,146)	–	–	–	(2,146)	–	(2,146)
Cancellation of part of share premium account	–	(394,235)	–	–	394,235	–	–	–
Share-based payment	–	–	–	–	1,006	1,006	–	1,006
Total contributions by and distributions to owners	35	(383,396)	–	–	395,241	11,880	–	11,880
Changes in ownership								
Acquisition of NCI	–	–	–	–	(3,470)	(3,470)	(4,359)	(8,009)
Total changes in ownership interests	–	–	–	–	(3,470)	(3,470)	(4,359)	(8,009)
Total transactions with owners of the Company	35	(383,396)	–	–	391,771	8,410	(4,539)	(8,009)
As at 30 September 2023	739	37,428	54,952	(203)	183,489	276,405	6,212	282,617

Consolidated Statement of Cash Flows
for the year ended 30 September 2023

	Notes	2023 £000	2022 £000
Cash flows from operating activities			
Loss for the year		(21,564)	(30,451)
Adjustments for:			
Depreciation and impairment of property, plant and equipment		8,453	8,602
Depreciation and impairment of right-of-use assets		10,260	11,293
Other adjustments for non-cash items		–	(276)
Amortisation and impairment of intangible fixed assets		18,495	19,161
Profit on sale of property, plant and equipment		(121)	(43)
Loss on sale of discontinued operation		3,774	–
Finance income		(2,802)	(319)
Finance costs		10,535	18,437
Increase in fair value of contingent consideration receivable		–	(1,203)
Share of loss of equity-accounted investees, net of tax		32	595
Foreign exchange gains		(1,814)	(3,985)
Share-based payment expense		1,005	1,182
Tax expense		3,365	7,274
Increase in trade and other receivables		(6,570)	(8,511)
Decrease/(increase) in inventories		2,877	(5,406)
Increase in biological and agricultural assets		(1,659)	(6,099)
Increase in trade and other payables		3,909	6,948
Increase in provisions		386	1,058
		28,561	18,257
Income taxes paid		(8,556)	(7,447)
Net cash flows generated from operating activities		20,005	10,810
Investing activities			
Acquisition of subsidiaries		(48)	–
Purchase of investments in associates		(558)	(378)
Receipts from disposal of subsidiaries		1,250	1,544
Purchases of property, plant and equipment		(5,953)	(10,808)
Purchase of intangibles		(196)	(205)
Capitalised research and development costs		(632)	(1,708)
Proceeds from sale of fixed assets		227	220
Cash receipts from swap contracts		11	–
Interest received		627	119
Net cash flows used in investing activities		(5,272)	(11,216)
Financing activities			
Proceeds of share issues		13,020	20,737
Share-issue costs recognised through equity		(2,146)	(562)
Acquisition of minority interests in subsidiaries		(8,009)	–
Proceeds from bank or other borrowings		21,847	67,939
Repayment of bank or other borrowings		(18,470)	(74,874)
Interest and finance charges paid		(9,131)	(9,629)
Repayments of lease liabilities		(9,438)	(10,533)
Net cash used in financing activities		(12,327)	(6,922)
Net increase/(decrease) in cash and cash equivalents		2,406	(7,328)
Cash and cash equivalents at beginning of year		36,399	39,460
Effect of movements in exchange rate		(2,280)	4,267
Cash and cash equivalents at end of year		36,525	36,399

1. Basis of preparation

These audited results have been prepared on the basis of the accounting policies which are to be set out in Benchmark Holdings Plc's annual report and financial statements for the year ended 30 September 2023. Those policies have been consistently applied to all the years presented unless otherwise stated.

These Group and parent company financial statements were prepared and approved by the Directors in accordance with (i) UK-adopted International Accounting Standards and (ii) IFRS adopted pursuant to Regulation (EC) No. 1606/2002 as it applied in the European Union ("Adopted IFRS"). While the financial information included in this preliminary statement has been prepared on the basis of the requirements of IFRSs in issue, this statement does not itself contain sufficient information to comply with IFRS.

The financial information set out above does not constitute the company's statutory accounts for the years ended 30 September 2023 or 2022 but is derived from those accounts. Statutory accounts for 2022 have been delivered to the registrar of companies, and those for 2023 will be delivered in due course. The auditor has reported on those accounts. The auditor's reports for 2023 and for 2022 were both (i) unqualified and (ii) did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: certain financial assets and financial liabilities (including contingent consideration receivable and derivatives) and biological assets measured at fair value. Non-current assets and disposal groups held for sale are stated at the lower of previous carrying amount and fair value less costs to sell.

Going concern

As at 30 September 2023 the Group had net assets of £282.6m (2022: £323.3m), including cash of £36.5m (2022: £36.4m) as set out in the Consolidated Balance Sheet. The Group made a loss for the year of £21.6m (2022: £30.5m).

As noted in the Strategic Report, the business has performed steadily during the year, showing resilience to some tough market conditions towards the end of the year. The Directors have reviewed forecasts and cash flow projections for a period of at least 12 months including downside sensitivity assumptions in relation to trading performance across the Group to assess the impact on the Group's trading and cash flow forecasts and on the forecast compliance with the covenants included within the Group's financing arrangements.

In the downside analysis performed, the Directors considered severe but plausible scenarios on the Group's trading and cash flow forecasts, firstly in relation to continued roll out of the Ectosan® Vet and CleanTreat offering. Sensitivities considered included modelling slower ramp up of the commercialisation of Ectosan® Vet and CleanTreat® through delayed roll-out of the revised operating model for the service, together with reductions in expected biomass treated and reduction in short-term treatment capacity. Key downside sensitivities modelled in other areas included assumptions on slower commercialisation of SPR shrimp, slower salmon egg sales growth in Chile and removal of an additional financing opportunity within Genetics, along with sensitivities on sales growth in revenues and pressure on pricing on CIS artemia in Advanced Nutrition. Mitigating measures within the control of management have been identified should they be required in response to these sensitivities, including reductions in areas of discretionary spend, tight control over new hires, deferral of capital projects and temporary hold on R&D for non-imminent products.

The refinancing exercise which commenced in FY22 was completed at the start of FY23, so that adequate finance facilities are in place, and with financial instruments in place to fix interest rates and opportunities available to mitigate globally high inflation rates, the Group continues to show resilience against current global economic pressures. The Directors are therefore confident that even under all of the above sensitivity analysis, the Group has sufficient liquidity and resources throughout the period under review whilst still maintaining adequate headroom against the borrowing covenants. They therefore remain confident that the Group has adequate resources to continue to meet its liabilities as and when they fall due within the period of 12 months from the date of approval of these financial statements. Based on their assessment, the Directors believe it remains appropriate to prepare the financial statements on a going concern basis.

2. Segment information

Operating segments are reported in a manner consistent with the reports made to the chief operating decision maker. It is considered that the role of chief operating decision maker is performed by the Board of Directors.

The Group operates globally and for management purposes is organised into reportable segments based on the following business areas:

- **Genetics** – harnesses industry leading salmon breeding technologies combined with state-of-the-art production facilities to provide a range of year-round high genetic merit ova.
- **Advanced Nutrition** – manufactures and provides technically advanced nutrition and health products to the global aquaculture industry.
- **Health** – the segment focuses on providing health products to the global aquaculture market.

In order to reconcile the segmental analysis to the Consolidated Income Statement, corporate and inter-segment sales are also shown. Corporate sales represent revenues earned from recharging certain central costs to the operating business areas, together with unallocated central costs.

Measurement of operating segment profit or loss

Inter-segment sales are priced along the same lines as sales to external customers, with an appropriate discount being applied to encourage use of Group resources at a rate acceptable to local tax authorities. This policy was applied consistently throughout the current and prior period.

Year ended 30 September 2023	Genetics £000	Advanced Nutrition £000	Health £000	Corporate £000	Inter- segment sales £000	Total £000
Revenue	65,791	78,503	25,514	5,747	(5,811)	169,744
Cost of sales	(35,876)	(34,704)	(13,173)	-	54	(83,699)
Gross profit / (loss)	29,915	43,799	12,341	5,747	(5,757)	86,045
Research and development costs	(3,778)	(2,071)	(279)	-	-	(6,128)
Operating costs	(11,696)	(23,354)	(7,290)	(9,064)	5,757	(45,647)
Share of profit of equity-accounted investees, net of tax	(32)	-	-	-	-	(32)
Adjusted EBITDA	14,409	18,374	4,772	(3,317)	-	34,238
Exceptional – restructuring/acquisition and disposal related items	(3,913)	(920)	(509)	(2,475)	-	(7,817)
EBITDA	10,496	17,454	4,263	(5,792)	-	26,421
Depreciation and impairment	(4,703)	(2,437)	(11,559)	(14)	-	(18,713)
Amortisation and impairment	(1,894)	(14,269)	(2,329)	(3)	-	(18,495)
Operating profit / (loss)	3,899	748	(9,625)	(5,809)	-	(10,787)
Finance cost						(15,082)
Finance income						7,670
Loss before tax						(18,199)

Year ended 30 September 2022	Genetics £000	Advanced Nutrition £000	Health £000	Corporate £000	Inter- segment sales £000	Total £000
Revenue	58,008	80,286	20,135	5,120	(5,272)	158,277
Cost of sales	(25,971)	(37,733)	(11,544)	4	95	(75,149)
Gross profit / (loss)	32,037	42,553	8,591	5,124	(5,177)	83,128
Research and development costs	(4,329)	(1,990)	(372)	-	-	(6,691)
Operating costs	(11,133)	(21,546)	(8,111)	(9,048)	5,177	(44,661)
Share of profit of equity-accounted investees, net of tax	(595)	-	-	-	-	(595)
Adjusted EBITDA	15,980	19,017	108	(3,924)	-	31,181
Exceptional – restructuring/acquisition and disposal related items	-	(220)	18	218	-	16
EBITDA	15,980	18,797	126	(3,706)	-	31,197
Depreciation and impairment	(5,322)	(2,236)	(12,251)	(88)	-	(19,897)
Amortisation and impairment	(1,695)	(15,000)	(2,463)	(3)	-	(19,161)
Operating profit / (loss)	8,963	1,561	(14,588)	(3,797)	-	(7,861)
Finance cost						(20,057)
Finance income						4,741
Loss before tax						(23,177)

Non-current assets by location of assets

	2023 £000	2022 £000
Belgium	144,344	173,136
Norway	74,541	83,752
UK	29,690	42,373
Iceland	37,631	39,448
Rest of Europe	1,017	953
Rest of world	34,047	38,543
	321,270	378,204

3. Net finance costs

	2023 £000	2022 Restated £000
Continuing operations		
Interest received on bank deposits	627	319
Foreign exchange gains on financing activities	158	4,422
Foreign exchange gains on operating activities	4,709	–
Cash flow hedges - ineffective portion of changes in fair value	2,176	–
Finance income	7,670	4,741
Leases (interest portion)	(1,620)	(1,580)
Cash flow hedges - re-classified from OCI	–	(2,546)
Cash flow hedges - in-effective portion of changes in fair value	–	(4,475)
Foreign exchange losses on operating activities	(4,547)	(1,620)
Interest expense on financial liabilities measured at amortised cost	(8,881)	(9,672)
Finance costs	(15,048)	(19,893)
Net finance costs recognised in profit or loss	(7,378)	(15,152)

4. Exceptional items – restructuring, acquisition and disposal related items

Items that are material because of their nature, non-recurring or whose significance is sufficient to warrant separate disclosure and identification within the consolidated financial statements are referred to as exceptional items. The separate reporting of exceptional items helps to provide an understanding of the Group's underlying performance.

	2023 £000	2022 £000
Acquisition related items	652	-
Exceptional restructuring costs	3,470	1,229
Disposal related items	(218)	(1,245)
Total exceptional items	3,904	(16)

Acquisition related items comprise fees incurred in the year in connection with an aborted acquisition.

Exceptional costs include: £2,598,000 (2022: £843,000) of legal and professional costs in relation to preparing for listing the Group on the Oslo stock exchange, and £872,000 (2022: £276,000) relating to restructuring costs.

Disposal related items include a credit of £235,000 (2022: £1,203,000) in relation to additional contingent consideration received and receivable from disposals in previous years (£294,000 relating to the disposal of Aquaculture UK on 7 February 2020, and £909,000 relating to the disposal of Improve International Limited and its subsidiaries on 23 June 2020) together with legal fees, lease costs and disposal items (net of proceeds received) totalling £17,000 relating to additional costs and disposals proceeds relating to disposals that occurred in 2020.

5. Discontinued operations

During the year, the group divested its tilapia business for consideration of USD 1 in a management buy out. Consequently, these operations have been classified as discontinued in the current year with a corresponding restatement of the consolidated income statement and OCI for the year ended 30 September 2022 to reflect these changes.

Summary of restatement of FY22 results as reported in FY22 financial statements

	Continuing operations			Discontinued operations
	Revenue £000	Adjusted EBITDA £000	Loss from continuing operations £000	Loss from discontinued operations £000
As stated in financial year 2022 financial statements	158,277	31,181	(30,451)	-
Reclassified in financial year 2023	(570)	1,425	1,800	(1,800)
As stated in financial year 2023 financial statements	157,707	32,606	(28,651)	(1,800)

	2023 £000	Restated 2022 £000
Revenue	268	570
Cost of sales	(973)	(1,372)
Gross profit	(705)	(802)
Research and development costs	(59)	(57)
Other operating costs	(490)	(566)
Adjusted EBITDA	(1,254)	(1,425)
Exceptional loss on disposal	(3,913)	-
EBITDA	(5,167)	(1,425)
Depreciation and impairment	(304)	(205)
Operating loss / Loss before taxation	(5,471)	(1,630)
Net finance costs	(34)	(164)
Loss before taxation	(5,505)	(1,794)
Tax on loss	-	(6)
Loss from discontinued operations	(5,505)	(1,800)

Exceptional items within discontinued operations

	2023 £000	2022 Restated £000
Loss on disposal of trade and assets	3,774	-
Other costs relating to disposals	139	-
Total exceptional loss on disposal	3,913	-

Cash flows from discontinued operations

	2023 £000	2022 £000
Net cash flow from operating activities	(1,609)	(1,312)
Net cash flow from investing activities	(27)	(341)
Net cash flow from financing activities	(106)	77
Net cash flow from discontinued operations	(1,742)	(1,576)

Results from discontinued operations by segment

The results from discontinued operations relate solely to the Genetics operating segment.

Impact on the Group Consolidated Income Statement for the year ended 30 September 2023

	2023 Continuing £000	2023 Discontinued £000	2023 Total £000
Revenue	169,476	268	169,744
Cost of sales	(82,726)	(973)	(83,699)
Gross profit	86,750	(705)	86,045
Research and development costs	(6,069)	(59)	(6,128)
Other operating costs	(45,157)	(490)	(45,647)
Share of profit of equity-accounted investees, net of tax	(32)	-	(32)
Adjusted EBITDA	35,492	(1,254)	34,238
Exceptional - restructuring, acquisition and disposal related items	(3,904)	(3,913)	(7,817)
EBITDA	31,588	(5,167)	26,421
Depreciation and impairment	(18,409)	(304)	(18,713)
Amortisation and impairment	(18,495)	-	(18,495)
Operating loss	(5,316)	(5,471)	(10,787)
Net finance costs	(7,378)	(34)	(7,412)

Loss before taxation	(12,694)	(5,505)	(18,199)
Tax on loss	(3,365)	-	(3,365)
Loss after tax for the financial period	(16,059)	(5,505)	(21,564)

Impact on the Group Consolidated Income Statement for the year ended 30 September 2022

	2022 Continuing Restated £000	2022 Discontinued Restated £000	2022 Total Restated £000
Revenue	157,707	570	158,277
Cost of sales	(73,777)	(1,372)	(75,149)
Gross profit	83,930	(802)	83,128
Research and development costs	(6,634)	(57)	(6,691)
Other operating costs	(44,095)	(566)	(44,661)
Share of profit of equity-accounted investees, net of tax	(595)	-	(595)
Adjusted EBITDA	32,606	(1,425)	31,181
Exceptional - restructuring, acquisition and disposal related items	16	-	16
EBITDA	32,622	(1,425)	31,197
Depreciation and impairment	(19,692)	(205)	(19,897)
Amortisation and impairment	(19,161)	-	(19,161)
Operating loss	(6,231)	(1,630)	(7,861)
Net finance costs	(15,152)	(164)	(15,316)
Loss before taxation	(21,383)	(1,794)	(23,177)
Tax on loss	(7,268)	(6)	(7,274)
Loss after tax for the financial period	(28,651)	(1,800)	(30,451)

Effects of business disposals on the financial position of the Group

On 30 September, the tilapia businesses of a Group's subsidiary was disposed of for consideration of USD 1. The assets sold are highlighted in the table below.

	Tilapia £000
Assets	
Property, plant and equipment (including Right of use assets)	738
Intangible assets	3,036
Net assets and liabilities	3,774
Total consideration	-
Consideration received in cash	-
Cash and cash equivalents disposed of	-
Net cash inflow/(outflow)	-

6. Loss per share

Basic loss per share is calculated by dividing the profit or loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	2023			2022		
	Continuing	Discontinued	Total	Continuing	Discontinued	Total
Loss attributable to equity holders of the parent (£000)	(17,641)	(5,505)	(23,146)	(30,287)	(1,800)	(32,087)
Weighted average number of shares in issue (thousands)			731,935			698,233
Basic loss per share (pence)	(2.41)	(0.75)	(3.16)	(4.34)	(0.26)	(4.60)

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. This is done by calculating the number of shares that could have been acquired at fair value based on the monetary value of the subscription rights attached to outstanding share options and warrants.

A total of 8,948,132 (2022: 6,240,304) potential ordinary shares have not been included within the calculation of statutory diluted loss per share for the year as they are anti-dilutive and reduce the loss per share. However, these potential ordinary shares could dilute earnings per share in the future. The diluted and basic loss per share are the same for both continuing and discontinued.

7. Property, plant and equipment

Group

	Freehold Land and Buildings £000	Assets in the course of construction £000	Long-Term Leasehold Property Improvements £000	Plant and Machinery £000	Office Equipment and Fixtures £000	Total £000
Cost						
Balance at 1 October 2021	63,027	1,807	6,421	32,893	2,751	106,899
Additions	4,025	1,616	283	4,546	338	10,808
Increase/(decrease) through transfers from assets in the course of construction	251	(1,275)	–	995	29	–
Exchange differences	1,924	116	432	2,377	146	4,995
Transfer to inventory	–	–	–	(1,514)	–	(1,514)
Disposals	(224)	–	–	(131)	(126)	(481)
Disposals through sale of subsidiary	–	–	–	–	–	–
Balance at 30 September 2022	69,003	2,264	7,136	39,166	3,138	120,707
Balance at 1 October 2022	69,003	2,264	7,136	39,166	3,138	120,707
Additions	2,164	560	28	2,662	539	5,953
On acquisition	–	–	–	315	–	315
Reclassification	56	(106)	–	50	–	–
Increase/(decrease) through transfers from assets in the course of construction	877	(1,556)	–	679	–	–
Exchange differences	(4,446)	(53)	(344)	(1,670)	(328)	(6,841)
Transfer to assets held for sale	(1,392)	–	–	–	–	(1,392)
Transfer from inventory	–	–	–	94	–	94
Balance at 30 September 2023	66,181	1,109	5,245	39,175	3,291	115,001
Accumulated depreciation						
Balance at 1 October 2022	7,829	–	4,723	14,806	761	28,119
Depreciation charge for the year	2,387	–	197	5,411	607	8,602
Exchange differences	792	–	256	1,200	141	2,389
Disposals	(84)	–	–	(102)	(117)	(303)
Balance at 30 September 2022	10,924	–	5,176	21,315	1,392	38,807
Balance at 1 October 2022	10,924	–	5,176	21,315	1,392	38,807
Depreciation charge for the year	2,266	–	79	5,513	595	8,453
Transfer to assets held for sale	(542)	–	–	–	–	(542)
Exchange differences	(908)	–	(189)	(810)	(214)	(2,121)
Disposals	(81)	–	(1,575)	(1,323)	(28)	(3,007)
Balance at 30 September 2023	11,659	–	3,491	24,695	1,745	41,590
Net book value						
At 30 September 2023	54,522	1,109	1,754	14,480	1,546	73,411
At 30 September 2022	58,079	2,264	1,960	17,851	1,746	81,900
At 1 October 2021	55,198	1,807	1,698	18,087	1,990	78,780

8. Leases

Group	2023 £000	2022 £000
Right-of-use-assets		
Leasehold property	9,213	9,389
Plant and machinery	10,585	17,582
Office equipment and fixtures	6	63
	19,804	27,034
	2023 £000	2022 £000
Lease liabilities		
Current	11,567	11,522
Non-current	8,293	14,765
	19,860	26,287
	2023 £000	2022 £000
Depreciation charge of right-of-use assets		
Leasehold property	1,210	1,383
Plant and machinery	9,038	9,176
Office equipment and fixtures	12	72
	10,260	10,631
	2021 £000	2020 £000
Additional information		
Additions to right-of-use assets	2,120	497
Modifications to right-of-use assets	1,697	10,884
Impairment of leasehold property right-of-use asset	–	664
Interest expense	1,654	1,744
Expense relating to short-term leases	237	152
Expense relating to leases of low-value leases	20	151
Total cash outflow for leases	9,438	10,533

Benchmark Animal Health Limited modified the existing leases for two PSV vessels, the FS Aquarius and the FS Pegasus to extend the lease term only. These two assets constitute £8,405,000 of the net book value and £9,374,000 of the lease liability at the year end.

9. Intangible assets
Group

	Websites £000	Goodwill £000	Patents and Trademarks £000	Intellectual Property £000	Customer Lists £000	Contracts £000	Licences £000	Genetics £000	Development costs £000	Total £000
Cost or valuation										
Balance at 1 October 2021	319	140,055	338	133,201	5,271	6,602	34,479	22,636	27,579	370,480
Additions - externally acquired	94	—	111	—	—	—	—	—	—	205
Additions - internally developed	—	—	—	—	—	—	—	—	1,708	1,708
Exchange differences	34	24,619	3	27,206	1,107	(27)	5,841	599	1,935	61,317
Balance at 30 September 2022	447	164,674	452	160,407	6,378	6,575	40,320	23,235	31,222	433,710
Balance at 1 October 2022	447	164,674	452	160,407	6,378	6,575	40,320	23,235	31,222	433,710
Additions - on acquisition	—	—	—	—	—	—	—	—	—	—
Additions – externally acquired	80	1	115	—	—	—	—	—	—	196
Additions – internally developed	—	—	—	—	—	—	—	—	632	632
Disposals	—	(3,036)	(21)	—	—	—	(150)	—	—	(3,207)
Reclassification to assets held for resale	—	—	—	—	—	—	—	—	—	—
Exchange differences	(15)	(13,682)	(1)	(13,737)	(559)	(70)	(3,186)	(1,267)	(982)	(33,499)
Balance at 30 September 2023	512	147,957	545	146,670	5,819	6,505	36,984	21,968	30,872	397,832
Accumulated amortisation and impairment										
Balance at 1 October 2021	67	41,358	133	73,541	1,166	6,210	13,077	4,111	1,777	141,440
Amortisation charge for the period	67	—	70	13,574	215	102	2,027	636	2,165	18,856
Impairment	—	—	—	305	—	—	—	—	—	305
Exchange differences	9	8,592	3	16,966	275	(19)	1,839	139	41	27,845
Balance at 30 September 2022	143	49,950	206	104,386	1,656	6,293	16,943	4,886	3,983	188,446
Balance at 1 October 2022	143	49,950	206	104,386	1,656	6,293	16,943	4,886	3,983	188,446
Amortisation charge for the period	85	—	91	12,605	222	94	1,818	606	2,437	17,958
Impairment	—	1	—	61	—	—	476	—	—	538
Disposals	—	—	(21)	—	—	—	(150)	—	—	(171)
Exchange differences	(4)	(4,484)	(2)	(8,868)	(143)	(52)	(1,177)	(253)	(33)	(15,016)
Balance at 30 September 2023	224	45,467	274	108,184	1,735	6,335	17,910	5,239	6,387	191,755
Net book value										
At 30 September 2023	288	102,490	271	38,486	4,084	170	19,074	16,729	24,485	206,077
At 30 September 2022	304	114,724	246	56,021	4,722	282	23,377	18,349	27,239	245,264
At 1 October 2021	252	98,697	205	59,660	4,105	392	21,402	18,525	25,802	229,040

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

Description	Category	NBV 2023 £000	NBV 2022 £000	Remaining life 2023
Acquisition of INVE in 2015				
Goodwill	Goodwill	79,909	87,585	–
Harvesting rights	Licences	19,029	22,449	12
Product technology	Intellectual property	–	446	–
Product rights	Intellectual property	24,880	39,390	2
Brand names	Intellectual property	10,945	12,976	12
In-process R&D	Intellectual property	535	847	2
Customer relationships	Customer lists	4,085	4,723	18
Total relating to acquisition of INVE		139,383	168,416	–
Acquisition of Salmobreed AS (Now part of Benchmark Genetics Norway AS) in 2014				
Goodwill	Goodwill	6,063	6,523	–
Genetic material and breeding nuclei	Genetics	8,926	9,911	31
Total relating to acquisition of Salmobreed AS		14,989	16,434	–
Acquisition of Stofnfiskur(Now Benchmark Genetics Iceland) in 2014				
Goodwill	Goodwill	11,999	12,467	–
Genetic material and breeding nuclei	Genetics	7,598	8,147	31
Total relating to acquisition of Stofnfiskur		19,597	20,614	–
Acquisition of Akvaforsk Genetics Center AS (Now part of Benchmark Genetics Norway AS) in 2015				
Goodwill	Goodwill	4,520	7,348	–
Licences	Licences	–	292	–
Contracts	Contracts	170	282	2
Total relating to acquisition of Akvaforsk Genetics Center AS		4,690	7,922	–
Capitalised development costs				
Ectosan®Vet/CleanTreat®	Development costs	14,048	15,840	8
Live food alternative diets	Development costs	3,879	4,115	Not yet ready for use
SPR Shrimp	Development costs	5,453	6,686	8
Total capitalised development costs		23,380	26,641	
Other purchased material intangible assets	Intellectual Property	1,408	1,497	16
Total relating to other purchased intangible assets		1,408	1,497	
Other individually immaterial goodwill and intangibles		2,630	3,740	
Total net book value at 30 September		206,077	245,264	

10. Impairment testing of goodwill and other intangible assets

The Group tests goodwill and other intangibles not yet ready for use annually for impairment, or more frequently if there are indications that goodwill or the other intangible assets might be impaired. Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from the business combination. The only intangible assets not yet ready for use are generally the capitalised development costs on internally developed products. The development costs included in the table below represents only those that are not yet ready for use.

Due to the interdependence of the operations within each of the business areas and the way in which they are managed, management have determined the CGUs are the business areas themselves – Health, Genetics and Advanced Nutrition. These are the smallest groups of assets that independently generate cashflows and whose cashflows are largely independent of those generated by other assets. Goodwill and capitalised development costs arise across the Group, and are allocated specifically against the CGUs as follows:

	Genetics 2023 £000	Advanced Nutrition 2023 £000	Total 2023 £000
Benchmark Genetics AS	6,062	–	6,062
Benchmark Genetics Iceland HF (Previously Stofnfiskur HF)	11,999	–	11,999
Akvaforsk Genetic Center*	4,520	–	4,520
INVE Aquaculture Group	–	79,909	79,909
Goodwill	22,581	79,909	102,490
Development costs	–	3,879	3,879

* Includes goodwill arising from the joint acquisition of Akvaforsk Genetics Center AS (which was transferred into Benchmark Genetics Norway AS) and Benchmark Genetics USA Inc (formerly Akvaforsk Genetics Center Inc).

	Genetics 2022 £000	Advanced Nutrition 2022 £000	Total 2022 £000
Benchmark Genetics AS	6,522	–	6,522
Benchmark Genetics Iceland HF (Previously Stofnfiskur HF)	12,467	–	12,467
Akvaforsk Genetic Center*	8,150	–	8,150
INVE Aquaculture Group	–	87,585	87,585
Goodwill	27,139	87,585	114,724
Development costs	–	4,115	4,115

* Includes goodwill arising from the joint acquisition of Akvaforsk Genetics Center AS (which was transferred into Benchmark Genetics Norway AS) and Benchmark Genetics USA Inc (formerly Akvaforsk Genetics Center Inc).

The recoverable amounts of the above CGUs have been determined from value-in-use calculations. These calculations used Board approved cash flow projections from five-year business plans based on actual operating results and current forecasts. These forecasts were then extrapolated into perpetuity taking account of specific terminal growth rates for future cash flows, using individual business operating margins based on past experience and future expectations in light of anticipated economic and market conditions. The pre-tax cash flows that these projections produced were discounted at pre-tax discount rates based on the Group's beta adjusted cost of capital, further adjusted to reflect management's assessment of specific risks related to the markets and other factors pertaining to each CGU. Forecasts also include any costs in relation to the Group's climate change strategy and climate change factors have been considered when setting the long-term growth rates.

The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

Genetics

The pre-tax cashflows from the five-year projections were discounted using a pre-tax discount rate of 15.7% (2022: 14.7%). CAGR of revenue of 9% (2022: 15%) is implied by the five-year plan and a long-term growth rate of 2.5% (2022: 2.5%) has been used to extrapolate the terminal year cashflow into perpetuity.

Having conducted a sensitivity analysis of key assumptions, no reasonably possible changes that would result in the elimination of all headroom were identified.

Advanced Nutrition

The pre-tax cashflows from the five-year projections were discounted using a pre-tax discount rate of 16.4% (2022: 15.6%). CAGR of revenue of 12% (2022: 10%) is implied by the five-year plan and a long-term growth rate of 3.5% (2022: 3.5%) has been used to extrapolate the terminal year cashflow into perpetuity. Market analysis reports predict long-term growth rates of c.5.0%, and the health benefits of shrimp are still very much in evidence. Management believes that a long-term growth rate of 3.5% represents both a prudent and consistent approach for the CGU.

Sensitivity analysis has been performed on the key assumptions. Reducing the forecast growth rates for less mature parts of the CGU within Health and Diets products did not result in elimination of headroom. However, the forecasts growth rates for the CGU include an assumption around the ongoing recovery in global shrimp markets, and if that recovery is slower than the forecasts anticipate, due to factors such as continued reduced end market demand for Shrimp, to the extent that the CAGR of revenue implied over the five-year plan falls to 9%, this would result in a potential impairment.

The sensitivity to movements in the terminal growth rate and discount rate were also assessed, and a reduction in terminal growth rate from 3.5% to 1.5%, or an increase in the discount rate from 16.4% to 18.4%, either of which are considered to be reasonably possible, would reduce the headroom on the Advanced Nutrition CGU of £31.6m to nil. Should the growth rate reduce or discount rate increase further than this, then an impairment would be likely.

Health

The pre-tax cashflows from the five-year projections were discounted using a pre-tax discount rate of 17.4% (2022: 16.4%). An assumed CAGR of revenue of 23% (2022: 27%) in the five-year plan reflects the importance of the successful commercial ramp-up of the business area's new sea lice treatment in the forecast period. A long-term growth rate of 0.0% (2022: 0.0%) has been used to extrapolate the terminal year cashflow into perpetuity. The prudent assumption in the long-term growth rate is intended to reflect that the business area's new sea lice treatment is the principal source of cash generation, and only benefits from patent protection against generic competitors for a finite period of time.

The valuation of the Health cash generating unit indicates sufficient headroom such that a reasonably possible change to key assumptions is unlikely to result in an impairment in related development costs.

11. Biological assets

Book value of biological assets recognised at fair value

Group	2023 £000	2022 £000
Salmon eggs	10,631	14,037
Salmon broodstock	33,411	30,501
Salmon milt	796	606
Lumpfish fingerlings	757	1,090
Shrimp	397	424
Total biological assets 30 September	45,992	46,658
Analysed as		
Current	27,586	25,780
Non-current	18,406	20,878
Total biological assets 30 September	45,992	46,658

Change in book value of biological assets

	2023 £000	2022 £000
Biological assets 1 October	46,658	38,365
Increase from production	42,393	48,067
Reduction due to sales	(40,583)	(45,535)
Other movements in biological assets	1,810	4,532
Foreign exchange movement before fair value adjustment	(1,562)	1,704
Change in fair value through income statement	(103)	1,595
Foreign exchange impact on fair value adjustment	(811)	462
Biological assets 30 September	45,992	46,658

Assumptions used for determining fair value of biological assets

IAS 41 requires that biological assets are accounted for at the estimated fair value net of selling and harvesting costs. Fair value is measured in accordance with IFRS 13 and is categorised into levels in the fair value hierarchy.

The fair value inputs for salmon eggs are categorised as level 2. The calculation of the fair value of the salmon eggs is based upon the current seasonally adjusted selling prices for salmon eggs less transport and incubation costs and taking account of the market capacity. The valuation also takes account of the mortality rates of the eggs and expected life as sourced from internally generated data.

The fair value inputs for salmon broodstock are categorised as level 3. The broodstock contain generations of genetic improvements and cannot be valued purely on the market weight of salmon. The Group does not sell its broodstock commercially so there is no observable input in this respect. Therefore, the calculation of the estimated fair value of salmon broodstock is primarily based upon its main harvest output being salmon eggs, which are priced upon the current seasonally adjusted selling prices for the Group's salmon eggs. These prices are reduced for harvesting costs, freight costs, incubation costs and market capacity to arrive at the net value of broodstock. The valuation also reflects the internally generated data to arrive at the biomass.

This includes the weight of the broodstock, the yield that each kilogram of fish will produce and mortality rates. The fish take four years to reach maturity, and the age and biomass of the fish is taken into account in the fair value. Finally, the valuation takes account of future expected sales volumes.

Change in book value of salmon broodstock

	2023 £000	2022 £000
Biological assets 1 October	30,501	26,700
Increase from production	25,494	28,720
Transfer to salmon eggs following harvesting	(22,677)	(26,509)
Foreign exchange movement before fair value adjustment	(1,199)	1,326
Change in fair value through income statement	1,853	(31)
Foreign exchange impact on fair value adjustment	(561)	295
Biological assets 30 September	33,411	30,501

Significant unobservable inputs used in the valuation of salmon broodstock

	2023	2022
Number of eggs valued in broodstock (m units)	250	222
Average selling price per egg (GBP)	0.131	0.135
Future costs per egg (GBP)	(0.016)	(0.021)

The fair value inputs for lumpfish fingerlings and shrimp are categorised as level 2. The calculation of the fair value of lumpfish fingerlings and shrimp is valued on current selling prices less transport costs. Internally generated data is used to incorporate mortality rates and the weight of the biomass.

The fair value inputs for lumpfish fingerlings and shrimp are categorised as level 2. The calculation of the fair value of lumpfish fingerlings and shrimp is valued on current selling prices less transport costs. Internally generated data is used to incorporate mortality rates and the weight of the biomass.

The fair value inputs for salmon milt are categorised as level 3. Where we have identified individual salmon carrying particular traits or disease resistance, semen (milt) can be extracted and deep-frozen using cryopreservation techniques (the process of freezing biological material at extreme temperatures in liquid nitrogen). The calculation of the fair value of milt is based on production and freezing costs and, where appropriate, an uplift to recognise the additional selling price that can be achieved from eggs fertilised by premium quality milt.

There is a presumption that fair value can be measured reliably for a biological asset. However, we sometimes face a situation where alternative estimates of fair value are determined to be clearly unreliable (for example, where we establish a new broodstock farm in a new territory). In such a case, that biological asset shall be measured at its cost less any accumulated impairment losses. In the year this applied to £2,150,000 of broodstock in Chile. As at 30 September the gross carrying amount was £5,186,000 (2022: £4,704,000) and the accumulated impairment losses were £3,036,000 (2022: £2,735,000). The valuation models by their nature are based upon uncertain assumptions on sales prices, market capacity, weight, mortality rates, yields and assessment of the discounts to reflect the stages of maturity. The Group has a degree of expertise in these assumptions but these assumptions are subject to change. Relatively small changes in assumptions would have a significant impact on the valuation. A 1% increase/decrease in the assumed selling price per egg would increase/decrease the fair value of salmon broodstock and eggs by £440,000. A 10% increase/decrease in the biomass of salmon broodstock and the quantity of salmon eggs valued would increase/decrease the fair value of those biological assets by £4,404,000.

The Group is exposed to financial risks arising from changes in the market value of the salmon eggs, lumpfish fingerlings and shrimp broodstock that it sells. The Group does not anticipate that prices will decline significantly in the foreseeable future and, therefore, has not entered into derivative or other contracts to manage the risk of a decline in the price of its products. The Group reviews its outlook for salmon eggs, lumpfish fingerlings and shrimp broodstock prices regularly in considering the need for active financial risk management.

Risk management strategy related to aquaculture activity

The Group is exposed to the following risks relating to its aquaculture activities. These risks and management's strategies to mitigate them are described below:

Regulatory and environmental risks

The nature of certain of the Group's operating activities exposes us to certain significant risks to the environment, such as incidents associated with releases of chemicals or hazardous substances when conducting our operations, which could result in liability, fines, risk to our product permissions and reputational damage. There is a risk that natural disasters could lead to damage to infrastructure, loss of resources, products or containment of hazardous substances. Our business activities could be disrupted if we do not respond, or are perceived not to respond, in an appropriate manner to any major crisis or if we are not able to restore or replace critical operational capacity.

In mitigation we have implemented standards and requirements which govern key risk management activities such as inspection, maintenance, testing, business continuity and crisis response.

Biological risks

The Group is exposed to the risk of disease within the Group's own operations and disease in the market resulting in possible border closures. In mitigation, the Group:

- Operates the highest levels of biosecurity.
- Holds genetic stock at multiple sites and increasingly sources from its own land-based salmon breeding facilities.
- Operates containment zones which mitigates the risk of border closures affecting its ability to import or export.
- Has placed increased focus on insuring its biological stock.

Outputs and quantities held

Total output of aquaculture activity in the year was:

	2023	2022
Salmon eggs	334.7m units	291.1m units
Lumpfish fingerlings	1.5m units	2.0m units

Total quantities held at 30 September were:

	2023	2022
Salmon eggs	85.6m units	103.9m units
Salmon broodstock	1,517 tonnes	1,737 tonnes
Lumpfish fingerlings	0.4m units	0.7m units

12. Trade and other receivables

Group	2023 £000	2022 £000
Trade receivables	27,460	31,218
Less: provision for impairment of trade receivables	(2,612)	(2,748)
Trade receivables – net	24,848	28,470
Total financial assets other than cash and cash equivalents measured at amortised cost	24,848	28,470
Other receivables - contingent consideration	–	887
Total financial assets other than cash and cash equivalents classified as measured at fair value through profit and loss	–	887
Prepayments	18,081	14,989
Other receivables	16,866	12,031
Total trade and other receivables	59,795	56,377

Other receivables relate to the following items: VAT recoverable £4,353,000 (2022: £4,386,000), research and development expenditure tax credits and similar items £157,000 (2022: £154,000), the right to receive an agreed proportion of a key supplier's harvest* £10,173,000 (2022: £5,249,200), accrued income of £1,177,000 (2022: £1,377,000) and other amounts receivable of £1,006,000 (2022: £865,000).

*A financial liability of £10,173,000 (2022: £5,249,200) is recognised (within trade payables) for the amount invoiced and remaining outstanding at the year-end in relation to the Group's contractual obligation to pay for a specified share of the harvest of a supplier, regardless of delivery and without recourse to the supplier. As at 30 September, as the Group has not taken physical delivery of the harvested product and as the Group does not control the harvested product, an 'other receivable' of £10,173,000 (2022: £5,249,200) has been recorded in relation to the Group's right to receive the product in the future.

The financial asset at fair value through profit and loss related to contingent consideration outstanding from the disposal of Improve International Limited in FY20. This related to deferred cash consideration dependent on the delivery of certain future revenues in the financial year ended 30 September 2022 and the fair value was derived from the likely receivable amount based on expectations of performance against the targets. The amount recovered in the financial year ended 30 September 2023 was not materially different to management's estimate.

The fair values of trade and other receivables measured at amortised cost are not materially different to their carrying values. As at 30 September 2023 trade receivables of £6,313,000 (2022: £5,943,000) were past due but not impaired. They relate to customers with no default history. The ageing analysis of these receivables is as follows:

	2023 £000	2022 £000
Up to 3 months overdue	5,480	5,761
3 to 6 months overdue	833	218
6 to 12 months overdue	–	(36)
	6,313	5,943

Movements on the Group provision for impairment of trade receivables are as follows:

	2023 £000	2023 £000
At 1 October	2,748	2,493
Provided during the year	696	281
Unused provisions reversed	(600)	(180)
Provisions used during the year	(32)	–
Foreign exchange movements	(200)	154
At 30 September	2,612	2,748

The movement on the provision for impaired receivables has been included in the operating costs line in the Consolidated Income Statement.

Other classes of financial assets included within trade and other receivables do not contain impaired assets.

13. Trade and other payables

Group	2023 £000	2022 £000
Trade payables	26,657	22,149
Other payables	2,213	1,127
Accruals	16,257	17,636
Other payables - tax and social security payments	2,957	3,799
Financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	48,084	44,711
Financial contracts - hedging instrument	5,683	8,012
Financial liabilities, excluding loans and borrowings, classified as financial liabilities at fair value through profit or loss	5,683	8,012
Deferred income	404	597
Total trade and other payables	54,171	53,320
Less: non-current portion of other payables	(6,842)	(8,996)
Current portion	47,329	44,324

Book values approximate to fair value at 30 September 2023 and 2022.

Of the financial contracts £6,155,000 (2022: £8,387,000) relates to a NOKUSD floating to fixed cross-currency interest rate swap (CCS) and a NOK interest rate swap (IRS), both of which were entered to fully match the timing and tenor of the underlying new senior unsecured floating rate listed bond issue of NOK 750m.

The floating-to-fixed NOK IRS (notional NOK 300m) is designated a cash flow hedge where any changes in the fair value of the swap will be taken directly to equity within the hedging reserve and recycled to profit or loss as the bond impacts the profit or loss.

The NOKUSD CCS (notional NOK450m) has been separated into two synthetic swaps; the first is a floating-to-fixed NOKGBP interest rate swap, being a cash flow hedge of the foreign exchange and interest rate risk on NOK denominated debt. The fair value of this synthetic swap is posted to the hedging reserve in equity. The second synthetic swap is a fixed-to-fixed GBPUSD swap designated as a net investment hedge in the USD net assets in the consolidated accounts of Benchmark Holdings plc. The fair value of this leg is posted to the foreign exchange translation reserve in equity.

14. Loans and borrowings

Group

	2023 £000	2022 £000
Non-Current		
2025 750m NOK Loan notes	57,604	61,976
Bank borrowings	16,799	17,226
Unamortised debt issue costs	(742)	(922)
Lease liabilities	8,293	14,765
	81,954	93,045
Current		
Bank borrowings	9,320	5,569
Unamortised debt issue costs	(842)	–
Lease liabilities	11,567	11,522
	20,045	17,091
Total loans and borrowings	101,999	110,136

At 30 September 2023 the fair value of the unsecured floating rate listed green bond of NOK 750m was NOK 791m.

On 21 November 2022, the Group refinanced its USD15m RCF with a secured GBP20m RCF provided by DNB Bank ASA, maturing on 27 June 2025. The margin on this facility is a minimum of 2.75% and a maximum of 3.25%, dependent upon the leverage of the Group above the relevant risk free reference or IBOR rates depending on which currency is drawn.

Benchmark Genetics Salten AS had the following loans (which are ring-fenced debt without recourse to the remainder of the Group) at 30 September 2023:

- Term loan with a balance of NOK 171.9m provided by Nordea Bank Norge Abp. The loan is a five-year term loan maturing no later than January 2028 at an interest rate of 2.5% above three-month NIBOR. This loan refinanced the previous term loan from the same bank when the outstanding balance of NOK 162 million was repaid in February 2023.
- NOK 20.0m 12-month working capital facility provided by Nordea Bank Norge Abp. This was undrawn at 30 September 2023 (2022: undrawn).
- Term loan with a balance of NOK 35.5m (2022: NOK 40.1m) provided by Innovasjon Norge. The loan is a 12-and-a-half-year term loan maturing in March 2031. The interest rate on this loan at 30 September 2023 was 7.45%. The interest rate on this loan is variable.
- A new term loan with a balance of NOK 10.0m provided by Innovasjon Norge. The loan is a 15-year term loan maturing in July 2038. The interest rate on this loan at 30 September 2023 was 7.45%. The interest rate on this loan is variable.
- NOK 21.75m loan provided by Salten Stamfisk AS (the minority shareholder). The loan attracts interest at 2.5% above three month NIBOR and is repayable on maturity of the Nordea term loan above.

The lease liabilities are secured on the assets to which they relate.

The currency profile of the Group's loans and borrowings is as follows:

	2023 £000	2022 £000
Sterling	16,680	19,697
Norwegian Krone	76,730	81,634
Thai Baht	464	954
Euro	614	272
US Dollar	6,460	6,888
Icelandic Krone	585	545
Other	466	146
	101,999	110,136