



Agronomics Limited

Annual Report and Financial Statements

for the year ended 30 June 2019

Registration number: Isle of Man 006874V

Agronomics Limited *(formerly Port Erin Biopharma Investments Limited)*

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Agronomics Limited *(formerly Port Erin Biopharma Investments Limited)*

Corporate information

Company's website	www.agronomics.im
Registered Agent & Office	Greystone Trust Company Limited 18 Athol Street Douglas Isle of Man, IM1 1JA
Nominated Adviser	Beaumont Cornish Limited 10 th Floor, 30 Crown Place, London, EC2A 4EB
Joint Broker	Optiva Securities Limited New Liverpool House 49 Berkeley Square, Mayfair, London, W1J 5AZ (until 11 November 2019) Zeus Capital Limited 82 King Street Manchester, M2 4WQ (appointed 11 November 2019) Peterhouse Capital Limited 80 Cheapside EC2V 6EE
Registrar	Link Asset Services (Isle of Man) Limited Clinch's House Lord Street Douglas, Isle of Man, IM1 1JD
Auditors	KPMG Audit LLC Heritage Court 41 Athol Street Douglas Isle of Man, IM99 1HN
Legal Advisers	<i>As to Isle of Man Law</i> Long & Humphrey The Old Courthouse Athol Street Douglas Isle of Man, IM1 1LD
Legal Advisers	<i>As to English Law</i> Hill Dickinson LLP The Broadgate Tower 20 Primrose Street London, EC2A 2EW
Depository	Link Asset Services (Isle of Man) Limited Clinch's House Lord Street Douglas Isle of Man, IM1 1JD
Administrator	Burnbrae Limited 4 th Floor, Viking House Nelson Street Douglas Isle of Man, IM1 2AH

Agronomics Limited *(formerly Port Erin Biopharma Investments Limited)*

Chairman's statement

Introduction

I am pleased to present the audited financial statements for Agronomics Limited (the "Company") for the year ended 30 June 2019.

Financial Review

The Company recorded a net loss of £288,919 for the year (2018: loss of £211,406). Our investment income, including dividends, net realised gain on disposals, and net unrealised losses, reflected a loss of £75,995 (2018: loss of £35,228). Loss from operating activities increased to £300,941 (2018: £228,080), principally due to professional fees incurred in making new investment acquisitions during the year and post year end. The year included no performance fee and no performance fee has been accrued during the year under review. There were no other exceptional costs during the year. The basic and diluted loss per share was 1.25 pence (2018: loss of 0.91 pence).

The fair value of our invested assets increased to £1,249,955 (2018: £1,131,164), and cash and equivalents were £417,952 (2018: £555,293). Thus, our total assets, including trade and other receivables of £12,196 (2018: £14,480), stood at £1,680,103 (2018: £1,927,521 (balance includes a loan receivable of £226,584)). Payables stood at £65,260 (2018: £23,759). As a result, the net asset value per share at 30 June 2019 was 6.96 pence (2018: 8.21 pence).

Approach to Risk and Corporate Governance

"The Company's general risk appetite is a moderate, balanced one that allows it to maintain appropriate growth, profitability and scalability, whilst ensuring full corporate compliance."

The Group's primary risk drivers include: -

Strategic, Reputational, Credit, Operational, Market, Liquidity, Foreign Exchange, Capital and Funding, Compliance and Conduct.

Our risk appetite has been classified under an "impact" matrix defined as Zero, Low, Medium and High. Appropriate steps are underway to ensure the prudential control monitoring of risks to the Company and a suitable committee and reporting structure, under the Chairmanship of the Chairman, will be formed to undertake this essential requirement. Further details of the Corporate Governance Statement, including the role and responsibilities of the Chairman and an explanation as to how the QCA Code has been applied, will be found on pages 8 to 11 of this report.

At the General Meeting of the Company on 16 April 2019, shareholders adopted the following new Investing Policy:

"The Company will invest in opportunities within the Life Sciences sector, concentrating on, but not being limited to, environmentally friendly alternatives to the traditional production of meat and plant-based nutrition sources ("Clean Food"). The Company will focus on investments that provide scalable and commercially viable opportunities."

Further details of the new Investing Policy can be found on the Company's website at www.agronomics.im.

In line with the new Investing Policy, a number of significant investments were made following the year end, which are discussed below.

Investment Review - quoted investments

Agex Therapeutics Inc ("Agex") is a biotechnology operation which develops and commercialises therapeutics targeting human aging. Their holdings include the PureStem® and iTR™ platforms, which reflect over 25 years of research and development in cellular therapies, cell immortality and regenerative biology. These platforms are designed to address many of the largest unmet needs of an aging population, by translating state-of-the-art biomedical science relating to aging into potential first-in-class therapeutic cell therapies, small-molecule drugs and medical devices. On 29 November 2018, its shares commenced trading on the New York Stock Exchange under the ticker AGE. On 14 August 2019, Agex announced that it had begun work using a synthetic biology approach to engineer pluripotent stem cell lines with immune tolerance UniverCyte™ technology to generate hypoimmunogenic (universal) cells. Agex also prioritised the advancement of its induced Tissue Regeneration (iTR) technology.

Regent Pacific Group Limited's ("RPG") principal investment is in Plethora Solutions Holdings plc ("Plethora"), a wholly-owned subsidiary. Plethora is focussed on the commercialisation of its product Fortacin™ - the first EU-approved topical prescription treatment for premature ejaculation. Fortacin™ was commercially launched in the United Kingdom in November 2016 and can now be prescribed in the UK from a physician either in person or online via an online consultation, with prescriptions to be fulfilled by Chemist 4 U. The European roll-out commenced in Europe in early 2018 by way of first sales from Recordati Group ("Recordati"), RPG's commercial partner, to wholesalers in Italy on 9 February 2018. First Fortacin™

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Chairman's statement (continued)

Investment review – quoted investments (continued)

sales in France and Spain followed on 16 and 19 February 2018 respectively, and thereafter in Germany and Portugal on 1 March 2018.

Following the first commercial sale of Fortacin™ in each of France, Germany, Italy, Portugal and Spain, a total of €4 million (or approximately £3.5 million) will be due from Recordati to RPG. In addition, discussions are ongoing with new potential commercial partners with regards to “outlicensing” Fortacin™ in other key markets including Asia Pacific, Middle East, Latin America, North America and sub-Sahara Africa. In December 2018, RPG announced a licence agreement with Wanbang Pharmaceutical Marketing and Distribution Co., Ltd to launch Fortacin™ in China which will result in up to US\$ 13 million in upfront licence payments, up to US\$ 25 million in sales milestones together with royalties ranging from low to high-teens, potential to help an initial target market of approximately 9 million patients in China in its first year of launch, rising to over 170 million patients by its tenth year; and RPG retains full commercial rights to Fortacin™ in all unlicensed countries, including the USA. On 18 July 2019, RPG reported that the FDA Phase II validation study of Fortacin™ is estimated to be completed by the end of 2019. Following a successful FDA approval, Phase III work can commence in Q1 2020, with the New Drug Application submission possible during H2 2020.

SalvaRx Group plc (“SalvaRX”) was a drug discovery and development Company concentrating on immune-oncology. On 27 November 2018, SalvaRX announced the disposal of its interest in SalvaRx Limited, its 94.2 per cent. owned subsidiary, to Portage Biotech Inc (“Portage”) for a consideration of US\$ 67.5 million, satisfied by the issue of 757,943,784 new shares in Portage. SalvaRX would transfer not less than 660,593,556 (“Demerger Shares”) of the Portage shares on a pro-rata basis to SalvaRX's shareholders on record as of 8 January 2019. The disposal was approved at the AGM of SalvaRX on 8 January 2019. Following the transfer of the Demerger Shares, SalvaRX retained 56,657,531 shares in Portage for operating needs. The disposal and the demerger resulted in the divestment of substantially all of SalvaRX's existing business, assets and investments. As such, SalvaRX is now classified as an AIM Rule 15 cash shell and is required to make an acquisition or acquisitions which constitute a reverse takeover under AIM Rule 14 (or seek re-admission as an investing company (as defined under the AIM Rules)). The Board of SalvaRX had not identified a suitable acquisition by 9 July 2019, resulting in the shares being suspended. The Board of SalvaRX are currently evaluating a number of potential acquisition opportunities and will make a further announcement as soon as practicable. In the event that no suitable acquisition is made before 9 January 2020, admission to trading on AIM of the shares of SalvaRX will be cancelled.

Portage Biotech Inc (“Portage”) was acquired on 8 January 2019, following the receipt of the Demerger Shares from SalvaRX. Portage is a biotechnology company focused on developing various therapeutics, working with founder scientists to bring their discoveries to proof-of-concept and monetization. Portage holds investments in the following entities:

- Portage Pharmaceuticals Ltd (“PPL”), which focuses on discovering and developing innovative cell permeable peptide therapies to normalize gene expression, restore protein function, and improve medical outcomes. PPL is now focusing on licensing or collaborating its CellPorter® platform with other pharmaceutical companies to develop new drugs.
- Portage Glasgow Ltd (“PGL”) is a joint-venture company with PPL, and focuses on the commercialisation of new therapies aimed at disrupting protein-protein interactions in disease pathways which give therapeutic benefit.
- Stimunity S.A.S is an early-stage research and development company focused on the development of STING agonists in cancer.

Following the acquisition of SalvaRX Limited, Portage now holds investments in IOX Therapeutics Ltd, Nekonal Oncology Limited, Rift Biotherapeutics Inc, Saugatuck Therapeutics, Ltd, and Intensity Therapeutics Inc. These companies are focused on developing immune-oncology therapies for the treatment of late-stage cancers.

Summit Therapeutics plc (“Summit”) is an international biopharmaceutical operation focussed on the discovery and development of novel medicines to treat the fatal muscle wasting disease Duchenne muscular dystrophy (“DMD”) and infections caused by the bacteria *Clostridium difficile* (“CDI”). In February 2018, Summit announced further positive findings from PhaseOut DMD, a Phase 2 open-label, multi-centre clinical trial of the utrophin modulator ezutromid DMD. In August 2018, Summit announced that it had been awarded US\$ 12 million under its contract with the Biomedical Advance Research and Development Authority (“BARDA”), a division of the US Department of Health and Human Services - Office of the Assistant Secretary for Preparedness and Response. The Funds will support the Phase 3 development programme for Ridinilazole, Summit's precision new mechanism antibiotic for the treatment of CDI infection. On 3 October 2019, Summit announced its results from the phase 2 clinical trial of Ridinilazole in *C. difficile* infection (“CDI”), which highlighted improvements in patient's quality of life following antibiotic treatment for CDI. On 11 October 2019, Summit announced additional positive phase 2 data, showing Ridinilazole further improved quality of life and microbiome preservation compared to standard of care. In addition, the Company announced that its phase 3 clinical trials for Ridinilazole were progressing on schedule.

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Chairman's statement (continued)

Investment review - quoted investments (continued)

RISE Life Science Corp ("RISE") is pioneering new and innovative products in the hemp-based health and wellness field. RISE's portfolio includes products intended to support sleep, general wellness, and sexual and emotional wellbeing. RISE operates the Karezza™ and Life Bloom Organics™ brands. During 2019, RISE successfully transitioned its lab facility to a new scalable manufacturing and packaging facility, and commenced in-house manufacturing and packaging of its hemp-based CBD products for retail and online sales in the USA.

Investment review - unquoted investments

Insilico Medicine, Inc ("Insilico"), headquartered at the John Hopkins University, Maryland, USA, is developing new tools for drug discovery and repurposing, biomarker development and pursuing novel strategies for rapid validation. Projects combine advances in genomics, big-data analysis, deep learning and reinforcement learning. As an example, Insilico, together with Juvenescence Ltd and the Buck Institute for Research on Aging, recently partnered to form Napa Therapeutics Ltd ("Napa"). Napa will use Insilico's deep learning platform to discover small molecules against an undisclosed aging-related target. Although established to focus on that single target, Napa would consider other programs on a case-by-case basis based on complementary biology. Napa will have a license to compounds generated under the deal from Insilico, which will be eligible for over US\$ 100 million in milestone payments related to Napa's program. During September 2019, Insilico closed a US\$ 37million Series B financing round. During October 2019, Insilico entered into a two-program AI drug discovery collaboration agreement with Jiangsu Chia Tai Fenghai Pharmaceutical worth up to US\$ 200 million. The partnership is expected to accelerate drug discovery and development for triple-negative breast cancer, using an AI-enabled platform.

The Company acquired an approximately 2.59% interest (on a diluted basis) in **Blue Nalu, Inc** ("BlueNalu"), based in San Diego, California, USA. The level of investment allows the Company to qualify as a "Major Investor", providing additional information rights unavailable to smaller investors. BlueNalu's mission is to be the global leader in cellular aquaculture™, manufacturing 'clean' seafood by growing cells of certain species of seafood in bioreactors which will ultimately be for human consumption, providing consumers with great tasting, healthy, safe, and trusted products that support the sustainability and diversity of the world's oceans. BlueNalu completed a Series A Preferred fundraise during August 2019, raising a total of US\$ 20 million from new and existing shareholders.

Subsequent Events

On 3 July 2019, shareholders approved a £4,500,000 equity fundraise, issuing and allotting 90,600,000 new ordinary shares. Proceeds from the fundraise will be used to acquire investments in line with the Company's new investing policy.

On 29 July 2019, the Company completed a subscription of US\$ 700,000 for 885,739 Series Seed Preferred Shares in **Simply Foods, Inc.** ("Simply Foods") trading as New Age Meats. The company is based in San Francisco, California, USA, and is developing pork-based cultured meat products. The Subscription was part of the first close of the Series Seed funding round to raise a minimum of US\$ 2.0 million undertaken by Simply Foods, led by New York-based ff Graphite (V) Venture Capital Fund, LP. The Company was the only European based investor participating in this round.

On 5 September 2019, the Company subscribed for a US\$ 150,000 convertible promissory note in **Bond Pets LLC** ("Bond"). Bond makes laboratory-grown meat using fermentation for the pet food market. The subscription would translate to an approximate 3% to 4% equity interest in Bond, dependent on the valuation of Bond upon conversion.

A US\$ 250,000 investment was made in Seattle Food Tech, Inc. trading as **Rebellyous Foods** ("Rebellyous") on 15 October 2019. The investment was made in the form of a Simple Agreement for Future Equity (the "SAFE"), that will convert to approximately 1% equity in the next priced funding round. Rebellyous is an early stage, pre-revenue food technology and manufacturing company focused on developing plant-based chicken nuggets at scale and at competitive prices.

On 17 October 2019, US\$ 1,500,000 was invested in **VitroLabs Inc.** ("VitroLabs"). The investment is in the form of a SAFE, that will convert at VitroLabs' next funding round giving Agronomics an expected interest of approximately 3.79% in the form of Series A Standard Preferred Stock. VitroLabs is headquartered in San Jose, USA, and is developing laboratory-produced, cruelty-free leather.

On 29 October 2019, the Company completed a subscription of US\$ 500,000 in the form of a Convertible Loan Note in **Shiok Meats Pte. Ltd.** Shiok Meats is a Singapore based company that is developing cultured seafood products, focusing on shrimp. Upon conversion, the Subscription is expected to give Agronomics an approximate interest of 2.3% in Shiok Meats on conversion. The loan note will convert into Ordinary Shares in Shiok Meats on completion of a Series A funding round of US\$ 10 million by the company.

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Chairman's statement (continued)

On 11 November 2019, the Company announced a further fundraise of up to £20 million. The Company's intention is to price the new shares offered pursuant to the Fundraise at the unaudited net asset value per share of the Company's portfolio at 30 September 2019, being 5.5 pence. In conjunction with the fundraise, Zeus Capital Limited were appointed as joint-broker and the appointment of Optiva Securities Limited was terminated.

Strategy and Outlook

Our current investment portfolio shows considerable promise for future growth given the scale of opportunity to invest in the nascent alternative foods sector, and the Board will continue to seek new opportunities in line with its Investing Policy.

Richard Reed

Chairman

05 December 2019

Agronomics Limited *(formerly Port Erin Biopharma Investments Limited)*

Directors' report

The Directors of Agronomics Limited (the "Company") take pleasure in presenting the Directors' report and financial statements for the year ended 30 June 2019.

Principal activity

The Company was formed for the purpose of investing in the biotechnology and biopharmaceutical sector. On 16 April 2019, the shareholders of the Company approved the changing of its name from Port Erin Biopharma Investments Limited to Agronomics Limited. Concurrently, the investing policy was changed to invest in opportunities within the Life Sciences sector, concentrating on, but not being limited to, environmentally friendly alternatives to the traditional production of meat and plant-based nutrition sources ("Clean Food"). The Company will focus on investments that provide scalable and commercially viable opportunities. Further details of the investing policy can be found on the Company's website at www.agronomics.im.

Results and transfer to reserves

The results and transfers to reserves for the year are set out on pages 19 and 21.

The Company made a loss for the year after taxation of £288,919 (2018: loss of £211,406).

Dividend

The Directors do not propose the payment of a dividend (2018: £nil).

Policy and practice on payment of creditors

It is the policy of the Company to agree appropriate terms and conditions for its transactions with suppliers by means of standard written terms to individually negotiated contracts. The Company seeks to ensure that payments are always made in accordance with these terms and conditions.

Financial risks

Details relating to the financial risk management are set out in note 9 to the financial statements.

Directors

The Directors who served during the year and to date were:

Jim Mellon	Non-Executive	
Denham Eke	Executive Finance Director	
Anderson Whamond	Non-Executive	
Richard Reed	Non-Executive Chairman	Appointed 31 May 2019
David Giampaolo	Non-Executive	Appointed 31 May 2019

Directors' interests

As at 30 June 2019, the interests of the Directors and their families (as such term is defined in the AIM Rules for Companies) in the share capital of the Company are as follows:

	Ordinary shares	
	30 June 2019	30 June 2018
Jim Mellon ¹	6,729,273	6,729,273
Denham Eke ²	-	-
Anderson Whamond	-	-
Richard Reed	-	-
David Giampaolo	-	-

¹ Galloway Limited, a company where Jim Mellon is considered to be the ultimate beneficial owner, holds 5,455,313 Ordinary shares.

² Denham Eke is Managing Director of Galloway Limited.

Agronomics Limited *(formerly Port Erin Biopharma Investments Limited)*

Directors' report (continued)

Significant shareholdings

Except for the interests disclosed in this note, the Directors are not aware of any holding of ordinary shares as at 30 June 2019 representing 3% or more of the issued share capital of the Company:

	Number of ordinary shares	Percentage of total issued capital
Jim Mellon ⁽¹⁾	6,729,273	29.01%
Hargreaves Lansdown (Nominees) Limited HLNOM	2,881,970	12.42%
Vidacos Nominees Limited	1,914,600	8.25%
Barclays Direct Investing Nominees Limited	1,534,058	6.61%
Interactive Investor Services Nominees Limited	1,482,525	6.39%
The Bank of New York (Nominees) Limited	1,250,000	5.39%
Share Nominees Ltd	932,098	4.02%
HSDL Nominees Ltd	861,077	3.71%

Note:

- (1) Jim Mellon's shareholding consists of 5,455,313 shares held by Galloway Limited. Galloway Limited is a company where Jim Mellon is considered to be the ultimate beneficial owner. Denham Eke is a director of Galloway Limited. The balance of Jim Mellon's shareholding is held in his own name.

Auditors

KPMG Audit LLC, being eligible, have expressed their willingness to continue in office.

On behalf of the Board

Denham Eke

Director

05 December 2019

18 Athol Street

Douglas

Isle of Man

IM1 1JA

British Isles

Agronomics Limited *(formerly Port Erin Biopharma Investments Limited)*

Corporate Governance Statement

Corporate Governance Report

The Board of Agronomics (the “Board”) is committed to best practice in corporate governance throughout the Company (the “Company”). The Directors have agreed to comply with the provisions of the Quoted Companies Alliance (“QCA”) Corporate Governance Code for Small and Mid-Size Quoted Companies (2018) to the extent which is appropriate to its nature and scale of operations. This report illustrates how the Company complies with those principles.

QCA Principle 1: Establish a strategy and business model which promotes long-term value for shareholders

The strategy and business operations of the Company are set out in the Chairman’s Statement on pages 2 to 5.

The Company’s strategy and business model and amendments thereto are developed by the Chairman and his senior management team and approved by the Board. The management team is responsible for implementing the strategy and managing the business at an operational level.

The Company’s overall strategic objective is to develop a profitable and sustainable platform for investing in the nascent industry of modern foods which are environmentally friendly alternatives to the traditional production of meat and plant-based sources of nutrition.

The Company operates in an inherently high-risk sector and this is reflected in the principal risks and uncertainties.

In executing the Company’s strategy and operational plans, management will typically confront a range of day-to-day challenges associated with these key risks and uncertainties and will seek to deploy the identified mitigation steps to manage these risks as they manifest themselves.

QCA Principle 2: Seek to understand and meet shareholder needs and expectations

The Company via the Chairman seeks to maintain a regular dialogue with both existing and potential new shareholders in order to communicate the Company’s strategy and progress and to understand the needs and expectations of shareholders.

Beyond the Annual General Meeting, the Chairman and, where appropriate, other members of the senior management team or Board will meet with investors and analysts to provide them with updates on the Company’s business and to obtain feedback regarding the market’s expectations of the Company.

The Company’s investor relations activities encompass dialogue with both institutional and private investors. From time to time, the Company attends private investor events, providing an opportunity for those investors to meet with representatives from the Company in a more informal setting.

QCA Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Company is aware of its corporate social responsibilities and the need to maintain effective working relationships across a range of stakeholders. These include the Company’s employees, investee companies, advisors and suppliers. The Company’s operations and working methodologies take account of the need to balance the needs of all of these stakeholders while maintaining focus on the Board’s primary responsibility to promote the success of the Company for the benefit of its members as a whole. The Company endeavours to take account of feedback received from stakeholders, and where appropriate, ensures any amendments are consistent with the Company’s longer-term strategy.

The Company takes due account of any impact that its activities may have on the environment and seeks to minimise this impact wherever possible.

QCA Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Board is responsible for the systems of risk management and internal control and for reviewing their effectiveness. Internal controls are designed to manage rather than eliminate risk and provide reasonable but not absolute assurance against material misstatement or loss. Through the activities of the Company Audit, Risk and Compliance Committee, the effectiveness of these internal controls is reviewed annually.

A comprehensive budgeting process is completed once a year and is reviewed and approved by the Board. The Company’s results, compared with the budget, are reported to the Board on a monthly basis.

The Company maintains appropriate insurance cover in respect of actions taken against the Directors because of their roles, as well as against material loss or claims against the Company. The insured values and type of cover are comprehensively reviewed on a periodic basis.

The senior management team meets at least monthly to consider new risks and opportunities presented to the Company, making recommendations to the Board and/or Company Audit, Risk and Compliance Committee as appropriate.

Agronomics Limited *(formerly Port Erin Biopharma Investments Limited)*

Corporate Governance Statement (continued)

QCA Principle 5: Maintain the board as a well-functioning, balanced team led by the chair

The Company's Board currently comprises four Non-executive Directors and one Executive Director.

All of the Directors are subject to election by shareholders at the first Annual General Meeting after their appointment to the Board and will continue to seek re-election at least once every three years.

The Board is responsible to the shareholders for the proper management of the Company and intends to meet at least four times a year to set the overall direction and strategy of the Company, to review operational and financial performance and to advise on management appointments. All key operational decisions are subject to Board approval.

Richard Reed, David Giampaolo and Anderson Whamond, all Non-executive Directors, are considered to be independent. The QCA Code suggests that a board should have at least two independent Non-executive Directors. The Board considers that the current composition and structure of the Board of Directors is appropriate to maintain effective oversight of the Company's activities.

Non-executive Directors receive their fees in the form of a basic cash emolument. The Executive Director does not receive a salary. The current remuneration structure for the Board's Executive and Non-executive Directors is deemed to be proportionate.

QCA Principle 6: Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities

The Board considers that the Executive Director and Non-executive Directors are of sufficient competence and calibre to add strength and objectivity to its activities and bring considerable experience in the operational and financial development of the Company.

The Directors' biographies are detailed on the Company's website www.agronomics.im.

The Board regularly reviews the composition of the Board to ensure that it has the necessary breadth and depth of skills to support the ongoing development of the Company.

The Chairman, in conjunction with the Finance Director, ensures that the Directors' knowledge is kept up to date on key issues and developments pertaining to the Company, its operational environment and to the Directors' responsibilities as members of the Board. During the course of the year, Directors received updates from the Finance Director and various external advisers on a number of corporate governance matters.

Directors' service contracts or appointment letters make provision for a Director to seek personal advice in furtherance of his or her duties and responsibilities, normally via the Company Secretary.

QCA Principle 7: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

Internal evaluation of the Board, the Committees and individual Directors is undertaken on an annual basis in the form of peer appraisal and discussions to determine their effectiveness and performance as well as the Directors' continued independence.

The results and recommendations that come out of the appraisals for the Directors shall identify the key corporate and financial targets that are relevant to each Director and their personal targets in terms of career development and training. Progress against previous targets is also assessed where relevant.

QCA Principle 8: Promote a corporate culture that is based on ethical values and behaviours

The Board seeks to maintain the highest standards of integrity and probity in the conduct of the Company's operations. With the Company being a vehicle for holding investment, it has no employees and limited capacity to effect changes in culture in companies it is affiliated with. However, the Board will strive to ensure that the Company's in which it has an interest in, act in an ethical manner.

The Board ensures that all portfolio companies have policies in place to comply with applicable governance laws and regulations, such as anti-bribery and modern-day slavery.

The Board has a zero-tolerance approach to breaches of these laws and regulations. The Board promotes ethical behaviour throughout the portfolio, through directions to the Company's investment advisors in relation to the ethical management of the portfolio.

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Corporate Governance Statement (continued)

QCA Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

The Role of the Board

The Board is collectively responsible for the long-term success of the organisation. Its principal function is to determine the strategy and policies of the Company within an effective control framework which enables risk to be assessed and managed.

The Board ensures that the necessary financial and human resources are in place for the Company to meet its objectives and that business and management performances are reviewed. Furthermore, the Board ensures that the Company operates within its constitution, relevant legislation and regulation and that proper accounting records and effective systems of business control are established, maintained, documented and audited.

There are at least four formal Board meetings each year. All Board members have the benefit, at the Company's expense, of liability insurance in respect of their responsibilities as Directors and have access to independent legal or other professional advice if required. The Board has a formal schedule of matters which are reserved for its consideration and it has established three committees to consider specific issues in greater detail, being the Company Audit, Risk and Compliance, Remuneration and Nomination Committees. The Terms of Reference for each of these Committees are published on the Company's website.

The Chairman

The Chairman is responsible for leading the Board, ensuring its effectiveness in all aspects of its role, promoting a culture of openness of debate and communicating with the Company's members on behalf of the Board. The Chairman sets the direction of the Board and promotes a culture of openness and debate by facilitating the effective contribution of Non-executive Directors and ensuring constructive relations between Executive and Non-executive Directors. The Chairman also ensures that Directors receive accurate, timely and clear information. In doing so, this fosters a positive corporate governance culture throughout the Company.

The Chief Executive Officer

At present, the Company does not have a Chief Executive Officer. Instead, the responsibility for managing the Company's business and operations within the parameters set by the Board is held by the Finance Director.

Non-executive Directors

The Non-executive Directors are responsible for bringing independent judgement to the discussions held by the Board, using their breadth of experience and understanding of the business. Their key responsibilities are to constructively challenge and contribute to strategic proposals, and to monitor performance, resources, and standards of conduct, compliance and control, whilst providing support to executive management in developing the Company.

The Board has established a Company Audit, Risk and Compliance Committee ("ARCC"), a Remuneration Committee and a Nominations Committee with formally delegated duties and responsibilities. Anderson Whamond chairs ARCC and Richard Reed chairs the Remuneration Committee and Nominations Committee.

Company Audit, Risk and Compliance Committee

The Company Audit, Risk and Compliance Committee (the "ARCC") meets at least two times each year and comprises three Non-executive Directors, chaired by Anderson Whamond. The external auditors attend by invitation. Its role is to be responsible for reviewing the integrity of the financial statements and the balance of information disclosed in the accompanying Directors' Report, to review the effectiveness of internal controls and risk management systems and recommend to the Board (for approval by the members) the appointment or re-appointment of the external auditor. The ARCC reviews and monitors the external auditor's objectivity, competence, effectiveness and independence, ensuring that if it or its associates are invited to undertake non-audit work it will not compromise auditor objectivity and independence.

Further information can be found within the Company Audit, Risk and Compliance Report contained within this Annual Report.

Remuneration Committee

The Remuneration Committee intends to meet at least twice a year and comprises of two Non-executive Directors. It is chaired by Richard Reed and is responsible for determining the remuneration of the Executive Director, the Company Secretary and other members of the management. Committee members do not take part in discussions concerning their own remuneration.

Further information can be found within the Remuneration Report contained within this Annual Report.

Nomination Committee

The Nomination Committee is comprised of the whole Board. It is chaired by the Chairman of the Board and is responsible for making recommendations to the Board on matters relating to the composition of the Board, including Executive and Non-executive Director succession planning, the appointment of new Directors and the election and re-election of Directors. The Nomination Committee only meets as matters arise.

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Corporate Governance Statement (continued)

Appointments to the Board

The principal purpose of the Nomination Committee is to undertake the assessment of the balance of skills, experience, independence and knowledge on the Board against the requirements of the business, with a view to determining whether any shortages exist. Having completed the assessment, the Committee makes recommendations to the Board accordingly. Appointments to the Board are made on merit, with due regard to the benefits of diversity. Within this context, the paramount objective is the selection of the best candidate, irrespective of background, and it is the view of the Board that establishing quotas or targets for the diversity of the Board is not appropriate.

All Director appointments must be approved by the Company's Nominated Adviser, as required under the AIM Rules, before they are appointed to the Board.

Prior to appointment, Non-executive Directors are required to demonstrate that they are able to allocate sufficient time to undertake their duties.

Re-election

The Company's Rules require that all Directors are submitted for election at the AGM following their first appointment to the Board. Thereafter all directors will submit themselves for re-election at least once every three years, irrespective of performance.

Board and committee attendance

The number of formal scheduled Board and committee meetings held and attended by Directors during the year was as follows: -

	Board	ARC	Nomination
Richard Reed <i>(appointed 31 May 2019)</i>	-	-	-
David Giampaolo <i>(appointed 31 May 2019)</i>	-	-	-
Jim Mellon	7/7	-	1/1
Anderson Whamond	7/7	2/2	1/1
Denham Eke	7/7	2/2	1/1

QCA Principle 10: Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Company places a high priority on regular communications with its various stakeholders and aims to ensure that all communications concerning the Company's activities are clear, fair and accurate. The Company's website is regularly updated, and users can register to be alerted when announcements or details of presentations and events are posted onto the website.

Notices of General Meetings of the Company can be found here: <https://agronomics.im/latest-news/>.

The results of voting on all resolutions in general meetings are posted to the Company's website, including any actions to be taken as a result of resolutions for which votes against have been received from at least 20 per cent of independent shareholders.

Approval

This report was approved by the Board of Directors on 05 December 2019 and signed on its behalf by:

Denham Eke
Finance Director

Agronomics Limited *(formerly Port Erin Biopharma Investments Limited)*

Audit, Risk and Compliance Committee Report

Subsequent to 30 June 2019, the Directors have agreed to comply with the provisions of the Quoted Companies Alliance (“QCA”) Corporate Governance Code for Small and Mid-Size Quoted Companies (2018) to the extent which is appropriate to its nature and scale of operations.

This report illustrates how the Company complies with those principles in relation to its Audit, Risk and Compliance Committee (the “ARCC”).

Membership

The Committee comprises of three Non-executive Directors and the members are Anderson Whamond (Chairman), Richard Reed and David Giampaolo. The composition of the Committee has been reviewed during the year and the Board is satisfied that the Committee members have recent relevant financial experience and the expertise to resource and fulfil its responsibilities effectively, including those relating to risk and controls.

Meetings

The Committee meets two times a year, including the review of the interim and full year results. Other Directors and representatives from the external auditors attend by invitation.

Duties

The Committee carries out the duties below for the Company, as appropriate:

- Monitors the integrity of the financial statements of the Company, including annual and half-yearly reports, interim management statements, and any other formal announcement relating to financial performance, reviewing significant financial reporting issues and judgements which they contain.
- Reviews and challenges the consistency of the information presented within the financial statements, compliance with stock exchange or other legal requirements, accounting policies and the methods used to account for significant or unusual transactions.
- Keeps under review the effectiveness of the Company’s internal controls and risk management systems.
- KPMG Audit LLC was appointed as auditor in 2011 and the ARCC will oversee the relationship with them including meetings when considered appropriate to discuss their remit and review the findings and any issues with the annual audit. It will also review their terms of appointment, and plans to meet them once a year independent of management and will consider and make recommendations to the Board, to be put to the Company for approval at the Annual General Meeting, in relation to the appointment, re-appointment and removal of the Company’s external auditor. There are no contractual restrictions in place in respect of the auditor choice.
- The Committee is governed by a Terms of Reference and a copy of this is available on the Company’s website.

2019 Annual Report

During the year, ARCC held two meetings and can confirm that it has received sufficient, reliable and timely information from management and the external auditors to enable it to fulfil its responsibilities.

The Committee has satisfied itself that there are no relationships between the auditor and the Company which could adversely affect the auditor’s independence and objectivity.

All internal control and risk issues that have been brought to the attention of ARCC by the external auditors have been considered and the Committee confirms that it is satisfied that management has addressed the issues or has plans to do so.

The Company has a number of policies and procedures in place as part of its internal controls and these are subject to continuous review and as a minimum are reviewed by ARCC on an annual basis.

- ARCC has reviewed and discussed together with management and the external auditor the Company’s financial statements for the year ended 30 June 2019 and reports from the external auditor on the planning for and outcome of their reviews and audit. The key accounting issues and judgements considered relating to the Company’s financial statements and disclosures were as follows:
 - Valuation of quoted investments £906,123;
 - Valuation of unquoted investments £343,832;
 - Going concern – ARCC reviewed the going concern position of the Company, taking into account the 12-month cash flow forecasts. ARCC is satisfied that preparing the financial statements on a going concern basis is appropriate. Disclosures are included in note 1;

Anderson Whamond
Chairman ARCC
05 December 2019

Agronomics Limited *(formerly Port Erin Biopharma Investments Limited)*

Report of the Remuneration Committee

As an Isle of Man registered company there is no requirement to produce a Directors' Remuneration Report. However, the Board follows best practice and therefore has prepared such a report.

The Directors have agreed to comply with the provisions of the Quoted Companies Alliance ("QCA") Corporate Governance Code for Small and Mid-Size Quoted Companies (2018) to the extent which is appropriate to its nature and scale of operations.

This report illustrates how the Company complies with those principles in relation to directors' remuneration.

The Level and Components of Non-Executive Directors Remuneration

The Remuneration Policy reflects the Company's business strategy and objectives as well as sustained and long-term value creation for shareholders. In addition, the policy aims to be fair and provide equality of opportunity, ensuring that:

- the Company is able to attract, develop and retain high-performing and motivated employees in the competitive local and wider markets;
- employees are offered a competitive remuneration package to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contribution to the success of the Company;
- it reflects the Company's culture and values; and
- there is full transparency of the Remuneration Policy.

In line with the Board's approach, which reflects that adopted within other comparable organisations, the Remuneration Policy provides for the reward of the Non-Executive Directors through fees and other benefits.

Non-Executive Directors Emoluments

The remuneration for the Non-Executive Directors reflects their responsibilities. It comprises fees, and may include eligibility to participate in an annual bonus scheme, private healthcare and share option incentives, when any of these are considered appropriate.

Annual bonus scheme payments are not pensionable and are not contracted.

The Executive Finance Director does not currently receive any fees for his services. However, based on the Company's performance and cash flow position, the Executive Finance Director may be eligible to participate in an annual bonus scheme. Bonus payments are not pensionable.

The Committee believes that share ownership by executives strengthens the link between their personal interests and those of shareholders. Options will be granted to executives periodically at the discretion of the Remuneration Committee. The grant of share options is not subject to fixed performance criteria. This is deemed to be appropriate as it allows the Committee to consider the performance of the executives and the contribution of the individual executives and, as with annual bonus payments, illustrates the relative importance placed on performance-related remuneration.

Except when required by statute, the Company does not intend to contribute to the personal pension plans of Directors in the forthcoming year.

Executive Directors' Contractual Terms

The service contract of the Executive Director provides for a notice period of six months.

Non-executive Directors' Remuneration

Non-executive Directors do not receive any benefits other than their fees and travelling expenses for which they are reimbursed. The level of fees payable to Non-executive Directors is assessed using benchmarks from a group of comparable biopharma organisations.

Agronomics Limited *(formerly Port Erin Biopharma Investments Limited)*

Report of the Remuneration Committee (continued)

The Procedure for Determining Remuneration

The Remuneration Committee, comprising two Non-executive Directors, is responsible for setting the remuneration of the Executive Director and is chaired by Richard Reed. Committee members do not take part in discussions concerning their own remuneration. The basic Non-executive Director fee is set by the Chairman. The Chairman of the Committee reports at the Board meeting following a Committee meeting.

It is the view of the Committee that Directors' remuneration awarded across the Company for the year has been in accordance with the Company's stated Remuneration Policy and, on behalf of the Committee I recommend that you endorse this report. An analysis of Directors' emoluments is as follows:

	2019	2018
	£000	£000
Emoluments— salaries, bonuses and taxable benefits	-	-
— fees	12	10
	12	10

Directors' Emoluments

	Fees	Bonus	Termination	Benefits	2019	2018
	£000	£000	payments	£000	Total	Total
			£000		£000	£000
Executive - salary						
Denham Eke	—	—	—	—	—	—
Non-executive - fees						
Jim Mellon*	—	—	—	—	—	—
Anderson Whamond	10	—	—	—	10	10
Richard Reed	1	—	—	—	1	—
David Giampaolo	1	—	—	—	1	—
Aggregate emoluments	12	—	—	—	12	10

* Any emoluments are subject to an agreement with Shellbay Limited whereby Shellbay Limited receives a profit share equating to 15% of any increase in the Net Asset Value of the Company's investments, subject to the previous Net Asset Value high watermark being exceeded, and subject to an initial highwater mark of 10 pence per share (please see Note 2 to the Accounts).

Approval

The report was approved by the Board of directors and signed on behalf of the Board.

Richard Reed
Chairman of Remuneration Committee
 05 December 2019

Agronomics Limited *(formerly Port Erin Biopharma Investments Limited)*

Statement of Directors' Responsibilities in Respect of the Directors' Report and the Financial Statements

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), as applicable to an Isle of Man company and applicable law.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its profit or loss for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Isle of Man Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the Isle of Man governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Report of the Independent Auditors, KPMG Audit LLC, to the members of Agronomics Limited (formerly Port Erin Biopharma Investments Limited)

1. Our opinion is unmodified

We have audited the financial statements of Agronomics Limited (“the Company”) for the year ended 30 June 2019 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of Company’s affairs as at 30 June 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Isle of Man Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”) and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard as applicable to listed entities. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We identified one key audit matter in arriving at our opinion above. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon we do not provide a separate opinion on this matter. The key audit matter identified was as set out below. This key audit matter and the risk significance of this matter is unchanged from 2018.

	The risk	Our response
<p>Valuation of unquoted investments (2019: £343,832 2018: £554,318);</p> <p>Refer to note 1(b) (use of estimates and judgement), 1(d) (accounting policy for financial instruments) and note 9 (Fair value of financial instruments) and the Audit, Risk and Compliance Report.</p>	<p>Subjective valuation 20.5% (2018: 28.8%) of the Company’s total assets (by value) are held in investments where no quoted market price is available. Unquoted investments are measured at fair value, which is established in accordance with the International Private Equity and Venture Capital Valuation Guidelines by using measurements of value such as comparison with prices of recent orderly transactions, where available.</p> <p>The preparation of the fair value estimate for the unquoted investments and related disclosures involves subjective judgments or uncertainties, which requires special audit consideration because of the likelihood and potential magnitude of misstatements to the valuation of the financial instruments.</p> <p>The effect of these matters is that, as part of our risk assessment, we determined that the valuation of unquoted investments has a high degree of estimation uncertainty. The eventual outcome may differ materially from the value estimated.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • Control design: Documenting and assessing the design and implementation of the investment valuation processes and controls; • Methodology choice: In the context of observed industry best practice and the provisions of the International Private Equity and Venture Capital Valuation Guidelines, we challenged the appropriateness of the valuation basis selected; • Comparing valuations: Where a recent transaction has been used as a basis to value a holding, we obtained an understanding of the circumstances surrounding the transaction such as whether it was considered to be on an arms-length basis and suitable as an input into a valuation • Our valuations expertise: Challenging the Directors on key judgments affecting investee company valuations, such as the achievement of key milestones or potential dilution impacts of recent transactions. Our work included consideration of events which occur subsequent to the year end up until the date of this report. • Assessing transparency: Consideration of the appropriateness, in accordance with relevant accounting standards, of the disclosures in respect of unquoted investments and the significant inherent uncertainty associated with valuing such investments.

Report of the Independent Auditors, KPMG Audit LLC, to the members of Agronomics Limited (formerly Port Erin Biopharma Investments Limited) (continued)

3. Our application of materiality and an overview of the scope of our audit

Materiality for the financial statements as a whole was set at £17,000, determined with reference to a benchmark of total assets, of which it represents 1%. In the prior year materiality was set at £58,400, determined with reference to a benchmark of net assets, of which it represented 3%. The benchmark used for materiality was changed as a result of a reassessment of the benchmark which is most relevant to users of the financial statements.

We agreed to report to the Board of Directors any corrected or uncorrected identified misstatements exceeding £850 (2018: £2,900), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above and was performed at the head office of the Company's administrator in the Isle of Man.

4. We have nothing to report on going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease their operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

Our responsibility is to conclude on the appropriateness of the Directors' conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this audit report. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We evaluated those risks and concluded that they were not significant enough to require us to perform additional audit procedures.

Based on this work, we are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements.

We have nothing to report in these respects, and we did not identify going concern as a key audit matter.

5. We have nothing to report on the other information in the Annual Report

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Report of the Independent Auditors, KPMG Audit LLC, to the members of Agronomics Limited (formerly Port Erin Biopharma Investments Limited) (continued)

6. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 15, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at: www.frc.org.uk/auditorsresponsibilities.

7. The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Section 80(c) of the Isle of Man Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

KPMG Audit LLC

Chartered Accountants
Heritage Court
41 Athol Street
Douglas
Isle of Man IM99 1HN

05 December 2019

Agronomics Limited *(formerly Port Erin Biopharma Investments Limited)*

Statement of comprehensive income for the year ended 30 June 2019

	Notes	2019 £	2018 £
Income			
Net income from financial instruments at fair value through profit and loss	3	(75,995)	(35,228)
Other income		1,000	8,625
		<u>(74,995)</u>	<u>(26,603)</u>
Operating expenses			
Directors' fees	2	(12,500)	(10,000)
Other costs	4	(213,595)	(191,411)
Foreign exchange gains/(losses)		149	(66)
		<u>(300,941)</u>	<u>(228,080)</u>
Loss from operating activities	5	(300,941)	(228,080)
Interest received		12,022	16,674
		<u>(288,919)</u>	<u>(211,406)</u>
Loss before taxation		(288,919)	(211,406)
Taxation	1(h)	-	-
		<u>(288,919)</u>	<u>(211,406)</u>
Loss for the year		(288,919)	(211,406)
Other comprehensive income		-	-
		<u>(288,919)</u>	<u>(211,406)</u>
Total comprehensive loss for the year		(288,919)	(211,406)
		<u><u>(288,919)</u></u>	<u><u>(211,406)</u></u>
Basic and diluted earnings loss per share (pence)	12	(1.25)	(0.91)

The Directors consider that the Company's activities are continuing.

The notes on pages 23 to 36 form an integral part of these financial statements.

Agronomics Limited *(formerly Port Erin Biopharma Investments Limited)*

Statement of financial position as at 30 June 2019

	Notes	2019 £	2018 £
Current assets			
Financial assets at fair value through profit or loss	7	1,249,955	1,131,164
Loan receivable	8	-	226,584
Trade and other receivables		12,196	14,480
Cash and cash equivalents		417,952	555,293
Total assets		1,680,103	1,927,521
Equity and liabilities			
Capital and reserves			
Share capital	6	23	23
Share premium	6	1,890,142	1,890,142
Retained (deficit)/earnings		(275,322)	13,597
		1,614,843	1,903,762
Current liabilities			
Trade and other payables	10	65,260	23,759
Total equity and liabilities		1,680,103	1,927,521

The notes on pages 23 to 36 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 05 December 2019 and were signed on their behalf by:

Denham Eke
Director

Agronomics Limited *(formerly Port Erin Biopharma Investments Limited)*

Statement of changes in equity for the year ended 30 June 2019

	Notes	Share Capital £	Share Premium £	Retained Profit £	Total £
Balance at 30 June 2018	6	23	1,890,142	13,597	1,903,762
Total comprehensive loss for the year		-	-	(288,919)	(288,919)
Balance at 30 June 2019	6	23	1,890,142	(275,322)	1,614,843
		Share Capital £	Share Premium £	Retained Profit £	Total £
Balance at 30 June 2017	6	23	1,890,142	225,003	2,115,168
Total comprehensive loss for the year		-	-	(211,406)	(211,406)
Balance at 30 June 2018	6	23	1,890,142	13,597	1,903,762

The notes on pages 23 to 36 form an integral part of these financial statements.

Agronomics Limited *(formerly Port Erin Biopharma Investments Limited)*

Statement of cash flows for the year ended 30 June 2019

	Notes	2019 £	2018 £
Cash flows from operating activities			
Loss for the year		(288,919)	(211,406)
Adjusted for:			
Foreign exchange loss/(gain)		(149)	66
Interest received		(12,022)	(16,674)
Realised and unrealised loss/(gain) on investments	3	75,995	35,228
		<hr/>	<hr/>
Operating loss before changes in working capital		(225,095)	(192,786)
Change in receivables		2,285	2,610
Change in payables	10	41,501	(6,284)
		<hr/>	<hr/>
Net cash outflow from operating activities		(181,309)	(196,460)
Cash flows from investing activities			
Purchase of investments	9	(197,707)	(233,042)
Proceeds from sale of investments	9	2,920	118,886
Loan advanced	8	-	(26,584)
Loan repayment received	8	226,584	-
Interest received		12,022	16,674
		<hr/>	<hr/>
Net cash inflow/(outflow) from investing activities		43,819	(124,066)
Decrease in cash and cash equivalents			
		(137,490)	(320,526)
Cash and cash equivalents at beginning of year		555,293	875,885
Effect of exchange rate differences		149	(66)
		<hr/>	<hr/>
Cash and cash equivalents at the end of year		417,952	555,293
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 23 to 36 form an integral part of these financial statements.

Agronomics Limited *(formerly Port Erin Biopharma Investments Limited)*

Notes

(forming an integral part of the financial statements for the year ended 30 June 2019)

1 Accounting policies

Agronomics Limited is a Company domiciled in the Isle of Man. The Company's strategy is to create value for Shareholders through investing in companies that operate in the nascent industry of modern foods, which are environmentally friendly alternatives to the traditional production of meat and plant-based sources.

The principal accounting policies are set out below.

a) *Statement of compliance*

The financial statements are prepared on the historical cost basis except for the valuation of financial assets and liabilities which are held at fair value through profit or loss and in accordance with International Financial Reporting Standards (IFRS) and interpretations as adopted by the European Union.

b) *Basis of preparation*

This is the first set of the Company's annual financial statements in which IFRS 9 Financial Instruments has been applied. Changes to significant accounting policies are described below.

Changes in significant accounting policies

The Company has initially applied IFRS 9 from 1 January 2018.

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

As a result of the adoption of IFRS 9, the Company has adopted consequential amendments to IAS 1 Presentation of financial Statements, which require:

- impairment of financial assets to be presented in a separate line item in the statement of comprehensive income. Under IAS 39, impairment was recognised when losses were incurred. The Company did not previously report any incurred losses; and
- separate presentation in the statement of comprehensive income of interest revenue calculated using the effective interest method.

Additionally, the Company has adopted consequential amendments to IFRS 7 Financial Instruments: Disclosures.

Under IAS 39, cash and cash equivalents and amounts due from brokers were classified as loans and receivables and under IFRS 9 these are classified as amortised cost. Under IAS 39, equity investments listed and derivative financial instruments were classified as designated as at fair value through profit or loss and held for trading, respectively, and under IFRS 9 both are classified as mandatorily at fair value through profit or loss. There was no change to the carrying amount.

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

The Company's assets do not have a history of credit risk or expected future recoverability issues, therefore under the expected credit loss model there is no impairment to be recognised and hence no change to the carrying values of the Company's assets.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

The adoption of IFRS 9 had no impact on the net assets attributable to equity shareholders or the Company.

Agronomics Limited *(formerly Port Erin Biopharma Investments Limited)*

Notes (continued)

(forming an integral part of the financial statements for the year ended 30 June 2019)

1 Accounting policies (continued)

Use of estimates and judgment

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by the Directors in the application of IFRS, as adopted by the EU, that have a significant impact on the financial statements and estimates with a significant risk of material adjustment in the next financial year relate to valuation of financial assets at fair value through profit or loss. The determination of fair values for financial assets for which there is no observable market price requires judgment as to the selection of valuation techniques as described in accounting policy 1(d). For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement and estimation depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument. The portfolio companies are all in the start-up/development stage and in the biotechnology and biopharmaceutical sector. By their nature, such companies are difficult to value, as they have little or no track record regarding sales and margins and may be subject to continued funding being available in order to continue in operation. The eventual outcome may differ materially from the value estimate. See also note 9 in respect of the valuation of financial instruments.

Going concern

The financial statements have been prepared on a going concern basis, taking into consideration the level of cash and liquid investments held by the Company. The Directors have a reasonable expectation that the Company will have adequate resources for its continuing existence and projected activities for the foreseeable future, and for these reasons, continue to adopt the going concern basis in preparing the financial statements for the year ended 30 June 2019.

Functional and presentation currency

These financial statements are presented in Pound Sterling (£) which is the Company's functional currency and rounded to the nearest pound.

c) *Net income from financial instruments at fair value through profit and loss*

Any realised and unrealised gains and losses on investments are presented within 'Investment (loss)/gain'.

Interest income earned during the period, is accrued on a time apportionment basis, by reference to the principal outstanding and the effective rate applicable.

Dividend income is recognised when a security held goes ex-dividend. Dividends are shown as net cash received, after the deduction of withholding taxes.

d) *Financial instruments*

Recognition and initial measurement

The Company recognises financial assets and financial liabilities at fair value through profit and loss ("FVTPL") on the trade date, which is the date on which the Company becomes party to the contractual provisions of the instrument. A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

Classification - Policy applicable from 1 July 2018

On initial recognition, the Company classifies financial assets as measured at amortised cost or FVTPL. A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are SPPI.

All other financial assets of the Company are measured at FVTPL.

Agronomics Limited *(formerly Port Erin Biopharma Investments Limited)*

Notes (continued)

(forming an integral part of the financial statements for the year ended 30 June 2019)

1 Accounting policies (continued)

d) *Financial instruments (continued)*

Business model assessment

In making an assessment of the objective of the business model in which a financial asset is held, the Company considers all of the relevant information about how the business is managed, including:

- the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how the investment manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the company's continuing recognition of the assets. The Company has determined that it has two business models.

Held-to-collect business model: this includes cash and cash equivalents. These financial assets are held to collect contractual cash flow.

Other business model: this includes debt securities, equity investments both quoted and unquoted. These financial assets are managed and their performance is evaluated, on a fair value basis.

Fair value measurement principles

The fair value of investment holdings of listed investments is based on their quoted market prices at the reporting date on a recognised exchange or in the case of non-exchange traded instruments, sourced from a reputable counterparty, without any deduction for estimated future selling costs. Financial assets are priced at their closing bid prices, while financial liabilities are priced at their closing offer prices.

Company assets may, at any time include securities and other financial instruments or obligations that are thinly traded or for which no market exists and/or which are restricted as to their transferability under securities laws.

If a quoted market price is not available on a recognised stock exchange, or a market is not sufficiently active for the market price to be considered reliable, or if a price is not available from a reputable counterparty, fair value of the financial instruments may be estimated by the Directors using valuation techniques, including use of recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

The Company recognizes transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change occurred.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition unless the Company were to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

Impairment

Policy applicable from 1 January 2018

The Company recognises loss allowances for ECLs on financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

Agronomics Limited *(formerly Port Erin Biopharma Investments Limited)*

Notes (continued)

(forming an integral part of the financial statements for the year ended 30 June 2019)

1 Accounting policies (continued)

d) *Financial instruments (continued)*

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in fair value.

Trade and other receivables

Trade and other receivables originated by the Company are initially recognised at fair value and subsequently stated at amortised cost less impairment losses.

Trade and other payables

Trade and other payables are initially recognised at fair value less directly attributable transaction costs. Subsequently they are measured at amortised cost using the effective interest method.

e) *Share capital and share premium*

Ordinary shares are classified as equity. The ordinary shares of the Company have a par value of £0.000001 each. Excess proceeds received for the issue of shares has been credited to share premium. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

f) *Foreign currencies*

Transactions in foreign currencies are translated into the functional currency at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into functional currency at the rate of exchange ruling at the reporting date. All differences are taken to the income statement.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Agronomics Limited *(formerly Port Erin Biopharma Investments Limited)*

Notes (continued)

(forming an integral part of the financial statements for the year ended 30 June 2019)

1 Accounting policies (continued)

g) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year, and have not been applied in preparing these historical financial statements:

New/revised International Accounting Standards / International Financial Reporting Standards (“IAS/IFRS”)	EU Effective date (accounting periods commencing on or after)
Amendments to IFRS 9 Financial Instruments - <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Annual improvements to IFRS Standards 2015-2017 Cycle (issued on 12 December 2017)	1 January 2019
Amendments to reference to Conceptual Framework in IFRS Standards	1 January 2020

The Directors do not expect the adoption of the standards and interpretations to have a material impact on the financial statements in the period of initial application.

There has been no material impact on the Company’s financial statements of new standards or interpretations that have come into effect during the current reporting period.

h) Taxation

The Company is subject to income tax at a rate of 0% in the Isle of Man, and accordingly, no tax has been provided for in these financial statements.

The Company may be subject to withholding taxes in relation to income from investments, or investment realisation proceeds or gains, and such amounts will be accounted for as incurred.

Agronomics Limited *(formerly Port Erin Biopharma Investments Limited)*

Notes (continued)

(forming an integral part of the financial statements for the year ended 30 June 2019)

2 Directors' and performance fees

The fees of Directors who served during the year ended 30 June 2019 were as follows:

	2019 £	2018 £
Anderson Whamond	10,000	10,000
Richard Reed	1,250	-
David Giampaolo	1,250	-
	<u>12,500</u>	<u>10,000</u>

On 6 May 2011, Shellbay Investments Limited entered into a Letter of Appointment with the Company to provide the services of Jim Mellon as Non-Executive Chairman of the Company. The Letter of Appointment was for an initial period of twelve months, from 16 May 2011 and was renewed on 1 June 2012, and may be terminated on not less than one month's notice given by either party at any time. The Letter of Appointment contains provisions for early termination, *inter alia*, in the event of a breach by Jim Mellon. Remuneration under the Letter of Appointment shall be payable to Shellbay Investments Limited and shall be satisfied by the issue of such number of Ordinary Shares equivalent to 15.0 per cent. of any increase in the Net Asset Value of the Company over each quarterly period, subject to an initial high watermark of 10 pence per share. This fee is recorded as a performance fee since it is based on the performance of the Company. There are no provisions providing for any benefit to Shellbay Investments Limited or Jim Mellon on the termination of the engagement. Total fees payable to Shellbay Investments Limited for the year under this arrangement were £Nil (2018: £Nil) with no balance remaining outstanding at the year-end (2018: £Nil).

Denham Eke was appointed as a Director on 30 May 2012 and currently receives no remuneration for providing his services.

3 Net (loss)/income from financial instruments at fair value through profit and loss

Derived from financial assets held mandatorily at fair value through profit or loss at initial recognition:

	2019 £	2018 £
Net realised (losses)/gains on sale of investments	(12,556)	12,193
Net unrealised losses on investments	(63,439)	(47,421)
	<u>(75,995)</u>	<u>(35,228)</u>

4 Other costs

	2019 £	2018 £
Auditors' fees	19,425	18,630
Bank charges	176	23
Insurance	6,500	6,600
Professional fees	173,989	166,001
Sundry expenses	13,505	157
	<u>213,595</u>	<u>191,411</u>

The Company has no employees.

Agronomics Limited *(formerly Port Erin Biopharma Investments Limited)*

Notes (continued)

(forming an integral part of the financial statements for the year ended 30 June 2019)

5 Loss from operating activities

Loss from operating activities is stated after charging:

	2019	2018
	£	£
Auditors' fees	19,425	18,630
Directors' fees	12,500	10,000
	<u> </u>	<u> </u>

6 Share capital and share premium

Each share in the Company confers upon the shareholder:

- the right to one vote at a meeting of the shareholders or on any resolution of shareholders;
- the right to an equal share in any dividend paid by the Company, and
- the right to an equal share in the distribution of the surplus assets of the Company on its liquidation.

The Company may by resolution of Directors redeem, purchase or otherwise acquire all or any of the shares in the Company subject to regulations set out in the Company's Articles of Association.

	2019	2018
	£	£
<i>Authorised</i>		
2,000,000,000 Ordinary shares of £0.000001	2,000	2,000
	<u> </u>	<u> </u>

	No. of Shares	Share Capital	Share Premium
<i>Issued</i>			
Balance at 30 June 2018 and 30 June 2019	23,195,558	23	1,890,142
	<u> </u>	<u> </u>	<u> </u>

Capital management

The Company manages its capital to maximise the return to shareholders through the optimisation of equity. The capital structure of the Company as at 30 June 2019 consists of equity attributable to equity holders of the Company, comprising issued capital, share premium and retained deficit as disclosed.

The Company manages its capital structure and makes adjustments to it in light of economic conditions and the strategy approved by shareholders. To maintain or adjust the capital structure, the Company may make dividend payments to shareholders, return capital to shareholders or issue new shares and release the share premium account. No changes were made in the objectives, policies or processes during the year under review.

Agronomics Limited *(formerly Port Erin Biopharma Investments Limited)*

Notes (continued)

(forming an integral part of the financial statements for the year ended 30 June 2019)

7 Financial assets at fair value through profit or loss

	2019 £	2018 £
Quoted	906,123	576,846
Unquoted	343,832	554,318
	<u>1,249,955</u>	<u>1,131,164</u>
	2019 £	2018 £
Equities	<u>1,249,955</u>	<u>1,131,164</u>

These financial instruments were mandatorily held as at fair value through profit or loss on initial recognition. See note 9 regarding the valuation of investments.

8 Loan receivable

On 13 October 2016, the Company entered into a loan agreement with the Diabetic Boot Company Limited (“DBC”) to provide it with a short-term loan of £200,000 less expenses, for working capital purposes. This loan paid a coupon of 7 per cent, was unsecured and was fully repayable on the earlier of 31 March 2017 or the date on which DBC secures additional equity funding of £1,000,000. In December 2017, the loan repayment date was extended to 31 March 2018. The loan, plus accrued interest to date, was fully settled on 21 December 2018. Refer to note 11.

9 Financial instruments

Financial Risk Management

The Company has risk management policies that systematically view the risks that could prevent it from achieving its objectives. These policies are intended to manage risks identified in such a way that opportunities to deliver the Company’s objectives are achieved. The Company’s risk management takes place in the context of day-to-day operations and normal business processes such as strategic and business planning. The Directors have identified each risk and are responsible for coordinating and continuously improving risk strategies, processes and measures in accordance with the Company’s established business objectives.

The Company’s principal financial instruments consist of investments, cash, receivables and payables arising from its operations and activities. The main risks arising from the Company’s financial instruments and the policies for managing each of these risks are summarised below.

Credit Risk

Credit risk is the risk of loss associated with the counterparty’s inability to fulfil its obligations. The Company’s credit risk is primarily attributable to receivables and cash balances, with the maximum exposure being the reported balance in the statement of financial position. The Company has a nominal level of debtors and as such the Company believes that the credit risk to these is minimal. The Company holds available cash with licensed banks and financial institutions. The Company considers the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk. The funds are available on demand.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Carrying amount 2019 £	Carrying amount 2018 £
Cash and cash equivalents	417,952	555,293
Loan receivable	-	226,584
Trade and other receivables	12,196	14,480
	<u>430,148</u>	<u>796,357</u>

Agronomics Limited *(formerly Port Erin Biopharma Investments Limited)*

Notes (continued)

(forming an integral part of the financial statements for the year ended 30 June 2019)

9 Financial instruments (continued)

Financial Risk Management (continued)

Market price risk

Market price risk is the risk that the market price will fluctuate due to macro-economic issues such as changes in market factors specific to that security, market interest rates and foreign exchange rates.

The Company is exposed to significant market price risks as financial instruments recognised are linked to market price volatility.

A 10% increase/decrease in market value of investments would increase/decrease equity and profit by £125,000 (2018: £113,116).

Liquidity risk

The Company is exposed to liquidity risk to the extent that it holds investments that it may not be able to sell quickly at close to fair value.

The risk is managed by the Company by means of cash flow planning to ensure that future cash requirements are anticipated and, where financial instruments have to be sold to meet these requirements, the process is carried out in a controlled manner intended to minimise the liquidity risk involved.

The residual undiscounted contractual maturities of financial liabilities are as follows:

30 June 2019

	Less than 1 month £	1-3 months £	3 months to 1 year £	1-5 years £	Over 5 years £	No stated maturity £
Financial liabilities						
Trade and other payables	65,260	-	-	-	-	-
	65,260	-	-	-	-	-

30 June 2018

	Less than 1 month £	1-3 months £	3 months to 1 year £	1-5 years £	Over 5 years £	No stated maturity £
Financial liabilities						
Trade and other payables	23,759	-	-	-	-	-
	23,759	-	-	-	-	-

Interest rate risk

A significant share of the Company's assets is comprised of cash held at banks. As a result, the Company is subject to risk due to fluctuations in the prevailing level of market interest rates. However, income earned from bank interest is not considered material to the Company's performance or financial position.

Fair values of financial assets and liabilities

At 30 June 2019, the carrying amounts of cash resources, trade and other receivables, and trade and other payables approximate fair value due to their short-term maturities.

Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to financial assets and liabilities that are denominated in a number of currencies.

Agronomics Limited *(formerly Port Erin Biopharma Investments Limited)*

Notes (continued)

(forming an integral part of the financial statements for the year ended 30 June 2019)

9 Financial instruments (continued)

Foreign currency risk (continued)

GBP equivalents as at 30 June 2019

	Financial assets at fair value through profit and loss	Cash at bank	Total by currency
	£	£	£
HKD	299,618	-	299,618
USD	912,176	4,498	916,674
CAD	9,628	-	9,628
	<u>1,221,422</u>	<u>4,498</u>	<u>1,225,920</u>

GBP equivalents as at 30 June 2018

	Financial assets at fair value through profit and loss	Cash at bank	Total by currency
	£	£	£
HKD	465,973	-	465,973
USD	369,794	1,460	371,254
CAD	19,614	-	19,614
	<u>855,381</u>	<u>1,460</u>	<u>856,841</u>

The following significant exchange rates applied during the year:

	Average rate for active year 2019	Average rate for active year 2018
HKD	10.1465	10.539
USD	1.294	1.347
CAD	1.712	1.711
	Year-end rate 2019	Year-end rate 2018
HKD	9.913	10.306
USD	1.269	1.313
CAD	1.661	1.711

Sensitivity analysis

A 5% percent strengthening of Sterling against the Hong Kong Dollar, US Dollar and Canadian Dollar at 30 June 2019 and 30 June 2018 would have decreased equity and profit for the year by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant.

Agronomics Limited *(formerly Port Erin Biopharma Investments Limited)*

Notes (continued)

(forming an integral part of the financial statements for the year ended 30 June 2019)

9 Financial instruments (continued)

Sensitivity analysis (continued)

2019	Equity and Profit or loss
HKD	(£14,268)
USD	(£48,622)
CAD	(£458)
2018	Equity and Profit or loss
HKD	(£22,188)
USD	(£17,669)
CAD	(£934)

A 5% percent weakening of Sterling against the Hong Kong Dollar, US Dollar and Canadian Dollar at 30 June 2019 and 30 June 2018 would have the equal but opposite effect on the basis that all other variables, in particular interest rates, remain constant.

Fair value of financial instruments

The fair values of financial assets and financial liabilities that are traded in an active market are based on quoted market prices. For all other financial instruments, the Company determines fair values using other valuation techniques in compliance with IFRS9: Financial Instruments, IFRS13: Fair Value Measurement, and based on the International Private Equity and Venture Capital Valuation Guidelines ("IPEV").

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using; quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data;
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Various valuation techniques may be applied in determining the fair value of investments held as Level 3 in the fair value hierarchy. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Agronomics Limited *(formerly Port Erin Biopharma Investments Limited)*

Notes (continued)

(forming an integral part of the financial statements for the year ended 30 June 2019)

9 Financial instruments (continued)

Fair value of financial instruments (continued)

Fair value hierarchy measurement at 30 June 2019

Investments in securities at fair value:

	Total	Quoted prices In active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable Inputs (Level 3)
Investments				
Quoted	906,123	906,123	-	-
Unquoted	343,832	-	-	343,832
	<u>1,249,955</u>	<u>906,123</u>	<u>-</u>	<u>343,832</u>

Reconciliation of Level 3 investments:

Opening balance	554,318
Purchases	197,707
Disposals	(15,477)
Transfer to Level 1*	(241,086)
Unrealised loss	(151,630)
Closing balance	<u>343,832</u>

* transfer to Level 1 was as a result of AgeX Therapeutics Inc listing its shares on the New York Stock Exchange on 29 November 2018

Fair value hierarchy measurement at 30 June 2018

Investments in securities at fair value:

	Total	Quoted prices In active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable Inputs (Level 3)
Investments				
Quoted	576,846	576,846	-	-
Unquoted	554,318	-	-	554,318
	<u>1,131,164</u>	<u>576,846</u>	<u>-</u>	<u>554,318</u>

Reconciliation of Level 3 investments:

Opening balance	368,660
Changes due to fluctuations in foreign currency	(950)
Purchases	233,042
Unrealised loss	(46,434)
Closing balance	<u>554,318</u>

Agronomics Limited (formerly Port Erin Biopharma Investments Limited)

Notes (continued)

(forming an integral part of the financial statements for the year ended 30 June 2019)

9 Financial instruments (continued)

Fair value of financial instruments (continued)

Valuation technique

In the absence of observable prices or suitable unobservable model inputs being available and, given level 3 portfolio companies are in the start-up/development stage and in the biotechnology/ biopharmaceutical sector, the Board believes that a recent share transaction cost represents the best available estimate of fair value. The price of a recent investment valuation technique, calibrated using both financial and technological milestones, is commonly used in a seed, start-up or early-stage situation. Where applicable, the Company's Level 3 investments are valued at the price of each funding round of the respective companies entered into with their shareholders, adjusted where necessary should the Directors deem any adjustment is needed in order to determine the fair value. The fair value of the relevant investee may also be adjusted based on its performance against predetermined milestones. The Directors deem all investments to be held fair value. The price of a recent transaction is deemed most appropriate for the Company's unquoted investments. During the year, one unquoted investment held at £72,000 has been written down to nil value, reflecting the uncertain financial position or limited information available in respect of these investee entities. Although the Board believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. The Board continues to monitor the performance of the investee entities and the underlying information available in order to assess whether the valuation technique adopted and the fair value hierarchy remain appropriate.

No reasonably possible alternative assumptions

IFRS 13 requires disclosure, by class of financial instrument, if the effect of changing one or more inputs to reasonably possible alternative assumptions would result in a significant change to the fair value measurement. However, where fair value is determined with reference to the price of a recent transaction in the equity shares of the unquoted company, such a sensitivity analysis is not relevant. As such the Directors consider there are no reasonably possible alternative assumptions in respect of the level 3 investments held at year end.

The valuation approach adopted for the years ended 30 June 2019 and 30 June 2018 is consistent.

10 Trade and other payables

	2019 £	2018 £
Provision for audit fee	18,717	18,009
Other provisions	7,500	5,750
Trade creditors	39,043	-
	<u>65,260</u>	<u>23,759</u>

11 Related party transactions

Under an agreement dated 1 December 2011, Burnbrae Limited, a Company for which Jim Mellon is the ultimate beneficial owner and Denham Eke is a Director, provide certain services, principally accounting and administration, to the Company. This agreement may be terminated by either party on three months' notice. The charge for services provided in the year in accordance with the contract was £36,000 (2018: £36,048) of which £3,564 was outstanding as at the year-end (2018: £nil).

Under an agreement dated 6 May 2011, Shellbay Investments Limited, a Company related to both Jim Mellon and Denham Eke, provide the services of Jim Mellon as Non-Executive Chairman of the Company (see note 2). The charge for services provided in the year was £Nil (2018: £Nil) of which £Nil was outstanding at the year-end (2018: £Nil).

In accordance with the published investing policy, Jim Mellon holds personal interests both directly and indirectly in the following investee companies: AgeX Therapeutics Inc, Regent Pacific Group Ltd, Portage Biotech Inc, SalvaRX Group PLC, Cytox Limited, Diabetic Boot Company Limited and Insilico Medicine Inc.

Edgewater Associates Limited ("Edgewater")

During the year, Directors and Officers insurance was obtained through Edgewater, which is a 100% subsidiary of Manx Financial Group ("MFG"). James Mellon and Denham Eke are Directors of MFG and Denham Eke a Director of Edgewater.

The premium payable on the policy was £6,500, of which £nil was outstanding as at the year end.

Agronomics Limited *(formerly Port Erin Biopharma Investments Limited)*

Notes (continued)

(forming an integral part of the financial statements for the year ended 30 June 2019)

12 Basic and diluted earnings per share

The calculation of basic earnings per share of the Company is based on the loss for the year of £288,919 (2018: £211,406) and the weighted average number of shares of 23,195,558 (2018: 23,195,558) in issue during the year.

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares such as warrants and options. There are no dilutive potential ordinary shares in issue at yearend, therefore there is no dilutive effect as at 30 June 2019.

13 Subsequent events

On 3 July 2019, shareholders approved a £4,500,000 equity fundraise, issuing and allotting 90,600,000 new ordinary shares. Proceeds from the fundraise will be used to acquire investments in line with the Company's new investing policy.

On 29 July 2019, the Company completed a subscription of US\$ 700,000 for 885,739 Series Seed Preferred Shares in Simply Foods, Inc. ("Simply Foods") trading as New Age Meats. The company is based in San Francisco, California, USA, and is developing pork-based cultured meat products. The Subscription was part of the first close of the Series Seed funding round to raise a minimum of US\$ 2.0 million undertaken by Simply Foods, led by New York-based ff Graphite (V) Venture Capital Fund, LP. The Company was the only European based investor participating in this round.

On 5 September 2019, the Company subscribed for a US\$ 150,000 convertible promissory note in Bond Pets LLC ("Bond"). Bond makes laboratory-grown meat using fermentation for the pet food market. The subscription would translate to an approximate 3% to 4% equity interest in Bond, dependent on the valuation of Bond upon conversion.

A US\$ 250,000 investment was made in Seattle Food Tech, Inc. trading as Rebellious Foods ("Rebellious") on 15 October 2019. The investment was made in the form of a Simple Agreement for Future Equity (the "SAFE"), that will convert to approximately 1% equity in the next priced funding round. Rebellious is an early stage, pre-revenue food technology and manufacturing company focused on developing plant-based chicken nuggets at scale and at competitive prices.

On 17 October 2019, US\$ 1,500,000 was invested in VitroLabs Inc. ("VitroLabs"). The investment is in the form of a SAFE, that will convert at VitroLabs' next funding round giving Agronomics an expected interest of approximately 3.79% in the form of Series A Standard Preferred Stock. VitroLabs is headquartered in San Jose, USA, and is developing laboratory-produced, cruelty-free leather.

On 29 October 2019, the Company completed a subscription of US\$ 500,000 in the form of a Convertible Loan Note in Shiok Meats Pte. Ltd. Shiok Meats is a Singapore based company that is developing cultured seafood products, focusing on shrimp. Upon conversion, the Subscription is expected to give Agronomics an approximate interest of 2.3% in Shiok Meats on conversion. The loan note will convert into Ordinary Shares in Shiok Meats on completion of a Series A funding round of US\$ 10 million by the company.

On 11 November 2019, the Company announced a further fundraise of up to £20 million. The Company's intention is to price the new shares offered pursuant to the Fundraise at the unaudited net asset value per share of the Company's portfolio at 30 September 2019, being 5.5 pence. In conjunction with the fundraise, Zeus Capital Limited were appointed as joint-broker and the appointment of Optiva Securities Limited was terminated.

14 Commitments and contingent liabilities

There are no known commitments or contingent liabilities as at the year-end.