RNS Number : 5311A
Agronomics Limited
03 February 2022

3 February 2022

Agronomics Limited

("Agronomics" or the "Company")

Unaudited Interim Results for the six-month period ending 31 December 2021

Agronomics Limited (AIM:ANIC), the leading listed company focused on the field of cellular agriculture, is pleased to announce its unaudited interim results for the six-month period ending 31 December 2021. A copy of these Interim Results is available on the Company's website www.agronomics.im.

Financial highlights

- The Company's Net Asset Value per Share on 31 December 2021 was **14.32 pence** (30 September 2021: 12.99 pence) - an increase of 10.24%.
- Investment income, including loan interest and net unrealised gains on investments, increased to £3,629,016 (2020: £510,635) during the six-month period.
- Operating expenses were £806,030 (2020: £441,013), and mostly comprised of professional fees relating to the investments acquired and the fundraise completed during the period.
- A net profit of £2,523,407 (2020: loss of £1,447,306) was recognised during the period.
- Invested assets at fair value increased to £60,878,486 (30 June 2021: £38,770,676), and cash and cash equivalents stood at £45,281,054 (30 June 2021: £62,436,497).
- Net assets increased to £134,340,730 at 31 December 2020 (30 June 2021: £100,029,816). The increase is principally due to a successful funding round during December 2021, raising total net funds of £31 million and issuing 138,368,193 new ordinary shares, and from unrealised gains on the revaluation of investments held in Vitrolabs (£1.8 million) and Galy Co (£1.5 million).

Investment highlights

- 21st July 2021 - portfolio company **Shiok Meats** Pte. Ltd, the world's first cell-based crustacean meat company, raised a bridge funding round. This brought Shiok Meat's total raised capital to US$ 30 million. Agronomics holds 2,465 Series A Preferred Shares in Shiok Meats, representing a 1.6% equity ownership on a fully diluted basis.
- 13th September 2021 - The Company's shares in **Formo,** Europe's first cellular agriculture company developing cultivated dairy products, saw a 7.5x uplift on the original investment after a US$ 50 million Series A financing. This represents an IRR of 225% and Agronomics will carry this position on its balance sheet at €10.7 million (approximately £9.2 million).
- 20th September 2021 - Agronomics led cultivated leather company **VitroLab's** Series A financing, with a US$ 7.0 million investment. Agronomics holds an equity ownership of 14.65% on a fully diluted basis and have the right to a board seat. Agronomics will carry this position in its accounts at a book value of US$ 12.75 million including an unrealised gain on cost of US$ 2.25 million and an IRR of 40%.
- 28th September 2021 - Portfolio company **Simply Foods**, Inc closed a US$ 25 million Series A funding round. The Series A financing represents a 5.14x uplift on the original cash investment by Agronomics, with an IRR of 119%. Agronomics carries this position in its accounts at a book value of US$ 3.60 million, including an unrealised gain on cost of US$ 2.90 million.
- 20th October 2021 - Agronomics led cultivated cocoa company **California Cultured's** Seed round with a US$ 2.2 million investment. The financing was in the form of a SAFER ("Simple Agreement for Future Equity"). The SAFER is expected to convert into Preferred Stock of California Cultured at a future equity financing round by California Cultured of at least US$ 4 million, following which Agronomics would hold an approximate equity ownership of 18.33% on a fully diluted basis.
- 26th October 2021 - Agronomics invested €3 million in **Solar Foods Oy**, a company that produces protein using air-captured carbon dioxide and electricity**,** in the form of a Convertible Loan Note. The CLN is expected to give Agronomics an approximate equity ownership of 5.80%.
- 8th November 2021 - Agronomics invested US$ 8 million in **The EVERY Company**, a commercial stage precision fermentation company focused on the production of egg proteins, such as albumin.
- 19th November 2021 - Agronomics led cultivated beef company **Ohayo Valley's** Pre-Seed round with a US$ 1.5 million subscription

Richard Reed, Chairman of Agronomics, commented: -

"The first half of the financial year has been both busy and very exciting. Our current investment portfolio shows considerable promise for future growth, given the scale of opportunity to invest in the nascent alternative foods sector. We are expecting significant developments in a number of our portfolio companies that should positively impact their valuation in the coming months. The Board continue to seek new opportunities in line with its Investing Policy, thereby creating value for shareholders."

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014, as it forms part of UK Domestic Law by virtue of the European Union (Withdrawal) Act 2018. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

For further information please contact:

Agronomics Limited	Beaumont Cornish Limited	Cenkos Securities Plc	Peterhouse Capital Limited	TB Cardew
The Company	Nomad	Joint Broker	Joint Broker	Public Relations
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Chairman's statement

Introduction

I am pleased to present the Unaudited Interim Results for Agronomics Limited (the "Company" or "Agronomics") for the six-month period ending 31 December 2021.

This half-year saw Agronomics focus on selective opportunities to deploy capital within the field of cellular agriculture, which saw three new names added to the portfolio. Agronomics now has 18 companies in its portfolio, with broad diversification across the world's largest protein categories.

We define cellular agriculture as the direct production of agricultural commodities without animals, but from living cells or single-celled organisms completely disconnected from conventional agriculture. This encompasses cell culture, including cultivated meat and seafood, precision fermentation - including biomass and precision fermentation, and enabling technologies, such as novel bioreactor designs and low-cost growth factor methodologies to support the first two categories. These technologies aim to provide more sustainable methods for the development of such products, reducing greenhouse gas emissions, antibiotic requirements, land use, water use, energy use, improving animal welfare and mitigating climate change. Agronomics now has exposure across cultivated meat - chicken, beef, pork, cultivated leather, cultivated cocoa and cotton, precision fermentation derived dairy and egg proteins.

During the period, Agronomics led three deals in cellular agriculture: cultivated leather company VitroLab's Series A financing, cultivated cocoa company California Cultured's Seed round and cultivated beef company Ohayo Valley's Pre-Seed round. It also saw The EVERY Company, a commercial stage precision fermentation company focused on the production of egg proteins, such as albumin, be added to the portfolio.

With the December 2021 financing completed, Agronomics has a very strong balance sheet with approximately £74 million cash on hand to deploy into new and existing opportunities. During 2021, US$ 2.4 billion was invested into the sector, which was a significant increase from prior years. Last year, US$ 1 billion was raised by cultivated meat companies alone, and US$ 1.4 billion by fermentation companies, seeing the largest amount of capital raised in any single year. We are witnessing and supporting the sector's evolution to focus on commercial scale-up, with many companies looking to establish their first pilot facilities and seek regulatory approvals. It is now anticipated that the next 12 months will be pivotal, with the first regulatory approvals for the sale of its cultivated meat products in the US. Looking further out, China also recently announced its five-year agricultural plan, referencing cultivated meat for the first time.

In the last 6 months, the largest financing of a cultivated meat company was achieved, with Israel based Future Meat Technologies raising a substantial US$ 347 million Series B led by ADM Ventures. We also witnessed Upside Foods unveil its 53,000 square ft facility in California, as well as recently announcing the acquisition of a cultivated seafood company in the field, Cultured Decadence. There have been three acquisitions in the sector to date. JBS, the largest meat processing company in the world, also acquired Spanish cultivated meat company Biotech Foods. Though this is the first acquisition by a major conventional meat producer, we anticipate many more similar acquisitions or collaborations with other giants in the protein supply chain.

Investment Review

During the period, the Company completed a number of acquisitions and a number of investments had positive revaluations, as detailed below.

On 21st July 2021, portfolio company **Shiok Meats Pte. Ltd ("Shiok Meats")** raised a bridge funding round from South Korean strategic investors Woowa Brothers Asia Holdings and CJ CheilJedang Corporation, as well as Vietnamese seafood exporter Vinh Hoan Corporation. Agronomics holds 2,465 Series A Preferred Shares in Shiok Meats, representing a 1.6% equity ownership on a fully diluted basis (excluding any shares to be issued pursuant to this debt financing). This increased Shiok Meat's total raised capital to US$ 30 million.

On 13 September 2021, the Company participated in the US$ 50 million Series A financing of **Formo Bio GmbH ("Formo" formerly LegenDairy Foods GmbH)**, led by EQT Ventures. Agronomics participated in the round, subscribing for 1,186 Series A Preferred Shares, with a €3.15 million investment. Agronomics now holds a total of 3,575 shares in Formo, representing an equity ownership of 5.94% on a fully diluted basis. Agronomics co-led Formo's €4 million Seed round in December 2019, with a €1 million investment for 2,389 Series Seed Preferred Shares, which will see a 7.5x uplift on the original investment. This represents an IRR of 225% and, subject to audit, Agronomics will carry this position on its balance sheet at €10.7 million (approximately £9.2 million), inclusive of the Series A participation. This equates to an estimated portfolio weighting based on the Company's last reported Net Asset Value of 9.1%.

Agronomics led **VitroLabs Inc. ("VitroLabs")** Series A funding round on 20th September 2021, with a US$ 7.0 million investment, with the proceeds being used to build and scale the world's first pilot production facility of cultivated leather. Agronomics previously invested US$ 3.5 million in VitroLabs via SAFEs and CLNs, which converted on completion of this funding round. Agronomics holds an equity ownership of 14.65% on a fully diluted basis and have the right to a board seat. Agronomics will carry this position in its accounts at a book value of US$ 12.75 million, subject to audit, including an unrealised gain on cost of US$ 2.25 million and an IRR of 40%. VitroLabs is the Bay-Area-based biotechnology company focused on producing leather via its innovative and unique cell culture process. Its technology encompasses utilising a tissue engineering process to create genuine hides directly from animal cells for leather products.

The global luxury leather goods market is a US$ 48 billion opportunity, and VitroLabs is set to become the world's first company to commercialise cultivated leather.

On the 28th September 2021, portfolio company **Simply Foods, Inc., (trading as "New Age Meats")**, closed a US$ 25 million Series A funding round led by Hanwha Solutions Corporation, a South Korean conglomerate. Agronomics first invested in New Age Meats in July 2019, with a US$ 699,999 investment. The Series A financing represents a 5.14x uplift on the original cash investment by Agronomics, with an IRR of 119%. Subject to audit, Agronomics carries this position in its accounts at a book value of US$ 3.60 million, including an unrealised gain on cost of US$ 2.90 million.

Agronomics led **California Cultured Inc's ("California Cultured")** Seed funding round on the 20th October 2021, with a US$ 2.2 million investment. The financing was in the form of a SAFER ("Simple Agreement for Future Equity"). Joining the round included global venture firm SOSV's IndieBio. The SAFER is expected to convert into Preferred Stock of California Cultured at a future equity financing round by California Cultured of at least US$ 4 million, following which Agronomics would hold an approximate equity ownership of 18.33% on a fully diluted basis. Following the close of the round, Agronomics has the right to a directorship in California Cultured. Should California Cultured not complete a qualifying financing within 12 months the SAFER will automatically convert into equity. California Cultured is a food-tech company based in Davis, California, U.S., which harnesses cell culture technology to produce cocoa products. The application of cellular agriculture for the production of plants or plant-derived ingredients has to date not been extensively commercialised. Using cocoa cell cultures to produce valuable cocoa products, such as cocoa powder, chocolate, cocoa butter and flavanols is considered an exciting opportunity.

On the 26th October 2021, Agronomics invested €3 million in **Solar Foods Oy ("Solar Foods")** in the form of a Convertible Loan Note ("CLN"). Also joining the round were existing investors CPT Capital and Happiness Capital Limited and new investor, LOSA Group. The CLN is expected to give Agronomics an approximate equity ownership of 5.80%, inclusive of its prior investment announced in September 2020. In the past year, Solar Foods has made strong R&D progress and is now focused on building its new demonstration facility that is set to be operational early 2023. Solar Foods' novel technology has recently been recognised by NASA as part of their Deep Space Food Challenge - looking for new solutions to feed astronauts.

Agronomics invested US$ 8 million in **The EVERY Company ("EVERY", formerly Clara Foods Co.)** on the 4th November 2021 for an equity stake on a fully diluted basis of 1.39%. This was part of an oversubscribed US$ 127.5 million Series C Round by raising a total of US$ 175 million. Based on this revised Series C Round its investment will equate to an interest of 1.28%. EVERY is a leading precision fermentation company with a key focus on the commercialisation of proteins traditionally derived from animals. Recently, EVERY launched the world's first animal-free egg protein and collaborated with the juice brand Pressed to produce smoothies containing their protein. This recent fundraise will help drive the scale up of its animal-free protein platform, so that EVERY's sustainable ingredients can have a worldwide reach.

On the 19th November 2021, Agronomics led **Ohayo Valley Inc's ("Ohayo Valley")** Pre-Seed funding round with a US$ 1.5 million subscription in the form of a Simple Agreement for Future Equity ("SAFE"). Ohayo Valley is a cultivated meat company, initially focused on producing cultivated Wagyu ribeye steak, before expanding to other beef products. Ohayo Valley was co-founded in 2020 by Dr Jess Krieger. Combined, the co-founding team brings 20 years of experience in the cultivated meat sector, including Jess' previous position as CSO for Artemys Foods, where she led the development of the Artemys Burger prototype. The SAFE is expected to convert into preferred shares in Ohayo Valley at a future equity financing round of at least US$ 1.5 million, giving Agronomics an approximate equity ownership of 18.75%. Agronomics will have the right to a board seat.

Agronomics also disposed of two assets during the period. On the 29th September 2021, Agronomics sold its entire holding of 23,147 shares in **Insilico Medicine, Inc** for US$ 523,477 (£378,561), thereby representing an IRR of 45%.

Agronomics also sold its entire holding of 40,000 shares in **Oritain Global Limited** for NZ$ 1.36 million (approximately £0.7 million), representing an IRR of 74%. The proceeds from these disposals will be used to provide further funding for opportunities within the field of cellular agriculture, inclusive of supporting existing companies, as well as identifying new opportunities.

Financial Review

The Company recorded a net profit for the period of £2,523,407 (2020: loss of £1,447,306). During the six months, our investment income, including loan interest and net unrealised gains, increased to £3,629,016 (2020: £510,635). Operating expenses were £769,365 (2020: £430,180), with the increase due to professional fees relating to the investments acquired and the fundraise completed during the period. Following the fundraise, share issue commissions of £43,600 were paid, which under IFRS have been capitalised to equity. No performance fees were payable or accrued for the current period. The basic profit per share was 0.33 pence (2020: loss of 0.62 pence), and the diluted profit per share was 0.21 pence (2020: loss of 0.61 pence).

Our invested assets at fair value increased to £60,878,486 (30 June 2021: £38,770,676), and cash and cash equivalents stood at £45,281,054 (30 June 2021: £62,436,497). Our net assets increased to £134,340,730 at 31 December 2021 (30 June 2021: £100,029,816). The increase is due to a fundraise completed on 21 December 2021, issuing 138,368,193 new ordinary shares for gross proceeds of £31,824,684, and unrealised gains on investments of £3,492,270 recognised during the period. As a result, the net asset value per share at 31 December 2021 is 14.32 pence, being 14% higher than at 30 June 2021 (12.51 pence).

Financing

During the 6 months to 31st December 2021, the Company successfully completed a funding round, raising gross proceeds of £31,824,684 and issuing 138,368,193 new Ordinary Shares. Following share issue commissions and professional fees, net cash proceeds of approximately £31 million were retained by the Company. These funds, together with existing cash resources, will be utilised to provide funding for opportunities within the field of cellular agriculture, inclusive of supporting existing companies, as well as identifying new opportunities.

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 as high under an "impact" matrix defined as Zero, Low, Medium and High. Appropriate steps have been taken and adequate controls implemented to monitor the risks of the Company, and the appropriate committees and reporting structures have been established, which under the Chairmanship of the Chairman, will monitor risks facing the Company. 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 7 to 10 of the audited 30 June 2021 Financial Statements, which are on the Company's website at www.agronomics.im.

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

''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."

Under our valuation policy, it is not possible to reflect significant uplifts between valuation events such as a new third party funding, and therefore the Board believes that the stated NAV per share may not fully represent the current intrinsic value of the portfolio companies given their continuing progress and the comparable valuations we see for these types of companies in this rapidly growing sector.

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

Strategy and Outlook

The first half of the financial year has been both busy and very exciting. Our current investment portfolio shows considerable promise for future growth, given the scale of opportunity to invest in the nascent alternative foods sector. We are expecting significant developments in a number of our portfolio companies that should positively impact their valuation in the coming months. The Board continue to seek new opportunities in line with its Investing Policy, thereby creating value for shareholders.

Richard Reed
Chairman
2 February 2022

Condensed statement of comprehensive income
For the period ended 31 December 2021

	Notes	**Period ended 31/12/2021 (unaudited) £**	Period ended 31/12/2020 (unaudited) £
Income			
Net income from financial instruments at fair value through profit and loss	*2*	**3,492,270**	479,010
		3,492,270	479,010
Operating expenses			
Directors' fees		**(36,667)**	(10,833)
Other operating costs	*4*	**(769,363)**	(430,180)
Unrealised foreign exchange losses		**(299,579)**	(1,516,928)
Profit/(loss) from operating activities		**2,386,661**	(1,478,931)
Interest received	*2*	**136,746**	31,625
Profit/(loss) before taxation		**2,523,407**	(1,447,306)
Taxation		**-**	-
Profit/(loss) for the period		**2,523,407**	(1,447,306)
Other comprehensive income		**-**	-
Total comprehensive profit/(loss) for the period		**2,523,407**	(1,447,306)
Basic profit/(loss) per share (pence)	*5*	**0.33**	(0.62)
Diluted profit/(loss) per share (pence)	*5*	**0.21**	(0.61)

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

Condensed statement of financial position
As at 31 December 2021

	Notes	**31/12/2021 (unaudited) £**	30/06/2021 (audited) £
Current assets			
Financial assets at fair value through profit or loss	*6*	**60,878,486**	38,770,676
Trade and other receivables	*7*	**29,892,027**	445,667
Cash and cash equivalents		**45,281,054**	62,436,497
Total assets		**136,051,567**	101,652,840
Equity			
Share capital		**937**	799
Share premium		**123,065,776**	91,278,407
Share reserve		**7,394,360**	7,394,360
Accumulated earnings		**3,879,657**	1,356,250
Total equity		**134,340,730**	100,029,816
Current liabilities			
Trade and other payables	*8*	**1,710,837**	1,623,024
Total liabilities		**1,710,837**	1,623,024
Total equity and liabilities		**136,051,567**	101,652,840

These interim financial statements were approved by the Board of Directors on 2 February 2022 and were signed on their behalf by:

Denham Eke
Director

Condensed statement of changes in equity
For the period ended 31 December 2021

	Share capital £	**Share premium £**	**Retained (loss)/earnings £**	**Total £**
Balance at 01 July 2020	331	19,080,138	336,409	19,416,878

(audited)				
Total comprehensive loss for the period	-	-	(1,447,306)	(1,447,306)
Issue of shares	168	10,050,474	-	10,050,642
Share issue costs capitalised	-	(265,635)	-	(265,635)
Balance at 31 December 2020 (unaudited)	499	28,864,977	(1,110,897)	27,754,579

	Share capital £	Share premium £	Share reserve £	Retained earnings £	Total £
Balance at 01 July 2021 (audited)	**799**	**91,278,407**	**7,394,360**	**1,356,250**	**100,029,816**
Total comprehensive profit for the period	**-**	**-**	**-**	**2,523,407**	**2,523,407**
Issue of shares	**138**	**31,830,969**	**-**	**-**	**31,831,107**
Share issue costs capitalised	**-**	**(43,600)**	**-**	**-**	**(43,600)**
Balance at 31 December 2021 (unaudited)	**937**	**123,065,776**	**7,394,360**	**3,879,657**	**134,340,730**

Condensed statement of cash flows
For the period ended 31 December 2021

	Notes	**Period ended 31/12/2021 (unaudited) £**	Period ended 31/12/2020 (unaudited) £
Cash flows from operating activities			
Profit/(loss) for the period		**2,523,407**	(1,447,306)
Purchase of investments		**(19,423,481)**	(9,647,469)
Proceeds from sale of investments		**696,456**	91,092
Interest received - non-cash		**(134,052)**	(31,625)
Unrealised gains on investments	*2*	**(3,492,270)**	(479,010)
Unrealised foreign exchange losses on investments		**245,537**	1,469,538
Operating loss before changes in working capital		**(19,584,403)**	(10,044,780)
Change in trade and other receivables		**378,324**	(4,065)
Change in trade and other payables		**87,813**	176,439
Net cash flows from operating activities		**(19,118,266)**	(9,872,406)
Cash flows from financing activities			
Proceeds from issue of shares		**2,006,423**	9,855,460
Share issue commissions paid		**(43,600)**	(265,635)
Net cash flows from financing activities		**1,962,823**	9,589,825
Decrease in cash and cash equivalents		**(17,155,443)**	(282,581)
Cash and cash equivalents at beginning of period		**62,436,497**	2,789,097
Cash and cash equivalents at the end of period		**45,281,054**	2,506,516

1 Significant accounting policies

Agronomics Limited (the "Company") is a company domiciled in the Isle of Man. The address of the Company's registered office is 18 Athol Street, Douglas, Isle of Man, IM1 1JA.

The unaudited condensed financial statements of the Company (the "Financial Information") are prepared in accordance with Isle of Man law and International Financial Reporting Standards ("IFRS") and their interpretations issued by the International Accounting Standards Board ("IASB") and adopted by the European Union ("EU"). The financial information in this report has been prepared in accordance with the Company's accounting policies. Full details of the accounting policies adopted by the Company are contained in the financial statements included in the Company's annual report for the year ended 30 June 2021 which is available on the Group's website: www.agronomics.im

The accounting policies and methods of computation and presentation adopted in the preparation of the Financial Information are consistent with those described and applied in the financial statements for the year ended 30 June 2021. There are no new IFRSs or interpretations effective from 1 July 2020 which have had a material effect on the financial information included in this report.

The unaudited condensed financial statements do not constitute statutory financial statements. The statutory financial statements for the year ended 30 June 2021, extracts of which are included in these unaudited condensed financial statements, were prepared under IFRS as adopted by the EU. The auditors' report on those financial statements was unmodified.

The preparation of the Financial Information requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results could differ materially from these estimates. In preparing the Financial Information, the critical judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 30 June 2021 as set out in those financial statements.

The Financial Information is presented in Great British Pounds, rounded to the nearest pound, which is the functional currency and also the presentation currency of the Company.

2 Net income from financial instruments at fair value through profit and loss

	31/12/2021 (unaudited) £	31/12/2020 (unaudited) £	31/12/2019 (unaudited) £
Net unrealised gains on investments	**3,492,270**	479,010	84,262
Other income	**136,746**	31,625	-
Total investment income	**3,629,016**	510,635	84,262

3 Performance fee

	31/12/2021 (unaudited) £	31/12/2020 (unaudited) £
Performance fee	**-**	-

Shellbay Investments Limited ("Shellbay") receives performance fees for the provision of Jim Mellon as Director of the Company. Shellbay shall be entitled to an annual fee equal to the value of 15% of any increase between the Company's net asset value ("NAV") on a per issued share basis at the start of a reporting period and 30 June ("Closing NAV Date") each year during the term of the New Shellbay Agreement, with the first reporting period being from 1 July 2020 to 30 June 2021, and annually thereafter. The opening and closing NAV for each period will be based on the audited financial statements of the Company for the relevant financial year, with the opening NAV for each reporting period being the higher of (i) 5.86 pence per share (the highest annual audited NAV per share since the Company adopted its current investment policy and reported NAV per share in September 2019), and (ii) the highest NAV per share reported at a Closing Date for the previous reporting periods during the term of the agreement (establishing a rolling high-watermark for Shellbay to qualify for such fee). Any increase in NAV per share will then be applied to the total issued share capital at the end of the relevant period for the purposes of determining the 15% fee. Any change in NAV per share that arises from funds raised at a premium or discount to the existing NAV per share will therefore be considered for the purposes of calculating Shellbay's fee by reference to the annual audited accounts (for clarity being an increase in respect of a premium and a decrease in respect of a discount).

At the election of the Company, the Shellbay fee shall be payable either in whole or in part by the issue of new shares at a price equal to the mid-price on the last day of the relevant Qualifying Period (being the Company's accounting year from 1 July to 30 June) or grant of nil price warrants over shares; or in cash; or (with the agreement of Shellbay), in cash-equivalents (such as shares), and other assets held by the Company

No fees were payable or accrued for the current period (31 December 2020: £nil). See note 9 for further details.

4 Other operating costs

	31/12/2021 (unaudited) £	31/12/2020 (unaudited) £	31/12/2019 (unaudited) £
Auditors' remuneration	**51,149**	17,500	9,500
Insurance	**9,031**	4,158	3,544
Professional fees	**577,849**	360,136	518,388
Sundry expenses	**131,334**	48,386	31,350
Total other costs	**769,363**	441,013	577,782

The Company has no employees other than the Directors.

5 Basic and diluted profit per share

The calculation of basic profit per share of the Company is based on the profit for the period of £ 2,523,407 (31 December 2020: loss of £1,447,306) and the weighted average number of shares of 763,671,848 (31 December 2020: 231,939,864) in issue during the period.

Diluted profit per share is 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. The calculation of diluted profit per share of the Company is based on the profit for the period of £2,523,407 (31 December 2020: loss of £1,447,306) and the diluted weighted average number of shares of 1,199,151,684 (31 December 2020: 234,466,498) in issue during the period.

6 Financial assets at fair value through profit or loss

During the previous financial year, the Company established a new wholly owned subsidiary entity, Agronomics Investment Holdings Limited ("the Subsidiary" or "AIHL"), which now holds the majority of the portfolio of unquoted investments previously held directly by the Company. Unquoted investments were transferred by the Company into AIHL at their respective carrying amounts. The investment in subsidiary is stated at fair value through profit or loss in accordance with the IFRS 10 Investment Entity Consolidation Exception. The fair value of the investment in Subsidiary is based on the period-end net asset value of the Subsidiary. Additions and disposals regarding the investment in subsidiary are recognised on trade date.

31/12/2021	30/06/2021

	(unaudited)	(audited)
	£	£
Quoted	**360,442**	656,502
Unquoted	**2,646,684**	59,704
Investment in subsidiary	**57,871,360**	38,054,470
	60,878,486	38,770,676

The composition of the investments held, both directly and indirectly through the Subsidiary in the underlying portfolio, is as follows:

	31/12/2021	30/06/2021
	(unaudited)	(audited)
	£	£
Equities	**50,282,538**	28,349,567
Convertible loan notes and SAFEs*	**10,595,948**	10,421,109
	60,878,486	38,770,676

* A SAFE is a Simple Agreement for Future Equity. SAFE Agreements have similar characteristics to Convertible Loans and are designed to provide an early investor with an "edge" ahead of a larger planned funding. The edge is typically conversion of funds advanced for new equity at a discount to the subsequent raise.

7 Trade and other receivables

	31/12/2021	30/06/2021
	(unaudited)	(audited)
	£	£
Trade and other receivables	**29,892,027**	445,667

As stated in the Chairman's statement, the Company completed a fundraise on 21 December 2021, issuing 138,368,193 new ordinary shares for gross proceeds of £31,824,684. As at 31 December 2021, £29,824,546 of the fundraise proceeds were due to be received by the Company.

8 Trade and other payables

	31/12/2021	30/06/2021
	(unaudited)	(audited)
	£	£
Provision for audit fee	**25,000**	37,797
Other provisions	**-**	2,203
Trade creditors	**206,965**	104,152
Provision for irrecoverable VAT	**1,478,872**	1,478,872
	1,710,837	1,623,024

9 Related party transactions

Under an agreement dated 1 December 2011, Burnbrae Limited, a company related to both Jim Mellon and Denham Eke, provide certain services, principally accounting and administration, to the Company. This agreement may be terminated by either party on three months' notice. The Company incurred a total cost of £18,000 (31 December 2020: £18,000) during the period under this agreement of which £6,000 was outstanding as at the period end (30 June 2021: £68).

Under an updated agreement dated May 2021, Shellbay Investments Limited, a Company related to both Jim Mellon and Denham Eke, provide the services of Jim Mellon as Director of the Company. No fees were payable or accrued for the current period (31 December 2020: £nil). See note 3 for further details.

In accordance with the Company's published investment strategy, Jim Mellon may co-invest alongside the Company in certain investments and, accordingly, he has direct and indirect interests in other investments held by the Company.

10 Commitments and contingent liabilities

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

11 Events after the reporting date

To the knowledge of the Directors, there have been no material events since the end of the reporting period that require disclosure in the condensed interim financial statements.