



Unaudited Interim Report and
Condensed Financial Statements

For the period ended 31 December 2023

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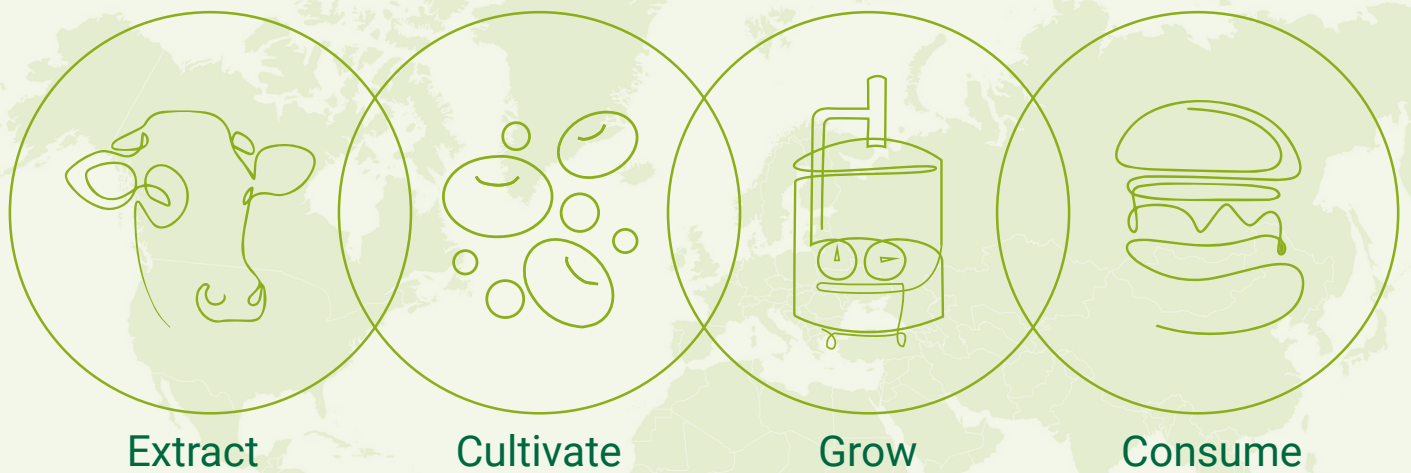
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Agronomics Limited a leading listed company in cellular agriculture

The Company has established a portfolio of 20+ venture stage companies in this rapidly advancing sector. It seeks to secure stakes in companies owning technologies with defensible intellectual property that offer new ways of producing food and materials with a focus on products historically derived from animals. These technologies offer solutions to improve the world’s food security, enhance sustainability, as well as address human health issues, animal welfare, and environmental damage.

Cellular Agriculture is the production of agriculture products directly from cells, as opposed to raising an animal for slaughter, or growing crops. This encompasses cell culture to produce cultivated meat and materials, and fermentation processes that harness a combination of molecular biology, synthetic biology, tissue engineering and biotechnology to massively simplify production methods in a sustainable manner.

Over the coming decades, the source of the world’s food supply traditionally derived from conventional agriculture is going to change dramatically. Cellular agriculture is the only technology with the potential to increase food production while reducing the resources required to produce it.



Chairman's statement



I am pleased to present the Unaudited Interim Results for Agronomics Limited (the "Company" or "Agronomics") for the six-month period ending 31 December 2023.

This half-year, Agronomics focused on supporting its existing portfolio through follow-on investments and witnessed the closing of a number of substantial funding rounds and strategic partnerships. In August, Agronomics co-led the €30 million Series B round for portfolio company Meatable B.V ("Meatable") with a €4 million investment. Pending regulatory approval, Meatable is planning to launch its first product in Singapore this year and shortly after in the US market. During the period, Agronomics also made a follow-on investment of £0.7 million into Clean Food Group Limited's ("Clean Food Group") £2.3 million pre-Series A round, which will be used to scale up production and commercialise its precision fermentation-derived palm oil replacement, initially for cosmetic applications. The round was led by Alianza Team ("Alianza"), a leading South American food company with over 75 years of experience in developing value-added fats and oils for world-leading food companies. This investment marked the beginning of a strategic partnership in which Clean Food Group will leverage Alianza's expertise to accelerate its path to commercialisation.

During the period, Agronomics' portfolio benefited from the increasing interest of governments and companies alike in harnessing biomanufacturing for the development of more sustainable and secure food production systems. In October, portfolio company BlueNalu, Inc. ("BlueNalu") closed a US\$ 33.5 million Series B funding round led by NEOM Investment Fund ("NEOM"), which was accompanied by a Memorandum of Understanding for the marketing, commercialisation and distribution of BlueNalu's cell cultured seafood. The partnership reflects the mutual interests of both organisations in developing solutions that increase food security and improve access to healthy foods for communities in the Kingdom of Saudi Arabia and worldwide. In December, portfolio company Liberation Labs, Inc. was awarded a US\$ 25 million loan from Ameris Bancorp ("Ameris") to finance the continued construction of its biomanufacturing facility in Richmond, Indiana. The loan was backed by the United States Department of Agriculture, which provided Ameris with a loan guarantee as part of the "Business and Industry" loan guarantee program. Clean Food Group was another company to receive government support in the form of funding towards a £1 million project to accelerate novel low-emission food production systems. The funding came just as the UK government announced its landmark National Vision for Engineering Biology in which it laid out plans to harness biomanufacturing to revolutionise medicine, food, and environmental protection. Lastly, Solar Foods Oy. ("Solar Foods"), which has received €34 million in public grant funding to date, closed an €8 million Series B financing led by Springvest Oy. Participants in the round included Fazer Group, a Finnish confectionery company, with which Solar Foods is now partnered for the commercialisation in Singapore of a chocolate snack bar containing Solein.

In the past few months, we have also witnessed further pivotal moments that represent accelerating momentum in the sector as companies move from research and development validation towards commercialisation. Precision fermentation company TurtleTree Labs Pte. Ltd. was granted access to the US market by achieving a "Generally Recognised as Safe" status for its biomanufactured lactoferrin. Additionally, the Israeli Ministry of Health granted cultivated meat company Aleph Farms Ltd. regulatory approval for the sale of its cultivated beef product in Israel. The company aims to launch its products in Israel this year and has since applied for approval in Switzerland, which, if granted, would make it the first approval within the European market. The Israeli approval marks the opening of a new jurisdiction for the commercialisation of cultivated meat alongside the US and Singapore. In December, the Food Standards Australia New Zealand published a statement on the status of Vow Group Pty Ltd.'s approval for its cultivated quail and recognised it as safe to eat. While this does not yet qualify as full approval, Australia appears close to becoming the next jurisdiction to join the US, Singapore, and Israel as target markets for commercialising cultivated meat. As biomanufacturing and sustainable food production systems become a priority for a growing number of jurisdictions, we expect to see further regulatory approvals granted for the sale of cultivated food and ingredients.

Agronomics has a healthy balance sheet entering into 2024 and intends to preserve the majority of its capital for follow-on investments into its existing portfolio companies to assist with the achievement of major milestones such as regulatory approvals, product launches, or building out their commercial facilities. The Company continues to monitor and review new and emerging technologies within the field of cellular agriculture and will also look to expand the portfolio for further diversification should the opportunity arise.

Investment Review

During the period, the Company made two follow-on investments, had four positive revaluations and saw the portfolio companies receive government support and form new strategic partnerships:

- 9 August 2023, Agronomics co-led portfolio company Meatable's €30 million Series B round with a €4 million investment alongside New Agrarian Company Limited.
- 14 August 2023, Agronomics invested £0.7 million in portfolio company Clean Food Group £2.3 million pre-Series A financing round. The round was led by Alianza Team, a leading South American food company which has 75 years of experience and expertise in developing functional, value-add oils and fats products for the world's leading food manufacturers.

- 9 October 2023, portfolio company BlueNalu closed a US\$ 33.5 million Series B round led by NEOM with a US\$ 20 million investment. The investment was accompanied by the signing of a Memorandum of Understanding with BlueNalu for the commercialisation, marketing and distribution of BlueNalu's cultured seafood.
- 16 November 2023, portfolio company Solar Foods closed an €8 million Series B financing round through the Finnish-based investment organiser Springvest.
- 1 December 2023, portfolio company Liberation Labs secured a US\$ 25 million loan for its biomanufacturing facility in Richmond, Indiana. The loan was awarded by Ameris Bank which received a loan guarantee from the USDA as part of its "Business and Industry" loan guarantee program.
- 5 December 2023, portfolio company Clean Food Group was awarded government funding towards a £1 million project to accelerate novel low-emission food production systems.

Under our valuation policy, it is not possible to reflect significant uplifts between valuation events, and therefore the Board believes that the stated NAV per share may not fully represent the potential intrinsic value of the portfolio companies given their continuing progress in this rapidly growing sector. Investments will be written down in cases where we are not satisfied that sufficient progress is occurring.

The portfolio weightings by total investments held at 31 December 2023 are set out below:

Company	Product Focus	NAV Weighting
Liberation Labs	Contract Manufacturer for Precision Fermentation	12.08%
SuperMeat	Cultivated Poultry	10.27%
BlueNalu	Cultivated Bluefin Tuna	8.76%
Meatable	Cultivated Pork and Beef	8.30%
Solar Foods	Novel Air Protein	7.90%
Formo	Precision Fermentation – Dairy Proteins	6.53%
All G Foods	Precision Fermentation – Dairy Proteins	5.51%
VitroLabs	Cultivated Leather	5.16%
Geltor	Precision Fermentation – Collagen	5.12%
Clean Food Group	Fermentation – Palm Oil	4.79%
The EVERY Company	Precision Fermentation – Egg Proteins	4.31%
Onego Bio	Precision Fermentation – Egg Proteins	4.10%
Meatly	Cultivated Pet Food	3.40%
The LIVEKINDLY Collective	Plant-based Meat	2.99%
Mosa Meat	Cultivated Beef	2.08%
CellX	Cultivated Chicken	1.95%
GALY	Cultivated Cotton	1.88%
Tropic	Gene-Edited Crops	1.62%
California Cultured	Cultivated Coffee and Cocoa	1.19%
Hydgene Renewables	Developer of synthetic biology technology for hydrogen production	0.92%
Bond Pet Foods	Precision Fermentation – Pet Food	0.50%
Other	N/A	0.64%

Financial Review

The Company recorded a net loss for the period of £437,924 (31 December 2022: profit of £18,582,602). During the six months, investment income, including loan interest and net unrealised gains, was £696,120 (31 December 2022: £19,870,529). No performance fees were payable or accrued for the current period. The basic loss per share was 0.044 pence (31 December 2022: profit of 1.91 pence), and the diluted loss per share was 0.044 pence (31 December 2022: profit of 1.32 pence).

The carrying amount of invested assets is £145,879,692 (30 June 2023: £141,773,297), and cash and cash equivalents and bank deposits stood £22,007,344 (30 June 2023: £28,093,984). Our net assets decreased to £167,826,248 at 31 December 2023 (30 June 2023: £168,263,512). The decrease is largely due to unrealised foreign currency losses on investments of £792,957 recognised during the period. As a result, the net asset value per share at 31 December 2023 is 16.90 pence, which is a decrease of 0.2% from 30 June 2023 (16.94 pence).

Financing activity

During the period, 2,210 new ordinary shares were issued following the exercise of warrants. Gross proceeds of £660 were received by the Company.

The Board approved a share buyback programme for an aggregate amount of up to £3m for a period of 6 months commencing on 2nd October 2023. To the period ending 31 December 2023, the Company has yet to initiate any buybacks.

Strategy and Outlook

The Board anticipates a number of positive developments within the portfolio during 2024. With the first approvals for the field now having been granted to the sector, 2024 should see multiple product approvals and commercial partnerships formed within Agronomics' own portfolio. In addition, notwithstanding that broader financial conditions remain challenging, it is anticipated that several portfolio companies will achieve material funding rounds providing them with the capital they need to continue to improve their processes and push their production towards cost parity with conventional production methods.

In general, the interest in innovation and the adoption of technologies to improve food systems remains high. The sector has seen increasing positive rhetoric from forward thinking governments, including the UK. There have also been numerous announcements around investment, loan and grant programmes to support this innovation. We expect to see further pivotal milestones such as the opening of new jurisdictions as target markets for the production and commercialisation of biomanufactured food and ingredients, as demonstrated by the recent approval of Aleph Farms' cultivated beef in Israel.

The Board will continue to review new opportunities in line with its Investing Policy but with an increased focus on the existing portfolio. Further details of our Investing Policy can be found on the Company's website at www.agronomics.im.

Jim Mellon

Executive Chairperson

13 February 2024

Condensed statement of comprehensive income

For the period ended 31 December 2023

	Notes	Period ended 31/12/2023 (unaudited) £	Period ended 31/12/2022 (unaudited) £
Income			
Net income from financial instruments at fair value through profit and loss	2	608,573	19,374,741
		608,573	19,374,741
Operating expenses			
Directors' fees		(75,000)	(50,000)
Other operating costs	4	(756,570)	(800,227)
Unrealised foreign exchange losses		(792,957)	(437,700)
Loss/(profit) from operating activities		(1,015,954)	18,086,814
Interest received	2	578,030	495,788
Loss/(profit) before taxation		(437,924)	18,582,602
Taxation		-	-
Loss/(profit) for the period		(437,924)	18,582,602
Other comprehensive income		-	-
Total comprehensive Loss/(profit) for the period		(437,924)	18,582,602
Basic profit per share (pence)	5	(0.044)	1.91
Diluted profit per share (pence)	5	(0.044)	1.32

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

The notes on pages 9 to 11 form part of these interim financial statements.

Condensed statement of financial position

As at 31 December 2023

	Notes	31/12/2023 (unaudited) £	30/06/2023 (audited) £
Current assets			
Financial assets at fair value through profit or loss	6	145,879,692	141,773,297
Bank deposits		16,972,256	10,000,000
Trade and other receivables		142,258	335,810
Cash and cash equivalents		5,035,088	18,100,498
Total assets		168,029,294	170,209,605
Equity			
Share capital		993	992
Share premium		134,482,024	134,481,365
Share reserve		1,686,336	1,686,336
Accumulated earnings		31,656,895	32,094,819
Total equity		167,826,248	168,263,512
Current liabilities			
Trade and other payables	7	203,046	1,946,093
Total liabilities		203,046	1,946,093
Total equity and liabilities		168,029,294	170,209,605

The notes on pages 9 to 11 form part of these interim financial statements.

These interim financial statements were approved by the Board of Directors on 13 February 2024 and were signed on their behalf by:

Denham Eke

Director

Condensed statement of changes in equity

For the period ended 31 December 2023

	Share capital £	Share premium £	Share reserve £	Retained earnings £	Total £
Balance at 01 July 2022 (audited)	968	129,855,667	4,341,639	9,714,629	143,912,903
Total comprehensive profit for the period	-	-	-	18,582,602	18,582,602
Issue of shares	23	4,353,179	(4,341,639)	-	11,563
Balance at 31 December 2022 (unaudited)	991	134,208,846	-	28,297,231	162,507,068

	Share capital £	Share premium £	Share reserve £	Retained earnings £	Total £
Balance at 01 July 2023 (audited)	992	134,481,365	1,686,336	32,094,819	168,263,512
Total comprehensive profit for the period	-	-	-	(437,924)	(437,924)
Issue of shares	1	659	-	-	660
Balance at 31 December 2023 (unaudited)	993	134,482,024	1,686,336	31,656,895	167,826,248

The notes on pages 9 to 11 form part of these interim financial statements.

Condensed statement of cash flows

For the period ended 31 December 2023

<i>Notes</i>	Period ended 31/12/2023 (unaudited) £	Period ended 31/12/2022 (unaudited) £
Cash flows from operating activities		
Loss/(profit) for the period	(437,924)	18,582,602
Purchase of investments	(4,175,055)	(18,213,217)
Interest received – non-cash	(578,030)	(495,788)
Unrealised gains on investments	(608,573)	(19,374,741)
Unrealised foreign exchange losses on investments	764,781	(71,775)
Operating loss before changes in working capital	(5,034,801)	(19,572,919)
Change in trade and other receivables	193,552	(4,076)
Change in trade and other payables	(1,743,047)	(2,369,092)
Net cash flows from operating activities	(6,584,296)	(21,946,087)
Cash flows from financing activities		
Proceeds from issue of shares	660	11,563
Cash interest received	490,483	277,273
Net cash flows from financing activities	491,143	288,836
Cash flows from investing activities		
Bank deposits not considered cash and cash equivalents (net movement)	(6,972,257)	11,914,390
Net cash from investing activities	(6,972,257)	11,914,390
Decrease in cash and cash equivalents	(13,065,410)	(9,742,861)
Cash and cash equivalents at beginning of period	18,100,498	31,458,326
Cash and cash equivalents at the end of period	5,035,088	21,715,465

The notes on pages 8 to 10 form part of these interim financial statements.

Notes to the condensed interim financial statements

for the period ended 31 December 2023

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 Viking House, St Paul's Square, Ramsey, Isle of Man, IM8 1GB.

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 2023 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 2023. There are no new IFRSs or interpretations effective from 1 July 2023 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 2023, 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 2023 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

	31/12/2023 (unaudited) £	31/12/2022 (unaudited) £
Net unrealised gains on investments	608,573	19,374,741

3 Performance fee

	31/12/2023 (unaudited) £	31/12/2022 (unaudited) £
Performance fee	-	-

Shellbay Investments Limited ("Shellbay") receives performance fees for the provision of Mr James Mellon as Director of the Company and other services as detailed in the announcement of 6 May 2021. 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 2022: £nil). See note 8 for further details.

4 Other operating costs

	31/12/2023 (unaudited) £	31/12/2022 (unaudited) £
Auditors' remuneration	31,000	30,000
Insurance	28,242	19,741
Professional fees	175,250	292,586
Sundry expenses	522,078	457,900
Total other costs	756,570	800,227

The Company has no employee's other than the Directors.

5 Basic and diluted profit per share

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period.

The calculation of diluted earnings per share is based on the basic earnings per share, adjusted to allow for the issue of shares, on the assumed conversion of all dilutive share options.

	31/12/2023 £	31/12/2022 £
(Loss)/profit for the period	(437,924)	18,582,602
	No.	No.
Weighted average number of ordinary shares in issue	993,152,986	973,278,666
Dilutive effect of shares to be issued	434,342,919	435,440,939
Diluted number of ordinary shares	1,427,495,905	1,408,719,605
Basic (loss)/earnings per share (pence)	(0.044)	1.91
Diluted (loss)/earnings per share (pence)	(0.044)	1.32

6 Financial assets at fair value through profit or loss

A wholly owned subsidiary entity of the Company, Agronomics Investment Holdings Limited ("the Subsidiary" or "AIHL"), holds the majority of the portfolio of unquoted investments. 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.

	31/12/2023 (unaudited) £	30/06/2023 (audited) £
Quoted	85,192	177,330
Unquoted	59,704	7,417,071
Investment in subsidiary	145,734,796	134,178,896
	145,879,692	141,773,297

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

	31/12/2023 (unaudited) £	30/06/2023 (audited) £
Equities	143,641,062	132,664,299
Convertible loan notes and SAFEs*	2,238,630	9,108,998
	145,879,692	141,773,297

* 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 payables

	31/12/2023 (unaudited) £	30/06/2023 (audited) £
Provision for audit fee	24,320	57,488
Trade creditors	178,726	202,269
Provision for Shellbay fee	-	1,686,336
	203,046	1,946,093

During the period, the cash portion of the fee due to Shellbay was settled in full. See note 8.

8 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 £15,000 (period ended 31 December 2022: £15,000) during the period under this agreement of which £3,078 was outstanding as at the period end (30 June 2023: £3,000).

Under an updated agreement dated May 2021, Shellbay Investments Limited, a Company related to both Jim Mellon and Denham Eke, provide certain services to the Company including the services of Jim Mellon as Director of the Company.

No fees were payable or accrued for the current period (31 December 2022: £nil). See note 3 for further details.

During the period, the Shellbay fee due at 30 June 2023 was partly settled, with a cash payment of £1,686,336. Post period end, the balance of the fee of £1,686,336 was settled with the issuance of 16,253,847 new ordinary shares.

In accordance with the Company's published investment strategy, Mr 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.

9 Commitments and contingent liabilities

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

10 Events after the reporting date

Post period end, the balance of the Shellbay fee of £1,686,336 was settled with the issuance of 16,253,847 new ordinary shares.

Corporate information

Company's website

www.agronomics.im

Registration number: Isle of Man 006874V

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