AGRONOMICS

Q2 2026

Quarterly report

Jim Mellon, Executive Chair of Agronomics, commented:

The second quarter demonstrated continued progress across the clean food sector, with our portfolio companies achieving important financing, regulatory and commercial milestones. Clean Food Group, Meatly and SuperMeat secured new capital to support scale-up and commercialisation. Regulatory progress was equally encouraging. All G completed the FDA's GRAS notification process for its precision-fermented bovine lactoferrin, while Bond Pet Foods received a Letter of No Objection from the FDA for its Lamb Protein Yeast ingredient, an important milestone for precision fermentation in pet food. Tropic Biosciences secured further regulatory approvals for its non-browning banana and acquired Rahan Meristem, providing access to a global propagation network capable of producing more than 30 million plants annually. These developments reinforce our conviction that the strongest companies are progressing beyond technical validation towards regulatory approval, industrial scale-up and commercial deployment.

NAV Update Net Asset Value as at 30 June 2026

Agronomics Limited (AIM: ANIC), a leading listed company focused on clean food, announces that its unaudited Net Asset Value per share ("NAV") as at close of business on 30 June 2026 was 12.93 pence per share, a 1.5% decrease from 13.12 pence per share at 31 March 2026. Net assets stood at £140 million, including investments of £138 million and uninvested cash and short-term deposits of £1.6 million.

The Company's share price of 5.64 pence at 30 June 2026 represented a 56% discount to NAV per share on the same date. The average discount to NAV per share over the previous 12 months was 49%. Under IFRS, the Company's unquoted investments are generally carried at cost or at the value of the most recent priced funding round.

The Board notes the c. £1.5 million increase in the Company's NAV during the quarter, which primarily reflects the following:

- A US$ 5 million investment into the series A4 financing of SuperMeat The Essence of Meat Ltd. ("SuperMeat"), being fully settled by the issue of £3.7 million worth of Agronomics shares;
- An unrealised fair value downward adjustment to Good Dog Food Limited, trading as Meatly ("Meatly"), following close of its Series A1 funding round of £1.2 million;
- An unrealised FX loss of £0.8 million following the revaluation of investments to the month-end spot rate where the Company holds certain investments in USD, EUR and AUD, due to movements in these currencies against the Company's reporting currency of Pound Sterling during the quarter;
- An unrealised fair value gain on the investment held in Solar Foods Oy, whose shares are traded on the Nasdaq First North Growth Exchange, of £0.1 million;
- Cash balances reduced by £0.3 million relating to ongoing running costs. This is offset by interest income earned during the quarter, with £12k cash interest received and £43k loan note interest income accrued.
- Cash and deposit balances at 30 June 2026 were £1.6 million (31 March 2026: £1.9 million).
- During the period, no fees were payable or accrued in accordance with the Shellbay Investments Limited Agreement. Shellbay's fees are only payable when there is an annual increase in the NAV; further details are included in the 2025 annual report.

As noted above, the NAV increased by c £1.5 million during the quarter, with the NAV per share decreasing by 1.5% due to the issue of 26,805,903 ordinary shares to settle the US$ 5 million investment into portfolio company Supermeat.

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Portfolio Update

During the 3-month period to 30 june 2026, three portfolio companies successfully completed fundraises:

- 15 April 2026 – **Clean Food Group Limited** ("CFG") secured a new £4.5 million investment led by Clean Growth Fund and New Agrarian Company Limited ("New Agrarian"), an affiliated company. CFG also secured a £0.7 million non-dilutive grant from Innovate UK, further strengthening its financial position. The capital will complete the scale-up of CFG's one million-litre fermentation facility in Knowsley, Liverpool, expanding production capacity and accelerating commercialisation of its high-performance oils and fats.
- 07 May 2026 – **Good Dog Food Limited**, trading as **Meatly**, completed a £10.4 million Series A funding round. Participants included Clean Growth Fund, Oyster Bay, JamJar Ventures, Jim Mellon and existing investors. The financing follows £7.1 million of seed funding from Agronomics and Pets at Home, bringing total funding raised by Meatly to £17.5 million. Proceeds will fund a 20,000-litre bioreactor facility in London, expected to be the largest of its kind in Europe.
- 12 May 2026 – **SuperMeat The Essence of Meat Ltd**. ("SuperMeat") completed an initial closing of its Series A-4 financing round, raising US$6 million from Agronomics (US$5 million) and New Agrarian (US$1 million), with Milk & Honey Ventures and other existing investors also subscribing as part of a targeted US$10 million financing. Agronomics' US$5 million was satisfied in full by the issue of 26,805,903 new Ordinary Shares at 13.78 pence per share.

The following key milestones were achieved by our portfolio companies during the 3-month period:

- 01 April 2026 – All G Co Holdings Pty Limited completed the FDA's Generally Recognized as Safe ("GRAS") notification process for its precision fermented bovine lactoferrin, receiving the "no questions" letter confirming the agency has no questions regarding All G's conclusion that its recombinant lactoferrin is safe for use in food.
- 14 April 2026 – Tropic Biosciences UK Limited received regulatory approval in Japan and Brazil for its world-first non-browning banana, clearing the way for the variety to be imported, sold and consumed in both countries, and grown in Brazil. Tropic now holds regulatory determinations in eleven countries.
- 04 June 2026 – Bond Pet Foods Inc received a Letter of No Objection from the FDA's Center for Veterinary Medicine for its Lamb Protein Yeast ingredient, developed with Hill's Pet Nutrition. It is, to the company's knowledge, the first animal protein produced via precision fermentation to complete the FDA's GRAS review process for use in pet food for healthy adult dogs.
- 04 June 2026 – HydGene Renewables Pty Ltd was selected for the 'Greentown Go Make 2026' cohort, run by Greentown Labs with Shell Catalysts & Technologies and Technip Energies, focused on catalytic solutions for industrial decarbonisation. HydGene was one of five companies selected globally from 148 applicants across 35 countries.
- 25 June 2026 – Tropic Biosciences UK Limited acquired Rahan Meristem (1998) Limited, one of the world's leading banana propagation businesses, for US$20 million. Rahan has an established presence in Colombia, Costa Rica, Ecuador, the Philippines and Israel, with capacity to propagate more than 30 million plants per year.

Portfolio Overview

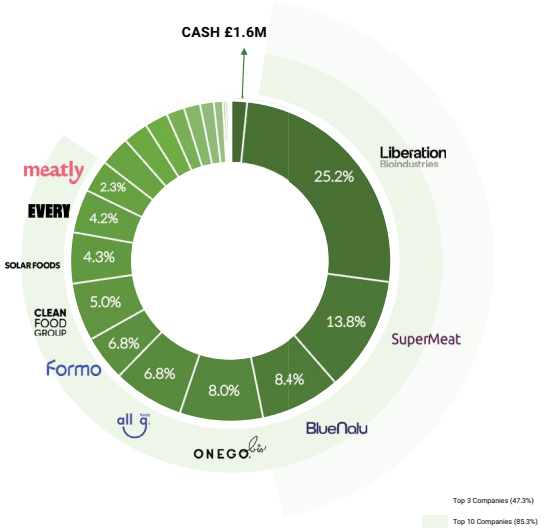
30 June 2026

GBP

Net Asset Value	140.0m
Capital Invested	123.8m
Unrealised Gains	14.9m
Cash at Hand	1.6m

Market Capitalization	61.10m
Share Price (30 June 2026)	5.64p
NAV Discount	56.4%

Companies Invested	26
Unrealised Exits (Solar Foods)	1
Write Offs	4
Portfolio Multiple	1.12x



A leading listed company in clean food

Agronomics is the only listed vehicle in the UK offering access to a leading and differentiated portfolio of clean food companies

As of 30 June 2026

Ticker	ANIC
Listing Location	AIM - LSE
Share price (30 June 2026)	£0.0564
52-week high-low	£0.096 - £0.052
Total issued share capital	1,083,381,111
90 - day average daily volume	2.8 million shares
Market Capitalisation	£61.10 million
Net Asset Value (30 June 2026)	£0.1298
Cash and Cash Equivalents	£1.6 million

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High-level portfolio overview (excluding cash and cash equivalents)

Company	Sector	Geography (HQ)	Date First Invested	Cash Invested (£)	% Ownership	Last Round	Last Round Date	Carrying Value (£)	Business Model	Manufacturing Model	Revenue Generating
All G Foods	Precision Fermentation	Australia	01-Sep-22	£10,421,929	8.20%	CLN	15-Jan-26	£9,451,737	B2B	Third-party	No
Blue Nalu Inc	Bioreactor Farming	USA	11-May-18	£11,032,291	5.10%	CLN & Preferred Stock	30-Dec-25	£11,732,442	B2B	Proprietary Facility	No
California Cultured	Bioreactor Farming	USA	01-Oct-21	£1,608,521	7.80%	Seed	10-Oct-24	£3,487,627	B2B	Proprietary Facility	No
CellX Limited	Bioreactor Farming	USA	01-Dec-20	£1,643,890	5.10%	Series A+	20-Jun-23	£1,911,584	B2C	Proprietary Facility	No
Clean Food Group	Precision Fermentation	UK	01-Mar-22	£1,600,500	27.40%	Seed	26-Mar-24	£6,983,576	B2B	Proprietary Facility	Yes
EVERY Company	Precision Fermentation	USA	01-Nov-21	£5,945,864	1.26%	Series D	10-Nov-25	£6,032,253	B2B	Third-party	Yes
Formo	Precision Fermentation	Germany	20-Dec-19	£3,778,189	4.50%	Series B	10-Sep-24	£9,460,343	B2B	Third-party	Yes
Galy Co	Bioreactor Farming	USA	01-Mar-20	£1,120,625	3.20%	Series B	03-Sep-24	£2,490,739	B2B	Proprietary Facility	No
Geltor Inc	Precision Fermentation	USA	01-Mar-22	£7,211,284	0.02%	Equity round	06-Aug-25	£241,953	B2B	Third-party	Yes
Good Protein Fund	Fund	Global	01-Dec-21	£105,560	Fund	NA	-	£159,855	N/A	N/A	N/A
HydGene Renewables	Precision Fermentation	Australia	16-Jun-23	£1,328,919	7.40%	Seed	15-Jun-23	£1,304,530	B2B	Proprietary Facility	No
Laverock Therapeutics	Biotech	UK	01-Jun-22	£48,429	-	Seed Extension	30-Jun-25	£48,429	Licensing	N/A	No
Liberation Bioindustries	Precision Fermentation	USA	01-Jun-22	£21,892,526	37.40%	Series A1	19-Dec-25	£35,284,285	B2B	Proprietary Facility	No
LiveKindly Inc	Plant-based	USA	12-Feb-20	£2,329,916	1.00%	Series B	29-Mar-17	£4,184,889	B2B/B2C	Hybrid	Yes
Meatly	Bioreactor Farming	UK	01-Mar-22	£1,150,000	11.57%	Series A1	31-May-26	£3,178,926	B2C	Proprietary Facility	Yes
Mosa Meat B.V.	Bioreactor Farming	Netherlands	01-Sep-20	£3,104,138	1.59%	Series A Extension	22-Sep-22	£3,150,572	B2C	Proprietary Facility	No
Onego Bio	Precision Fermentation	Finland	18-Feb-22	£7,107,581	16.90%	Series A	17-Jul-24	£11,143,426	B2B	Third-party	No
Seattle Food Tech	Plant-based	USA	04-Oct-19	£278,972	1.20%	Series B Extension	08-Jan-25	£331,780	B2B	Proprietary Facility	Yes
Solar Foods Oy	Precision Fermentation	Finland	01-Sep-20	£5,279,709	5.35%	Private Placement	26-Jun-26	£5,980,099	B2B	Proprietary Facility	Yes
SuperMeat	Bioreactor Farming	Israel	01-Dec-20	£15,204,164	27.77%	Series A4	12-May-26	£19,310,975	Licensing	Third-party	No
Tropic Biosciences UK	Molecular Farming	UK	01-Mar-20	£2,300,611	3.02%	Series C	12-Mar-26	£2,262,100	Licensing	N/A	No
Umami Bioworks	Bioreactor Farming	Singapore	22-Oct-19	£396,448	0.70%	Series A	10-Nov-25	£363,671	B2B	Proprietary Facility	No
Legacy investments	-	-	-	-	-	-	-	£16,313	-	-	-
Total Portfolio				**£104,890,066**				**£138,512,104**			

About Agronomics

Agronomics is a leading London-listed company focusing on investment opportunities within the field of clean food. The Company has established a portfolio of over 20 companies in this rapidly advancing sector. It seeks to invest 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 are driving a major disruption in agriculture, offering solutions to improve sustainability, as well as addressing human health, animal welfare and environmental damage. This disruption will decouple supply chains from the environment and animals and improve food security for the world's expanding population. A full list of Agronomics' portfolio companies is available at https://agronomics.im/.

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CASE STUDY

Precision fermentation

The functional ingredients on which the food industry depends — proteins, enzymes, fats and bioactives — have long been drawn from biological systems that cannot be scheduled: herds, flocks, plantations and crops. These systems have delivered high functional utility, but they carry structural economic vulnerabilities: supply that responds to disease, weather and herd or crop cycles rather than to demand; yields that are fixed by biology; long and geographically concentrated supply chains; and growing exposure to environmental regulation and traceability requirements. Growing demand for supply security, sustainability and consistent specification adds both pressure and opportunity to transform how these ingredients are manufactured.

In this context, precision fermentation uses engineered microorganisms — typically yeasts, fungi or bacteria — as production hosts for specific, identified molecules. By converting low-cost carbohydrate feedstocks into targeted proteins and lipids in industrial bioreactors, the technology decouples ingredient production from many of the constraints and risks of conventional agriculture. The economic impacts are multifold: cost control, supply reliability, specification consistency, regulatory access, localisation and inflation buffering, among others.

Technology and Commercialisation Basis

The method is straightforward in outline, even if the biology is not. The gene coding for a target protein or lipid is inserted into a host organism; the host is grown in a bioreactor on sugar or another carbohydrate feedstock; and the target molecule is then separated from the broth and the cells, purified, dried and standardised. What emerges is chemically the same molecule the animal or plant would have produced, made in days rather than seasons. The distinction from conventional fermentation is one of intent: conventional processes harvest what the organism naturally makes — alcohol, acids, biomass — whereas precision fermentation programmes it to make something it otherwise would not, with the value concentrated in that single molecule rather than in the culture as a whole.

Host selection is the first commercial decision and constrains much of what follows. Yeast accounts for roughly 41–43% of commercial activity, dominated by Saccharomyces cerevisiae and Komagataella phaffii (Pichia pastoris), which combine fast fermentation cycles, high expression efficiency, an established scale-up history and regulatory familiarity. Filamentous fungi such as Trichoderma reesei hold close to 20% and are gaining ground where complex glycosylation is required, which matters for bioactive proteins whose function depends on structure rather than sequence alone. Once chosen, the host largely determines the achievable titre ceiling, the feedstock options, the design of the downstream train and the regulatory pathway.

The technology has been commercially proven for decades in adjacent applications, and two completed transitions define what success eventually looks like. Recombinant human insulin, first produced in 1978 and approved in 1982, displaced animal-extracted insulin across the OECD within roughly two decades, replacing a supply chain that required over 50,000 pig pancreases to yield a single kilogram. Fermentation-produced chymosin, cleared by the FDA in 1990 as the first recombinant product permitted in food, now sets the large majority of hard cheese made in North America and much of Europe, with animal rennet surviving mainly in a narrow band of protected traditional cheeses. Neither transition depended on consumer preference; both occurred because the fermented molecule was cheaper, purer, more consistent and available on demand while the incumbent supply chain became more expensive and less stable. Both also took around twenty years.

What is new is the application of the same method to ingredients consumed in far larger quantities, and at far lower prices, than enzymes or pharmaceuticals. Chymosin was an ideal proof of concept precisely because it is used in minute quantities, is highly specific and was expensive in its conventional form; a kilogram of commodity casein is none of those things. The distance between high-value, low-volume molecules where the economics already work and commodity proteins where they do not yet is where the sector currently sits, and it is the most useful single lens through which to assess any company operating within it.

Crucially, commercialisation in this sector is rarely constrained by the science. It is constrained by the transition from bench to industrial scale, where oxygen transfer, mixing, media addition rates, temperature and pH control all behave differently in a large vessel, and each directly affects microbial metabolism and productivity. Titres achieved on the bench routinely fail to reproduce at volume, impurity profiles drift, and batches fall out of specification. This is why demonstrated reproducibility across multiple commercial-scale runs, rather than a single successful batch, is the milestone that converts a technical claim into a supply contract.

AGRONOMICS

CASE STUDY

Precision fermentation

Economic Impacts

1. Cost Structure and Competitive Positioning

Unit cost in precision fermentation is governed by a small number of variables, of which volumetric titre — grams of product per litre of fermentation — and downstream recovery are the most significant. Titre spreads fixed costs across more saleable output, while recovery determines how much of that output survives to specification. Published cost models place precision fermentation COGS between roughly US$10–50/kg for high-titre products at above 100,000 L scale and US$200–1,000/kg for specialty ingredients still at pilot scale. Parity with bulk commodity dairy protein generally requires titres above 40 g/L or a step change in media cost, while parity with specialty enzymes and collagen is achievable nearer 20 g/L. Media alone typically represents 35–50% of total cost, which makes feedstock strategy and titre improvement the two largest levers available to any producer.

Across the category as a whole, industry analysts currently put production costs at three to ten times conventional equivalents, with cost-reduction trajectories modelled on the industrial enzyme precedent. As processes scale, economies of scale and process optimisation exert downward pressure on cost per kilogram, and because production is industrial rather than seasonally constrained, output volumes can be forecast and stabilised in a way that agricultural supply cannot. It is worth noting that the binding constraint is frequently downstream rather than upstream: fermentation attracts the attention, but separation, purification and drying usually determine realised yield and final specification, and absorb a disproportionate share of unit cost.

2. Supply Reliability and Inflation Buffering

Conventional supply of functional ingredients is inelastic over the horizons on which manufacturers actually plan, and three illustrations from different parts of the food system demonstrate the range of mechanisms involved. Egg protein is exposed to disease: highly pathogenic avian influenza has killed close to 185 million US birds since 2022, a depopulated farm stands empty for weeks, and replacement pullets need five to six months before laying at volume, so US retail egg prices rose 32.2% in 2022 and a further 21.9% in 2025 before collapsing 35.2% year-on-year by May 2026 as restocking swung the market into oversupply. Lactoferrin is exposed to arithmetic: it occurs in cow's milk at roughly 0.1 g/L, so a tonne of finished ingredient requires on the order of ten million litres of milk — an entire dairy herd working for a year — recovered as a minor side-stream of whey processing. Global production reached only around 478 tonnes in 2024, and when China tightened infant-formula purity standards, reported prices moved from roughly US$200/kg in 2015 to close to US$2,000/kg in 2018. Palm oil is exposed to regulation: output exceeds 78 million tonnes into a market of some US$65–80 billion, but from 30 December 2026 the EU Deforestation Regulation requires plot-level, deforestation-free diligence, extended by a 2026 delegated act to derivatives including fatty alcohols, glycerol and oleic acids, with certified compliant volumes already trading at an estimated 8–15% premium.

Disease, biological yield and compliance are different mechanisms, but they produce the same economic signature: a manufacturer that cannot forecast input cost or availability with confidence, and that pays a volatility premium whether or not the risk materialises in any given year. Precision fermentation does not remove risk so much as exchange it, substituting biological and political variables for engineering variables — bioreactor volume, titre, cycle time, downstream recovery, feedstock and energy cost. Those variables are improvable, controllable and, importantly, owned by the producer. For customers, more predictable volumes and consistent specification help stabilise input costs and can moderate the extent to which raw-material shocks feed into finished-product inflation. Shorter, more controllable supply chains also reduce dependence on distant production regions and the shipping, tariff and geopolitical risks that accompany them.

3. Manufacturing Capacity and Capital Formation

The sector's hardest problem is not science but steel. Surveys of global fermentation infrastructure have found the large majority of available facilities to be bench (around 29%) or pilot scale (around 41%), with the commercial-scale network averaging forty to fifty years old and designed for pharmaceuticals, chemicals and biofuels rather than food proteins — capable of making the products, but not at the scale or cost structure required. Modern food-grade capacity with high oxygen transfer, aseptic design and high-yield downstream recovery remains scarce, and is disproportionately located in Asia rather than in the US or Europe.

New purpose-built capacity has proved extremely difficult to finance. Lenders seek offtake certainty that early-stage customers cannot provide, while customers will not commit to take-or-pay contracts before their own volumes are proven — a circularity that has delayed or stalled several announced facilities even where stated customer interest exceeded available capacity. The practical consequence is that most companies reaching commercial volume today are renting, retrofitting or contracting capacity rather than building it. Infrastructure reuse and contract manufacture compress both lead time and capital requirement, converting scale-up from a financing problem into a contracting problem; the trade-off is reduced control over the asset and the fact that process risk then sits inside a third party's operation.

4. Regulatory Access as an Economic Asset

Approvals in this sector are not administrative overhead; they are priced into commercial value, and the pathways differ enough between jurisdictions to shape company strategy outright. In the United States, the GRAS framework allows a company either to self-affirm safety and sell, or to file a notification and seek a "no questions" letter from the FDA, a process that typically takes ten to twelve months. Self-affirmation permits sale but leaves a residual question mark that large buyers discount, and which is currently subject to political scrutiny; the confirmatory letter removes that uncertainty, widens the addressable customer base and establishes a safety precedent that can be referenced in other jurisdictions. By late 2025, seven precision fermentation-derived proteins had received such letters. Singapore, Australia and New Zealand operate comparable timelines of roughly twelve to twenty-four months, and Singapore in particular has become the default first filing for companies seeking speed.

The European Union is the outlier. Novel food authorisation under Regulation 2015/2283 nominally takes eighteen months and in practice runs to two-and-a-half to four years or more; as of early 2026, EFSA had issued no safety opinion on any major precision-fermented protein, and none were approved for sale. The first novel mycelium ingredient cleared under the regime, approved in 2026, had been filed six years earlier. The proposed EU Biotech Act would expand EFSA's pre-submission guidance capacity but explicitly excludes novel foods from its regulatory sandbox provisions.

The practical implication is that European revenue is best underwritten on cosmetics, personal care and other non-food applications, which sit outside the novel food regime, with EU food approvals treated as long-dated optionality rather than near-term forecast. Early revenue from cosmetics and adult nutrition helps de-risk a business while food and infant dossiers mature, and remains the single most effective sequencing decision available in the sector. Elsewhere, regulation runs in the sector's favour: deforestation diligence, traceability requirements and supply-chain security policy raise the incumbent's cost base rather than the challenger's.

5. Environmental and Additional Benefits

Though not the primary headline of the economic case, environmental performance reinforces it, and is best stated with appropriate caution. Company-commissioned life cycle assessments consistently report large advantages, of the order of 85–97% lower greenhouse gas emissions, 92–99% lower land and blue water use, and around half the non-renewable energy demand of the equivalent conventional protein. Independent academic work is more equivocal: a widely cited 2022 comparison found the carbon footprint of precision-fermented milk protein at 5.5 to 17.6 tonnes CO□e per tonne of protein, a range overlapping that of extracted dairy protein, with sugar production and electricity as the dominant contributors. Fungal ovalbumin studies show a clearer advantage, at roughly 7.5–17 kg CO□e/kg against 26–32 kg for the egg-derived equivalent.

The reconciliation is that the footprint is not fixed but is a function of feedstock and grid. Sugar from an intensive supply chain and fossil-generated electricity erode much of the theoretical advantage, while food-industry side-streams and renewable power restore it. Environmental claims should therefore be read as contingent on process design rather than inherent to the method — and feedstock strategy is, usefully, simultaneously the largest cost lever and the largest emissions lever. Where the advantage is real, it translates into economic value through regulatory compliance, brand differentiation, customer preference and avoided exposure to environmental penalties or supply disruption.

6. Value Creation and Market Opportunity

The addressable market is large, but published forecasts for the category are extraordinarily wide: estimates of the current market range from roughly US$1.8 billion to US$6 billion depending on scope, with ten-year projections between US$36 billion and US$166 billion at compound growth above 40%. These should be treated as directional at best, since they assume cost parity and regulatory clearance on timelines that the sector's own operating history does not yet support.

The funding data is more informative about present conditions. Total alternative protein investment fell to US$881 million in 2025, down 20% year-on-year and below US$1 billion for the first time in seven years, with fermentation-specific funding down 43% to US$357 million; since September 2024, upwards of sixty businesses across the wider category have been acquired, merged, become insolvent or ceased operations.

The capital still moving is going to later-stage companies with revenue and near-term milestones. In a capital-abundant market a company could be valued on platform potential and a distant commodity opportunity; in current conditions it is valued on whether its first product sells profitably at today's prices, which favours businesses targeting high-value molecules with existing demand, established buyers and a visible price.

Lessons and Insights

- Scale-up, not science, is where this sector fails. The engineering transition to industrial volume defeats more companies than the biology does. Multiple in-specification runs at the intended production scale, supported by an audited quality system, represent a materially different risk position from pilot success.
- Downstream processing is the real bottleneck. Recovery, extraction and drying govern realised yield and sit closest to the customer specification — and, under a contracted model, inside the partner's operation rather than the company's.
- Profitability at the incumbent's price changes the buyer. Positive unit economics without a sustainability premium move an ingredient from the sustainability budget to the procurement budget, which is a far larger and more durable pool.
- Function matters more than substitution. Where the fermented molecule offers something the conventional one cannot — a purity, a form, a functional property, or no conventional supply at all — pricing decouples from the commodity it replaces. Where the pitch rests on cost substitution alone, the business remains hostage to the incumbent's price cycle.
- Sequence markets by regulatory latency. Cosmetics, personal care and adult nutrition generate revenue and a safety record while food and infant dossiers mature. This is the most effective de-risking lever available to a precision fermentation business.
- Infrastructure reuse and contract manufacture preserve capital. Retrofitting, licensing or contracting existing capacity avoids much of the cost, delay and risk of greenfield construction, provided the partner relationship is robust and second-source options are in development. Geographic redundancy is increasingly a commercial requirement, not merely an operational one.
- The platform, not the first product, is the asset. Each subsequent molecule that reuses the same host, fermentation asset, downstream train and regulatory template arrives at a fraction of the cost and time of the first. Co-product valorisation achieves a similar effect within a single process.
- The precedents took decades, not quarters. Insulin and chymosin both displaced their animal-derived incumbents almost completely, and both did so over roughly twenty years. The direction of travel is well evidenced; the timing is where the risk sits, and it should be underwritten accordingly.

AGRONOMICS

Application Across the Portfolio

Three of our holdings apply this single industrial method to three unrelated agricultural inputs, giving direct visibility at different stages of the same cost curve.

EVERY Company — egg protein

EVERY produces recombinant ovalbumin, the dominant egg-white protein, through microbial expression, delivering the binding, gelling, foaming and whipping functionality that formulators actually buy eggs for, with a PDCAAS of 1.0 and no fat or cholesterol. Its second-generation process is validated at 63,000 L and handed to manufacturing, with later generations advancing through pilot and bench toward an end-of-decade cost structure. Cumulative COGS reduction across those generations is reported at over fortyfold, reaching parity with small cage-free egg. Production is contracted rather than owned, with additional volume placed into an already-depreciated US facility from 2027.

The holding illustrates two of the themes above. The process-generation cost curve is real, and is driven by unglamorous engineering — batch consistency and specification compliance — rather than by novel science. Equally, 2026 supplied the cautionary case on substitution pricing: with US egg prices at multi-year lows following the restocking cycle, a pure cost-substitution proposition weakens precisely when scale-up should be easiest, which is why repositioning toward high-protein and functional applications, where value is decoupled from shell-egg pricing, was the strategically important development of the period.

All G — milk proteins

All G produces bovine and human lactoferrin, with human caseins in the pipeline. Its bovine product is manufactured above 95% purity at under 5% iron saturation — the apo- form, the low-iron state in which lactoferrin occurs in breast milk and in which antimicrobial and iron-regulating activity is strongest. Conventionally, apo-lactoferrin is produced by stripping iron after purification, a step that degrades the protein and has historically confined it to pharmaceutical use. The company has completed repeated in-specification runs at 60,000 L with a contracted manufacturer, passed a customer-grade site audit, and received an FDA “no questions” letter for adult nutrition in April 2026, with commercial sales beginning in July 2026 and approvals in place for cosmetics and personal care in China and the EU.

The holding is a clear example of substitution into a structurally supply-constrained market rather than the creation of a new one: demand for lactoferrin already exceeds supply, the buyers and the price are visible, and a joint venture with one of the top three incumbent producers supplies distribution and regulatory relationships. It also demonstrates platform leverage more directly than any other holding, since the second product, human lactoferrin, runs on the same expression host, the same fermentation train, the same downstream operations and the same regulatory template, leaving incremental capital to bring it to scale close to nil.

Clean Food Group — oils and fats

CFG applies the method to lipids rather than proteins, using a non-GMO oleaginous yeast originally isolated from wine grapes and developed over more than a decade with the University of Bath, metabolising varied carbohydrate feedstocks — including food side-streams such as surplus bread — into oils with tailored fatty-acid profiles. Its strategic asset is Knowsley: a one-million-litre fermentation site acquired from administrators, giving the company substantial capacity at a fraction of greenfield cost, with a documented unit-cost path from £9.50/kg to £6.75/kg on retrofit and £5.50/kg at redeveloped scale.

The holding demonstrates the two levers most specific to lipid fermentation. Infrastructure reuse compresses both time-to-scale and capital requirement, and provides a replicable template for a licensed manufacturing model in which third parties fund plant while CFG retains strain and process IP. Co-product valorisation does the rest: the yeast is approximately 45% lipid, and the remaining 55% yields beta glucan and a fermentation-derived emulsifier protein, improving effective unit economics from a single run with no additional feedstock cost. Sequencing into cosmetics ahead of food applications reflects the regulatory latency point above, and the EU Deforestation Regulation is, unusually, a tailwind that raises the incumbent’s cost rather than CFG’s.

EVERY™

all g foods®

CLEAN FOOD GROUP