

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 20-F/A  
AMENDMENT No. 1

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended March 31, 2021

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report \_\_\_\_\_

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 0-30314

**Portage Biotech Inc.**

(Exact name of Registrant as specified in its charter)

N/A

(Translation of Registrant's name into English)

**British Virgin Islands**

(Jurisdiction of incorporation or organization)

**Craigmuir Chambers, Road Town, Tortola, British Virgin Islands, VG1110.**

(Address of principal executive offices)

**c/o Portage Services Ltd, Ian Walters, 203.221.7376**

**6 Adelaide Street East, Suite 300, Toronto, Ontario, Canada M5C 1H6**

(Name, telephone, e-mail and/or facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Ordinary Shares, no par value	PRTG	Nasdaq Capital Market

Securities registered or to be registered pursuant to Section 12(g) of the Act.

**Not applicable**

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

**Not applicable**

(Title of Class)

Indicate the number of outstanding shares of each of the Issuer's classes of capital or common stock (ordinary shares) as of the close of the period covered by the annual report. **Ordinary shares without par value –13,345,413 as at March 3, 2022**

Indicate by check mark if the registrant is a well-known seasoned issuer, defined in Rule 405 of the Securities Act. Yes  No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such report) and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards<sup>†</sup> provided pursuant to Section 13(a) of the Exchange Act.

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Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP

International Financial Reporting Standards as issued  
by the International Accounting Standards Board

Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17  Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

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### EXPLANATORY NOTE

This Amendment on Form 20-F/A is being filed by Portage Biotech Inc. as Amendment No. 1 to its annual report on Form 20-F for the fiscal year ended March 31, 2021, as filed with the Securities and Exchange Commission on July 29, 2021.

The amendment is to correct the opinion on page F-1, which incorrectly was expressed in respect of the two most recently completed fiscal years. The opinion expressed now covers the three most recently completed fiscal years.

**PART III**

**ITEM 17 – FINANCIAL STATEMENTS**

The financial statements are provided pursuant to Item 18.

**ITEM 18 – FINANCIAL STATEMENTS**

See the Financial Statements and Exhibits listed in Item 19 hereof and filed as part of this Annual Report.

**ITEM 19 – EXHIBITS**

**(a) Financial Statements**

**PORTAGE BIOTECH INC.**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED MARCH 31, 2021 AND 2020**  
**(U.S. Dollars in thousands)**

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of  
Portage Biotech Inc.

### Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of Portage Biotech Inc. and subsidiaries (the "Company") as of March 31, 2021 and 2020, the related consolidated statements of operations and other comprehensive income (loss), changes in equity and cash flows for each of the three years in the period ended March 31, 2021, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended March 31, 2021, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

### Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

### Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

#### Impairment of In-Process Research and Development

##### *Critical Audit Matter Description*

As reflected in the Company's consolidated financial statements at March 31, 2021, the Company's carrying amount of in-process research and development assets was approximately \$117.4 million. As disclosed in Note 4 to the consolidated financial statements, in-process research and development assets are tested for impairment at least annually or more frequently if indicators of impairment require the performance of an interim impairment assessment. As a result of its year end assessment, management concluded that there was no impairment to the Company's in-process research and development assets during the year ended March 31, 2021.

Auditing management's impairment test of in-process research and development assets was complex and highly judgmental due to the significant measurement uncertainty in determining the fair values of the in-process research and development assets. In particular, the fair value estimates of in-process research and development assets are sensitive to changes in significant assumptions such as discount rates, revenue growth rates, operating margins, estimated spending on capital expenditures, and terminal growth rates. These assumptions are affected by expected future market or economic conditions.

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*How the Critical Audit Matter was addressed in the Audit*

We obtained a copy of the Company's impairment assessment including an independent appraisal of the fair value of the Company's in-process research and development that was used by management to determine their fair values, in accordance with IAS 36 (Impairment of Assets) and assessed the qualifications of the specialist.

To test the impairment assessment including fair values of the in-process research and development assets, our audit procedures included:

- We obtained the valuation report prepared by management's third party valuation specialists. We performed the following procedures in respect to the valuation report:
  - We assessed the qualifications of the third party specialists who performed the analysis and prepared the report; and
  - We tested the mathematical accuracy of all the schedules used in the analysis.
- With assistance from our valuation specialists, we evaluated the reasonableness of the valuation methodology and significant assumptions, including the following:
  - Volatility;
  - Weighted average cost of capital;
  - Testing certain inputs utilized by comparing them to similar companies in the industry.
- We performed the following additional procedures:
  - Performed a sensitivity analysis of the significant assumptions to evaluate the changes in the fair value of the in-process research and development that would result from changes in the assumptions;
  - Compared the revenue growth rates used in the valuation to current industry and economic trends;
  - Assessed the reasonableness of the probability of success of current research and development projects;
  - Assessed the reasonableness of the expected timing to realization of revenue;
  - Evaluated the reasonableness of the expected time to a possible liquidation event; and
  - Developed an independent expectation for comparison to management's estimated revenue, costs of revenue and administrative expenses.

/s/ Marcum LLP

Marcum LLP

We have served as the Company's auditor since 2019.

Melville, NY  
July 29, 2021



**PORTAGE BIOTECH INC.**  
**Consolidated Statements of Operations and Comprehensive Income (Loss)**  
**(U.S. Dollars in thousands, except per share amounts)**

	Notes	Years Ended March 31,		
		2021	2020	2019
<b>Expenses</b>				
Research and development		\$ 7,312	\$ 4,108	\$ 1,907
General and administrative expenses		5,128	1,870	857
<b>Loss from operations</b>		<b>(12,440)</b>	<b>(5,978)</b>	<b>(2,764)</b>
Gain on sale of marketable equity securities	6	72	–	–
Foreign exchange transaction gain (loss)	12, 18	–	6	(691)
Change in fair value of warrant liability	15	(790)	24	–
(Loss) on equity issued at a discount	16	(1,256)	–	–
Loss on extinguishment of notes payable	14	(223)	(33)	–
Share of (loss) income in associate accounted for using equity method	7	(490)	18	(162)
Gain on disposition of subsidiaries	8	412	–	–
Interest income		–	11	111
Interest expense		(177)	(557)	(88)
<b>Loss before provision for income taxes</b>		<b>(14,892)</b>	<b>(6,509)</b>	<b>(3,594)</b>
Income tax (expense)	12,18	(2,297)	(740)	–
<b>Net (loss)</b>		<b>(17,189)</b>	<b>(7,249)</b>	<b>(3,594)</b>
<b>Other comprehensive income (loss)</b>				
Net unrealized gain on investments	6, 9	–	876	50
<b>Total comprehensive (loss) for year</b>		<b>\$ (17,189)</b>	<b>\$ (6,373)</b>	<b>\$ (3,544)</b>
<b>Net (loss) attributable to:</b>				
Owners of the Company		\$ (15,833)	\$ (5,333)	\$ (2,635)
Non-controlling interest	24	(1,356)	(1,916)	(959)
		<u>\$ (17,189)</u>	<u>\$ (7,249)</u>	<u>\$ (3,594)</u>
<b>Comprehensive (loss) attributable to:</b>				
Owners of the Company		\$ (15,833)	\$ (4,457)	\$ (2,585)
Non-controlling interest	24	(1,356)	(1,916)	(959)
		<u>\$ (17,189)</u>	<u>\$ (6,373)</u>	<u>\$ (3,544)</u>
<b>(Loss) per share</b>				
Basic and diluted	19	\$ (1.35)	\$ (0.49)	\$ (0.55)
<b>Weighted average shares outstanding</b>				
Basic and diluted	19	11,733	10,952	4,820

The accompanying notes are an integral part of these consolidated financial statements.

**PORTAGE BIOTECH INC.**  
**Consolidated Statements of Changes in Equity**  
**(U.S. Dollars in thousands)**

	Number of Shares	Capital Stock	Stock Option Reserve	Accumulated Other Comprehensive Income	Retained Earnings (Accumulated Deficit)	Equity Attributable to Owners of Company	Non- Controlling Interest	Total Equity
<b>Balance, April 1, 2018</b>	<b>2,807</b>	<b>\$ 23,654</b>	<b>\$ 267</b>	<b>\$ 32</b>	<b>\$ (14,334)</b>	<b>\$ 9,619</b>	<b>\$ -</b>	<b>\$ 9,619</b>
Unrealized gain on investment in Biohaven	-	-	-	50	-	50	-	50
Shares issued on acquisition of SalvaRx Limited	8,051	92,583	-	-	-	92,583	-	92,583
Fair value of a subsidiary attributable to non-controlling interest on acquisition	-	-	-	-	-	-	48,731	48,731
Share-based compensation	-	-	57	-	-	57	1,111	1,168
Net loss for year	-	-	-	-	(2,635)	(2,635)	(959)	(3,594)
<b>Balance, March 31, 2019</b>	<b>10,858</b>	<b>116,237</b>	<b>324</b>	<b>82</b>	<b>(16,969)</b>	<b>99,674</b>	<b>48,883</b>	<b>148,557</b>
Net unrealized gain on investments	-	-	-	876	-	876	-	876
Shares issued on acquisition of Intensity Holdings Limited	130	1,298	-	-	-	1,298	-	1,298
Expiration of unexercised stock options	-	282	(282)	-	-	-	-	-
Share-based compensation	-	-	16	-	-	16	2,143	2,159
Net loss for year	-	-	-	-	(5,333)	(5,333)	(1,916)	(7,249)
<b>Balance, March 31, 2020</b>	<b>10,988</b>	<b>117,817</b>	<b>58</b>	<b>958</b>	<b>(22,302)</b>	<b>96,531</b>	<b>49,110</b>	<b>145,641</b>
Issued under private placement	698	6,980	-	-	-	6,980	-	6,980
Share issuance costs	-	(248)	-	-	-	(248)	-	(248)
Share-based compensation	-	-	7,977	-	-	7,977	850	8,827
Exchange of SalvaRx warrants for Portage warrants	-	2,640	-	-	-	2,640	-	2,640
Settlement of non-controlling interest in SalvaRx Limited	-	2,451	-	-	-	2,451	(2,451)	-
Warrant liability at contract price	-	(330)	-	-	-	(330)	-	(330)
Fair value adjustment for shares issued at a discount in SalvaRx Limited	397	1,256	-	-	-	1,256	-	1,256
Shares issued for services	1	25	-	-	-	25	-	25
Expiration of unexercised stock options	-	58	(58)	-	-	-	-	-
Net loss for period	-	-	-	-	(15,833)	(15,833)	(1,356)	(17,189)
<b>Balance, March 31, 2021</b>	<b>12,084</b>	<b>\$ 130,649</b>	<b>\$ 7,977</b>	<b>\$ 958</b>	<b>\$ (38,135)</b>	<b>\$ 101,449</b>	<b>\$ 46,153</b>	<b>\$ 147,602</b>

The accompanying notes are an integral part of these consolidated financial statements.

**PORTAGE BIOTECH INC.**  
**Consolidated Statements of Cash Flows**  
**(U.S. Dollars in thousands)**

	Years Ended March 31,		
	2021	2020	2019
<b>Cash flows provided by (used in) operating activities:</b>			
Net loss for the year	\$ (17,189)	\$ (7,249)	\$ (3,594)
<b>Adjustments for non-cash items:</b>			
Gain on sale of marketable equity securities	(72)	–	–
Increase in deferred tax liability	2,446	1,240	–
Foreign exchange transaction (gain) loss	–	(6)	691
Loss (income) on fair value of warrant liability	790	(24)	–
Loss on equity issued at a discount	1,256	–	–
Amortization of debt discount	76	265	–
Loss on early extinguishment of debt	223	33	–
Share of loss (gain) in associate	490	(18)	162
Share-based compensation expensed as consulting fee	8,827	2,143	1,148
Fair value of stock issued for services	25	–	–
Gain on disposition of subsidiaries	(412)	–	–
Share-based compensation expensed as research and development	–	16	20
<b>Changes in operating working capital:</b>			
Accounts receivable	(111)	–	–
Prepaid expenses and other receivables	(1,477)	(281)	352
Accounts payable and accrued liabilities	880	167	363
Other assets	(36)	–	–
<b>Net cash used in operating activities</b>	<b>(4,284)</b>	<b>(3,714)</b>	<b>(858)</b>
<b>Cash flows provided by (used in) investing activities:</b>			
Proceeds from sale of marketable securities	140	–	–
Investment in associate	(1,000)	–	(688)
Cash from SalvaRx Limited acquisition	–	–	1,192
Purchase of notes receivable issued by SalvaRx Limited prior to the acquisition by Portage	–	–	(950)
<b>Net cash used in investing activities</b>	<b>(860)</b>	<b>–</b>	<b>(446)</b>
<b>Cash flows provided by (used in) financing activities:</b>			
Proceeds from shares issued under private placement	6,980	–	–
Share issuance costs	(248)	–	–
Repayment of unsecured notes payable	(1,020)	(300)	(50)
(Repayment of) advance from related party	(1,000)	1,000	–
Note proceeds received	50	–	–
<b>Net cash provided by (used in) financing activities</b>	<b>4,762</b>	<b>700</b>	<b>(50)</b>
<b>(Decrease) increase in cash and cash equivalents during year</b>	<b>(382)</b>	<b>(3,014)</b>	<b>(1,354)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>3,152</b>	<b>6,166</b>	<b>7,520</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 2,770</b>	<b>\$ 3,152</b>	<b>\$ 6,166</b>
<b>Supplemental disclosure of cash flow information:</b>			
Cash paid for interest	\$ 748	\$ –	\$ –
<b>Supplemental disclosure of non-cash investing and financing activities:</b>			
Shares issued pursuant to settlement of SalvaRx notes and warrants	\$ 2,640	\$ –	\$ –
Fair value of warrant liability for Portage warrants issued	\$ 1,120	\$ –	\$ –
Notes payable settled in disposition of subsidiaries	\$ 200	\$ –	\$ –
Fair value of shares issued to acquire Intensity Holdings Limited	\$ –	\$ 1,298	\$ –
Fair value of shares issued to acquire SalvaRx Limited	\$ –	\$ –	\$ 92,583
Effective settlement of convertible notes issued by SalvaRx Limited upon acquisition by Portage	\$ –	\$ –	\$ 1,963
Unrealized gain on investments in Intensity and Biohaven	\$ –	\$ 876	\$ 50

The accompanying notes are an integral part of these consolidated financial statements.

**NOTE 1. NATURE OF OPERATIONS**

Portage Biotech Inc. (the "Company" or "Portage") is incorporated in the British Virgin Islands ("BVI") with its registered office located at FH Chambers, P.O. Box 4649, Road Town, Tortola, BVI. Its Toronto agent, Portage Services Ltd., is located at 6 Adelaide Street East, Suite 300, Toronto, Ontario, M5C 1H6, Canada.

The Company is a reporting issuer with the securities commissions of the provinces of Ontario and British Columbia. Its ordinary shares were listed on the Canadian Stock Exchange ("CSE") under the symbol "PBT.U". On February 25, 2021, the ordinary shares of the Company began trading on the NASDAQ Capital Market ("NASDAQ") under the symbol "PRTG". The Company voluntarily delisted its common shares from the CSE at the market close on April 23, 2021, since the Company's shares began trading on NASDAQ.

Portage is a clinical stage immune-oncology company focused on overcoming immune resistance and currently managing 10 immuno-oncology assets at various development stages. We source, nurture and develop the creation of early- to mid-stage, first- and best-in-class therapies for a variety of cancers, by funding, implementing viable, cost effective product development strategies, clinical counsel/trial design, shared services, financial and project management to enable efficient, turnkey execution of commercially informed development plans. Our drug development pipeline portfolio encompasses products or technologies based on biology addressing known resistance pathways/mechanisms of current check point inhibitors with established scientific rationales, including intratumoral delivery, nanoparticles, liposomes, aptamers, and virus-like particles.

On August 13, 2018, the Company reached a definitive agreement to acquire 100% of SalvaRx Limited ("SalvaRx") in exchange for 8,050,701 ordinary shares of the Company (the "SalvaRx Acquisition"). The SalvaRx Acquisition was completed on January 8, 2019 (the "Acquisition Date") upon receiving shareholder and regulatory approval. In connection with the SalvaRx Acquisition, the Company acquired interests in SalvaRx's five research and development invested entities and subsidiaries: iOx Therapeutics Ltd. ("iOx"), Nekonal Oncology Limited ("Nekonal"), Intensity Therapeutics, Inc. ("Intensity"), Saugatuck Therapeutics Ltd. ("Saugatuck") and Rift Biotherapeutics Inc. ("Rift"). In connection with the SalvaRx Acquisition, the Company also acquired an option in Nekonal SARL, a Luxembourg-based company holding intellectual property rights for therapeutics and diagnostics in the field of autoimmune disorders and oncology, to participate in the funding of its autoimmune programs. The Company abandoned its interests in Nekonal (see Note 10, "Acquisition and Business Combination").

On June 5, 2020, the Company effected a 100:1 reverse stock split. All share and per share information included in the consolidated financial statements have been retroactively adjusted to reflect the impact of the reverse stock split. The shares of ordinary shares authorized remained at an unlimited number of ordinary shares without par value.

Portage filed a registration statement and prospectus with the Securities and Exchange Commission ("SEC") pursuant to Rule 424(b)(2) under which it may sell shares, debt securities, warrants and units that Portage may sell in one or more offerings from time to time, which became effective on March 8, 2021 ("Registration Statement" or "Prospectus"). The Registration Statement includes:

- a base prospectus, which covers the offering, issuance and sales by us of up to \$200,000,000 in the aggregate of the securities identified above from time to time in one or more offerings; and
- a sales agreement prospectus covering the offer, issuance and sale by us of up to a maximum aggregate offering price of up to \$50,000,000 of our ordinary shares that may be issued and sold from time to time under sales agreement, or sales agreement, with Cantor Fitzgerald & Co., or Cantor Fitzgerald, the sales agent.

**NOTE 1. NATURE OF OPERATIONS (Cont'd)**

The specific terms of any securities to be offered pursuant to the base prospectus are specified in the sales agreement prospectus. The \$50,000,000 of ordinary shares that may be offered, issued and sold under the sales agreement prospectus is included in the \$200,000,000 of securities that may be offered, issued and sold by us under the base prospectus. The sales under the prospectus will be deemed to be made pursuant to an “at the market offering” as defined in Rule 415(a)(4) promulgated under the Securities Act of 1933 (the Securities Act). Upon termination of the sales agreement, any portion of the \$50,000,000 included in the sales agreement prospectus that is not sold pursuant to the sales agreement will be available for sale in other offerings pursuant to the base prospectus, and if no shares are sold under the sales agreement, the full \$50,000,000 of securities may be sold in other offerings pursuant to the base prospectus. See Note 2, “Liquidity,” Note 16, “Capital Stock” and Note 25, “Events After the Balance Sheet Date” for a further discussion.

**NOTE 2. LIQUIDITY**

The accompanying consolidated financial statements have been prepared on a basis that assumes that the Company will continue as a going concern and that contemplates the continuity of operations, the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. Accordingly, the accompanying consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts of liabilities that might result from the outcome of this uncertainty.

As of March 31, 2021, the Company had cash and cash equivalents of \$2.8 million and total current liabilities of \$3.2 million (inclusive of \$1.1 million warrant liability settleable on a non-cash basis). For the year ended March 31, 2021, the Company is reporting a net loss of (\$17.2) million and cash used in operating activities of \$4.3 million. As of June 30, 2021, we had approximately \$28.6 million of cash on hand.

In April 2021, the Company commenced its “at the market” offering and through that process, sold 90,888 shares generating net proceeds of approximately \$2.6 million. Further, the Company initiated an offering pursuant to the Prospectus. On June 24, 2021, the Company completed a firm commitment underwritten public offering of 1,150,000 ordinary shares at a public offering price of \$23.00 per share for gross proceeds of approximately \$26.5 million and net proceeds of approximately \$25.0 million, and was settled June 28, 2021. The Company incurred offering expenses for the public offering of approximately \$1.5 million, including approximately \$1.4 million of management, underwriting and selling expenses. The Company will use net proceeds raised to fund its research and development activities and support operations. The amount raised is sufficient to fund operations through July 2022. Funds may be used to accelerate activities or invest in other strategic assets.

The Company has incurred substantial operating losses since inception and expects to continue to incur significant operating losses for the foreseeable future and may never become profitable. The losses result primarily from its conduct of research and development activities.

The Company historically has funded its operations principally from proceeds from issuances of equity and debt securities and would expect to enter the capital markets if additional funding is required.

**NOTE 2. LIQUIDITY (Cont'd)**

**COVID-19 Effect**

Beginning in early March 2020, the COVID-19 pandemic and the measures imposed to contain this pandemic have disrupted and are expected to continue to impact the Company's business operations. The magnitude of the impact of the COVID-19 pandemic on the Company's productivity, results of operations and financial position, and its disruption to the Company's business and clinical programs and timelines, will depend, in part, on the length and severity of these restrictions and on the Company's ability to conduct business in the ordinary course.

**NOTE 3. BASIS OF PRESENTATION**

**Statement of Compliance and Basis of presentation**

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and interpretations of the International Financial Reporting Interpretations Committee. Certain reclassifications have been made to prior years to conform with current year presentation.

These consolidated financial statements have been prepared on an historical cost basis except for items disclosed herein at fair value (see Note 22, "Financial Instruments and Risk Management").

The Company has only one reportable operating segment.

These consolidated financial statements were approved and authorized for issuance by the Audit Committee and Board of Directors on July 29, 2021.

**Consolidation**

The consolidated financial statements include the accounts of the Company and,

- (a) SalvaRx Limited ("SalvaRx"), a wholly-owned subsidiary, incorporated on May 6, 2015 in the British Virgin Islands.
- (b) iOx Therapeutics Ltd. ("iOx"), a United Kingdom based immune-oncology company, a 60.49% subsidiary, incorporated in the United Kingdom on February 10, 2015.
- (c) Saugatuck Therapeutics, Ltd. ("Saugatuck"), a 70% owned subsidiary incorporated in the British Virgin Islands.
- (d) Portage Developmental Services, a 100% owned subsidiary incorporated in Delaware, which provides human resources, and other services to each operating subsidiary via a shared services agreement.



**NOTE 3. BASIS OF PRESENTATION (Cont'd)**

***Consolidation (Cont'd)***

The following companies were disposed of on March 3, 2021 (see Note 8, "Disposition of PPL"):

- Portage Pharmaceuticals Ltd. ("PPL") a wholly-owned subsidiary acquired in a merger on July 23, 2013, incorporated in the British Virgin Islands.
- EyGen Limited ("EyGen"), a wholly-owned subsidiary of PPL, incorporated on September 20, 2016, in the British Virgin Islands.
- Portage Glasgow Ltd. ("PGL"), a 65% subsidiary of PPL, incorporated in Glasgow, Scotland.

All inter-company balances and transactions have been eliminated in consolidation.

Non-controlling interest in the equity of a subsidiary is accounted for and reported as a component of stockholders' equity. Non-controlling interests represent the 39.51% shareholder ownership interest in iOx and the 30% shareholder ownership interest in Saugatuck, which are consolidated by the Company. In years prior to March 31, 2021, non-controlling interest also included 35% in PGL.

***Functional and Presentation Currency***

The Company's functional and presentation currency is the U.S. Dollar.

***Use of Estimates and Judgments***

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant areas where estimates are made include valuation of financial instruments, research and development costs, fair value used for acquisition and measurement of share-based compensation. Significant areas where critical judgments are applied include assessment of impairment of investments and goodwill and the determination of the accounting acquirer and acquiree in the business combination accounting.

***Reclassifications***

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.

**NOTE 4. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, which have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

***Financial Instruments***

***i) Financial Assets***

**Classification**

Upon the initial recognition of a financial assets, the financial assets are classified as one of the following measurement methodologies: (a) amortized cost, (b) fair value through other comprehensive income (FVTOCI), or (c) fair value through profit or loss (FVTPL). Subsequent measurement will be based on the initial classification of the financial assets.

The classification of a financial asset at initial recognition depends on the Company's business model for managing the financial asset and the financial asset's contractual cash flow characteristics.

In order for a financial asset to be measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are *solely payments of principal and interest* ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

**Measurement**

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortized cost (debt instruments);
- Financial assets at FVTOCI; and
- Financial assets at FVTPL.

**Financial Assets at Amortized Cost (Debt Instruments)**

The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective of holding the financial asset in order to collect contractual cash flows and;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate method and are subject to a period impairment review. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets classified at amortized cost includes other receivables.

**NOTE 4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**Financial Assets designated at Fair Value through OCI (Equity Instruments)**

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at FVTOCI when they meet the definition of equity under IAS 32, "Financial Instruments: Presentation," and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company irrevocably elected to classify its investments in Biohaven Pharmaceuticals Holding Company Ltd. ("Biohaven"), Sentien and Intensity as FVTOCI.

**Financial Assets at Fair Value through Profit or Loss**

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured FVTPL, irrespective of the business model.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

**ii) Financial Liabilities**

The Company's financial liabilities include accounts payable which approximates fair value due to their short maturity and unsecured notes payable assumed in the SalvaRx Acquisition. The unsecured notes payable assumed in the SalvaRx Acquisition are recorded at fair value on the acquisition date (see Note 10, "Acquisition and Business Combination" and Note 14, "Unsecured Notes Payable").

**Warrant Liability and Note Payable**

During the year ended March 31, 2017, the Company's subsidiaries, PPL and EyGen, issued notes with warrants (see Note 14, "Unsecured Notes Payable" and Note 15, "Warrant Liability"). The warrants, which were exercisable for common shares of PPL and EyGen, expired in the year ended March 31, 2020.

Accordingly, at inception a portion of the proceeds was allocated to the fair value of the warrants and the remainder was recorded as a note payable. The warrants expired and the note payable was settled as part of the PPL disposition in March 2021 (see Note 8, "Disposition of PPL").

**NOTE 4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

At subsequent balance sheet dates the fair value of the warrant was remeasured with movements in the fair value recorded in profit or loss. The loan was recorded at amortized cost and is accounted for using the effective interest method. In March 2021, the Company completed the disposition of its interest in PPL and EyGen and these liabilities were settled.

In connection with the SalvaRx Acquisition (see Note 10, "Acquisition and Business Combination" and Note 14, "Unsecured Notes Payable"), the Company acquired notes payable and associated warrants, which were recorded at fair value on the date of the acquisition.

**Impairment of Financial Assets**

IFRS 9, "Financial Instruments," requires the Company to recognize an allowance for expected credit losses ("ECLs") for all debt instruments and investments not held at fair value through profit or loss and contract assets. For intangible assets, at the end of each reporting period and whenever there is an indication that the intangible asset may be impaired, the Company reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

At the end of each reporting period, the Company assessed whether there was objective evidence that a financial asset was impaired. The Company recognizes an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

**Foreign Currencies**

The functional and presentation currency of the Company and its subsidiaries (see Note 3, "Basis of Presentation") is the U.S. dollar. Monetary assets and liabilities are translated at exchange rates in effect at the balance sheet date. Non-monetary assets are translated at exchange rates in effect when they were acquired. Revenue and expenses are translated at the approximate average rate of exchange for the period. Foreign currency differences arising on retranslation are recognized in income or loss.

The effect of exchange rates on our foreign currency-denominated asset and liability balances are recorded as foreign currency transaction losses in the determination of net income (loss).

**Cash and Cash Equivalents**

Cash and cash equivalents comprise cash in hand and on-demand deposits that are readily convertible to a known amount of cash with three months or less from date of acquisition and are subject to an insignificant risk of change in value. The Company does not have any cash equivalents as of March 31, 2021 and 2020.

**NOTE 4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**Intangible Assets acquired in Business Combinations**

Intangible assets acquired in business combinations that are separable from goodwill are recorded at their acquisition date fair value. Subsequent to initial recognition, intangible assets acquired in business combinations are reported net of accumulated amortization and any impairment losses.

**Impairment of Indefinite Life Intangible Assets other than Goodwill**

At the end of each annual reporting period and whenever there is an indication that an indefinite life intangible asset may be impaired, the Company reviews the carrying amounts of such intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of impairment loss (if any). When it is not possible to estimate the recoverable amount of any individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units ("CGU" or "CGUs"), or the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

**Share-based Payments**

The Company determines the fair value of share-based payments granted to directors, officers, employees and consultants using the Black-Scholes option-pricing model at the grant date. Assumptions for the Black-Scholes model are determined as follows:

- **Expected Volatility.** The expected volatility rate used to value stock option grants is based on volatilities of a peer group of similar companies whose share prices are publicly available. The peer group was developed based on companies in the life sciences industry.
- **Expected Term.** The Company used historical experience.
- **Risk-free Interest Rate.** The risk-free interest rate assumption was based on zero-coupon U.S. Treasury instruments that had terms consistent with the expected term of the Company's stock option grants.
- **Expected Dividend Yield.** The Company has never declared or paid any cash dividends and does not presently plan to pay cash dividends in the foreseeable future.

Share-based payments to employees, officers and directors are recorded and reflected as an expense over the vesting period with a corresponding increase in the stock option reserve. On exercise, the associated amounts previously recorded in the stock option reserve are transferred to common share capital.

**NOTE 4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**(Loss) Per Share**

Basic (loss) per share is calculated by dividing net (loss) income (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period. Diluted (loss) per share reflects the dilution that would occur if outstanding stock options and share purchase warrants were exercised into ordinary shares using the treasury stock method and convertible debt were converted into ordinary shares using the if-converted method. Diluted (loss) per share is calculated by dividing net (loss) income applicable to ordinary shares by the sum of the weighted average number of ordinary shares outstanding and all additional ordinary shares that would have been outstanding if potentially dilutive common shares had been issued. The share and per share information has been retroactively adjusted to reflect the impact of the stock dividend.

The inclusion of the Company's stock options, restricted stock units and share purchase warrants in the computation of diluted loss per share would have an anti-dilutive effect on loss per share and are therefore excluded from the computation. Consequently, there is no difference between basic loss per share and diluted loss per share for the years ended March 31, 2021, 2020 and 2019. The following table reflects the outstanding securities by year that would have an anti-dilutive effect on loss per share, and accordingly, were excluded from the calculation (see Note 19, "(Loss) Per Share").

	<b>As of March 31,</b>		
	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Stock options</b>	<b>868,000</b>	2,980	2,980
<b>Restricted stock units</b>	<b>243,000</b>	–	–
<b>Warrants</b>	<b>49,701</b>	–	–

**Investments in Private Companies**

The investment is comprised of shares of private companies that have been acquired through a private placement. The investment is initially recorded at fair value. Following acquisition, the Company evaluates whether control or significant influence is exerted by the Company over the affairs of the investee company. Based on the evaluation, the Company accounts for the investment using either the consolidation, equity accounting or fair value method (see Note 9, "Investments in Private Companies").

**Investment in Associate**

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations". Under the equity method, an investment in an associate is initially recognized in the consolidated statement of financial position at cost from the date the investee becomes an associate and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate. When the Company's share of losses of an associate exceed the Company's interest in that associate (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

After application of the equity method, the Company determines whether it is necessary to recognize an impairment loss on its investment in its associate. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognizes the loss within 'share of (loss) income in associate' in the consolidated statements of operations.

**NOTE 4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**Research and Development Expenses**

***(i) Research and Development***

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is expensed as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically, and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

Research and development expenses include all direct and indirect operating expenses supporting the products in development.

***(ii) Subsequent Expenditure***

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in income or loss as incurred.

***(iii) Clinical Trial Expenses***

Clinical trial expenses are a component of the Company's research and development costs. These expenses include fees paid to contract research organizations, clinical sites, and other organizations who conduct development activities on the Company's behalf. The amount of clinical trial expenses recognized in a period related to clinical agreements are based on estimates of the work performed using an accrual basis of accounting. These estimates incorporate factors such as patient enrolment, services provided, contractual terms, and prior experience with similar contracts.

**Contingent Liability**

A contingent liability is a possible obligation that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Corporation; or a present obligation that arises from past events (and therefore exists), but is not recognized because it is not probable that a transfer or use of assets, provision of services or any other transfer of economic benefits will be required to settle the obligation; or the amount of the obligation cannot be estimated reliably.

**Determination of Fair Value**

A number of the Company's accounting policies and disclosures required the determination of fair value, both for financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. When applicable, further information about the assumptions made in determining fair values is disclosed in Note 22, "Financial Instruments and Risk Management" and other footnotes that specifically relate to assets or liabilities measured at fair value.

**NOTE 4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**Income Tax**

The Company uses the asset and liability method to account for income taxes. Deferred income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities for accounting purposes, and their respective tax bases.

Deferred income tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted and applied to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in statutory tax rates is recognized in profit or loss in the year of change. Deferred income tax assets are recorded when their recoverability is considered probable and are reviewed at the end of each reporting period.

**Business Combinations**

Business combinations are accounted for using the acquisition method as of the date when control transfers to the Company. The total purchase price less the fair value of non-controlling interest is allocated to the acquired net tangible and intangible assets and liabilities assumed at fair value.

Transaction costs that the Company incurs in connection with a business combination are expensed as incurred.

**Goodwill**

Goodwill represents the excess of the purchase price paid for the acquisition of an entity and the amount recognized for non-controlling interests over the fair value of the net identifiable assets acquired and liabilities assumed. Goodwill is allocated to the CGUs, which are expected to benefit from the synergies of the combination. Goodwill is not subject to amortization and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Impairment is determined for goodwill by assessing if the carrying value of a CGU, including the allocated goodwill, exceeds its recoverable amount determined as the greater of the estimated fair value less costs to sell and the value in use. Impairment losses recognized in respect of a CGU are first allocated to the carrying value of goodwill and any excess is allocated to the carrying amount of assets in the CGU. Any goodwill impairment is recorded in income in the period in which the impairment is identified. Impairment losses on goodwill are not subsequently reversed.



**NOTE 4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**Recent Accounting Pronouncements**

***Impact of Adoption of Significant New IFRS Standards in 2020***

**(a) IAS 1: Presentation of Financial Statements, and IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors (Amendment)**

The amendments to IAS 1 and IAS 8 clarify the definition of material and seek to align the definition used in the Conceptual Framework with that in the standards themselves, as well as ensuring the definition of material is consistent across all IFRS. The Company adopted these amendments effective January 1, 2020. The adoption of these amendments did not have a significant impact on the Company's annual consolidated financial statements.

**(b) Conceptual Framework for Financial Reporting**

Together with the revised Conceptual Framework published in March 2018, the IASB also issued Amendments to References to the Conceptual Framework in IFRS Standards. The Company adopted the Revised Conceptual Framework effective January 1, 2020. The adoption of these amendments did not have a significant impact on the Company's annual consolidated financial statements.

***IFRS Pronouncements Issued But Not Yet Effective***

**New Accounting Standards, Interpretations and Amendments**

Standards issued but not yet effective up to the date of issuance of the Company's consolidated financial statements are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective.

**(c) Annual Improvements to IFRS Standards 2018-2020**

The annual improvements process addresses issues in the 2018-2020 reporting cycles including changes to IFRS 9, "Financial Instruments," IFRS 1, "First Time Adoption of IFRS," IFRS 16, "Leases," and IAS 41, "Biological Assets".

- i) The amendment to IFRS 9 addresses which fees should be included in the 10% test for derecognition of financial liabilities.
- ii) The amendment to IFRS 1 allows a subsidiary adopting IFRS at a later date than its parent to also measure cumulative translation differences using the amounts reported by the parent based on the parent's date of transition to IFRS.
- iii) The amendment to IFRS 16's illustrative example 13 removes the illustration of payments from the lessor related to leasehold improvements.

These amendments will be effective for annual periods beginning on or after January 1, 2022. The Company is currently evaluating the new guidance and impacts on its consolidated financial statements.

**NOTE 4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**(d) IAS 37: Onerous Contracts - Cost of Fulfilling a Contract**

The amendment to IAS 37 clarifies the meaning of costs to fulfil a contract and that before a separate provision for an onerous contract is established, an entity recognizes any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to the contract. This amendment will be effective for annual periods beginning on or after January 1, 2022. The Company is currently evaluating the new guidance and impacts on its consolidated financial statements.

**(e) IAS 16: Proceeds Before Intended Use**

The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of Property, plant and equipment any proceeds received from selling items produced while the entity is preparing the assets for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly). It also clarifies that an entity is testing whether the asset is functioning properly when it assesses the technical and physical performance of the asset. The amendment also requires certain related disclosures. This amendment will be effective for annual periods beginning on or after January 1, 2022. The Company is currently evaluating the new guidance and impacts on its consolidated financial statements.

**(f) IAS 1: Presentation of Financial Statements**

The amendment to IAS 1 clarifies how to classify debt and other liabilities as either current or non-current. The amendment will be effective for annual periods beginning on or after January 1, 2023. The Company is currently evaluating the new guidance and impacts on its consolidated financial statements.

**(g) Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture**

The amendment addresses the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognized in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively. The Company is evaluating whether the adoption of the above amendment will have a material impact on its financial statements.

**NOTE 5. PREPAID EXPENSES AND OTHER RECEIVABLES**

(In thousands)	<b>As of March 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>Prepaid insurance</b>	<b>\$ 1,445</b>	<b>\$ 14</b>
<b>Research &amp; development tax credits</b>	<b>649</b>	<b>500</b>
<b>Other prepaid expenses</b>	<b>48</b>	<b>–</b>
<b>Other receivables</b>	<b>34</b>	<b>60</b>
<b>Total prepaid expenses and other receivables</b>	<b>\$ 2,176</b>	<b>\$ 574</b>

In October 2016, the Company's wholly-owned subsidiary, PPL, agreed to a settlement, from a claim made against a supplier, to receive \$120,000 in annual instalments of \$11,250. Through March 31, 2021, the Company has collected \$86,250. The balance of \$33,750 was classified \$11,250 as a current asset in prepaid expenses and other receivables and \$22,500 as a long-term receivable as of March 31, 2021. As of March 31, 2020, the outstanding balance of \$45,000 was classified \$11,250 in prepaid expenses and other receivables and \$33,750 as a long-term asset. The installment receivable was assigned to Portage by PPL prior to the disposition of PPL (see Note 8, "Disposition of PPL"). The installment note was repaid in full in July 2021 (see Note 25, "Events After the Balance Sheet Date").

**NOTE 6. INVESTMENT IN MARKETABLE EQUITY SECURITIES**

As of March 31, 2020 and 2019, the Company's investment in marketable equity securities was comprised of 2,000 shares in Biohaven, a public company listed on the New York Stock Exchange. The Company accounted for its investment in Biohaven as a financial asset classified as fair value through the statement of other comprehensive income ("FVTOCI").

In August 2020, the Company sold the shares of Biohaven for proceeds of \$140,000 resulting in a gain of \$72,000.

The following table is a roll-forward of the investment in Biohaven as of March 31, 2021, 2020 and 2019:

(In thousands)	<b>As of March 31,</b>		
	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Balance, beginning of year</b>	<b>\$ 68</b>	<b>\$ 103</b>	<b>\$ 53</b>
<b>Unrealized (loss) gain on investment</b>	<b>–</b>	<b>(35)</b>	<b>50</b>
<b>Proceeds from the sale of the investment</b>	<b>(140)</b>	<b>–</b>	<b>–</b>
<b>Gain on sale</b>	<b>72</b>	<b>–</b>	<b>–</b>
<b>Balance, end of year</b>	<b>\$ –</b>	<b>\$ 68</b>	<b>\$ 103</b>

**NOTE 7. INVESTMENT IN ASSOCIATE**

Details of the Company's associate as of March 31, 2021 and 2020 are as follows:

<b>Name</b>	<b>Principal Activity</b>	<b>Place of Incorporation and Principal Place of Business</b>	<b>Voting Rights Held as of March 31, 2021</b>	<b>Voting Rights Held as of March 31, 2020</b>
Associate: Stimunity S.A.	Biotechnology	Paris, France	44.0%	36.4%

The abovementioned associate is accounted for using the equity method in these consolidated financial statements.

The following table is a roll-forward of the Company's investment in Stimunity S.A. as of March 31, 2021 and 2020:

(In thousands)	<b>Years ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>Balance, beginning of year</b>	<b>\$ 1,225</b>	<b>\$ 1,207</b>
<b>Additional investment</b>	<b>1,000</b>	<b>–</b>
<b>Share of (loss) income</b>	<b>(490)</b>	<b>18</b>
<b>Balance, end of year</b>	<b>\$ 1,735</b>	<b>\$ 1,225</b>

On February 28, 2018, the Company made an initial investment of €0.5 million (\$0.7 million) by subscribing to 3,780 new Class A shares of Stimunity SAS ("Stimunity"), a French simplified joint stock company located and operating in Paris, France, for a 27% equity interest. One of the three directors on the Board of Directors is represented by the Company. The management of Stimunity is controlled by the two other founding shareholders of Stimunity. Management has evaluated the Company's investment and concluded that the Company has significant influence and therefore its investment in Stimunity is accounted for using the equity method.

The Company also committed to a second investment in the amount of €1.5 million (\$1.9 million) (the "Stimunity Commitment") by subscribing to 4,140 new ordinary shares at a price of €363 per share, upon Stimunity successfully completing agreed milestones. On March 25, 2019, the Company made an additional discretionary investment of €0.6 million (\$0.7 million) by subscribing to 1,945 ordinary shares at a price of €308.55 per share, increasing its ownership to approximately 37%. No milestones were completed as of March 31, 2020 and 2019.

On June 1, 2020, the Company made an additional \$1.0 million investment in Stimunity upon Stimunity's achievement of certain agreed milestones, increasing its equity share in Stimunity to 44% (see Note 20, "Commitments and Contingent Liabilities").

The Company accounts for its investment in Stimunity under the equity method and accordingly, records its share of Stimunity's earnings or loss based on its ownership percentage. The Company recorded equity in (loss) income in Stimunity of (\$490,000) and \$18,000 for the years ended March 31, 2021 and 2020, respectively.

Under the shareholders agreement, Portage has (i) a preferential subscription right to maintain its equity interest in Stimunity in the event of a capital increase from the issuance of new securities by Stimunity, except for issuances of new securities for stock options under a merger plan or for an acquisition, or (ii) the right to vote against any (a) issuances of additional securities that would call for the Company to waive its preferential subscription right, or (b) any dilutive issuance.

**NOTE 7. INVESTMENT IN ASSOCIATE (Cont'd)**

The following table illustrates the summarized financial information of the Company's investment in Stimunity S.A:

(In millions)	As of March 31,	
	2021	2020
	(Unaudited)	(Unaudited)
Current assets	\$ 1.6	\$ 1.3
Non-current assets	\$ –	\$ –
Current liabilities	\$ 0.7	\$ 0.3
Non-current liabilities	\$ 0.1	\$ .01
Equity	\$ 0.8	\$ 0.9
Company's share in equity – 44.0% and 36.4%	\$ 0.4	\$ 0.3

  

	Years Ended March 31,	
	2021	2020
	(Unaudited)	(Unaudited)
Revenue	\$ 0.1	\$ 0.2
Loss from operations	\$ (1.5)	\$ (0.3)
Net loss	\$ (1.1)	\$ –

**NOTE 8. DISPOSITION OF PPL**

On March 3, 2021, the Company disposed of 100% of its interest in PPL, which includes PPL's interest in PGL and EyGen for \$10 to an entity controlled by one of the Company's current directors and one of the Company's former directors (the "Purchaser's Executives"). Under the terms of the arrangement, all outstanding payable obligations were assumed by the purchaser. Simultaneously, the Company and the Purchaser's Executives entered into a Revenue Share Deed with PPL under which they will be entitled to certain revenue shares based on the achievement of milestones defined in the Revenue Share Deed. The Company may also be entitled to recover an intercompany receivable from the purchaser in the amount of \$229,848 on the fourth anniversary of the Revenue Share Deed. The Company valued its interest in the Revenue Share Deed and the recovery of the \$229,848 at zero for financials statement purposes. All other intercompany balances were cancelled. The Company no longer has any interest or obligations associated with PPL, PGL and EyGen, other than the interests provided for in the Revenue Share Deed.

**NOTE 9. INVESTMENTS IN PRIVATE COMPANIES**

The following table is a rollforward of the investments in Intensity and Sentien as of March 31, 2020 and 2021:

(In thousands)	Intensity	Sentien	Total
Balance as of April 1, 2019	\$ 4,500	\$ 700	\$ 5,200
Acquisition of Intensity Holdings Limited	1,298	–	1,298
Unrealized gain (loss) on investment	1,611	(700)	911
<b>Balance as of March 31, 2020</b>	<b>7,409</b>	<b>–</b>	<b>7,409</b>
<b>Unrealized gain (loss) on investment</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Balance as of March 31, 2021</b>	<b>\$ 7,409</b>	<b>\$ –</b>	<b>\$ 7,409</b>

**NOTE 9. INVESTMENTS IN PRIVATE COMPANIES (Cont'd)**

The following is a discussion of our investments in private companies as of March 31, 2021 and March 31, 2020.

***Sentien***

In August 2015, the Company acquired 210,210 shares of Series A preferred stock in Sentien ("Preferred Stock"), a Medford, MA based private company for \$700,000 of cash. The Preferred Stock is fully convertible into an equal number of common shares. The Company's holdings represent 5.06% of the equity of Sentien on a fully diluted basis as of March 31, 2021 and March 31, 2020, respectively. The investment in Sentien has been irrevocably designated as a financial asset recorded at fair value with changes in fair value recorded through other comprehensive income. As of March 31, 2020, the Company recorded an unrealized loss of \$0.7 million after determining that cost no longer was the best estimate of fair value due to a significant change in the strategy of Sentien and determined that the investment in Sentien no longer had any fair value as Sentien was no longer pursuing the proposed indication from the time of the Company's initial investment.

***Intensity***

In connection with the SalvaRx Acquisition in fiscal 2019, the Company acquired a \$4.5 million interest in Intensity, a clinical stage biotechnology company, of 1.0 million shares, which represented a 7.5% equity interest in Intensity (see Note 10, "Acquisition and Business Combination"). The investment was recorded at fair value (which approximates cost) at the acquisition date. The investment in Intensity has been irrevocably designated as a financial asset recorded at fair value with gains and losses recorded through other comprehensive income. The fair value of the asset is determined by considering other comparable equity funding transactions by Intensity with unrelated investors.

On July 11, 2019, the Company entered into an agreement with Fast Forward Innovations Limited ("Fast Forward") to purchase Intensity Holdings Limited ("IHL"), a wholly-owned subsidiary of Fast Forward. The Company paid \$1.3 million for IHL through the issuance of 129,806 ordinary shares. The sole asset of IHL consists of 288,458 shares of the private company, Intensity. This transaction increased the Company's ownership to 1,288,458 shares of Intensity. As of March 31, 2021 and March 31, 2020, the Company owned approximately 8% and 9%, respectively, of the outstanding shares of Intensity, on a fully diluted basis.

During the year ended March 31, 2020, the Company recorded an unrealized gain of \$1.6 million with respect to its investment in Intensity based upon Intensity's most recent valuation.

**NOTE 10. ACQUISITION AND BUSINESS COMBINATION**

On August 13, 2018, the Company reached a definitive agreement to acquire 100% of SalvaRx, a company incorporated in the British Virgin Islands on May 6, 2015 focused on novel cancer immunotherapies and to develop clinical proof of concept, in exchange for 8,050,701 ordinary shares of the Company (the "SalvaRx Acquisition"). The SalvaRx Acquisition was completed on January 8, 2019 (the "Acquisition Date") upon receiving shareholder and regulatory approval. Shares issued by the Company on acquisition were valued at \$92.6 million based on the market price of the Company shares of \$11.50 per share on the Acquisition Date. Portage is the accounting acquirer as the controlling group of shareholders of the Company increased their holdings, retained majority of voting rights after the acquisition and the Company's management prior to the acquisition continued as management of the combined company. Four of the Company's Board members are also directors of SalvaRx (see Note 21, "Related Party Transactions"). Notwithstanding the high degree of common ownership between the companies, this was not considered a common control transaction as no single individual held a controlling interest and no contractual arrangement exists among the group of shareholders.

**NOTE 10. ACQUISITION AND BUSINESS COMBINATION (Cont'd)**

In connection with the SalvaRx Acquisition, the Company acquired SalvaRx's five invested entities and subsidiaries: iOx and Saugatuck (consolidated subsidiary with non-controlling interest), Intensity (investment in private company) (see Note 9, "Investments in Private Companies"), Nekonal (joint venture with no fair value due to a dispute with Nekonal, see below), and Rift (no fair value as operations are discontinued). In connection with the SalvaRx Acquisition, the Company also acquired an option from Nekonal SARL that gives SalvaRx the right to acquire shares in Nekonal for €50 (\$55 USD) per share for four years. On January 8, 2019, the acquisition date, the fair value of option was determined to be \$0 due to a dispute with Nekonal.

SalvaRx and Nekonal were involved in a dispute regarding Nekonal's claim that it attained a development milestone that would require SalvaRx to provide the next tranche of funding. SalvaRx claims that Nekonal committed a breach of duties and fraud on its minority shareholders with respect to its assumption that the milestone has been attained. Nekonal management has counterclaimed that SalvaRx is in breach of contract with respect to the funding arrangement. While litigation was threatened, no legal proceedings have commenced. In fiscal 2021, the Company abandoned its interest in Nekonal.

The acquisition of SalvaRx allowed the Company to acquire interest in the development of nine immune-oncology products. SalvaRx has three in-process research and development ("IPR&D") projects identified.

The following table presents unaudited supplemental pro forma consolidated net income based on SalvaRx's historical reporting periods as if the SalvaRx Acquisition had occurred as of April 1, 2018 (in thousands):

<b>Year ended March 31,</b>	<b>2019</b>
Net loss	\$ (5,160)
Net loss applicable to common stockholders	\$ (3,920)
Net loss per share, basic and diluted	\$ (0.01)

**NOTE 11. GOODWILL**

(In thousands)	As of March 31, 2021			As of March 31, 2020		
	Goodwill	IPR&D	DTL	Goodwill	IPR&D	DTL
<b>Balance, beginning of year</b>	\$ 43,324	\$ 117,388	\$ (21,604)	\$ 43,324	\$ 117,388	\$ (21,604)
<b>Foreign exchange effect on deferred liability settleable in Great British pounds</b>	-	-	(2,446)	-	-	-
<b>On Acquisition of SalvaRx Limited</b>	-	-	-	-	-	-
<b>Amortization</b>	-	-	-	-	-	-
<b>Impairment</b>	-	-	-	-	-	-
<b>Balance, end of year</b>	<u>\$ 43,324</u>	<u>\$ 117,388</u>	<u>\$ (24,050)</u>	<u>\$ 43,324</u>	<u>\$ 117,388</u>	<u>\$ (21,604)</u>

The Company's goodwill arose from the acquisition of SalvaRx and its portfolio of several projects and investments.

As of March 31, 2021, the Company determined that it has only one cash-generating unit ("CGU"), the consolidated Portage Biotech, Inc.

**NOTE 11. GOODWILL (Cont'd)**

**Impairment Review**

On an annual basis, the Company assesses its long-lived assets with definite lives, which are not yet available for use for potential indicators of impairment. At the end of each reporting period, the Company is required to assess whether there is any indication that an asset may be impaired. Pursuant to IAS 36, "Impairment of Assets," the Company reviewed its assets for any indicators of impairment and considered underlying fundamentals, execution, de-risking/advancement of assets and the value creation activities during the year ended March 31, 2021.

If any such indication exists, the Company estimates the recoverable amount of the asset or CGU and compares it to the carrying value.

The Company performed its annual impairment test in each of 2021 and 2020 and estimated the recoverable amount of the above-noted CGU based on its value in use, which was determined using a capitalized cash flow methodology and categorized within level 3 of the fair market value hierarchy.

The recoverable amount of the CGU has been determined based on its value in use. The recoverable amount considered assumptions based on probabilities of technical, regulatory and clinical acceptances and financial support. Further, Management uses risk-adjusted cash flow projections based on financial budgets. Management believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount to exceed its recoverable amount. The discount rate has been determined based on the Company's best estimate of a risk adjusted discount rate.

The key assumptions used in the calculation of the recoverable amount include forecasts of the following:

- (a) revenues;
- (b) normalized operating expenses;
- (c) income taxes; and
- (d) capital expenditures.

Discounted cash flows are determined with reference to undiscounted risk adjusted cash flows, and the discount rate approximated 20.0% and 20.5% at March 31, 2021 and 2020, respectively, based on the individual characteristics of the Company's CGU, the risk-free rate of return and other economic and operating factors.

The recoverable amount exceeded the carrying amount of goodwill and therefore no impairment was considered necessary as of March 31, 2021 and 2020.

**NOTE 12. IN PROCESS RESEARCH AND DEVELOPMENT AND DEFERRED TAX LIABILITY**

In process research and development ("IPR&D") consists of the following projects (in thousands):

<b>Project #</b>	<b>Description</b>	<b>Value as of March 31, 2021</b>	<b>Value as of March 31, 2020</b>
<b>iOx:</b>			
<b>IMM 60</b>	<b>Melanoma &amp; Lung Cancers</b>	<b>\$ 84,213</b>	<b>\$ 84,213</b>
<b>IMM 65</b>	<b>Ovarian/Prostate Cancers</b>	<b>32,997</b>	<b>32,997</b>
		<b>117,210</b>	<b>117,210</b>
<b>Oncomer/Saugatuck</b>	<b>DNA Aptamers</b>	<b>178</b>	<b>178</b>
		<b>\$ 117,388</b>	<b>\$ 117,388</b>
<b>Deferred tax liability</b>		<b>\$ 24,050</b>	<b>\$ 21,604</b>



**NOTE 12. IN PROCESS RESEARCH AND DEVELOPMENT AND DEFERRED TAX LIABILITY (Cont'd)**

Additionally, at the end of each reporting period, the Company is required to assess whether there is any indication that an asset may be impaired. Pursuant to IAS 36, the Company reviewed its assets for any indicators of impairment and considered underlying fundamentals, execution, de-risking/advancement of assets and the value creation activities during the year ended March 31, 2021.

As of March 31, 2021, management assessed whether any indications of impairment existed for the Company's IPR&D and concluded no indicators were present. Therefore, a test for impairment was not required and no impairment was recorded for the year ended March 31, 2021.

Deferred tax liability (DTL) related to IPR&D at iOx is subject to tax in the United Kingdom. As of March 31, 2021 and 2020, iOx had a deferred tax liability of approximately \$24.1 million and approximately \$21.6 million, respectively. On January 8, 2019, the Company recognized a \$19.8 million deferred tax liability for the difference between the book and income tax basis of IPR&D acquired as part of the acquisition of SalvaRx. As the IPR&D process is in the UK, the deferred tax had been recorded at 17%, the rate applicable in the UK. During the year ended March 31, 2020, the Company recorded a tax expense of \$2.2 million, including \$2.3 million to increase the deferred tax liability due to the increase in the UK tax rate to 19% in March 2020, \$0.4 million of a return to provision adjustment and a decrease due to a refundable research and development credit of \$0.5 million. As the deferred tax liability may be settled in the future in Great British pounds ("GBP"), the Company increased the deferred tax liability by \$2.4 million as of March 31, 2021 and decreased the deferred tax liability by \$1.4 million as of March 31, 2020, respectively, to reflect the difference in exchange rates from period to period.

**NOTE 13. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

(In thousands)	As of March 31,	
	2021	2020
Accounts payable	\$ 113	\$ 343
Insurance premium note	1,651	–
Accrued interest	5	701
Other	169	224
<b>Total accounts payable and accrued liabilities</b>	<b>\$ 1,938</b>	<b>\$ 1,268</b>

**NOTE 14. UNSECURED NOTES PAYABLE**

Following is a roll-forward of notes payable:

(In thousands)	CURRENT	CURRENT	NON-	Total
	PPL	iOx	CURRENT	
			SalvaRx	
Balance, April 1, 2019	\$ 193	\$ 100	\$ 3,370	\$ 3,663
Repayment	–	–	(300)	(300)
Amortization of debt discount	7	–	258	265
Loss on extinguishment of debt	–	–	33	33
<b>Balance, March 31, 2020</b>	<b>200</b>	<b>100</b>	<b>3,361</b>	<b>3,661</b>
Repayment	–	–	(1,020)	(1,020)
Amortization of debt discount	–	–	76	76
Value of notes exchanged in warrant exercise	–	–	(2,640)	(2,640)
Settlement in connection with disposition of PPL	(200)	–	–	(200)
Loss on extinguishment of debt	–	–	223	223
Proceeds from loan payable	–	50	–	50
<b>Balance, March 31, 2021</b>	<b>\$ –</b>	<b>\$ 150</b>	<b>\$ –</b>	<b>\$ 150</b>

**NOTE 14. UNSECURED NOTES PAYABLE (Cont'd)**

***PPL and EyGen Unsecured Notes Payable***

During the year ended March 31, 2017, the Company's subsidiaries, PPL and EyGen, completed a private placement of unsecured notes (the "PPL Unsecured Notes"). The balance outstanding as of March 31, 2020 was \$0.2 million.

The PPL Unsecured Notes were settled as part of the disposition of PPL in March 2021 (see Note 8, "Disposition of PPL").

***SalvaRx Unsecured Notes Payable and Warrants***

In connection with the SalvaRx Acquisition in January 2019, the Company assumed \$3.96 million of principal in unsecured notes due on March 2, 2021 (or earlier upon a qualifying event), that bear interest at 7% per annum (the "SalvaRx Notes"). The fair value of the SalvaRx Notes was determined to be \$3.4 million at January 2019. As the SalvaRx Acquisition was a qualifying event, the SalvaRx Notes became due upon the acquisition. In December 2019, the maturity date of the SalvaRx Notes was extended to June 2021.

The holders of the SalvaRx Notes received \$7,500 of warrants in respect of each \$10 thousand of principal issued. The warrants vest in the event of a qualifying transaction and are exercisable at a 30% discount to the implied valuation of SalvaRx. On the Acquisition Date, the fair value of the warrants, which are included in non-controlling interest, was determined to be \$2.5 million using the Black Scholes Model.

During September 2020, the Company settled the SalvaRx Notes obligations originally due in June 2021 in an aggregate principal amount of approximately \$3.7 million, plus accrued interest of \$0.75 million in exchange for cash payments totaling \$1.77 million and 397,604 of the associated SalvaRx warrants with an exercise price of \$6.64 per share. The noteholders who accepted the offer exchanged their SalvaRx warrants for an equal number of Portage shares at the same price per share. The Company accounted for the contractual value of the exercised and outstanding warrants of \$2.64 million (397,604 shares at \$6.64 per share) as accrued equity issuable at September 30, 2020. The Company also recorded a loss of \$1.26 million during the year ended March 31, 2021, to recognize the discount between the fair value of the underlying shares on October 13, 2020, the settlement date, (\$9.80 per share) and the warrant exercise (contract) price of \$6.64 per share.

Four of the Company's directors, Gregory Bailey, James Mellon, Steven Mintz (in trust) and Kam Shah, received, in total, 363,718 of the warrants pursuant to this transaction. Subsequent to the exercise of the warrants in October 2020, Portage had 12,083,395 and 49,701 issued and outstanding shares and warrants, respectively.

The Company also recorded a loss on early extinguishment of debt of \$0.22 million in the year ended March 31, 2021.

**NOTE 14. UNSECURED NOTES PAYABLE (Cont'd)**

*iOx Unsecured Notes Payable*

In connection with the SalvaRx Acquisition in January 2019, the Company assumed \$2.0 million of 7% convertible notes issued by iOx, a wholly owned subsidiary of SalvaRx (the "Convertible Notes"), of which the Company holds \$1.9 million. As a result of the SalvaRx Acquisition, iOx became a subsidiary of the Company during the year ended March 31, 2019. In accordance with IFRS 3, the fair value, including interest receivable, of the Convertible Notes were effectively settled against the note receivable upon the business combination. The remaining Convertible Notes issued to a third party, including the conversion option, are recorded at a fair value of \$0.1 million. An additional \$0.05 million Convertible Note, which also included warrants to purchase additional shares, was funded in 2021. The holder of the Convertible Notes can convert the notes and accrued interest into ordinary shares of iOx at any time before maturity at £120 per share. There is an automatic conversion in the event iOx raises \$2.0 million, and the conversion price will be determined based on the timing of the capital raised and the price at which the money was raised. iOx has the right to repay the Convertible Notes together with accrued interest at any time.

**NOTE 15. WARRANT LIABILITY**

Below is the roll-forward of warrants issued by entity (see Note 14, "Unsecured Notes Payable"):

	PBI			SalvaRx		
	Exercise Price	Warrants	Amount In 000'\$	Exercise Price	Warrants	Contract Amount In 000'\$
Warrants outstanding, April 1, 2020	-	-	\$ -	\$ 6.64	447,305	\$ 2,970 (1)
Exchange of warrants pursuant to SalvaRx						
Notes settlement	\$ 6.64	447,305	2,970	\$ 6.64	(447,305)	(2,970)
Reclassification to accrued equity issuable	\$ 6.64	(397,604)	(2,640)	-	-	-
Fair value adjustment at March 31, 2021 (2)	-	-	790	-	-	-
Warrants outstanding, March 31, 2021	\$ 6.64	49,701	\$ 1,120	-	-	\$ -

(1) Treated as non-controlling interest accounted for at fair value.

(2) Portage warrant liability valued at contract price, adjusted for fair value using the Black Scholes model.

**NOTE 16. CAPITAL STOCK**

- (a) Authorized ordinary shares: Unlimited number of common shares without par value.  
(b) Following is a roll-forward of ordinary shares as of March 31, 2021 and 2020:

	Years Ended March 31,			
	2021		2020	
	Ordinary Shares In 000'	Amount In 000'\$	Ordinary Shares In 000'	Amount In 000'\$
Balance, beginning of year	10,988	\$ 117,817	10,858	\$ 116,237
Shares issued in a private placement, net of issue costs	698	6,732	—	—
Exchange of SalvaRx warrants for PBI warrants	—	2,640	—	—
Settlement of non-controlling interest in SalvaRx	—	2,451	—	—
To reflect warrants issued and outstanding (d)	—	(330)	—	—
Fair value adjustment for shares issued at a discount in SalvaRx	397	1,256	—	—
Expiration of unexercised stock options	—	58	—	282
Shares issued in connection with the acquisition of interest in Intensity Holdings Limited	—	—	130	1,298
Shares issued for services	1	25	—	—
<b>Balance, end of year</b>	<b>12,084</b>	<b>\$ 130,649</b>	<b>10,988</b>	<b>\$ 117,817</b>

- (c) Number of ordinary shares have been retroactively adjusted to reflect the impact of 100:1 reverse stock split on June 5, 2020.  
(d) Represents the contractual value of the Portage warrants, which was adjusted to fair value of \$271 using the Black Scholes model.

On June 16, 2020, the Company completed a private placement of 698,145 restricted ordinary shares at a price of \$10.00 per share for gross proceeds of \$6.98 million to accredited investors. Directors of the Company subscribed for 215,000 shares, or approximately 30.8% of the private placement, for proceeds of \$2.15 million. The Company incurred costs of approximately \$0.25 million in connection with the offering, which was treated as contra-equity on the Company's balance sheet.

During September 2020, the Company settled the SalvaRx Notes obligations originally due in June 2021 in an aggregate principal amount of approximately \$3.7 million, plus accrued interest of \$0.75 million in exchange for cash payments totaling \$1.77 million and 397,604 of the associated SalvaRx warrants with an exercise price of \$6.64 per share. The warrants were exchanged for an equal number of warrants to acquire Portage stock at the same price per share. The Company accounted for the contractual value of the exercised and outstanding warrants of \$2.64 million (397,604 shares at \$6.64 per share) as accrued equity issuable at September 30, 2020. The Company also recorded a loss of \$1.26 million during the year ended March 31, 2021, to recognize the discount between the fair value of the underlying shares on October 13, 2020 (the settlement date) of \$9.80 per share and the contract price of \$6.64 per share.

Four of the Company's directors, Gregory Bailey, James Mellon, Steven Mintz (in trust) and Kam Shah, received, in total, 363,718 of the shares pursuant to this transaction.

Subsequent to March 31, 2021, the Company commenced its "at the market" offering to sell shares and a second offering subject to a Prospectus filed June 24, 2021. See Note 25, "Events After the Balance Sheet Date" for a further discussion.

**NOTE 17. STOCK OPTION RESERVE**

(a) The following table provides the activity for the Company's stock option reserve for the years ended March 31, 2021 and 2020:

(In thousands)	Years Ended March 31,			
	2021		2020	
	Non-Controlling Interest	Stock Option Reserve	Non-Controlling Interest	Stock Option Reserve
<b>Balance, beginning of year</b>	\$ 10,618	\$ 58	\$ 8,475	\$ 324
<b>Expiration of unexercised stock options</b>	-	(58)	-	(282)
<b>Share-based compensation expense</b>	850	7,977	2,143	16
<b>Balance, end of year</b>	<u>\$ 11,468</u>	<u>\$ 7,977</u>	<u>\$ 10,618</u>	<u>\$ 58</u>

The \$7.4 million fair value of vested iOx options acquired in the SalvaRx Acquisition and the stock-based compensation expense for unvested options are included in non-controlling interest in the combined balance sheets as of March 31, 2021 and 2020.

**Stock Options**

The Board of Directors of the Company (the "Board") established a stock option plan (the "2013 Option Plan") under which options to acquire ordinary shares of the Company are granted to directors, employees and consultants of the Company. The maximum number of ordinary shares issuable under the 2013 Option Plan shall not exceed 10% of the total number of issued and outstanding ordinary shares, inclusive of all shares presently reserved for issuance pursuant to previously granted stock options. If a stock option was surrendered, terminated or expired without being exercised, the ordinary shares reserved for issuance pursuant to such stock option were available for new stock options granted under the 2013 Option Plan. The options vest on a schedule determined by the Board of Directors, generally over two to four years, and expire after five years.

As of March 31, 2019, the Board decided to discontinue the 2013 Option Plan and during the year ended March 31, 2021, 2,980 outstanding options issued under the plan expired unexercised and no options remained outstanding under the 2013 Option Plan.

On June 25, 2020, at the annual meeting of shareholders, the Company's new incentive stock option plan (the "2020 Stock Option Plan") was approved, which authorized the directors to fix the option exercise price and to issue stock options under the plan as they see fit. The Company's 2020 Stock Option Plan is a 10% rolling stock option plan under which the directors are authorized to grant up to a maximum of 10% of the issued and outstanding ordinary shares on the date of grant.

Effective January 13, 2021, the Company amended and restated its 2020 Stock Option Plan to permit the grant of additional types of equity compensation securities, including restricted stock units and dividend equivalent rights (the "2021 Equity Incentive Plan"). The aggregate number of equity securities, which may be issued under the 2021 Equity Incentive Plan has not been changed. Pursuant to the 2021 Equity Incentive Plan, on January 13, 2021, the Company granted an aggregate of 868,000 stock options exercisable at a price of US\$17.75 per share, representing the closing price of the shares on the day immediately preceding the grant date, which expire on January 13, 2031 to various directors, officers and consultants of the Company. 350,000 options granted to members of the board of directors vest 1/3 on grant date, 1/3 on the first anniversary of the grant and 1/3 on the second anniversary of the grant. 518,000 options granted to consultants (one of whom is also a director) vest 1/3 on each of the first three anniversaries of the date of grant.

Additionally, the Company granted 243,000 restricted stock units on January 13, 2021, with a fair value of \$17.75 per share, which was the closing price on the day immediately preceding the grant date. The restricted stock units vest on the date of grant but underlying shares cannot be sold until one of four conditions are met. In accordance with IFRS 2, "Share-based Payment," the Company recognized compensation expense of \$4.3 million in the year ended March 31, 2021, in connection with the RSU grants.

**NOTE 17. STOCK OPTION RESERVE (Cont'd)**

In January 2019, iOx, a subsidiary of SalvaRx, was acquired by the Company as part of the SalvaRx Acquisition. Accordingly, the 2,599 stock options to acquire common shares of iOx (the "Acquired Options") with an exercise price of £120 (\$152.84) per common share, outstanding under the iOx stock option plan ("iOx Option Plan") have been acquired by the Company. At the Acquisition Date, 1,643 of the stock options, with a fair value at the Acquisition Date of \$7.4 million, are fully vested and recorded in non-controlling interest with a corresponding increase to goodwill (see Note 11, "Goodwill"). Additionally, the fair value of the remaining 956 unvested stock options was \$4.3 million and is being recorded as compensation expense over the remaining 3-year vesting period. The Company incurred stock-based compensation expense of \$0.9 million, \$2.1 million and \$1.1 million with respect to the iOx Option Plan in the years ended March 31, 2021, 2020, and 2019, respectively.

Following are the weighted average assumptions used in the calculation of the fair value of the vested and unvested options on the Acquisition Date, with respect to the iOx Option Plan:

<b>Assumption</b>	<b>Vested Options</b>	<b>Unvested Options</b>
Grant Date	November 28, 2016	April 17, 2018
Risk free interest rate	2.6%	2.6%
Expected dividend	Nil	Nil
Expected volatility	80%	80%
Expected life	1.3 years	3.2 years
Fair value of iOx stock	US\$4,630.35	US\$4,630.35

Following are the weighted average assumptions used in connection with the January 13, 2021 option grant, with respect to the Company's 2021 Equity Incentive Plan:

<b>Assumption</b>	<b>Vested Options</b>	<b>Unvested Options</b>
Risk free interest rate	0.48%	0.48%
Expected dividend	Nil	Nil
Expected volatility	139%	144%
Expected life	5.5 years	6.0 years
Fair value of Portage stock	US\$16.66	US\$17.11

(b) The movements in the number of options issued were:

	<b>PBI 2021 Equity Incentive Plan</b>		<b>PBI 2013 Option Plan</b>		<b>iOx Option Plan (Subsidiary Plan)</b>	
	<b>Years Ended March 31,</b>		<b>Years Ended March 31,</b>		<b>Years Ended March 31,</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Balance, beginning of year</b>	-	-	<b>2,980</b>	5,959	<b>2,599</b>	2,599
<b>Granted</b>	<b>868,000</b>	-	-	-	-	-
<b>Expired or forfeited</b>	-	-	<b>(2,980)</b>	(2,979)	<b>(675)</b>	-
<b>Balance, end of period</b>	<b>868,000</b>	-	-	2,980	<b>1,924</b>	2,599
<b>Exercisable, end of year</b>	<b>116,666</b>	-	-	2,980	<b>1,604</b>	1,643

**NOTE 17. STOCK OPTION RESERVE (Cont'd)**

(c) Following are the weighted average exercise price and the remaining contractual life for outstanding options by plan:

	<b>PBI 2020 Option Plan</b>		<b>PBI 2013 Option Plan</b>		<b>iOx Option Plan (Subsidiary Plan)</b>	
	<b>As of March 31,</b>		<b>As of March 31,</b>		<b>As of March 31,</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Weighted average exercise price</b>	<b>\$ 17.75</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ 15.00</b>	<b>\$ 165.20</b>	<b>\$ 148.84</b>
<b>Weighted average remaining contractual life (in years)</b>	<b>9.79</b>	<b>–</b>	<b>–</b>	<b>1.72</b>	<b>0.95</b>	<b>1.63</b>

The vested options can be exercised at any time in accordance with the applicable option agreement. The exercise price was greater than the market price on the date of the grants for all options outstanding as of March 31, 2021 and March 31, 2020.

The Company recorded \$0.9 million, \$2.2 million and \$1.2 million of compensation expense related to the iOx stock option plans for the years ended March 31, 2021, 2020 and 2019, respectively.

**NOTE 18. TAXATION**

The Company is a British Virgin Island corporation. The Government of the British Virgin Islands does not, under existing legislation, impose any income or corporate tax on corporations.

PGL and iOx are subject to United Kingdom taxes ("UK Taxes"). Portage Services Ltd. is subject to taxes in Canada. Tax losses or potential tax credits for Portage Services Ltd. are insignificant.

iOx has research and development refundable credits of approximately \$0.1 million and \$0.5 million that have been recorded for the years ended March 31, 2021 and 2020, respectively, and are included in prepaid expenses and other receivables on the respective balance sheets.

The following is a reconciliation of the UK Taxes to the effective income tax rates for the years ended March 31, 2021 and 2020 (\$ in thousands):

	<b>2021</b>	<b>2020</b>
<b>Loss on ordinary activities before tax</b>	<b>\$ 1,218</b>	<b>\$ 2,409</b>
<b>Statutory UK income tax rate</b>	<b>19.0%</b>	<b>19.0%</b>
<b>Loss at statutory income tax rate</b>	<b>\$ 231</b>	<b>\$ 458</b>
<b>Change in deferred rate and true-up</b>	<b>–</b>	<b>(2,665)</b>
<b>Foreign currency effect on deferred tax liability</b>	<b>(2,542)</b>	<b>1,425</b>
<b>Other adjustments</b>	<b>96</b>	<b>–</b>
<b>Research and development credit</b>	<b>149</b>	<b>500</b>
<b>Losses (unrecognized)</b>	<b>(231)</b>	<b>(458)</b>
<b>Income tax (expense)</b>	<b>\$ (2,297)</b>	<b>\$ (740)</b>

Research and development credit receivables of \$649 and \$500 were included in prepaid expenses and other receivables on the consolidated balance sheets as of March 31, 2021 and 2020, respectively.

**NOTE 18. TAXATION (Cont'd)**

The following is a reconciliation of financial statement loss to pre-tax loss subject to tax (in thousands):

	As of March 31, 2021			As of March 31, 2020		
	BVI	Foreign	Total	BVI	Foreign	Total
<b>Pre-tax (loss)</b>	\$ (13,674)	\$ (1,218)	\$ (14,892)	(2,698)	(3,811)	(6,509)
<b>Losses not subject to tax</b>	13,674	–	13,674	2,698	–	2,698
<b>Pre-tax (loss) subject to tax</b>	\$ –	\$ (1,218)	\$ (1,218)	\$ –	(3,811)	(3,811)

As of March 31, 2021 and 2020, the Company's deferred tax assets and liabilities consisted of the effects of temporary differences attributable to the following (in thousands):

	2021	2020
<b>Deferred tax assets:</b>		
<b>Net operating loss</b>	\$ 1,689	\$ 1,186
<b>Deferred tax asset (unrecognized)</b>	\$ 1,689	\$ 1,186
<b>Deferred tax liabilities:</b>		
<b>In process research and development</b>	\$ 24,050	\$ 21,604
<b>Deferred tax liability</b>	\$ 24,050	\$ 21,604

The reduction in the rate of UK corporation tax to 19% from April 1, 2017 and to 17% from April 1, 2020 was substantively enacted at the Balance Sheet date. However subsequently, the UK Government announced that the UK corporation tax rate would remain at 19% and not reduce to 17% on 1 April 2020. This was substantively enacted on 17 March 2020. The standard rate of UK corporation tax applied to reported loss is 19% (2018: 19%). Unrecognized UK deferred tax assets and liabilities are calculated at a rate of 19%, being the rate that was substantively enacted at the Balance Sheet date.

iOx recorded research and development cash credits of approximately \$0.1 million and \$0.5 million that have been recorded for years ended March 31, 2021 and 2020, respectively.

As of March 31, 2021, 2020 and 2019, cumulative tax losses for iOx were approximately \$7.3 million, \$6.2 million and \$2.1 million, respectively.

As of March 31, 2021 and 2020, iOx had a deferred tax liability of approximately \$24.1 million and approximately \$21.6 million, respectively. On January 8, 2019, the Company recognized a \$19.8 million deferred tax liability for the difference between the book and income tax basis of IPR&D acquired as part of the acquisition of SalvaRx. As the IPR&D process is in the UK, the deferred tax had been recorded at 17%, the rate applicable in the UK. During the year ended March 31, 2020, the Company recorded a tax expense of \$2.2 million, including \$2.3 million to increase the deferred tax liability due to the increase in the UK tax rate to 19% in March 2020, \$0.4 million of a return to provision adjustment and a decrease due to a refundable research and development credit of \$0.5 million. As the deferred tax liability may be settled in the future in GBP, the Company increased the deferred tax liability by \$2.4 million as of March 31, 2021 and decreased the deferred tax liability by \$1.4 million as of March 31, 2020, respectively, to reflect the difference in exchange rates from period to period.

There is no expiration date for accumulated tax losses in the UK entities.



**NOTE 19. (LOSS) PER SHARE**

Basic earnings per share ("EPS") is calculated by dividing the net income (loss) attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the net income (loss) attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the loss and share data used in the basic and diluted EPS calculations (dollars in thousands, except per share amounts):

	<b>Years Ended March 31,</b>		
	<b>2021</b>	<b>2020</b>	<b>2019</b>
<i>Numerator</i>			
<b>Net loss attributable to owners of the Company</b>	<b>\$ (15,833)</b>	<b>\$ (5,333)</b>	<b>\$ (2,635)</b>
<i>Denominator</i>			
<b>Weighted average number of shares – Basic and Diluted</b>	<b>11,733</b>	<b>10,952</b>	<b>4,820</b>
<b>Basic and Diluted (loss) per share</b>	<b>\$ (1.35)</b>	<b>\$ (0.49)</b>	<b>\$ (0.55)</b>

Inclusion of outstanding options or other common stock equivalents in the computation of diluted loss per share would have an anti-dilutive effect on the loss per share and are therefore excluded from the computation. Consequently, there is no difference between loss per share and diluted loss per share.

**NOTE 20. COMMITMENTS AND CONTINGENT LIABILITIES**

The Company is committed to invest approximately €1.5 million (\$1.9 million) in Stimunity upon Stimunity's achievement of certain agreed milestones. During the year ended March 31, 2019, the Company made a discretionary investment of €600,129 (\$688,359) and on June 1, 2020, the Company made an additional discretionary investment of €800,000 (\$1.0 million) investment towards the commitment. The remaining commitment was €100,000 as of March 31, 2021 (see Note 7, "Investment in Associate").

**NOTE 21. RELATED PARTY TRANSACTIONS**

***SalvaRx Acquisition***

On January 8, 2019, the Company acquired 100% of SalvaRx from SalvaRx Group plc. in exchange for 8,050,701 ordinary shares of the Company for an aggregate consideration of US\$92.6 million (see Note 10, "Acquisition and Business Combination"). Four of the six directors of the Company are also directors of SalvaRx Group plc. The Company's CEO is also the CEO of SalvaRx and employees of the Company comprise the management team of SalvaRx.

***Investments***

The Company has entered into related party transactions and certain services agreements with its investees. Key management of the Company has also entered into related party transactions with investees. Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company. The Board of Directors, Chairman, Chief Executive Officer and Chief Financial Officer are key management personnel.

The following subsidiaries and associates are considered related parties:

- (a) **Stimunity**. One of the three directors on the Board of Directors of Stimunity is controlled by Portage (see Note 7, "Investment in Associate").
- (b) **iOx**. Two of the five directorships on the Board of Directors of iOx is controlled by Portage. Additionally, Portage has an observer on the Board of iOx. The CEO of the Company is also the CEO of iOx, and the management team of the Company comprise the management team of iOx.

**NOTE 21. RELATED PARTY TRANSACTIONS (Cont'd)**

- (c) **Saugatuck.** One of the three directorships on the Board of Directors of Saugatuck is controlled by Portage. Additionally, the CEO of the Company is also the CEO of Saugatuck and the management team of the Company comprise the management team of Saugatuck (see Note 10, "Acquisition and Business Combination").
- (d) **Intensity.** One of the four directorships on the Board of Directors of Intensity is represented by Portage. Additionally, the CEO of the Company is an officer and employee of Intensity (see Note 9, "Investments in Private Companies").
- (e) **PGL.** PPL holds 65% equity in PGL, committed to provide financing and also handles financial and administrative matters of PGL. The Company disposed of 100% of its interests in PPL and PGL on March 3, 2021 (see Note 8, "Disposition of PPL").

The following are significant related party balances and transactions other than those disclosed elsewhere in the consolidated financial statements:

- (a) Unsecured notes payable includes \$200,000 notes issued to directors of the Company by PPL at March 31, 2020. The notes were settled as part of the PPL disposition (see Note 8, "Disposition of PPL").
- (b) Interest expense includes \$78,427, \$226,018 and \$225,400 interest incurred in the years ended March 31, 2021, 2020 and 2019, respectively, on notes issued to members of the Portage board of directors. The SalvaRx Notes were settled as of August 6, 2020 and, accordingly, no further interest expense was incurred. In connection with the settlement of the SalvaRx Notes, \$692,045 of accrued interest and \$805,000 of principal was paid to directors. The directors also exchanged an aggregate \$2,415,000 of notes payable for SalvaRx warrants at a price of \$6.64, which were exchanged for Portage warrants and converted to Portage stock on October 13, 2020 (see Note 14, "Unsecured Notes Payable").
- (c) In January 2020, a board member of the Company advanced the Company \$1.0 million, which was repaid in July 2020. There was no interest or fees associated with this advance.

Transactions between the parent company and its subsidiaries, which are related parties, have been eliminated in consolidation and are not disclosed in this note.

NOTE 22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments recognized in the Company's consolidated statements of financial position consist of the following:

Fair value estimates are made at a specific point in time, based on relevant market information and information about financial instruments. These estimates are subject to and involve uncertainties and matters of significant judgment, therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The following table summarizes the Company's financial instruments as of March 31, 2021 and March 31, 2020:

	As of March 31,			
	2021		2020	
	Amortized Cost	Fair Value through Other Comprehensive Income (FVTOCI)	Amortized Cost	FVTOCI
<b>Financial assets</b>				
Cash and cash equivalents	\$ 2,770	\$ –	\$ 3,152	\$ –
Prepaid expenses and other receivables	\$ 2,176	\$ –	\$ 574	\$ –
Investments	\$ –	\$ 9,144	\$ –	\$ 8,702
	Amortized Cost	Fair Value through Profit or Loss (FVTPL)	Amortized Cost	FVTPL
<b>Financial liabilities</b>				
Accounts payable and accrued liabilities	\$ 1,938	\$ –	\$ 1,268	\$ –
Unsecured notes payable	\$ 150	\$ –	\$ 3,661	\$ –
Warrant liability	\$ –	\$ 1,120	\$ –	\$ –

A summary of the Company's risk exposures as it relates to financial instruments are reflected below.

**Fair value of financial instruments**

The Company's financial assets and liabilities are comprised of cash, receivables and investments in equities and private entities, accounts payable, warrant liability and unsecured notes payable.

The Company classifies the fair value of these transactions according to the following fair value hierarchy based on the amount of observable inputs used to value the instrument:

- Level 1 – Values are based on unadjusted quoted prices available in active markets for identical assets or liabilities as of the reporting date.
- Level 2 – Values are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace. Prices in Level 2 are either directly or indirectly observable as of the reporting date.
- Level 3 – Values are based on prices or valuation techniques that are not based on observable market data. Investments are classified as Level 3 financial instrument.

**NOTE 22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd)**

Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy.

Management has assessed that the fair values of cash and cash equivalents, other receivables and accounts payable approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate their fair values:

**Investment in Biohaven:** Fair value was based on a quoted market price of \$34.03 per share as of March 31, 2020 (Level 1). The investment was sold in August 2020.

**Investment in Sentien:** Fair value of the asset is determined by considering strategy changes by Sentien (Level 3).

**Investment in Intensity:** Fair value of the asset is determined by considering other comparable equity funding transactions by Intensity with unrelated investors (Level 3).

**Accrued equity issuable:** The fair value is estimated based on the average of the quoted market prices for the period in which the shares were earned (Level 1).

**Unsecured notes payable:** The fair value is estimated using a Black Scholes model (Level 3) (see Note 14, "Unsecured Notes Payable").

**Warrant Liability:** The fair value is estimated using a Black Scholes model (Level 3) (see Note 15, "Warrant Liability").

There have been no transfers between levels of the fair value hierarchy for the years ended March 31, 2021 and 2020.

The Company's financial instruments are exposed to certain financial risks: credit risk and liquidity risk.

**Credit Risk**

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The credit risk is attributable to various financial instruments, as noted below. The credit risk is limited to the carrying value as reflected on the consolidated statements of financial position.

**Cash.** Cash is held with major international financial institutions and therefore the risk of loss is minimal.

**Other receivables.** The Company was exposed to credit risk attributable to its debtor since a significant portion of this amount represents the amount agreed on a settlement of a claim by PPL (see Note 5, "Prepaid Expenses and Other Receivables"), payable over the next four years. The installment note was repaid in full in July 2021 (see Note 25, "Events After the Balance Sheet Date").

**NOTE 22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd)**

***Liquidity Risk***

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation. The Company holds sufficient cash to satisfy obligations under accounts payable and accruals.

The Company monitors its liquidity position regularly to assess whether it has the funds necessary to meet its operating needs and needs for investing in new projects. The Company believes that it has sufficient funding to finance the committed drug development work, apart from meeting its operational needs for the foreseeable future.

However, as a biotech company at an early stage of development and without significant internally generated cash flows, there are inherent liquidity risks, including the possibility that additional financing may not be available to the Company, or that actual drug development expenditures may exceed those planned. The current uncertainty in global markets could have an impact on the Company's future ability to access capital on terms that are acceptable to the Company. There can be no assurance that required financing will be available to the Company. See Note 25, "Events After the Balance Sheet Date," for a discussion of the Company's share offering.

**NOTE 23. CAPITAL DISCLOSURES**

The Company considers the items included in shareholders' equity as capital. The Company had accounts payable and accrued expenses of approximately \$1.9 million as of March 31, 2021 (approximately \$1.3 million as of March 31, 2020) and current assets of approximately \$4.9 million as of March 31, 2021 (approximately \$3.8 million as of March 31, 2020). The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue new business opportunities and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

As of March 31, 2021, shareholders' equity attributable to the owners of the company was approximately \$101.4 million (approximately \$96.5 million as of March 31, 2020).

The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. There have been no changes to the Company's approach to capital management during the years ended March 31, 2021 and 2020.

See Note 25, "Events After the Balance Sheet Date," for a discussion of the Company's share offering.

NOTE 24. NON-CONTROLLING INTEREST

(In thousands)	PGL	SalvaRx	iOx	Saugatuck	Total
Balance as of April 1, 2019	\$ (31)	\$ 2,451	\$ 46,376	\$ 87	\$ 48,883
Fair value:					
Stock-based compensation expense	–	–	2,143	–	2,143
Net loss attributable to non-controlling interest	(50)	–	(1,807)	(59)	(1,916)
<b>Non-controlling interest as of March 31, 2020</b>	<b>(81)</b>	<b>2,451</b>	<b>46,712</b>	<b>28</b>	<b>49,110</b>
Stock-based compensation expense	–	–	850	–	850
Exchange of SalvaRx warrants for PBI warrants in SalvaRx Notes settlement	–	(2,451)	–	–	(2,451)
Net income (loss) attributable to non-controlling interest	81	–	(1,389)	(48)	(1,356)
<b>Non-controlling interest as of March 31, 2021</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ 46,173</b>	<b>\$ (20)</b>	<b>\$ 46,153</b>

NOTE 25. EVENTS AFTER THE BALANCE SHEET DATE

*Share Offering*

In April 2021, pursuant to a Registration Statement and Prospectus declared effective by the SEC on March 8, 2021 (discussed more fully in Note 1, “Nature of Operations”), the Company commenced its “at the market” offering and through June 7, 2021, had sold 90,888 shares generating net proceeds of approximately \$2.6 million. Further, the Company initiated an offering pursuant to the Prospectus.

On June 24, 2021, the Company completed a firm commitment underwritten public offering of 1,150,000 ordinary shares at a public offering price of \$23.00 per share for gross proceeds of approximately \$26.5 million and net proceeds of approximately \$25.0 million, and was settled June 28, 2021. The Company incurred offering expenses for the public offering of approximately \$1.5 million, including approximately \$1.4 million of management, underwriting and selling expenses. The Company will use net proceeds raised to fund its research and development activities and support operations.

*Installment Note Receivable*

The installment note receivable of approximately \$0.034 million described in Note 5, “Prepaid Expenses and Other Receivables,” was repaid in full in July 2021.

(b) EXHIBITS

The following documents are filed as part of this Amendment No. 1 to the Annual Report on Form 20-F.

<b>Exhibit No.</b>	<b>Description of Exhibit</b>
<a href="#"><u>1.1</u></a>	<a href="#"><u>Certificate of Continuance - <b>Incorporated herein by reference</b> to Exhibit 3.1 to Form 6-K filed on August 1, 2013.</u></a>
<a href="#"><u>1.2</u></a>	<a href="#"><u>Memorandum and Articles of Association - <b>Incorporated herein by reference</b> to Form F-20 filed on July 31, 2017.</u></a>
<a href="#"><u>2.1</u></a>	<a href="#"><u>Description of Rights of Stock Registered under Section 12 of the Exchange Act - <b>Incorporated herein by reference</b> to Exhibit 2.1 to Form 20-F filed on August 17, 2020.</u></a>
<a href="#"><u>4(a).1</u></a>	<a href="#"><u>Controlled Equity Offering<sup>SM</sup> Sales Agreement by and between Portage Biotech Inc. and Cantor Fitzgerald &amp; Co., dated February 24, 2021 - <b>Incorporated herein by reference</b> to Exhibit 1.1 to Form F-3, filed February 24, 2021.</u></a>
<a href="#"><u>4(a).2</u></a>	<a href="#"><u>Underwriting Agreement, dated as of June 24, 2021 the Company, Cantor Fitzgerald &amp; Co. and Oppenheimer &amp; Co. Inc. - <b>Incorporated herein by reference</b> to Exhibit 1.1 to Form 6-K, filed on June 24, 2021.</u></a>
<a href="#"><u>4(c)(iv).1</u></a>	<a href="#"><u>2011 Consultant Stock Compensation Plan - <b>Incorporated herein by reference</b> to Form S-8 filed on April 21, 2011.</u></a>
<a href="#"><u>4(c)(iv).2</u></a>	<a href="#"><u>2013 Stock Option Plan - <b>Incorporated herein by reference</b> to Form S-8 filed on December 19, 2013.</u></a>
<a href="#"><u>4(c)(iv).3</u></a>	<a href="#"><u>2013 Option Plan - <b>Incorporated herein by reference</b> to Form S-8 filed on March 17, 2015.</u></a>
<a href="#"><u>4(c)(iv).4**</u></a>	<a href="#"><u>Portage Biotech Inc. 2021 Equity Incentive Plan dated as of January 13, 2021 - <b>Incorporated herein by reference</b> to Form 20-F, filed on July 29, 2021.</u></a>
<a href="#"><u>8.1**</u></a>	<a href="#"><u>List of Subsidiaries - <b>Incorporated herein by reference</b> to Form 20-F filed on July 29, 2021.</u></a>
<a href="#"><u>11.1</u></a>	<a href="#"><u>Charter of Audit and Compensation Committee Regarding Compensation Matters - <b>Incorporated herein by reference</b> to Form F-20 filed on July 31, 2014.</u></a>
<a href="#"><u>11.2</u></a>	<a href="#"><u>Charter of Audit and Compensation Committee Regarding Audit Matters - <b>Incorporated herein by reference</b> to Form F-20 filed on July 31, 2014.</u></a>
<a href="#"><u>11.3</u></a>	<a href="#"><u>Code of Conduct - <b>Incorporated herein by reference</b> to Form F-20 filed on July 31, 2014.</u></a>
<a href="#"><u>12.1*</u></a>	<a href="#"><u>Certifications of Chief Executive Officer Pursuant to Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended.</u></a>
<a href="#"><u>12.2*</u></a>	<a href="#"><u>Certifications of Chief Financial Officer Pursuant to Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended.</u></a>
<a href="#"><u>13.1*</u></a>	<a href="#"><u>Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u></a>
<a href="#"><u>13.2*</u></a>	<a href="#"><u>Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u></a>
<a href="#"><u>15.1*</u></a>	<a href="#"><u>Consent of Marcum LLP.</u></a>



**(b) EXHIBITS (Cont'd)**

**101** The following financial information from our Annual Report on Form 20-F for the year ended March 31, 2021 has been formatted in Extensible Business Reporting Language (XBRL): (i) Consolidated Statements of Financial Position, (ii) Consolidated Statements of Operations and Other Comprehensive Income, (iii) Consolidated Statements of Cash Flows, and (iv) Notes to Consolidated Financial Statements.

**101.INS\*** XBRL Instance Document.

**101.SCH\*** XBRL Taxonomy Extension Schema Document.

**101.CAL\*** XBRL Taxonomy Extension Calculation Linkbase Document.

**101.DEF\*** XBRL Taxonomy Extension Definition Linkbase Document.

**101.LAB\*** XBRL Taxonomy Extension Label Linkbase Document.

**101.PRE\*** XBRL Taxonomy Extension Presentation Linkbase Document.

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\* Filed herewith

\*\* Previously filed.

**SIGNATURES**

The Company hereby certifies that it meets all of the requirements for filing this Amendment No. 1 to Form 20-F and it has duly caused and authorized the undersigned to sign this Annual Report on its behalf.

DATED at Toronto, Ontario, Canada, this 3rd day of March, 2022

**PORTAGE BIOTECH INC.**

By: /s/ Ian Walters  
Title: Chief Executive Officer

By: /s/ Allan Shaw  
Title: Chief Financial Officer



## CERTIFICATIONS PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Allan Shaw, Chief Financial Officer of Portage Biotech Inc., certify that:

1. I have reviewed this Amendment No. 1 to the Annual Report on Form 20-F of Portage Biotech Inc. for the fiscal year ended March 31, 2021.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;
4. The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and
5. The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of the internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions)
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 3, 2022

By: /s/ Allan Shaw  
Allan Shaw  
Title: Chief Financial Officer

## CERTIFICATION OF CHIEF EXECUTIVE OFFICER

## PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Dr. Ian Walters, Chief Executive Officer of Portage Biotech Inc. (the "Company"), hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(i) the Amendment No. 1 to the Annual Report on Form 20-F of the Company for the fiscal year ended March 31, 2021 (the "Annual Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(ii) the information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 3, 2022

/s/ Ian Walters

By: \_\_\_\_\_  
Dr. Ian Walters  
Title: Chief Executive Officer

*This written statement is being furnished to the Securities and Exchange Commission as an exhibit to the Company's Annual Report on Form 20-F. A signed original of this statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.*

*This certification accompanies this Annual Report on Form 20-F pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.*

## CERTIFICATION OF CHIEF FINANCIAL OFFICER

## PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Allan Shaw, Chief Financial Officer of Portage Biotech Inc. (the "Company"), hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(i) the Amendment No. 1 to the Annual Report on Form 20-F of the Company for the fiscal year ended March 31, 2021 (the "Annual Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(ii) the information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 3, 2022

/s/ Allan Shaw

By: Allan Shaw  
Title: Chief Financial Officer

*This written statement is being furnished to the Securities and Exchange Commission as an exhibit to the Company's Annual Report on Form 20-F. A signed original of this statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.*

*This certification accompanies this Annual Report on Form 20-F pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.*

**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S CONSENT**

We consent to the incorporation by reference in the Registration Statement of Portage Biotech Inc. on Form F-3 [File No. 333-253468] of our report dated July 29, 2021, with respect to our audits of the consolidated financial statements of Portage Biotech Inc. and Subsidiaries as of March 31, 2021 and 2020 and for the years ended March 31, 2021, 2020 and 2019, which report is included in this Annual Report on Form 20-F/A of Portage Biotech Inc. for the year ended March 31, 2021.

/s/ Marcum LLP

Marcum LLP  
Melville, NY  
March 3, 2022