

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

FORM 20-F

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, 2022

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)

**Clarence Thomas Building, P.O. Box 4649, Road Town, Tortola, British Virgin Islands, VG1110.**

(Address of principal executive offices)

**c/o Portage Development Services Inc., Ian Walters, 203.221.7378**

**61 Wilton Road, Westport, Connecticut 06880**

(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 – 16,944,783 as at August 1, 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† provided pursuant to Section 13(a) of the Exchange Act.

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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## FORWARD LOOKING STATEMENTS

This annual report includes "forward looking statements." All statements, other than statements of historical facts, included herein or incorporated by reference herein, including without limitation, statements regarding our business strategy, plans and objectives of management for future operations and those statements preceded by, followed by or that otherwise include the words "believe," "expects," "anticipates," "intends," "estimates" or similar expressions or variations on such expressions are forward-looking statements. We can give no assurances that such forward-looking statements will prove to be correct.

Each forward-looking statement reflects our current view of future events and is subject to risks, uncertainties and other factors that could cause actual results to differ materially from any results expressed or implied by our forward-looking statements.

Risks and uncertainties include, but are not limited to:

- our plans and ability to develop and commercialize product candidates and the timing of these development programs;
- clinical development of our product candidates, including the results of current and future clinical trials;
- the benefits and risks of our product candidates as compared to others;
- our maintenance and establishment of intellectual property rights in our product candidates;
- our need for financing and our estimates regarding our capital requirements and future revenues and profitability;
- our estimates of the size of the potential markets for our product candidates; and
- our selection and licensing of product candidates.

These statements are based on assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions and expected future developments based on the focus of our business activities on biotechnology, as well as other factors we believe are appropriate in particular circumstances. However, whether actual results and developments will meet our expectations and predictions depends on a number of risks and uncertainties, which could cause actual results to differ materially from our expectations, including the risks set forth in "Item 3 - Key Information-Risk Factors."

Our business focus is that of being primarily a pharmaceutical development business subject to all of the risks of a pharmaceutical development business. We do not anticipate directly engaging in the post pharmaceutical development endeavors of manufacturing, marketing and distribution of our development products.

Consequently, all of the forward-looking statements made in this annual report are qualified by these cautionary statements. We cannot assure you that the actual results or developments anticipated by us will be realized or, even if substantially realized, that they will have the expected effect on us or our business or operations.

Unless the context indicates otherwise the terms "Portage Biotech Inc.," "the Company," "our Company," "Portage," "we," "us" or "our" are used interchangeably in this Annual Report and mean Portage Biotech Inc. and its subsidiaries.

## **FOREIGN PRIVATE ISSUER STATUS AND REPORTING CURRENCY**

### ***Foreign Private Issuer Status***

Portage Biotech Inc. is a British Virgin Islands ("BVI") business company pursuant to the Certificate of Continuance issued by the Registrar of Corporate Affairs of the BVI on July 5, 2013. More than 50% of our ordinary shares were held by non-United States citizens and residents as of the last measurement date. A majority of our assets are located outside the United States. As a result, we believe that we qualify as a "foreign private issuer" for continuing to report regarding the registration of our ordinary shares using this Form 20-F annual report format.

### ***Currency***

The financial information presented in this Annual Report is expressed in United States dollars ("US \$") and the financial data in this Annual Report is presented in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee.

All dollar amounts set forth in this report are in U.S. dollars, except where otherwise indicated.

## **PART I**

### **ITEM 1 – IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISORS**

Not required since this is an annual report.

### **ITEM 2 – OFFER STATISTICS AND EXPECTED TIMETABLE**

Not required since this is an annual report.

### **ITEM 3 – KEY INFORMATION**

#### **(A) SELECTED FINANCIAL DATA**

The selected financial data set forth below should be read in conjunction with our Consolidated Financial Statements and Notes thereto appearing elsewhere in this Annual Report. The selected Operations Data for each of the three fiscal years ended March 31, 2022, 2021 and 2020, and the Balance Sheet data as of March 31, 2022 and 2021 are derived from our audited Consolidated Financial Statements appearing elsewhere in this Annual Report. The selected Operations Data for the years ended March 31, 2019 and 2018 and the Balance Sheet data as of March 31, 2020, 2019 and 2018 are derived from our audited Consolidated Financial Statements, which are not included in this Annual Report.

SUMMARY OF FINANCIAL INFORMATION IN THE COMPANY'S FINANCIAL STATEMENTS (U.S. DOLLARS)

*Operating Data*

Year ended March 31,	2022	2021	2020	2019	2018
	<b>All amounts in 000'\$ (except for per share amounts)</b>				
Net (loss) income before non-controlling interests	(19,169)	(17,189)	(7,249)	(3,594)	123,741
Net (loss) income attributable to owners of the Company	(16,870)	(15,833)	(5,333)	(2,635)	123,741
Working capital	24,049	1,738	1,226	4,757	7,489
Total assets	194,662	174,860	173,174	173,715	10,003
Capital stock	158,324	130,649	117,817	116,237	23,654
Warrants	33	1,120	–	–	–
Stock option reserves	16,928	7,977	58	324	267
Equity attributable to owners of the Company	121,205	101,449	96,531	99,674	9,619
Weighted average number of shares outstanding - Basic	13,060	11,733	10,952	4,820	2,678
Weighted average number of shares outstanding - Diluted	13,060	11,733	10,952	4,820	2,696
Net (loss) income per share - Basic	\$ (1.29)	\$ (1.35)	\$ (0.49)	\$ (0.55)	\$ 46.21
Net (loss) income per share - Diluted	\$ (1.29)	\$ (1.35)	\$ (0.49)	\$ (0.55)	\$ 45.90

1. The effect of potential share issuances pursuant to the exercise of options and warrants would be anti-dilutive and, therefore, basic and diluted loss per share are the same for the fiscal years 2022, 2021, 2020 and 2019.
2. The per share data has been adjusted to reflect the reverse split of the ordinary shares effective June 5, 2020.

On January 8, 2019, the Company completed an acquisition of SalvaRx Limited, which has been accounted for using the acquisition method as explained elsewhere in this report. Fiscal 2019 amounts include the effect of acquisition accounting.

The Company has not declared or paid any dividends in any of the reporting periods presented herein except for fiscal 2018, when the Company distributed a property dividend consisting of shares of common stock of our former partially owned subsidiary, Biohaven Pharmaceuticals Holding Company Ltd. ("Biohaven").

*Exchange Rates*

In this Annual Report on Form 20-F, unless otherwise specified, all monetary amounts are expressed in United States dollars. The Company's subsidiaries have transactions in Canadian dollars, British pounds sterling and the European Union ("EU") euros. Currencies other than the United States dollar have been translated into United States dollars using rates available on Bank of Canada and the Bank of England websites.

On June 30, 2022, the exchange rate, based on the noon buying rates, for the conversion of Canadian dollars into United States dollars (the "Noon Rate of Exchange") was approximately US\$1 = CDN\$1.29, for the conversion of British pounds sterling into United States dollars was approximately US\$1 = £0.82 and for the conversion of EU euros into United States dollars was approximately US\$1 = €0.96.

The following table sets out the high and low exchange rates in Canadian dollar, British pounds and EU euros for one United States dollar for each of the last six months of the fiscal year.

<b>Fiscal year 2022</b>	<b>October</b>	<b>November</b>	<b>December</b>	<b>January</b>	<b>February</b>	<b>March</b>
<b><u>Canadian Dollar</u></b>						
High	1.27	1.28	1.29	1.28	1.28	1.28
Low	1.23	1.24	1.26	1.25	1.27	1.25
<b><u>British Pounds</u></b>						
High	0.74	0.75	0.76	0.75	0.75	0.77
Low	0.72	0.73	0.74	0.73	0.73	0.75
<b><u>EU Euros</u></b>						
High	0.87	0.89	0.89	0.90	0.89	0.92
Low	0.86	0.86	0.88	0.87	0.87	0.90

The following table sets out the average exchange rates in Canadian dollar, British pounds and EU euros for one United States dollar for the five most recent financial years.

<b>Year ended March 31,</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b><u>Average for the Fiscal Year</u></b>					
<b>Canadian Dollar</b>	1.25	1.32	1.33	1.31	1.28
<b>British Pounds</b>	0.73	0.77	0.79	0.76	0.75
<b>EU Euros</b>	0.86	0.86	0.90	0.86	0.86

**(B) CAPITALIZATION AND INDEBTEDNESS**

Not applicable.

**(C) REASONS FOR THE OFFER AND USE OF PROCEEDS**

Not applicable.

**(D) RISK FACTORS**

The following is a brief discussion of those distinctive or special characteristics of the Company's operations and industry that may have a material impact on, or constitute risk factors in respect of, the Company's future financial performance.

**COVID-19, Ukraine and Inflation Risks Related to our Business**

*Government efforts to control the effect and spread of the COVID-19 virus have had and will have a disruptive effect on different aspects of our business.*

The jurisdictions in which we conduct our business have imposed mandates and regulations or suggested measures to counter the spread of the COVID-19 virus and control the level of the pandemic within its population and the economic activities of their respective economies. These collectively have changed over the course of the pandemic and are expected to continue to evolve in response to the changing nature of the pandemic and the population and economic response to the virus and the many different measures prompted by the pandemic. The Company has been affected in a number of ways, such as the way in which it operates its headquarters operations, it deals with its scientists and their activities, and planning for and carrying out clinical trials, all of which have experienced some short-term disruption and may suffer long-term changes in the way we will do business. Actions such as government lock downs have slowed or, in some cases, temporarily stopped research and development activities and clinical trials. Various safety protocols for personal interactions may hamper research and development activities. To date, since we are mostly focused on the activities related to research and development, we have not experienced the larger adverse economics of a slowed economy; however, we do expect that time lines for our research and development, clinical trials, regulatory approvals and bringing our products to market will cause our operational costs to be greater than anticipated in this current fiscal year and going forward. The financial effect will be that our development expenses will increase and we will have to obtain additional capital funding. Any required additional equity funding will be dilutive to the equity of our investors and debt financing will have restrictive covenants that could adversely affect our business plans and operational objectives. Any further funding that we may need may not be available or even if available it may not be on terms that are acceptable to the Company.

***In addition to government efforts relating to the COVID-19 pandemic, the institutions that we work with have their own limits and procedures that will influence or limit our ability to conduct research and development and the conduct of clinical trials.***

In addition to the government mandates for controlling the many different health and economic effects of the COVID-19 virus and pandemic, individual institutions with which we work, such as hospitals, laboratories and educational institutions have taken actions that will disrupt the progress of our business plans for the Company and our individual subsidiaries. For example, as hospitals cope with the need to care for COVID-19 virus patients, they have limited access or put in abeyance access for many of their other non-emergency activities such as research and continuing or commencing clinical trials. Most educational institutions and many laboratories curtailed or limited access to their facilities in the first half of the 2020 year and are still working out how they will operate going forward; we are expecting that going forward there will be strict limitations on access to these institutions and facilities for our researchers and research partners. Overall, changes in the way our development activities can be conducted will result in delays in our conducting research activities, carrying out clinical trials and making regulatory submissions. As a consequence, we anticipate our costs will increase. In some instances, we may have to shelve or even terminate activities, losing the value of a potential valuable asset, not recovering our investment, breaching our licenses and research related agreements, and suffering a diminution of corporate value and investor interest. In many respects, there is great uncertainty in the general effects resulting from the governmental and private response to the pandemic, and only the passage of time will reveal its full effects.

***The Company expects that the COVID-19 pandemic will have general economic consequences that will have an effect on the Company.***

The response of the governments imposing a lock down, the high unemployment, certain industries being especially hard hit and the public response as the economy opens up will undoubtedly have wide reaching effects on the economy. It is possible that the ultimate effect could be a recession or even greater economic dislocation. A reduced economy may result in a limitation on companies such as ours in raising capital when necessary, in the amounts of capital needed and available, and the terms that are offered that will be acceptable to the Company. Also, there may be a decline in the overall value of the securities market that could reduce the value of the Company or limit the ability of our investors to sell their ordinary shares. Investors should consider general economic trends and issues resulting or may result from the pandemic when they decide to transact in our securities.

***The Company expects any impact of Ukrainian conflict to be general and not specific in terms of its operations.***

Currently, we believe that the conflict between Ukraine and Russia does not have any direct impact on our operations, financial condition or financial reporting. We believe the conflict will have only a general impact on our operations in the same manner as it is having a general impact on all businesses that have their operations in North America and Western Europe resulting from international sanction and embargo regulations, possible shortages of goods and goods incorporating parts that may be supplied from the Ukraine or Russia, supply chain challenges, and the international and US domestic inflationary results of the conflict and government spending for and funding of our country's response. As our operations are related only to drug development, we do not believe we will be targeted for cyber-attacks. We have no operations in the countries directly involved in the conflict or are specifically impacted by any of the sanctions and embargoes. We do not believe that the conflict will have any impact on our internal control over financial reporting or any of our other disclosure obligations. Other than general securities market trends, we do not have reason to believe that investors will evaluate the Company as having special risks or exposures related to the Ukrainian conflict.

***The impact of changing economic conditions, including the effects of inflation, may adversely affect our business, financial condition, and results of operations.***

The Company believes that inflation will have a general impact on the business in line with overall price increases, increases in the cost of borrowing, and operating in an inflationary economy. We expect that the government efforts to control the rate of inflation will have an impact on the Company through increased costs of operations and financing our business. A weakening of the economy in the United States, Canada, or Europe or of the global economy, including the more limited availability of credit, economic uncertainty, inflation, financial turmoil affecting the banking system or financial markets, increased unemployment rates, and other adverse economic or market conditions may adversely impact our business and operating results. We cannot predict the timing, strength, or duration of any inflationary period or economic slowdown or its ultimate impact on the Company. If the conditions in the general economy significantly deviate from present levels and continue to deteriorate, our business, financial condition, and results of operations could be adversely affected.



## **Risks Related to our Business**

### ***We have a history of operating losses and may never achieve profitability in the future.***

Historically, we have generated only a limited amount of business income, notwithstanding a highly valued asset distribution to our shareholders of the Company share ownership of Biohaven.

Our objective is to enable research and development so as to create early- to mid-stage, first- and best-in-class therapies for a variety of cancers, by providing funding, strategic business and clinical counsel, and shared services, with the goal of creating viable products that may be monetized through licensing, manufacturing and distribution or outright sale. Our principal activities are engaging in research and development to identify and validate new drug targets that could become marketed drugs in the future. For this, we will require significant financial resources without any income, and we expect to continue incurring operating losses for the foreseeable future.

Our ability to generate revenue in the future or achieve profitable operations is largely dependent upon our ability to attract and maintain experienced management and know-how to develop new drug candidates and to partner with major pharmaceutical companies to successfully commercialize any successful drug candidates. It takes many years and significant financial resources to successfully develop pre-clinical or early clinical drug candidates into marketable drugs, and we cannot assure you that we will be able to achieve these objectives. Although, we were successful in achieving significant value growth in an investment made in Biohaven, which resulted in the distribution of Biohaven shares as an asset dividend to our shareholders with a then market value of approximately \$153 million in fiscal 2018, we cannot say that we will be able to achieve any similar success in our future business activities.

### ***We are in the pharmaceutical development business and will be subject to all of the risks of a pharmaceutical development business.***

Our business must be evaluated in light of the problems, delays, uncertainties and complications encountered in connection with establishing and carrying on a pharmaceutical research and development business.

There is a possibility that only a few or none of our drug candidates that are currently and may be under development in future will be found to be safe and effective, will be able to receive necessary regulatory approvals in order to commercialized, or will be commercially viable. Any failure to successfully develop and obtain regulatory approval for products would have a material adverse effect on our business, financial condition and results of operations.

### ***Rapidly changing medical technology within the life sciences could make the product candidates that we are developing obsolete or less attractive to pursue.***

The medical industry is characterized by rapid and significant medical technological and therapy changes, frequent new product candidates and product introductions and enhancements and evolving industry standards. Our future success will depend on our ability to continually develop and then improve the product candidates that we design and to develop and introduce new product candidates that address the evolving needs of the physicians and patients on a timely and cost-effective basis. Any new product candidates and products developed by us may not be accepted in the intended markets. Our inability to gain market acceptance of new products could harm our future operating results.

***Clinical trials for our potential product candidates will be expensive and will take a considerable amount of time, and the outcome of clinical trials are by their nature uncertain.***

Before we can obtain regulatory approval for the commercial sale of any product candidate or attract major pharmaceutical companies to collaborate with the Company, we will be required to complete extensive clinical trials to demonstrate safety and efficacy. Clinical trials are very expensive and are difficult to design and implement. The clinical trial process also takes a long time and can often be subject to unexpected delays and unexpected results.

The timing of the commencement, continuation and completion of clinical trials have been, and may continue to be subject to significant delays relating to various causes, including:

- our inability to manufacture or obtain sufficient quantities of materials for use in clinical trials;
- delays due to the measures for COVID-19 pandemic containment and conduct of business;
- delays arising from our collaborative partnerships;
- delays in obtaining regulatory approvals to commence a study, or government intervention to suspend or terminate a study;
- delays, suspension, or termination of the clinical trials due to the institutional review board or independent ethics board responsible for overseeing the study to protect research subjects at a particular study site;
- delays in identifying and reaching agreement on acceptable terms with prospective clinical trial sites;
- slower than expected rates of patient recruitment and enrollment;
- uncertain dosing issues;
- inability or unwillingness of medical investigators to follow our clinical protocols;
- variability in the number and types of subjects available for each study and resulting difficulties in identifying and enrolling subjects who meet trial eligibility criteria;
- scheduling conflicts with participating clinicians and clinical institutions;
- difficulty in maintaining contact with subjects after treatment, which results in incomplete data;
- unforeseen safety issues or side effects;
- lack of efficacy during the clinical trials;
- our reliance on clinical research organizations to conduct clinical trials, which may not conduct those trials with good clinical or laboratory practices; or
- other regulatory delays.

*We rely on third parties to manufacture our preclinical and clinical drug supplies, and we intend to rely on third parties to produce commercial supplies of any approved product candidate.*

We have limited personnel with experience in manufacturing, and we do not own facilities for manufacturing our products and product candidates for the potential pivotal clinical studies and/or commercial manufacturing of our products and product candidates. We will depend on our collaboration partners and other third parties to manufacture and provide analytical services with respect to our most advanced product candidates.

If our product candidates are approved, then in order to produce the quantities necessary to meet anticipated market demand, we and our collaboration partners will need to secure sufficient manufacturing capacity with third-party manufacturers. If we and our collaboration partners are unable to produce our product candidates in sufficient quantities to meet the requirements for the launch of the product or to meet future demand, our revenues and gross margins could be adversely affected. To be successful, our product candidates must be manufactured in commercial quantities in compliance with regulatory requirements and at acceptable costs. We and our collaboration partners will regularly need to secure access to facilities to manufacture some of our product candidates commercially. All of this will require additional funds and inspection and approval by the Competent Authorities of the Member States of the European Economic Area (EEA), the United States Food and Drug Administration (FDA) and other regulatory authorities. If we and our collaboration partners are unable to establish and maintain a manufacturing capacity within our planned time and cost parameters, the development and sales of our products and product candidates as well as our business, results of operations and prospects, and the value of our shares could be adversely affected.

We and our collaboration partners may encounter problems with aspects of manufacturing our collaboration products and product candidates, including the following:

- production yields;
- quality control and assurance;
- shortages of qualified personnel;
- compliance with FDA and EEA regulations;
- production costs; and
- development of advanced manufacturing techniques and process controls.

We evaluate our options for clinical study supplies and commercial production of our product candidates on a regular basis, which may include use of third-party manufacturers, or entering into a manufacturing joint venture relationship with a third party. We are aware of only a limited number of companies on a worldwide basis that operate manufacturing facilities in which our product candidates can be manufactured under cGMP regulations, a requirement for all pharmaceutical products. We cannot be certain that we and our collaboration partners will be able to contract with any of these companies on acceptable terms, if at all, all of which could harm our business, results of operations and prospects, and the value of our shares.

In addition, we and our collaboration partners, as well as any third-party manufacturer, will be required to register such manufacturing facilities with the FDA (and have a U.S. agent for the facility, if outside the United States), the Competent Authorities of the Member States of the EEA, and other regulatory authorities. The facilities will be subject to inspections confirming compliance with the FDA, the Competent Authorities of the Member States of the EEAs, or other regulatory authority cGMPs requirements. We do not control the manufacturing process of our product candidates, and, other than with respect to our collaboration product candidates, we are dependent on our contract manufacturing partners for compliance with cGMP's regulations for manufacture of both active drug substances and finished drug products. If we or our collaboration partners or any third-party manufacturer fails to maintain regulatory compliance, our business, financial condition and results of operations may be harmed, and the FDA, the Competent Authorities of the Member States of the EEA, or other regulatory authorities can impose regulatory sanctions that range from a warning letter to withdrawal of approval to seeking product seizures, injunctions and, where appropriate, criminal prosecution.

***The results of pre-clinical studies and initial clinical trials may not be predictive of future results, and our potential product candidates may not have favorable results in later trials or in the commercial setting.***

Pre-clinical tests and Phase 1 and Phase 2 clinical trials are primarily designed to test safety, to study pharmacokinetics and pharmacodynamics and to understand the side effects of product candidates and explore efficacy at various doses and schedules. Success in pre-clinical or animal studies and early clinical trials does not ensure that later large-scale efficacy trials will be successful, nor does it predict final results; favorable results in early trials may not be repeated in later trials.

A number of companies in the life sciences industry have suffered significant setbacks in advanced clinical trials, even after positive results in earlier trials. Clinical results are frequently susceptible to varying interpretations that may delay, limit or prevent regulatory approvals. Negative or inconclusive results or adverse medical events during a clinical trial could cause a clinical trial to be delayed, repeated or terminated. In addition, failure to construct appropriate clinical trial protocols could result in the test or control group experiencing a disproportionate number of adverse events and could cause a clinical trial to be repeated or terminated.

There is typically an extremely high rate of attrition from the failure of product candidates proceeding through clinical and post-approval trials.

***We may face difficulty in enrolling patients in our clinical trials.***

We may find it difficult to enroll patients in our clinical trials. The timing of our current and future clinical trials depends on the speed at which we can recruit patients to participate in testing our therapeutic candidates. If patients are unwilling to participate in our trial(s) because of negative publicity from adverse reactions or for other reasons, including competitive clinical trials for similar patient populations, the timeline for recruiting patients, conducting trials and obtaining regulatory approval of potential products may be delayed or prevented. These delays could result in increased costs, delays in advancing our product development, delays in testing the effectiveness of our technology or termination of the clinical trials altogether. We may not be able to identify, recruit and enroll a sufficient number of patients, or those with required or desired characteristics to achieve sufficient diversity in a given trial in order to complete our clinical trials in a timely manner. If we have difficulty enrolling a sufficient number of patients to conduct our clinical trials as planned, we may need to delay, limit or terminate ongoing or planned clinical trials, any of which would have an adverse effect on our business.

***The outcome of clinical trials is uncertain and our clinical trials may fail to demonstrate adequately the safety and efficacy of a particular therapeutic candidates, which would prevent or delay regulatory approval and commercialization.***

There is a risk in any clinical trial that side effects from our therapeutic candidates will require a hold on, or termination of, our clinical program(s) or further adjustments to our clinical program(s) in order to progress our therapeutic candidates. We will need to demonstrate that the therapeutic candidates are safe, pure and potent for use in each target indication. The therapeutic candidate must demonstrate an acceptable risk versus benefit profile in its intended patient population and for its intended use. The risk/benefit profile required for product licensure will vary depending on these factors.

***Our success will be dependent upon our corporate collaborations with third parties in connection with services we will need for the development, marketing and commercialization of our products.***

The success of our business will be largely dependent on our ability to enter into corporate collaborations regarding the development, clinical testing, regulatory approval and commercialization of our potential product candidates. We may not be able to find collaborative partners to support the future development, marketing and commercialization of our products, which may require us to undertake research and development and/or commercialization activities ourselves and may result in a material adverse effect on our business, financial condition, prospects and results of operations.

Even if we are able to find new collaborative partners, our success is highly dependent upon the performance of these new corporate collaborators. The amount and timing of resources to be devoted to activities by future corporate collaborators, if any, are not within our direct control and, as a result, we cannot assure you that any future corporate collaborators will commit sufficient resources to our research and development projects or the commercialization of our potential product candidates. Any future corporate collaborators might not perform its obligations as expected and might pursue existing or other development-stage products or alternative technologies in preference to those being developed in collaboration with us, or may terminate particular development programs, or the agreement governing such development programs.

In addition, if any future collaborators fail to comply with applicable regulatory requirements, the FDA, the European Medicines Agency ("EMA"), the Therapeutic Products Directorate of Canada ("TPD") or other authorities could take enforcement action that could jeopardize our ability to develop and commercialize our potential product candidates. Despite our best efforts to limit them, disputes may arise with respect to ownership of technology developed under any such corporate collaboration.

***We will rely on proprietary technology, the protection of which can be unpredictable and costly.***

Our success will depend in part upon our ability to obtain patent protection or patent licenses for our future technology and products. Obtaining patent protection or patent licenses can be costly and the outcome of any application for patent protection and patent licenses can be unpredictable. In addition, any breach of confidentiality by a third party by premature disclosure may preclude us from obtaining appropriate patent protection, thereby affecting the development and commercial value of our technology and products.

***Some of our future products may rely on licenses of proprietary technology owned by third parties and we may not be able to maintain these licenses on favorable terms.***

The manufacture and sale of some of the products we hope to develop may involve the use of processes, products, or information, the rights to which are owned by third parties. Such licenses frequently provide for limited periods of exclusivity that may be extended only with the consent of the licensor. If licenses or other rights related to the use of such processes, products or information are crucial for marketing purposes, and we are not able to obtain them on favorable terms, or at all, the commercial value of our products will be significantly impaired. If we experience delays in developing our products and extensions are not granted on any or all of such licenses, our ability to realize the benefits of our efforts may be limited.

***We will have future capital needs, and there are uncertainties as to our ability to raise additional funding.***

Our current cash resources will not cover all of our operational costs and the needs of our subsidiaries to progress towards clinical trials. Additional capital will be needed to test product candidate in human trials, obtain regulatory approvals and ultimately to commercialize such product candidates.

In addition, our future cash requirements may vary materially from those now expected. For example, our future capital requirements may increase if:

- we experience scientific progress sooner than expected in our future discovery, research and development projects, if we expand the magnitude and scope of these activities, or if we modify our focus as a result of our discoveries;
- we experience setbacks in our progress with pre-clinical studies and clinical trials are delayed;
- we experience delays or unexpected increased costs in connection with obtaining regulatory approvals, particularly in light of the current inflationary environment;
- we are required to perform additional pre-clinical studies and clinical trials;
- we experience unexpected or increased costs relating to preparing, filing, prosecuting, maintaining, defending and enforcing patent claims; or
- we elect to develop, acquire or license new technologies and products.

If sufficient capital is not available, we may be required to delay, reduce the scope of, eliminate or divest of one or more of our research or development projects, any of which could have a material adverse effect on our business, financial condition, prospects or results of operations.

One of our subsidiaries, iOx Therapeutics Ltd, which is shortly going to start clinical stage trials, has an agreement with University of Oxford under which some clinical trial costs are to be undertaken by the University of Oxford. This will reduce some of our related immediate cash requirements. iOx Therapeutics is also party to a Horizon 2020 grant consortium in which the EU partially funds the development work including human testing of a second product. The Company will need a license and additional funding if it wishes to pursue this product further.

***We may not be able to successfully identify, consummate or integrate acquisitions or to successfully manage the impacts of such transactions on our operations.***

Part of our business strategy includes pursuing synergistic acquisitions. We have expanded, and plan to continue to expand, our business by making strategic acquisitions and regularly seeking suitable acquisition targets to enhance our growth. Material acquisitions, dispositions and other strategic transactions involve a number of risks, including: (i) the potential disruption of our ongoing business; (ii) the distraction of management away from the ongoing oversight of our existing business activities; (iii) finding equity funding and incurring additional indebtedness; (iv) issuing additional equity which may have a dilutive effect on the capital of the Company, (v) the anticipated benefits and cost savings of those transactions not being realized fully, or at all, or taking longer to realize than anticipated; (vi) an increase in the scope and complexity of our operations; and (vii) the loss or reduction of control over certain of our assets.

The pursuit of acquisitions may pose certain risks to us. We may not be able to identify acquisition candidates that fit our criteria for growth and profitability. Even if we are able to identify such candidates, we may not be able to acquire them on terms or financing satisfactory to us. We will incur expenses and dedicate attention and resources associated with the review of acquisition opportunities, whether or not we consummate such acquisitions.

***We will be subject to risks associated with doing business globally.***

As a pharmaceutical research and development company, our operations are likely to expand in the European Union and many other developed countries worldwide, we will be subject to political, economic, operational, legal, regulatory and other risks that are inherent in conducting business globally. These risks include foreign exchange fluctuations, exchange controls, capital controls, new laws or regulations or changes in the interpretation or enforcement of existing laws or regulations, political instability, macroeconomic changes, including recessions and inflationary or deflationary pressures, increases in prevailing interest rates by central banks or financial services companies, economic uncertainty, which may adversely affect our research and development, reduce the demand for our potential products and reduce the prices that our potential customers will be willing to pay for our products, import or export restrictions, tariff increases, price controls, nationalization and expropriation, changes in taxation, diminished or insufficient protection of intellectual property, lack of access to impartial court systems, violations of law, including the U.S. Foreign Corrupt Practices Act and the United Kingdom (“U.K.”) Bribery Act, disruption or destruction of operations or changes to the Company’s business position, regardless of cause, including pandemic, war, terrorism, riot, civil insurrection, social unrest, strikes and natural or man-made disasters, including famine, flood, fire, earthquake, storm or disease. The impact of any of these developments or events, either individually or cumulatively, could have a material adverse effect on our business, financial condition and results of operations.

***We may face exposure to adverse movements in foreign currency exchange rates while completing international clinical trials and when our products will be commercialized.***

We intend to generate revenue and expenses internationally that are likely to be primarily denominated in U.S., Euros and U.K. pounds sterling. Our intended international business will be subject to risks typical of an international business including, but not limited to, differing tax structures, a myriad of regulations and restrictions, and general foreign exchange rate volatility. A decrease in the value of such foreign currencies relative to the United States dollar could result in losses in revenues from currency exchange rate fluctuations. Conversely, an increase in the value of such foreign currencies relative to the United States dollar could negatively impact our operating expenses. To date, we have not hedged against risks associated with foreign exchange rate exposure. We cannot be sure that any hedging techniques we may implement in the future will be successful or that our business, results of operations, financial condition and cash flows will not be materially adversely affected by exchange rate fluctuations.

***The loss of key personnel could have an adverse effect on our business.***

We are highly dependent upon the efforts of our senior management. The loss of the services of one or more members of senior management and directors could have a material adverse effect on us as a small company with a streamlined management structure, the departure of any key person could have a significant impact and would be potentially disruptive to our business until such time as a suitable replacement is hired. We do not carry any key person insurance on our senior management.

***The U.K.'s withdrawal from the EU, commonly referred to as Brexit, may have a negative effect on global economic conditions, financial markets and our business.***

Brexit has created significant uncertainty concerning the future relationship between the U.K. and the EU. From a regulatory perspective, there is uncertainty about which laws and regulations will apply. A significant portion of the regulatory framework in the U.K. is derived from EU laws. However, it is unclear which EU laws the U.K. will decide to replace or replicate in connection with its withdrawal from the EU. In particular, the regulatory regime applicable to our operations, including with respect to the approval of our product candidates, may change, potentially significantly, and the impact on the process for obtaining or maintaining marketing authorization for pharmaceutical products manufactured or sold in the U.K. is otherwise unknown.

A basic requirement related to the grant of a marketing authorization for a medicinal product in the EU is the requirement that the applicant be established in the EU. Following withdrawal of the U.K. from the EU, marketing authorizations previously granted to applicants established in the U.K. through the centralized, mutual recognition or decentralized procedures may no longer be valid. Moreover, there is a risk that the scope of a marketing authorization for a medicinal product granted by the EU pursuant to the centralized procedure, or by the competent authorities of other EU member states through the decentralized or mutual recognition procedures, would not encompass the U.K. In that circumstance, a separate authorization granted by the U.K. competent authorities would be required to place medicinal products on the U.K. market.

In addition, the laws and regulations that will apply after the U.K. withdrawal from the EU may have implications for manufacturing sites that hold certifications issued by the U.K. competent authorities. Our ability to rely on these manufacturing sites for products intended for the EU market will depend on the post-withdrawal terms of the authorizing bodies and, potentially, on the ability to obtain relevant exemptions under EU law to supply the EU market with products manufactured at U.K. certified sites. There is also the risk that if batch release and quality control testing sites for our products are located only in the U.K., manufacturers will need to use sites in other EU member states. All of these changes, if they occur, could increase our costs and otherwise adversely affect our business.

Brexit has also given rise to calls for the governments of other EU member states to consider withdrawal from the EU. These developments, or the perception that they could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, including by significantly reducing global market liquidity or restricting the ability of key market participants to operate in certain financial markets. In addition, currency exchange rates for the British pound and the Euro with respect to each other and to the U.S. dollar have already been negatively affected by Brexit. Should this foreign exchange volatility continue or be exacerbated by U.K.'s withdrawal from the EU, it could cause volatility in our quarterly financial results.

We have an office in Oxford, England which is focused on developing our products outside of the U.S. We do not know to what extent, or when, the U.K.'s withdrawal from the EU or any other future changes to membership in the EU will impact our business, particularly our ability to conduct international business from a base of operations in the U.K. The U.K. could lose the benefits of global trade agreements negotiated by the EU on behalf of its members, possibly resulting in increased trade barriers, which could make doing business in Europe more difficult and/or costly. Moreover, in the U.S., tariffs on certain U.S. imports have recently been imposed, and the EU and other countries have responded with retaliatory tariffs on certain U.S. exports. We cannot predict what effects these and potential additional tariffs will have on our business, including in the context of escalating global trade and political tensions. However, these tariffs and other trade restrictions, whether resulting from the U.K.'s withdrawal from the EU or otherwise, could increase our cost of doing business, reduce our gross margins or otherwise negatively impact our financial results.

## **Risks Related to Ownership of our Shares**

***The issuance of Ordinary Shares upon the exercise of our outstanding options will dilute the ownership interest of existing shareholders and increase the number of shares eligible for future resale.***

As of March 31, 2022, we have 378,740 vested restricted stock units outstanding, which are subject to certain restrictions and 33,888 warrants, which expire in October 2022 if unexercised. Additionally, as of March 31, 2022, we have an aggregate of 1,151,400 options to acquire ordinary shares outstanding. Since that date, we have granted an additional 50,000 options to acquire ordinary shares and issued 2,425,999 ordinary shares in connection with the acquisition of Tarus Therapeutics and in connection with the Tarus Therapeutics acquisition we may issue additional ordinary shares. Additionally, we issued 94,508 ordinary shares to Lincoln Park Capital Fund L.L.C. in consideration for entering into the \$30 million committed share purchase agreement, described more fully below, and 4,222 ordinary shares to a service provider for services rendered. On July 18, 2022, we completed the iOx Share Exchange Agreement under which we exchanged 1,070,000 ordinary shares for the remaining minority interest of 21.68% of iOx. We intend to use our capital stock to reward and encourage our employees through the use of options and similar equity grants and to pursue acquisitions. Each of these issuances will have a dilutive effect on the ownership interest of the company held by existing shareholders. The additional shares that may be or are outstanding may have an adverse effect on the share price of our ordinary shares, especially if the market perceives that the shares are issued at less than their current or anticipated fair value.

***Our principal shareholders and senior management own a significant percentage of our shares and are able to exert significant control over matters subject to shareholder approval.***

As of August 1, 2022, our senior management, board members, holders of 5% or more of our share capital and their respective affiliates beneficially own approximately 45.5% of our outstanding voting securities. As a result, these security holders have the ability either alone or voting together as a group to determine and/or significantly influence the outcome of matters submitted to our shareholders for approval, including the election and removal of board members, payment of dividends, amendments to our articles of association, including changes to our share capital or any mergers, demergers, liquidations and similar transactions. This may prevent or discourage unsolicited acquisition proposals or offers for our ordinary shares that our shareholders may feel are in their best interest as a shareholder. In addition, this group of shareholders generally has the ability to control our management and business affairs and direction of the Company. Such control and concentration of ownership may affect the market price of our shares and may discourage certain types of transactions, including those involving actual or potential change of control of us (whether through merger, consolidation, take-over or other business combination), which might otherwise have a positive effect on the market price of the shares.

***We are currently a foreign private issuer, which may limit information about the Company and legal rights that you as an investor may desire and are different from those of a United States domestic reporting company.***

We currently are a "foreign private issuer," as such term is defined in Rule 405 under the U.S. Securities Act 1933, and, therefore, we are not required to file quarterly reports on Form 10-Q or current reports on Form 8-K with the United States Securities and Exchange Commission ("SEC"). In addition, the proxy rules and Section 16 reporting and short-swing profit recapture rules are not applicable to us. If we lose our status as a foreign private issuer by our election or otherwise and we become subject to the full reporting regime of the United States securities laws, we will be subject to additional reporting obligations and proxy solicitation obligations under the Exchange Act and our officers, directors and 10% shareholders would become subject to the short-swing profit rules. The imposition of these reporting rules would increase our costs and the obligations of those affected by the short-swing rules.

***Complex United States taxation rules apply to holders of our ordinary shares if we have too much passive income compared to ordinary income and we are considered a PFIC.***

Generally, if, for any taxable year, at least 75% of our gross income is passive income or at least 50% of the value of our assets is attributable to assets that produce passive income or are held for the production of passive income, including cash, we will be classified as a passive foreign investment company, or PFIC, for U.S. federal income tax purposes. For purposes of these tests, passive income includes dividends, interest, and gains from the sale or exchange of investment property and rents and royalties other than certain rents and royalties which are received from unrelated parties in connection with the active conduct of a trade or business. We believe that we were a PFIC for our fiscal year ended March 31, 2018. In addition, we may have been a PFIC in prior years and may be a PFIC in the future. However, we do not believe we will be classified as PFIC for the fiscal year ended March 31, 2022 as a result of the acquisition of several immune-oncology related businesses as explained elsewhere in this report.



If we are classified as a PFIC, our U.S. tax-resident shareholders could be liable for additional taxes and interest charges upon certain distributions by us and any gain recognized on a sale, exchange or other disposition, including a pledge, of our ordinary shares (and such gain would generally be treated as ordinary income, rather than capital gain, for U.S. federal income tax purposes), whether or not we continue to be a PFIC. In addition, U.S. tax residents who own an interest in a PFIC are required to comply with certain reporting requirements.

A U.S. tax-resident shareholder may in certain circumstances be able to mitigate some of the adverse U.S. federal income tax consequences of us being classified as a PFIC if our ordinary shares qualify as "marketable stock" under the PFIC rules and the shareholder is eligible to make, and successfully makes, a "mark-to-market" election. A U.S. tax-resident shareholder could also mitigate some of the adverse U.S. federal income tax consequences by making a "qualified electing fund," or QEF, election, provided that we provide the information necessary for our U.S. tax-resident shareholders to make such an election, but we are not required to make this information available. However, we made the information available for the fiscal years 2018 and 2019 to those shareholders who requested it, but we have not yet determined whether we can or will do so for our fiscal years ending March 31, 2020, 2021 and 2022 or for any other fiscal year.

U.S. tax-resident shareholders are strongly urged to consult their tax advisors about the PFIC rules, including tax return filing requirements and the eligibility, manner, and consequences to them of making a QEF or mark-to-market election with respect to our ordinary shares if we should be classified as a PFIC.

***U.S. shareholders may not be able to enforce civil liabilities against us.***

We are a company incorporated under the laws of the British Virgin Islands. Many of our directors and executive officers are non-residents of the United States. Because a substantial portion of their assets and currently most of our assets are located outside the United States, it may be difficult for investors to effect service of process within the United States upon us or those persons.

Our corporate affairs will be governed by our Memorandum and Articles of Association, the BVI Business Companies Act (Revised Edition 2020, as amended) (the "**BVI Act**"), and the common law of the British Virgin Islands. The rights of shareholders to take action against the directors, actions by minority shareholders and the fiduciary responsibilities of our directors to us under British Virgin Islands law are to a large extent governed by the **BVI Act** and common law of the British Virgin Islands. The common law of the British Virgin Islands is derived in part from comparatively limited judicial precedent in the British Virgin Islands and from English common law, the decisions of whose courts are considered persuasive authority but are not binding on a court in the British Virgin Islands. The rights of our shareholders and the fiduciary responsibilities of our directors under British Virgin Islands law may not be as clearly established as they would be under statutes or judicial precedent in jurisdictions in the United States or Canada. In particular, the British Virgin Islands has a less developed body of securities laws as compared to the United States, and some states, such as Delaware, have more fully developed and judicially interpreted bodies of corporate law. In addition, British Virgin Islands companies may or may not have standing to initiate a shareholder derivative action in a federal court of the United States.

The British Virgin Islands courts are also unlikely:

- to recognize or enforce against us judgments of U.S. courts based on certain civil liability provisions of U.S. securities laws; and
- to impose liabilities against us, in original actions brought in the British Virgin Islands, based on certain civil liability provisions of U.S. securities laws that are penal in nature.

There is no statutory recognition in the British Virgin Islands of judgments obtained in the United States.

We have been advised by counsel as to British Virgin Islands law, that (i) they are unaware of any proceedings that have been brought in the British Virgin Islands to enforce judgments of the U.S. courts or to impose liabilities based on the civil liability provisions of the U.S. federal or state securities laws; (ii) a final and conclusive judgment in the federal or state courts of the United States under which a sum of money is payable, other than a sum payable in respect of taxes, fines, penalties or similar charges, may be subject to enforcement proceedings as a debt in the courts of the British Virgin Islands under the common law doctrine of obligation; and (iii) because it is uncertain whether a British Virgin Islands court would determine that a judgment of a U.S. court based on the civil liability provisions of the U.S. federal or state securities laws is in the nature of a penalty, it is uncertain whether such a liability judgment would be enforceable in the British Virgin Islands.

***As a foreign private issuer and as permitted by the listing requirements of Nasdaq, we will rely on certain home country governance practices rather than the corporate governance requirements of Nasdaq.***

We are a foreign private issuer, and in accordance with Nasdaq Listing Rule 5615(a)(3), we will comply with home country governance requirements and certain exemptions thereunder rather than complying with certain of the corporate governance requirements of Nasdaq.

British Virgin Islands law does not require that a majority of our board of directors consist of independent directors or that our board committees consist of entirely independent directors. Our board of directors and board committees, therefore, may include fewer independent directors than would be required if we were subject to Nasdaq Listing Rule 5605(b)(1). In addition, we will not be subject to Nasdaq Listing Rule 5605(b)(2), which requires that independent directors must regularly have scheduled meetings at which only independent directors are present. Also, British Virgin Islands law does not require the board of directors to have a nominating committee or compensation committee, and we do not plan on having such committees.

We also are exempt from the Nasdaq listing rules so as to follow the quorum rules for shareholder meetings under British Virgin Islands law. We also are exempt from the Nasdaq listing rules so as to not be required to obtain shareholder approval for certain issuance of securities, shareholder approval of share option plans and change of control transactions under the Nasdaq Listing Rule 5635.

***We may lose our foreign private issuer status, which would then require us to comply with the Exchange Act's domestic reporting regime and cause us to incur significant legal, accounting and other expenses.***

We are a foreign private issuer. In order to maintain our current status as a foreign private issuer, a majority of our outstanding ordinary shares must continue to be either directly or indirectly owned of record by non-residents of the United States. If a majority of our outstanding ordinary shares are instead held by U.S. residents, then in order to continue to maintain our foreign private issuer status, (i) a majority of our executive officers or directors must not be U.S. citizens or residents, (ii) more than 50% of our assets must not be located in the United States, and (iii) our business must be administered principally outside the United States.

Losing our status as a foreign private issuer would require us to comply with all of the periodic disclosure and current reporting requirements of the Exchange Act applicable to U.S. domestic issuers. We also will be required to make changes in our corporate governance practices in accordance with various SEC and Nasdaq rules. The regulatory and compliance costs to us under U.S. securities laws, if we are required to comply with the reporting requirements applicable to a U.S. domestic issuer, may be significantly higher than the cost we would incur as a foreign private issuer. As a result, we would expect that a loss of foreign private issuer status will increase our legal and financial compliance costs and will make some activities highly time consuming and costly. We also expect that if we will be required to comply with the rules and regulations applicable to U.S. domestic issuers, it will make it more difficult and expensive for us to obtain director and officer liability insurance; we may therefore be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These rules and regulations could also make it more difficult for us to attract and retain qualified members of our board of directors.

#### **ITEM 4 – INFORMATION ON THE COMPANY**

##### **(A) HISTORY AND DEVELOPMENT OF THE COMPANY**

The Company was originally incorporated in Ontario, Canada in 1973. It was inactive until 1985. Between 1986 and 2009, it was engaged in variety of businesses including development of a new technology for the marine propulsion business, distribution and manufacture of a snack food, emerging technology-based businesses and natural resources involving diamond mining and oil & gas exploration. In 2010, the Company acquired an indirect interest in two drilling licenses in Israel, which were subsequently disposed of in June 2012. During the period 1986 to 2012, the Company went through several name changes ending with Bontan Corporation Inc. (“Bontan”).

In December 2012, the Company decided to change the focus of its business activities from oil and gas to biotechnology mainly due to the increasing difficulty of getting access to viable oil & gas projects and also due to the potentially more profitable business opportunities which existed in the biotechnology sector. On March 21, 2013, the Company signed a letter of intent with Portage Pharma Ltd, a biotech private limited company formed under the laws of the British Virgin Islands, to acquire Portage Pharma Ltd. through an exchange of shares. The transaction was completed on June 4, 2013.

On July 5, 2013, the Company changed its name to Portage Biotech Inc. and moved its jurisdiction to the British Virgin Islands under a certificate of continuance issued by the Registrar of Corporate Affairs of BVI.

The Company now continues as a BVI business company incorporated under the BVI Act with its registered office located at Clarence Thomas Building, P.O. Box 4649, Road Town, Tortola, BVI. Its USA agent, Portage Development Services, is located at 61 Wilton Road, Westport, CT 06880.

The Company currently is a foreign private issuer under the United States Securities and Exchange Commission ("SEC") rules. It is also a reporting issuer under the securities legislation of the provinces of Ontario and British Columbia. Its ordinary shares were listed on the Canadian Securities 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". As the principal market for the Company's ordinary shares is NASDAQ, the Company voluntarily delisted from the CSE on April 23, 2021.

During August 2018, the Company reached a definitive agreement to acquire 100% of SalvaRx Limited in exchange for 805,070,067 common shares of the Company. The selling shareholders were SalvaRx Group plc (94.2%), James Mellon (2.9%) and Gregory Bailey (2.9%), the latter two persons being directors of the Company. The acquisition of SalvaRx is a "related party transaction" within the meaning of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). As a consequence, MI 61-101 required us to seek the approval of a majority of the disinterested shareholders to make this acquisition. On January 8, 2019, the majority of our minority shareholders approved the SalvaRx acquisition on the terms as set out in the signed definitive agreement. At the same time, the SalvaRx Group plc shareholders approved the definitive agreement, all required regulatory approvals were also obtained. The SalvaRx acquisition was completed on January 8, 2019, and the Company acquired 100% of the equity of SalvaRx Limited, which has full and partial ownership of six immune-oncology companies that are developing nine products.

On June 5, 2020, the Company completed a reverse-split of its ordinary shares at the rate of 100 old shares for one new share. The consolidation of shares proposal was approved by our shareholders at the annual general and special meeting of shareholders of the Company held on January 8, 2020 in which the proposal to the Board of Directors was authorized, in its sole discretion and by means of a resolution, to proceed with the proposed consolidation of the ordinary shares by a ratio of up to 120-for-1 basis, without further approval of shareholders. The then issued and outstanding 1,098,770,697 ordinary shares were exchanged for 10,987,707 ordinary shares.

On June 16, 2020, the Company closed a non-brokered private placement (the "Offering") for gross proceeds of US\$6.98 million through the issuance of 698,145 ordinary shares (the "Ordinary Shares") at a price of US\$10.00 per Ordinary Share. The proceeds from the offering have supported our product pipeline development/execution while enabling new opportunistic value creation.

Portage filed a registration statement and prospectus with the Securities and Exchange Commission ("SEC") under which it may sell ordinary shares, debt securities, warrants and units 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 in an "at the market" offering of up to a maximum aggregate offering price of \$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.

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. The offering was declared effective by the SEC on March 8, 2021.

In April 2021, the Company commenced its “at the market” offering and through June 7, 2021, it had sold 90,888 ordinary shares, generating net proceeds of approximately \$2.6 million, net of 3% commissions. The Company will use any proceeds raised in the “at the market” offering to fund its research and development activities and support operations. 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.

On June 24, 2021, the Company completed a firm commitment underwritten public offering of 1,150,000 ordinary shares at a price of \$23.00 per share. This offering was pursuant to the shelf Registration Statement and was a portion of the total \$200,000,000 of securities registered. The Company incurred offering expenses of approximately \$1.8 million, including approximately \$1.6 million of management, underwriting and selling expenses. The Company will use any proceeds raised to fund its research and development activities and support operations.

On July 6, 2022, the Company acquired Tarus Therapeutics, a private company, developing adenosine receptor antagonists, in exchange for 2,425,999 ordinary shares and the assumption of \$3 million of liabilities. Additionally, payments of up to \$32,000,000 in ordinary shares or cash will be triggered upon achievement of future development and sales milestones. As a result of the transaction, Portage acquired four best-in-class assets targeting different aspects of the adenosine pathway, and the Company believes it is now in a unique position to evaluate the role of adenosine in cancer and other diseases.

Also, on July 6, 2022, the Company entered into a committed share purchase agreement for up to \$30 million with Lincoln Park Capital Fund, LLC (“LPC”), a Chicago-based institutional investor, providing financing flexibility to the Company. Under the terms of the purchase agreement, Portage will have the right at its sole discretion, but not the obligation, to sell to LPC up to \$30 million worth of its ordinary shares over the 36-month term of the agreement based on the market prices prevailing at the time of each sale to LPC, subject to certain conditions. In consideration for entering into the agreement, LPC was issued 94,508 ordinary shares on July 6, 2022 valued at \$0.9 million. This commitment helps support the incremental development costs for the adenosine programs, and also provides significant financial flexibility for advancement of the Company’s existing pipeline of immunotherapy treatments.

## **(B) BUSINESS OVERVIEW**

### **Nature of Operations and Overview**

Portage is a clinical stage immune-oncology company focused on overcoming immune resistance. Including the Tarus Therapeutics acquisition, it currently manages 14 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.

### **The Portage Approach**

Our mission is to advance and grow a portfolio of innovative, early-stage oncology assets based on the latest scientific breakthroughs focused on overcoming immune resistance. Given these foundations, we manage capital allocation and risk as much as we oversee drug development. By focusing our efforts on translational medicine and pipeline diversification, we seek to mitigate overall exposure to many of the inherent risks of drug development. Our approach is guided by the following core elements:

- Portfolio diversification to mitigate risk and maximize optionality;
- Capital allocation based on risk-adjusted potential, including staged funding to pre-specified scientific and clinical results;
- Virtual infrastructure and key external relationships to maintain a lean operating base;
- Internal development capabilities complemented by external business development;
- Rigorous asset selection with disciplined ongoing evaluation; and
- Focus on translational medicine and therapeutic candidates with in vivo single agent activity.

We believe that our corporate structure results in enhanced operational efficiency and maintains an optimal cost structure by centralizing strategic/tactical support, shared services, including all research and development operations, capital allocation/ contribution, human resources, administrative services, and business development, as well as other services to each of our immuno-oncology platforms and assets currently in various development stages. Our execution is achieved, in part, through our internal core team and utilizing our large network of experts, contract labs, and academic partners.

### **Our Science Strategy**

Our goal is to develop immuno-oncology therapeutics that will dramatically improve the standard-of-care for patients with cancer. The key elements of our scientific strategy are to:

- Build a pipeline of differentiated oncology therapeutic candidates that are diversified by mechanism, therapeutic approach, modality, stage of development, leading to a variety of deal types that can be executed with partners;
- Expand our pipeline through research collaborations, business development, and internally designed programs;
- Continue to advance and evolve our pipeline with a goal of advancing one therapeutic candidate into the clinic and one program into IND-enabling studies each year; and
- Evaluate strategic opportunities to accelerate development timelines and maximize the value of our portfolio.

### **Our Pipeline**

We have built a pipeline of targeted oncology and immuno-oncology therapeutic candidates and programs that are diversified by mechanism, therapeutic approach, modality, and stage of development. On an ongoing basis, we rigorously assess each of our programs using internally defined success criteria to justify continued investment and determine proper capital allocation. When certain programs do not meet our de-risking criteria for advancement, we look to monetize or terminate those programs and preserve our capital and resources to invest in programs with greater potential. As a result, our pipeline will continue to be dynamic.

The charts below sets forth, only as of July 1, 2022, the current state of our immuno-oncology therapeutic candidates and programs. The chart contains forward looking information and projections based on management's current estimates. The chart information is based on and subject to many assumptions, as determined by management and not verified by any independent third party, which may change or may not occur as modeled. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Before you make an investment decision regarding the company, you should make your own analysis of forward-looking statements and our projections about candidate and program development and results.

## Novel pipeline with numerous small molecule broad immune engagers

### iNKT Agonist Platform

PLATFORM	TECHNOLOGY	ASSET	INDICATION	STAGE
PORT-2	iNKT Agonists Liposomal Formulations	IMM60	Melanoma	Phase 1/2
PORT-2	iNKonists Liposomal Formulations	IMM60 + Keytruda®	Melanoma	Phase 1/2
PORT-2	iNKT Agonists Liposomal Formulations	IMM60+ Keytruda®	NSCLC	Phase 1/2
PORT-2	iNKT Agonists Liposomal Formulations	IMM60+Cell Therapy	Solid Tumors	Preclinical
PORT-3	iNKT Agonists Nanoparticle Co-Formulations	(IMM60/NY-ESO-1) + Keytruda®	NY-ESO-1 Postive Tumors	Phase 1/2

### Adenosine Inhibitor Platform

PLATFORM	TECHNOLOGY	ASSET	INDICATION	STAGE
PORT-6	A2AR Inhibitor	TT-10	A2A exp Solid Tumors	Phase 1a/1b
PORT-7	A2BR Inhibitor	TT-4	A2B exp Solid Tumors	Phase 1a/1b
PORT-8	A2AR/A2BR Inhibitor	TT-53	Solid Tumors	Preclinical
PORT-9	Gut-restricted A2BR Inhibitor	TT-3	Colorectal, GI tumors	Preclinical

## Additional programs in development

Portage's pipeline also includes antibodies, small molecules and protein therapeutics delivered by novel intratumoral formulations (PORT-1), nanolipogels (PORT-4), and virus-like particles (PORT-5)

PLATFORM	TECHNOLOGY	ASSET	INDICATION	STAGE
PORT-1*	Intratumoral Amphiphilic Solutions	INT230-6	Advanced Soft Tissue Sarcoma	Planned Phase 3
PORT-1	Intratumoral Amphiphilic Solutions	INT230-6	Early-stage Breast & Solid Tumors	Phase 2
PORT-1	Intratumoral Amphiphilic Solutions	INT230-6 + Keytruda®	Multiple Indications	Phase 2
PORT-1	Intratumoral Amphiphilic Solutions	INT230-6 & Yervoy®	Multiple Indications	Phase 2
PORT-4	Nanolipogel Co-Formulations (NGLs)	SAUG 1 (PD1 + VEGF TKI)	Solid Tumors	Pre-clinical
PORT-4	Nanolipogel Co-Formulations (NGLs)	SAUG2 (PD1 + CTLA4)	Solid Tumors	Pre-clinical
PORT-5	VLP-STING	STIM1 + approved agent	Solid Tumors	Pre-clinical

\* Portage Biotech has an 8% economic interest in PORT-1 (INT230-6), which is being advanced in collaboration with Intensity Therapeutics.

## **Our Programs and Technology – Recent Developments**

### ***Invariant Natural Killer T-cells (iNKT cells) Platform***

iNKT cells play an important role in anti-tumour immune responses and are a distinct class of T lymphocyte displaying a limited diversity of T-cell receptors. They recognize lipid antigens on the surface of tumour cells and produce large amounts of cytokines within hours of stimulation without the need for clonal expansion. Furthermore, iNKT cells activate multiple immune system components, including dendritic cells, T-cells and B-cells and stimulate an antigen-specific expansion of these cells. An operating subsidiary holds an exclusive license (with the right to sub-license) from the Ludwig Institute to use, research, develop and commercialize iNKT cell agonists, for the treatment of various forms of human disease, including cancer, under the Ludwig Institute's intellectual property and know-how.

### ***PORT-2 (IMM60)***

PORT-2 is an iNKT cell activator/agonist formulated in a liposome with a 6-member carbon head structure that has been shown to activate both human and murine iNKT cells, resulting in dendritic cell (DC) maturation and the priming of Ag-specific T and B cells. In August 2021, we dosed the first patient in the IMP-MEL PORT-2 clinical trial, a Phase ½ dose escalation and randomized expansion trial. We have completed the first dose escalating cohort and currently anticipate completing the second cohort before the end of Fiscal 2022. Initial data suggests PORT-2 demonstrates strong safety when administered as a monotherapy and the Company is moving toward enrollment in the combination safety evaluation with Keytruda. The Company received regulatory approval from the Medicines and Healthcare products Regulatory Agency in the United Kingdom and Research Ethics Board at Oxford University in December 2020. The PORT-2 study has 6 arms and is expected to enroll up to 100 patients with melanoma or non-small cell lung carcinoma (NSCLC) in order to evaluate safety and efficacy.

In animal models, PORT-2 enhanced the frequency of tumour specific immune responses (Jukes 2016). iNKT cells are unique lymphocytes defined by their co-expression of surface markers associated with NK cells along with a T-cell antigen receptor (Schmieg 2005). They recognise amphipathic ligands such as glycolipids or phospholipids presented in the context of the non-polymorphic, MHC class I-like molecule CD1d. Activated iNKT cells rapidly produce IFN-gamma and IL-4 and induce dendritic cell (DC) maturation and IL-12 production (Cerundolo 2009, Salio 2009, Speak 2008, Fujii 2013).

Preliminary Phase 1 data received to date suggests PORT-2 was well tolerated when administered as a monotherapy, with no severe or serious related adverse events. All possibly related adverse events were mild to moderate and did not limit dosing. This has enabled a plan to accelerate opening of the combination safety cohort with Keytruda, in parallel with the ongoing high dose monotherapy cohort. Biomarker data presented at the ASCO meeting in 2022 confirmed the mechanism of action, i.e., both activation of the innate and adaptive arms of the immune system. One of the 2 patients treated at the 3mg/m<sup>2</sup> dose had a mixed response with several tumors showing >50% reduction in diameter indicating single agent activity. Detailed data will be submitted to congresses later this year.

With the enhanced management team, efficient organization, and financial resources obtained in 2021, Portage has decided to expand the PORT-2 study beyond the U.K. to accelerate clinical studies while addressing COVID-19 headwinds. The Company has hired a global clinical research organization (CRO-Parexel) and is preparing for regulatory submissions in other countries. By expanding the regions and sites contributing to the study, Portage will be enabled to accelerate enrollment in the planned Phase 2 portions of this trial.

### **PORT-3 (IMM65)**

PORT-3 is a PLGA-nanoparticle formulation of IMM60 combined with a NY-ESO-1 peptide vaccine. The first patient was dosed in 2021 and is continuing to enroll patients in the PRECIOUS Phase 1 study of PORT-3 in patients with solid tumors. The Phase 1 portion of the trial is expected to enroll 15 patients while the randomized Phase 2 portion is expected to enroll an additional 42 patients. The trial was having difficulty identifying tumors that expressed NY-ESO-1, so it was amended to include all solid tumors regardless of expressing to facilitate assessment of safety. The Horizon 2020 grant support ended in April 2022. This platform is designed to demonstrate proof of concept. The combination product has the ability to prime and boost an anti-tumor immune response. Our patent position extends to other known tumor antigens, and we are prepared to rapidly launch other assets into the clinic if we see strong activity of this formulation. Notably, Portage received additional grant support from the Horizon 2020 program to explore next generation targeted nanoparticles. Preliminary safety data for repeat dosing of PORT-3, a nanoparticle co-formulation of PORT-2 and NY-ESO-1 immunogenic peptides developed for the treatment of NY-ESO-1 positive solid tumors, is also favorable.

Biodegradable PLGA-nanoparticles function as a delivery platform for immunomodulators and tumor antigens to induce a specific anti-tumor immune response. PLGA has minimal (systemic) toxicity and is used in various drug-carrying platforms as an encapsulating agent. Furthermore, co-formulating an iNKT inhibitor with a peptide vaccine in a particle has shown to be approximately 5 times more potent in killing cancer cells and generating an antigen specific CD8 T-cell response than giving the 2 agents individually (ref Dolen et al Oncoimmunology paper).

NY-ESO-1 is a cancer-testis antigen expressed during embryogenesis and in the testis, an immune privileged site. Furthermore, NY-ESO-1 expression is observed in several advanced cancers: lung (2-32%), melanoma (40%), bladder (32-35%), prostate (38%), ovarian (30%), esophageal (24-33%), and gastric cancers (8-12%). Clinical trials have shown the safety and tolerability of Good Manufacturing Practices (GMP)-grade NY-ESO-1 peptides in patients with cancer.

There is substantial opportunity for potential expansion in the PD-1 market with PORT-2 and PORT-3. 70-80% of patients do not respond or have a limited response to existing monotherapies, such as PD-1 checkpoint inhibitors. Combinations can improve this but often come at the cost of significant additional toxicity. The market is saturated with 14 approved PD-1 antibodies, and every major pharma company competes in this space. With iNKT agonists upregulating expression of PD-L1, patient populations who are typically not good candidates for PD-1 antibodies due to their lack of or low expression of PD-L1 may be able to utilize PORT 2 or PORT-3 to sensitize tumors to PD-1 agents. Extending the use of PD-1 antibodies represents a significant upside for one of these companies competing for market share, should they choose to partner with Portage.

### ***Adenosine Receptor Antagonist Platform***

A critical mechanism of cancer immune evasion is the generation of high levels of immunosuppressive adenosine within the tumor microenvironment (TME). Research suggests that the TME has significantly elevated concentrations (100-500 fold) of extracellular adenosine. Engagement with adenosine receptors A2A and A2B triggers a dampening effect on the immune response, suppressing effector cell function and stabilizing immunosuppressive regulatory cells. Over-expression of the A2A and A2B receptors leads to poor prognosis in multiple cancers, including prostate cancer, colorectal cancer and lung adenocarcinoma, driven by a reduced ability to generate an immune response against the tumor.



These findings have made A2A and A2B high-priority targets for immunotherapeutic intervention. Portage is advancing four first-in-class adenosine inhibitors, which together represent a broad suite of adenosine-targeting approaches and will enable a comprehensive exploration of how targeting the adenosine pathway could improve response in multiple cancer and non-cancer indications:

***PORT-6 (TT-10)***

Adenosine receptor type 2A (A2A) inhibitor to treat A2A expressing solid tumors; PORT-6 is more potent, more durable and more selective than other clinical stage A2A agents.

***PORT-7 (TT-4)***

Adenosine receptor type 2B (A2B) inhibitor to treat solid tumors; PORT-7 has a very selective profile that focuses on A2B.

***PORT-8 (TT-53)***

Dual inhibitor of adenosine receptors 2A and 2B (A2A/A2B) to treat solid tumors; Portage has the ability to combine these 2 individually to titrate the levels of A2A and A2B or has the ability to give the dual inhibitor (PORT-08).

***PORT-9 (TT-3)***

An A2B inhibitor to treat colorectal and gastrointestinal cancers.

In preparation for entering clinical trials for the adenosine programs, Portage will conduct an examination of which solid tumor types have a high expression of receptors A2A and A2B and enrich for patients that have high expression and therefore have potential to benefit most from treatment. Portage has designed the TOAST-01 trial to evaluate the activity and safety of PORT-6 and PORT-7 alone and in combination. This trial will adapt over time and also include safety cohorts for these two agents with other immune activating agents including others from the Portage internal pipeline. Depending on the data, it can be expanded to evaluate either agent as monotherapy or a randomized comparison of either agent plus standard of care versus standard of care alone.

***Other Programs in Development***

***Amphiphilic platform***

DfuseRx SM, identifies combinations of anti cancer agents with amphiphilic diffuse enhancers that can passively enter into cancer cells. These novel formulations with unique IP can be directly injected into any solid tumours, and the payloads will diffuse across the membrane and disperse throughout the tumor, while sparing healthy cells. Once inside the cells, the technology is diluted away and the payloads are stuck inside the cell. The payloads are able to disperse to areas of the tumor that do not have blood supply and hence oral or IV drugs will not reach.

### ***PORT-1 (INT230-6)***

Intensity is developing INT230-6 (we refer to as PORT-1) as a fixed dose formulation of cisplatin, vinblastine and a penetration enhancer being developed by our affiliate, Intensity Therapeutics, Inc. In animal models, the drug is able to cure the majority of the animals, by a combination of direct killing of the cancer, and also a CD4 and CD8 T-cell response (Bloom et al). Newly released interim safety and survival data from the Phase ½ IT-01 study presented at ASCO 2021 demonstrated that both INT230-6 (PORT-1) monotherapy and combination therapy with immune checkpoint drugs are well-tolerated. The proven mechanism of action includes direct tumor-killing effects, as well as responses generated in non-injected tumors (abscopal responses) resulting from antigen presentation and immune activation. PORT-1 is the first of Portage's assets that entered the clinic and has demonstrated proof-of-concept in humans. The specific rapid local killing in the normal 3-dimensional environment inside the body we believe is critical for robust antigen presentation and immune activation. Animal studies also showed synergy when combined with checkpoint inhibition (Bender et al, Bloom et al). The product has been dosed into 80 subjects in a Phase 1 and Phase 2 trial. This has shown proof of concept that the vast majority of the drug stays in the tumor, and a dose equivalent to 3x the approved dose of the cytotoxic agent was very well tolerated without the typical chemo side effects. The most common adverse event related to the treatment was pain at the injection site. As a result, PORT-1 has launched 9 phase 2 studies including 7 clinical collaborations with the two largest immuno-oncology drug manufacturers, BMS and Merck in combination with their respective checkpoints in high unmet need medical types (pancreatic, gall bladder, sarcoma, non-microsatellite unstable colorectal, etc.). Intensity has also launched a randomized Phase 2 study of INT230-6 vs no treatment in early stage breast cancer (the INVINCIBLE Trial) and has expanded its collaboration efforts with the INVINCIBLE study, conducted by the Ottawa Hospital and the Ontario Institute for Cancer Research. Intensity made three presentations on INT230-6 at the American Society of Clinical Oncology Annual Meeting (ASCO) in June 2022 with clinical data suggesting INT230-6 has potential to prolong survival when compared to historical results. An innovative window of opportunity trial in pre-surgical early stage breast cancer confirmed that one treatment with PORT-1, can result in near complete necrosis of breast tumors with an influx of key immune cells to process the dying tumor. It was remarkably safe and well tolerated. As a result of exciting preliminary data, Intensity has secured fast track regulatory status from the FDA for triple negative breast cancer.

### ***PORT-4, Nanolipogel (NLG) co-formulation Platform***

Scientists are interested in novel ways to deliver multiple signals to the immune system in order to better activate an anti-tumor response. We have been impressed with a platform from Yale University that allows different types of agents to be packaged together and will concentrate them in tumors. We have licensed the platform for delivery of DNA aptamers and certain aptamer-small molecule-based combination products. In order to have multiple proprietary agents with known mechanisms of action, we have licensed rights to create DNA aptamers for immune-oncology targets and the first one developed is a proprietary PD1 aptamer, which has been placed in the NLG formulation. Early testing has shown the formulation properly modulates PD1 signaling in vitro similar to a PD1 antibody I. In non-clinical, in vivo experiments, the NLG-PD1 performed favorably compared to a mouse PD1 antibody. The current level of funding is expected to support exploration of multiple PD1 based co-formulations with small molecules and other DNA aptamers. The Company has conducted further research with the technology licensed from Yale University to co-deliver a PD1 blocking signal with a small molecule vascular endothelial growth factor inhibitor. We are looking to accelerate preclinical development of our PORT-4 platform, which may potentially increase the potency and improve the safety of numerous anti-cancer drugs through co-delivery of combination treatments to the tumor.

### ***PORT-5, STING Agonist Platform***

Proprietary immune priming and boosting technology (using a STING agonist delivered in a virus-like particle) have shown proof of concept in animal models and are beginning to progress the lead asset towards the clinic. This platform offers multiple ways to target immune stimulation towards the cancer, as well as to co-deliver multiple signals in a single product. Our researchers have developed a way to administer the product systemically and does not require direct tumor injections. PORT-5 STING platform provides distinct advantages over chemical intratumoral approaches by offering a potent immune priming and boosting pathway within a virus-like particle (VLP) to enable convenient systemic administration and traffic to the correct targets. This technology preferentially targets dendritic cells, which is differentiated from other chemical STING approaches. The Company is progressing this project towards clinical trials as well as developing next generation compounds. Given that this is a simple way to boost the immune response to any target, we are also pursuing a project to boost immune response to COVID and other pathogens. To that end, the team has received grant funding to study this technology with any COVID-19 vaccine to evaluate if it is possible to boost the immune response for immunocompromised or elderly patients. During April 2022, AACR show-cased PORT-5 preclinical data at a late-breaking session that shows that one or more targeted immunotherapy agents could be packaged within a virus-like particle to increase potency, while enabling a selective immune activation. Given the progress to date, the Company is preparing the product to be able to file an IND.

### ***Other Early-Stage R&D***

We continue to evaluate and test new antibody targets. Our interest here lies in the suppressive tumor micro-environment, and how we can down regulate or remove MDSC, TAMs, Tregs and other signals that impede the immune response from clearing cancer cells. One new effort that we have initiated is collaborations with two leading artificial intelligence/machine learning companies in order to screen for agents with specific attributes in this area. This may allow us a fast track an asset to the clinic with a re-purposed product.

- Portage is also initiating a collaboration with Dr. Robert Negrin and his team at Stanford University to evaluate the use of PORT-2 with iNKT cell therapies in animals. This work will evaluate if an agonist co-administered with expanded or transformed iNKT cells can further activate the transplanted and endogenous cells inside the patient. The Stanford collaboration will also study the impact iNKT agonists have on driving an adaptive immune response and correcting the suppressive tumor microenvironment.
- Portage entered into a Cooperative Research and Development Agreement (“CRADA”) with the U.S. National Cancer Institute (“NCI”). Collaboration will advance preclinical and potential clinical development of STING agonists and anti-RAGE agents for cancer vaccines. The Company and NCI will develop agents to enhance the efficacy of proprietary cancer vaccines and mouse model cancer vaccines developed by the NCI. After the Tarus acquisition, the company has amended the CRADA to include exploration of the different adenosine compounds.

## Our Business Model

Portage is a development organization that is structured to facilitate flexibility in financing and ease of partnering, licensing, and merger/acquisition of individual assets and or technology platforms. The structure consists of a holding company, Portage Biotech Inc. (Portage) and an operating company, Portage Development Services Inc. (“PDS”), which provide human resources and other services to each operating entity via shared services agreements. We believe that by centralizing these shared services, including all research and development operations, administrative services, and business development, and allocating employees and resources to each operating entity, we can (i) enhance operational efficiency, (ii) maintain an optimal cost structure, (iii) attract leading collaborators, and (iv) promote asset flexibility, as further described below.

- *Enhance operational efficiency:* We centralize all employees and services at our hub and allocate resources to spokes as needed. We empower managers to access these resources and make program-level decisions in order to increase productivity and speed. We believe this model enables a flexible organizational structure that can achieve scale through the addition of programs without increasing burdensome bureaucracy or redundant infrastructure.
- *Maintain an optimal cost structure:* We have a relatively small number of employees and have built a network of trusted external service providers, choosing to leverage their infrastructure and expertise as needed instead of embarking on capital-intensive lab, manufacturing, and equipment expenditures. By reducing overhead costs, we believe we can increase the likelihood that we can generate a return on invested capital.
- *Attract leading collaborators and licensors:* Each of our subsidiaries has its own capitalization and governance, enabling us to keep licensors economically incentivized at the program level. We believe that the experienced leadership team and shared services at our hub differentiate us from other potential licensees.
- *Promote asset flexibility:* Each operating subsidiary is a separate legal entity that holds the relevant intellectual property of its therapeutic candidates or programs and has none of its own employees, fixed assets, or overhead costs. This allows us to efficiently pursue various subsidiary-level transactions, such as stock or asset sales, licensing transactions, strategic partnerships, co-development arrangements, or spin-outs. It also provides us with the flexibility to terminate programs with minimal costs if results do not meet our de-risking criteria for advancement.

We incubate internal programs in our hub, leveraging PDS’s internal resources and network of service providers as needed to support our discovery, lead optimization, and IND-enabling efforts. When we decide to license from or collaborate with external parties, we establish distinct operating entities, to hold and advance those programs. This structure enables us to keep licensors economically incentivized at the program level through our ability to offer equity and access to potential cash milestones and royalty payments.

## **Competition**

Like all companies operating in the pharmaceutical or biotherapeutic development sector, we face competition from well-established large pharmaceutical companies as well as innovative new entrants. Due to the prevalence of cancer there are many companies that operate in this space. There are many companies that are focusing their efforts in this space. Some of the smaller entrants in this space with which we may compete with over time include Cullinan Oncology, LLC, which develops high value therapeutics geared towards dramatically improving the standard of care for those living with cancer, and PureTech Health, which develops medicines for diseases including intractable cancers, lymphatic and GI diseases, and immunotherapy companies such as Black Diamond Therapeutics, Repare Therapeutics, Nuvation Bio, Shattuck Labs, Jounce Therapeutics Company, Syndax Pharmaceuticals Inc. and Iteos Therapeutics S.A., among others.

Nevertheless, we believe our strategic intent is sufficiently differentiated in that we are focusing on multiple aspects of resistance to current immunotherapies based on our experience at BMS developing Opdivo and Yervoy. The way we target certain pathways is first in class or best in class. We believe one of our strengths beyond the experience of our officers and directors is our keen ability to understand what good looks like from the eyes of a pharma partner. We have a broad understanding of the landscape that will come to market by the time our products are commercialized, what the needs are of our potential acquirers, how to package up our programs, who to speak to and when in respect to licensing. We pair that with a gated and focus execution plans that is laser focused on value added experiments, the nature of which are pre-vetted with our potential partners. We also believe that our extensive collaborations within the research facilities of leading, world class universities and institutes, such as the Department of Investigative Medicine at University of Oxford, Stanford University, The National Cancer Institute, the Institut Curie, the Institut National de la Santé et de la Recherche Médicale, Yale University, Radboud University, and the Ludwig Institute for Cancer Research, Inc., among others, gives us an advantage in our research capabilities, as well as enable us to access and develop innovative technologies. On top of that our relationships in academia, the private sector and network of talent is what makes this engine turn.

## **(C) ORGANIZATIONAL STRUCTURE**

We currently have six diverse oncology technology platforms, the products of which have established scientific rationales, including intra-tumoral, nanoparticles, liposomes, aptamers, cell penetrating peptides, and virus-like particles.

At March 31, 2022, we had six members on the Board of Directors – Dr. Gregory Bailey, Mr. Steven Mintz, Dr. Ian Walters, Mr. James Mellon, Ms. Linda Kozick and Mr. Mark Simon. In connection with the acquisition of Tarus Therapeutics, Dr. Robert Glassman joined our Board of Directors on July 1, 2022. Dr. Bailey is our Chairman of the Board of Directors, Dr. Walters is Chief Executive Officer (CEO), and Mr. Allan Shaw is Chief Financial Officer (CFO).

A brief biodata of the key people in our organization is provided below.

### **Ian B. Walters, MD, MBA – Director and CEO**

Ian B. Walters, M.D., M.B.A., is the Chief Executive Officer of Portage Biotech Inc. Over his 24-year career, he has demonstrated both leadership and expertise in drug development, including the advancement of multiple cancer compounds from research stages through approval.

Ian specializes in the evaluation, prioritization, and the innovative development of new therapies for the treatment of severe diseases. He has worked at PDL Biopharma, Inc., Millenium Pharmaceuticals, Inc., and Sorrento Therapeutics, Inc., leading corporate development, translational medicine, clinical development and medical affairs.

Ian spent seven years at Bristol-Myers Squibb, where he managed physicians overseeing the international development of more than eight oncology compounds (including Nivolumab (anti-PD-1), Ipilimumab (anti-CTLA-4), brivanib (anti VEGF/FGF), anti-IGF/IR, VEGFR2 biologic, Elotuzimab (antiCS1), as well as biomarker and companion diagnostic work. He was a core member of Bristol-Myers Squibb's Strategic Transactions Group evaluating and executing licensing agreements, mergers and acquisitions, clinical collaborations, and the company's immuno-oncology strategy.

Before entering the private sector, Ian was a lead investigator at the Rockefeller University and initiated advanced immunology research to understand the mechanism of action of several compounds. Ian received his MD from the Albert Einstein College of Medicine and an MBA from the Wharton School of The University of Pennsylvania. Ian is also a member of the board of directors of Enzo Biochem, Inc., a NASDAQ listed company, and BoKo Therapeutics. Ian is also the part-time CMO of Intensity Therapeutics, Inc.

### **Gregory Bailey MD – Chairman of the Board of Directors**

Mr. Bailey is the Chair of the Company. Gregory Bailey is a co-founder and managing partner of MediQ Ventures. Previously he was a managing partner of Palantir Group, Inc., a merchant bank involved in a number of biotech company startups and financings. Palantir was also involved in acquiring intellectual property assets and founding companies around the IP.

Greg was the co-founder of Ascent Healthcare Solutions, VirnetX Inc. (VHC: AMEX), Portage Biotech Inc. (PTGEF: OTCBB) and DuraMedic Inc. He was the initial financier and an independent director of Medivation, Inc. (MDVN: NASDAQ), from 2005 to December 2012. Dr. Bailey served as the Managing Director and co-Head of Life Sciences at MDB Capital Group LLC from May 2004 to December 2006. Greg has served on the board of directors of multiple public companies. Current board positions include Biohaven, Agex, Manx Financial, and Portage. He is also the CEO of Juvanescence. Mr. Bailey is also a Member of the Compensation Committee.

Greg practiced emergency medicine for 10 years before entering finance. He received his medical degree from the University of Western Ontario.

#### **Steven Mintz – Director**

Steven Mintz C.A. graduated from University of Toronto in 1989 and went into public accounting, working at a large accounting firm from 1989 until 1992. He obtained his C.A. designation in June of 1992. In June 1992 he became employed by a boutique bankruptcy and insolvency firm where he was employed until January 1997. He obtained his Trustee in Bankruptcy license in 1995.

Since January 1997, he has been a self-employed financial consultant serving both private individuals and companies, as well as public companies in a variety of industries including mining, oil and gas, real estate and investment strategies. He is currently President of St. Germain Capital Corp., a private consulting and investment firm. He is also a principal and CFO of the Minkids Group, a family investment, and development company. Steven is currently a director of Pool Safe, Inc. (since December 2009), Everton Resources, Inc. (since May 2023) IM Cannabis (since April 2018, formerly Navasota Resources). Mr. Mintz is the Chair of the Audit Committee and a Member of the Compensation Committee.

#### **Mr. James Mellon – Director**

Jim Mellon is an author, entrepreneur and investor. He was one of the founders of Portage Biotech and is the co-author of five books, all written with a view toward identifying emerging thematic trends leading to investment opportunities. He is a founder and Executive Director of Agronomics Limited (LSE:ANIC), an investment vehicle for cellular agriculture and cultivated meat. He has a particular interest in longevity research and is currently the co-founder and chairman of anti-aging biopharma company Juvenescence. He is also a non-executive director of Condor Gold plc, the Executive Chairman of the Board of Manx Financial Group plc, Co-founder and Non-Executive Director of Bradda Head Lithium (LSE:BHL.L). He is also Co-founder and Chairman of Endurance RP. Mr. Mellon is a Member of the Audit and Nominating Committees.

Jim studied Philosophy, Politics & Economics at Oxford University.

#### **Ms. Linda Kozick – Director**

Linda M. Kozick has more than 25 years of experience in the biopharmaceutical industry, including 15 years of strategic commercial leadership in oncology with a focus in immuno-oncology. Prior to retiring she held leadership positions at Bristol Myers Squibb and was instrumental to Obdivo and Yervoy product management and portfolio strategy. In addition to Portage, she currently serves on the Board of Directors for RAPT Therapeutics, Inc. and Artiva Biotherapeutics. Ms. Kozick is the Chair of the Compensation Committee and a Member of the Nominating Committee.

Linda received her B.S. in Medical Technology and M.S. in Molecular Immunology from SUNY Upstate Medical Center, and her MBA from Chapman University.

#### **Mr. Mark Simon – Director**

Mark Simon has over 30 years advising experience for biotech and pharma companies as an investment banker and research analyst. He is the Co-founder and an advisor of Torreya Capital, LLC, a global investment bank serving companies in the life sciences industry. Before co-founding Torreya Capital, LLC, he was a Managing Director and the head of life sciences investment banking at Citigroup, where he covered global biopharmaceutical companies, and also served as a Managing Director and Senior Biotechnology Research Analyst at Robertson Stephens. Mark serves on the boards of Cabaletta Bio and several disease advocacy and philanthropic foundations. Mr. Simon is the Chair of the Nominating Committee and a Member of the Audit Committee.

Mark holds a B.A. in History from Columbia College and an MBA from Harvard Business School.

#### **Robert Glassman, MD, PhD – Director**

Dr. Robert Glassman brings more than 25 years of healthcare banking, venture investing and advisory experience, including as vice chair of Credit Suisse, Global Healthcare Banking and Venture Partner of Public Equity at OrbiMed. He previously served as clinical assistant professor at Weill Cornell Medicine and has also held academic positions at the Hospital University of Pennsylvania, Cornell and Rockefeller University. Robert holds an M.D. from Harvard Medical School and is a Board-certified hematologist-oncologist.

### **Allan L. Shaw – CFO**

Allan brings more than two decades of public company financial, operational, and strategic global business leadership. Allan Shaw serves as our Chief Financial Officer and is a five-time public company Chief Financial Officer with proven skills across multiple finance disciplines: corporate finance, capital markets and strategic transactions as well as a broad base of expertise in corporate governance and risk management. He structured, directed, negotiated and closed over \$4 billion in public and private financings for several companies. Mr. Shaw has served on five public boards including chairing two audit committees, two compensation committees, and is currently involved with a portfolio of healthcare activities. Mr. Shaw is the founder and since 2005, has served as senior managing director, of Shaw Strategic Capital LLC, an international financial advisory firm focused on providing strategic financial counsel on a wide variety of issues such as general corporate finance, mergers and acquisitions, capital structuring, licensing and capital markets, and serving as financial consultant to private and public companies. Mr. Shaw was the Chief Financial Officer and Treasurer of Syndax Pharmaceuticals, Inc. from January 2016 to February 2017 and from December 2011 to September 2015 was Managing Director of Alvarez & Marsal LLC, a global professional services firm, where he led their biopharmaceutical consulting practice. Additional prior experience includes serving as the Chief Financial Officer of Serono S.A. from November 2002 to May 2004, NewLead Holdings Ltd from October 2009 to July 2011 and Viatel, Inc. from November 1994 to June 2002. He currently serves on the board of directors of Edith & Carl Marks JCH of Bensonhurst, a non-profit organization, and chairs their finance committee. Mr. Shaw is a certified public accountant in the State of New York as well as a Chartered Global Management Accountant (CGMA). Mr. Shaw received a B.S. from the State University of New York at Oswego College.

### **Robert Kramer, PhD – Chief Scientific Officer**

Robert has 24 years of experience in the pharmaceutical industry and is the former Head of Oncology Discovery Research at both Bristol Myers Squibb and Janssen Pharmaceuticals, part of the Johnson & Johnson group of companies. He has been responsible for enabling the transition of 35 drugs from initial discovery into the clinic. Robert championed immunotherapy at Bristol Myers Squibb, which led, in 2009 to the acquisition of Medarex, Inc. and its portfolio of immune therapeutics that included Ipilimumab and Nivolumab. He received his PhD in pharmacology from the University of Vermont and undertook his post doctorate studies at the U.S. National Cancer Institute. Robert has also held an Assistant Professorship at the Harvard Medical School.

### **Steven Innaimo – Vice President of Project Management & Operations**

Steven Innaimo is a seasoned research and development expert who brings more than 25 years of experience in drug development from the large pharma, biotech and contract research organization sectors. Prior to joining Portage in 2018, Steve spent two years at Covance as Executive Director and Head of the Global Project Management Office for Covance Clinical Development Services. He previously spent 23 years at Bristol Myers Squibb including as Senior Director of Oncology Project Management and Clinical Operations. During his time at Bristol Myers Squibb, Steve directly managed or provided development oversight for a number of immune-oncology assets, including Yervoy and Opdivo. He has driven multiple therapies to initial and post-marketing registrations globally. Steve began his research and development career as a molecular biologist for Targetech Inc. Steve holds a B.S. in Molecular Biology, an M.S. in Endocrinology from the University of Connecticut and a Project Management Certificate from Boston University.

### **Brian Wiley – Chief Business Officer**

Brian Wiley has nearly 30 years of experience in the biopharmaceutical industry, with over 25 years dedicated to oncology. His experience includes licensing deals, collaborations, M&A, both public and private financings and multiple product launches in oncology. He founded Boston BioConsulting, LLC, a consulting firm that specializes in corporate strategy, business development and pre-commercial planning for the biopharmaceutical industry. Additionally, he served as Chief Commercial Officer and Head of Business Development at NewLink Genetics and also served in various leadership and management roles at Celgene, Gloucester Pharmaceuticals, Millennium and Aventis.

Brian has a B.A. in Marketing from Pennsylvania State University.

### **(D) PROPERTY, PLANT AND EQUIPMENT**

The company currently does not have any lease commitments.



## ITEM 4A – UNRESOLVED STAFF COMMENTS

None.

## ITEM 5 – OPERATING AND FINANCIAL REVIEW AND PROSPECTS

### (B) OPERATING RESULTS (All Amounts in 000’\$)

The following discussion should be read in conjunction with the Audited Financial Statements of the Company and notes thereto for the year ended March 31, 2022, contained elsewhere in this report.

#### Results of Operations

Year ended March 31,	2022	2021	2020
	in 000’\$	in 000’\$	in 000’\$
<b>Operating expenses</b>	<b>\$ (15,588)</b>	<b>\$ (12,440)</b>	<b>\$ (5,978)</b>
Change in fair value of warrant liability	852	(790)	24
Share of (loss) income in associate accounted for using equity method	(62)	(490)	18
(Loss) on equity issued at a discount	–	(1,256)	–
(Loss) on extinguishment of notes payable	–	(223)	(33)
Gain on sale of marketable equity securities	–	72	–
Gain on disposition of subsidiaries	–	412	–
Foreign exchange transaction gain	24	–	6
Interest (expense), net	(43)	(177)	(546)
<b>Loss before provision for income taxes</b>	<b>(14,817)</b>	<b>(14,892)</b>	<b>(6,509)</b>
Income tax expense	(4,352)	(2,297)	(740)
<b>Net loss</b>	<b>(19,169)</b>	<b>(17,189)</b>	<b>(7,249)</b>
<b>Other comprehensive income (loss)</b>			
Net unrealized gain on investments	–	–	876
<b>Total comprehensive loss for year</b>	<b>\$ (19,169)</b>	<b>\$ (17,189)</b>	<b>\$ (6,373)</b>
<b>Comprehensive loss attributable to:</b>			
<b>Owners of the Company</b>	<b>\$ (16,870)</b>	<b>\$ (15,833)</b>	<b>\$ (4,457)</b>
<b>Non-controlling interest</b>	<b>(2,299)</b>	<b>(1,356)</b>	<b>(1,916)</b>
<b>Total comprehensive loss for year</b>	<b>\$ (19,169)</b>	<b>\$ (17,189)</b>	<b>\$ (6,373)</b>

#### Overview

Portage is a clinical stage immune-oncology company focused on overcoming immune resistance. Including the Tarus Therapeutics acquisition, it currently manages 14 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.

#### The Portage Approach

Our mission is to advance and grow a portfolio of innovative, early-stage oncology assets based on the latest scientific breakthroughs focused on overcoming immune resistance. Given these foundations, we manage capital allocation and risk as much as we oversee drug development. By focusing our efforts on translational medicine and pipeline diversification, we seek to mitigate overall exposure to many of the inherent risks of drug development.

Our approach is guided by the following core elements:

- Portfolio diversification to mitigate risk and maximize optionality;
- Capital allocation based on risk-adjusted potential, including staged funding to pre-specified scientific and clinical results;
- Virtual infrastructure and key external relationships to maintain a lean operating base;
- Internal development capabilities complemented by external business development;
- Rigorous asset selection with disciplined ongoing evaluation; and
- Focus on translational medicine and therapeutic candidates with in vivo single agent activity.

We believe that our corporate structure results in enhanced operational efficiency and maintains an optimal cost structure by centralizing strategic/tactical support, shared services, including all research and development operations, capital allocation/ contribution, human resources, administrative services, and business development, as well as other services to each of our immuno-oncology platforms and assets currently in various development stages. Our execution is achieved, in part, through our internal core team and utilizing our large network of experts, contract labs, and academic partners.

The Company generally operates through wholly owned, partially owned and controlled subsidiary and affiliated companies, and believes it is not subject to the regulation of the Investment Company Act of 1940, as amended (“40 Act”), based on the definition of investment companies. Notwithstanding that, as the Company primarily operates within the biomedical industry as a research and development business, the Company believes that it is also able to take advantage of the non-exclusive safe harbor of Rule 3a-8 promulgated under the 40 Act so as not to be characterized as an investment company. The Company has adopted a capital preservation policy referenced in that rule.

### ***Results of Operations for Fiscal 2022 Compared to Fiscal 2021***

The Company generated a net loss and comprehensive loss of approximately \$19.2 million during the year ended March 31, 2022 (“Fiscal 2022”), compared to a net loss and comprehensive loss of approximately \$17.2 million during the year ended March 31, 2021 (“Fiscal 2021”), an increase in loss of \$2.0 million year over year. Operating expenses, which include research and development and general and administrative expenses, were \$15.6 million in Fiscal 2022, compared to \$12.4 million in Fiscal 2021, an increase of \$3.2 million, which is discussed more fully below. Operating expenses included \$9.1 million of non-cash share-based compensation expense in Fiscal 2022, compared to \$8.8 million in Fiscal 2021.

The Company’s other items of income and expense were substantially non-cash in nature and were approximately \$0.8 million net income in Fiscal 2022, compared to approximately \$2.5 million net loss in Fiscal 2021, a change in other items of income and expense of approximately \$3.3 million, year over year. The primary reasons for the year over year difference in other items of income and expense was:

- the change in the fair value of outstanding warrants of \$1.6 million, from a loss of \$0.8 million in Fiscal 2021 to income of \$0.8 million in Fiscal 2022, as calculated under the Black-Scholes model;
- the change in the Company’s share of an associate accounted for under the equity method of \$0.4 million, from a loss of \$0.5 million in Fiscal 2021 to a loss of \$0.1 million in Fiscal 2022;
- the loss on equity issued at a discount with respect to the settlement of the SalvaRx notes of \$1.3 million representing the difference between the fair value of the shares in Fiscal 2021 and the warrant exercise price;
- the loss on the extinguishment of the SalvaRx notes of \$0.2 million in Fiscal 2021;
- a non-cash gain relating to the settlement of related liabilities on the disposition of Portage Pharmaceuticals Ltd. (“PPL”) of \$0.4 million, of which \$0.2 million was recorded in operations in Fiscal 2021; and
- the decrease in interest expense of \$0.2 million due to the settlement of the SalvaRx Notes in the prior year period, which were not outstanding in the current year period.

Additionally, the Company reflected a net deferred income tax expense of \$4.4 million in Fiscal 2022, compared to a net deferred income tax expense of \$2.3 million in Fiscal 2021. The principal reason for the change was a \$5.5 million increase attributable to an increase in the U.K. income tax rate, net of the recognition of deferred tax assets previously unrecognized. This was further offset by a \$1.1 million benefit due to the foreign currency effect on deferred tax liability balance settleable in Great British pounds. The Fiscal 2021 net deferred income tax expense was attributable to the foreign currency effect on the deferred tax liability balance settleable in Great British pounds, which was partially offset by recoverable research and development tax credits.

Other comprehensive loss was \$17.7 million in Fiscal 2022, compared to \$17.2 million in Fiscal 2021.

### **Results of Operations for Fiscal 2021 Compared to Fiscal 2020**

The Company generated a net loss and comprehensive loss of \$17.2 million in Fiscal 2021, compared to a net loss of \$7.2 million and comprehensive loss of \$6.4 million during the year ended March 31, 2020 ("Fiscal 2020"), an increase in loss of \$10.0 million and \$10.8 million, respectively, year over year. Operating expenses, which include research and development and general and administrative expenses, were \$12.4 million in Fiscal 2021, compared to \$6.0 million in Fiscal 2020, an increase of \$6.4 million, which is discussed more fully below. Operating expenses included \$8.8 million of non-cash share-based compensation expense in Fiscal 2021, compared to \$2.1 million in Fiscal 2020.

The Company's other items of income and expense were substantially non-operating in nature, and were \$2.5 million net expense in Fiscal 2021, compared to \$0.5 million net expense in Fiscal 2020. \$2.0 million of the net expense in Fiscal 2021 was non-cash. Other items of income and expense included:

- a loss on equity issued at a discount of \$1.3 million in Fiscal 2021, representing the difference between the market price and the contractual exercise price, relating to the settlement of the SalvaRx Notes and warrants;
- a loss from an associate accounted for under the equity method of \$0.5 million, compared to a small gain in Fiscal 2020;
- a loss of \$0.8 million representing the change in the fair value of the warrants issued with respect to the SalvaRx settlement;
- a non-cash gain relating to the settlement of related liabilities on the disposition of Portage Pharmaceuticals Ltd. ("PPL") of \$0.4 million, of which \$0.2 million was recorded in operations in Fiscal 2021; and
- interest expense of \$0.2 million in Fiscal 2021, compared to \$0.6 million in Fiscal 2020 due to the settlement of the SalvaRx Notes. The Company also recorded a loss of \$0.2 million on the early extinguishment of the SalvaRx Notes in Fiscal 2021.

Additionally, the Company reflected a net income tax provision of \$2.3 million in Fiscal 2021, primarily due to the foreign currency effect on deferred tax liability, which was partially offset by recoverable research and development tax credits, compared to a net income tax provision of \$0.7 million in Fiscal 2020, primarily attributable to a change in corporation tax rates in the U.K., which was partially offset by the foreign currency effect on deferred tax liability and recoverable research and development tax credits.

Other comprehensive loss was \$17.2 million in Fiscal 2021, compared to \$6.4 million in Fiscal 2020. Fiscal 2020 was positively impacted by net unrealized gain on investments of \$0.8 million.

### **Operating Expenses**

The overall analysis of the operating expenses (in 000'\$) is as follows:

<b>Years ended March 31,</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Research and development	\$ 6,769	\$ 7,312	\$ 4,108
General and administrative expenses	8,819	5,128	1,870
<b>Total operating expenses</b>	<b>\$ 15,588</b>	<b>\$ 12,440</b>	<b>\$ 5,978</b>

## **Research and Development Costs**

### **Fiscal 2022**

Research & development (“R&D”) costs decreased by approximately \$0.5 million, or approximately 7%, from approximately \$7.3 million in Fiscal 2021, to approximately \$6.8 million in Fiscal 2022. Fiscal 2021 R&D costs were reduced by the receipt of a \$0.6 million legal settlement in respect of some product development costs; accordingly, normalized expenses decreased \$1.1 million year over year. The decrease was primarily attributable to non-cash share-based compensation expense associated with grants made under the Amended and Restated 2021 Equity Incentive Plan of \$0.7 million and a decrease in iOx related share-based compensation expense of \$0.5 million, a decrease of \$0.5 million in other R&D costs relating to outside services and a decrease of \$0.4 million in other R&D costs relating to services and storage, partially offset by a year over year increase in compensation of \$1.0 million for employees / consultants involved in research and development activities.

### **Fiscal 2021**

R&D costs increased by \$3.2 million, or approximately 78%, from \$4.1 million in Fiscal 2020, to \$7.3 million in Fiscal 2021. The increase was attributable to non-cash share-based compensation expense associated with grants made under the 2021 Equity Incentive Plan of \$5.1 million, partially offset by a decrease in iOx related share-based compensation expense of \$0.8 million. Additionally, Fiscal 2021 was impacted by the receipt of a \$0.6 million cash settlement for a legal dispute the Company had with a vendor while developing one of its products, as well as a general slow down in expenditures resulting from the pandemic.

### **Fiscal 2020**

R&D costs more than doubled relative to Fiscal 2019, increasing by approximately \$2.2 million to \$4.1 million from Fiscal 2019 to Fiscal 2020. This increase is primarily attributable to iOx developmental activities associated with completing its IND enabling studies and regulatory preparations with the objective of IMM60 and IMM65 entering the clinic before the end of the calendar year, despite COVID-19 interruptions. Additional resources were also spent on achieving initial proof of concept with its NLG platform for delivering DNA aptamers and certain aptamer-based combination products by leveraging the Saugatuck/Oncommer technology platforms.

## **General and Administrative Expenses**

### **Fiscal 2022**

General and administrative (“G&A”) expenses increased by approximately \$3.7 million, or approximately 73%, from approximately \$5.1 million in Fiscal 2021, to approximately \$8.8 million in Fiscal 2022. The principal reason for the increase was the \$1.6 million of non-cash share-based compensation expense associated with the Company’s Amended and Restated 2021 Equity Incentive Plan, of which \$2.4 million is associated with Directors’ compensation and \$0.8 million is associated with the new grants issued in January and February 2022, which was partially offset by a decrease of \$1.6 million associated with management compensation; and a decrease in iOx related share-based compensation expense of \$0.1 million. Additionally, the Company incurred an increase of \$1.0 million in professional fees relating to initiatives associated with a corporate restructuring and public relations / business development. Finally, D&O insurance premiums increased \$1.4 million in the current year period due to market rate increases in the cost of coverage, partially offset by a decrease in office and general expenses of \$0.2 million, attributable to investor related expense.

### **Fiscal 2021**

General and administrative (“G&A”) expenses increased by \$3.2 million, from \$1.9 million in Fiscal 2020, to \$5.1 million in Fiscal 2021. The principal reason for the increase was the \$2.8 million of non-cash share-based compensation expense associated with the Company’s 2021 Equity Incentive Plan in Fiscal 2021. No share-based compensation expense under the 2021 Equity Incentive Plan was incurred in Fiscal 2020. Additionally, the Company incurred approximately \$0.2 million relating to initiatives associated with a corporate restructuring and public relations / business development.

## Fiscal 2020

G&A expenses increased by approximately \$1.0 million to \$1.87 million in Fiscal 2020 relative to \$857,000 in Fiscal 2019. The increase is attributable to the audit expenses as well as incurring a full year of operating costs related to the SalvaRx acquisition.

## (B) LIQUIDITY AND CAPITAL RESOURCES

### *Capital Resources*

Portage filed a shelf registration statement and prospectus with the Securities and Exchange Commission (“SEC”) under which it may sell ordinary shares, debt securities, warrants and units in one or more offerings from time to time, which became effective on March 8, 2021 (“Registration Statement” or “Prospectus”). The specific terms of any securities to be offered pursuant to the base prospectus are specified in the sales agreement prospectus. The Registration Statement currently 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;
- a sales agreement supplemental prospectus covering the offer, issuance and sale by us in an “at the market” offering of up to a maximum aggregate offering price of \$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; and
- a prospectus supplement dated June 24, 2021, for the offer, issuance and sale by us of 1,150,000 ordinary shares for gross proceeds of approximately \$26.5 million in a firm commitment underwriting with Cantor Fitzgerald.

The sales agreement with Cantor Fitzgerald permits the Company to sell in an at the market offering up to \$50,000,000 of ordinary shares from time to time, the amount of which 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.

During the quarter ended June 30, 2021, the Company commenced an “at the market” offering, under which it sold 90,888 shares generating gross proceeds of approximately \$2.6 million (\$2.5 million, net of commissions).

On June 24, 2021, the Company completed the sale of 1,150,000 ordinary shares, including the underwriters’ overallotment, at a price of \$23.00 per share, which generated gross proceeds of approximately \$26.5 million and net proceeds of approximately \$25.0 million, and was settled June 28, 2021. Management believes the funds generated, along with existing cash and cash equivalents, will be sufficient to fund the Company’s research and development activities, as well as the expansion of its operating infrastructure and achievement of numerous developmental milestones.

On July 6, 2022 (the “Signing Date”), the Company entered into a Purchase Agreement (the “Purchase Agreement”) with Lincoln Park Capital Fund, LLC (“Lincoln”), pursuant to which the Company may require Lincoln to purchase ordinary shares having an aggregate value of up to \$30 million over a period of 36 months. Pursuant to the Purchase Agreement, Lincoln will be obligated to purchase ordinary shares in three different scenarios as described below.

- Regular Purchase – At any time after the Closing Date (as defined below) and provided that the closing sale price of the ordinary shares is not less than \$0.25 per share, from time to time on any business day selected by the Company (the “Purchase Date”), the Company shall have the right, but not the obligation, to require Lincoln to purchase up to 30,000 ordinary shares (the “Regular Purchase Amount”) at the Purchase Price (as defined below) per purchase notice (each such purchase, a “Regular Purchase”). Lincoln’s committed obligation under each Regular Purchase shall not exceed \$1,500,000; provided, that the parties may mutually agree at any time to increase the dollar amount of any Regular Purchase on any Purchase Date above and beyond the forgoing amounts that Lincoln is committed to purchase. The purchase price for Regular Purchases (the “Purchase Price”) shall be equal to the lesser of: (i) the lowest sale price of the ordinary shares during the Purchase Date, and (ii) the average of the three (3) lowest closing sale prices of the ordinary shares during the ten (10) business days prior to the Purchase Date. The Company shall have the right to submit a Regular Purchase notice to Lincoln as often as every business day. “Closing Date” shall mean the date that customary conditions to closing have been satisfied, including that the Company’s shelf registration statement for the ordinary shares to be issued pursuant to the Purchase Agreement is effective and available for use and any listing application and/or exchange approvals, to the extent applicable, have been approved.
- Accelerated Purchase – In addition to Regular Purchases and provided that the Company has directed a Regular Purchase in full, the Company in its sole discretion may require Lincoln on each Purchase Date to purchase on the following business day (“Accelerated Purchase Date”) up to the lesser of (i) three (3) times the number of shares purchased pursuant to such Regular Purchase, and (ii) 25% of the trading volume on the Accelerated Purchase Date at a purchase price equal to the lesser of 97% of (i) the closing sale price on the Accelerated Purchase Date, and (ii) the Accelerated Purchase Date’s volume weighted average price (the “Accelerate Purchase Price”). The parties may mutually agree to increase the number of ordinary shares sold to Lincoln on any Accelerated Purchase Date at the Accelerated Purchase Price. The Company shall have the right in its sole discretion to set a minimum price threshold for each Accelerated Purchase in the notice provided with respect to such Accelerated Purchase and the Company may direct multiple Accelerated Purchases in a day; provided, that delivery of ordinary shares has been completed with respect to any prior Regular and Accelerated Purchases Lincoln has purchased.
- Tranche Purchase – In addition to Regular Purchases and Accelerated Purchases and provided that the closing price of the ordinary shares is not below \$0.25, at any time beginning five (5) business days from the Closing Date, the Company shall have the option to require Lincoln to purchase up to \$3,000,000 in separate purchases of up to \$1,000,000 for each purchase (the “Tranche Purchases”, and with Regular Purchases and Accelerated Purchases, the “Committed Purchases”). The purchase price for each Tranche Purchase shall be equal to 90% of the Purchase Price. The Company may deliver notice to Lincoln for a Tranche Purchase so long as at least twenty (20) business days have passed since any Tranche Purchase was completed.

Upon execution of the Purchase Agreement, The Company issued to Lincoln 94,508 ordinary shares, representing a 3% commitment fee. The Company has the right to terminate the Purchase Agreement for any reason, effective upon one (1) business day prior written notice to Lincoln. Lincoln has no right to terminate the Purchase Agreement.

Committed Purchases shall be suspended if any of the following occur: (i) the shelf registration statement is not available for the sale of all of the ordinary shares issued pursuant to the Purchase Agreement for ten (10) consecutive trading days or for a total of thirty (30) trading days out of the preceding 365 days; (ii) the ordinary shares cease to be DTC authorized and participating in the D.W.A.C./F.A.S.T. systems; (iii) suspension of the ordinary shares from trading for one (1) trading day; (iv) any breach of the representations and warranties or covenants contained in any related agreements with Lincoln which has or which could have a material adverse effect on the Company, Lincoln or the value of the ordinary shares, subject to reasonable cure periods to be agreed upon for curable breaches of covenants; (v) if the Company is listed on a national exchange or market (excluding the OTC Markets, OTC Bulletin Board or comparable market), at any time prior to shareholder approval of the Purchase Agreement more than 19.99% of the Company’s aggregate ordinary shares, determined as of the Signing Date, would be issuable to Lincoln in violation of the principal securities exchange or market rules; (vi) if the Ordinary shares cease to be eligible for trading on the NASDAQ Capital Market, the Company’s principal market, and is not immediately thereafter trading on the NASDAQ Global Select Market, the NASDAQ Global Market, the NYSE, the NYSE American, or the OTC Markets; or (vii) the Company’s insolvency or the Company’s participation or threatened participation in insolvency or bankruptcy proceedings by or against the Company. The Committed Purchases may resume following the resolution of any of these events.

The Purchase Agreement does not impose any financial or business covenants on the Company and there are no limitations on the use of proceeds received by the Company from Lincoln. The Company may raise capital from other sources in its sole discretion; provided, however, that the Company shall not enter into any similar agreement for the issuance of variable priced equity-like securities until the three (3) year anniversary of the Signing Date, excluding, however, an At-The-Market (ATM) transaction with a registered broker-dealer.

In connection with the Purchase Agreement, the Company and Lincoln entered into a Registration Rights Agreement (the "Registration Rights Agreement"), dated July 6, 2022. Pursuant to the Registration Rights Agreement, the Company agreed, that within the time required under Rule 424(b) under the Securities Act, it will file with the SEC the Initial Prospectus Supplement to the Company's shelf registration statement pursuant to Rule 424(b) for the purpose of registering for resale the ordinary shares to be issued to Lincoln under the Purchase Agreement. All reasonable expenses of the Company incurred through the registration of the ordinary shares under the Purchase Agreement shall be paid by the Company.

### ***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, 2022, the Company had cash and cash equivalents of approximately \$23.4 million and total current liabilities of approximately \$0.8 million (inclusive of approximately \$0.03 million warrant liability settleable on a non-cash basis). For the year ended March 31, 2022, the Company is reporting a net loss of approximately \$19.2 million and cash used in operating activities of approximately \$6.8 million. As of June 30, 2022, the Company had approximately \$21.0 million of cash and cash equivalents on hand.

During the quarter ended June 30, 2021, the Company made an "at the market" offering, under which it sold 90,888 shares generating gross proceeds of approximately \$2.6 million (\$2.5 million, net of commissions). 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 was settled June 28, 2021. The Company incurred aggregate offering expenses for the public offering of approximately \$1.8 million, including approximately \$1.6 million of management, underwriting and selling expenses. The Company believes it has working capital funds sufficient to fund operations through at least August 2023.

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 when additional funding is required.

### ***Operating Cash Flow***

During Fiscal 2022, the Company used cash of approximately \$6.8 million to fund operating activities, which was provided by the Company's existing cash and the "at the market" offering and public offering, described above.

During Fiscal 2021, the Company used cash of approximately \$4.3 million to fund operating activities, which was funded by the Company's existing cash and net proceeds from a private placement that closed in June 2020 of approximately \$6.7 million.

During Fiscal 2020, the Company used cash of approximately \$3.7 million to fund operating activities, which was met from the Company's existing cash.

The Company's continuing operations are dependent upon any one of:

1. the development and identification of economically recoverable medical solutions;
2. the ability of the Company to obtain the necessary financing to complete the research; or
3. future profitable production from or proceeds from the disposition of intellectual property.

The Company has incurred substantial operating losses since inception due to significant research and development spending and corporate overhead and expects to continue to incur significant operating losses for the foreseeable future and may never become profitable. As of March 31, 2022, the Company had cash of approximately \$23.4 million, working capital of approximately \$24.0 million (approximately \$24.1 million adjusted for the warrant liability settleable on a non-cash basis) and an accumulated deficit of approximately \$55.0 million. The Company has funded its operations from proceeds from the sale of equity and debt securities. The Company will require significant additional capital to make the investments it needs to execute its longer-term business plan. The Company's ability to successfully raise sufficient funds through the sale of debt or equity securities when needed is subject to many risks and uncertainties and, even if it were successful, future equity issuances would result in dilution to its existing stockholders and any future debt securities may contain covenants that limit the Company's operations or ability to enter into certain transactions.

On July 1, 2022, the Company, its wholly-owned subsidiary, Tarus Acquisition Inc., and Tarus Therapeutics, Inc., a Delaware Corporation advancing adenosine receptor agonists for the treatment of solid tumors, entered into an Agreement and Plan of Merger and Reorganization (the "Merger Agreement"). Under the structure of the Merger Agreement, Tarus Therapeutics, Inc. was ultimately merged into a wholly-owned subsidiary of the Company with the surviving entity renamed Tarus Therapeutics, LLC.

As consideration for Tarus, the Company issued to Tarus shareholders an aggregate of 2,425,999 ordinary shares of Portage, calculated on the basis of \$18M divided by the 60-day Volume Weighted Average Price per share. The shares are unregistered and subject to lock-ups for terms ranging from six to twelve months. Additionally, payments of up to \$32 million in cash or Portage ordinary shares would be triggered upon achievement of future development and sales milestones. As a result of the transaction:

- The Company also assumed \$2M short-term debt held by Tarus and deferred license milestones obligations (\$1M plus interest), for an aggregate of \$3M in liabilities.
- Upon enrolling the first patient in a Phase 2 clinical trial, Portage will pay an additional one-time payment of \$15M. Payment will be in the form of cash or PRTG stock (at the discretion of Portage).



On July 13, 2022, the Company entered into a commitment with Stimunity to provide €600,000 under a Convertible Note with a maturity date of September 1, 2023 (the “Maturity Date”). The Convertible Note provides for interest at 7% per annum. The Convertible Note is automatically converted upon Stimunity commencing a Series A subscription round for €20 million. If such Subscription round is completed prior to the Maturity Date, the Company will be entitled to convert the Convertible Note at the subscription share price less 15%. Additionally, if subscribers create a new category of shares with additional rights of less than €5 million (the “Minimum Raise”), the Company will have the right to convert the Convertible Note and historical shares owned into the new category of shares. In the event that Stimunity does not close a subscription prior to the Maturity Date or raises less than the Minimum Raise, the Company will have the right to convert at €363.00 per share or the raise price less 15%, whichever is lower. The Convertible Note is expected to be funded by September 1, 2022.

It is anticipated that such Convertible Note will be funded by existing cash and cash provided under the ELOC.

### ***Investing Cash Flows***

#### **Fiscal 2022**

During Fiscal 2022, the Company did not use any cash for investing activities.

#### **Fiscal 2021**

During Fiscal 2021, the Company used (\$0.9 million) in investing activities. The Company invested \$1.0 million in Stimunity, based upon the achievement of certain agreed milestones, which increased the Company’s interest in Stimunity to 44%, which was partially offset by \$0.1 million proceeds from the sales of its remaining interest in Biohaven.

#### **Fiscal 2020**

During Fiscal 2020, there were no investing cash flow activities. Non-cash investing activities included Portage paid \$1.3 million consideration through the issuance of 129,806 common shares to acquire 288,458 shares of the private company, Intensity. This transaction increased Portage’s ownership to 1,288,458 shares of Intensity (approximately 10.0% of the then outstanding shares of Intensity).

### ***Financing Cash Flows***

#### **Fiscal 2022**

During Fiscal 2022, the Company generated net cash from financing activities of \$27.3 million, compared to \$4.8 million during Fiscal 2021.

During the quarter ended June 30, 2021, the Company commenced an “at the market” offering, under which it sold 90,888 shares generating gross proceeds of approximately \$2.6 million (\$2.5 million, net of commissions). 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 was settled June 28, 2021. The Company incurred aggregate offering expenses for the public offering of approximately \$1.8 million, including approximately \$1.6 million of management, underwriting and selling expenses.

On June 16, 2020, the Company completed a private placement offering of 698,145 restricted ordinary shares at a price of \$10 per share for gross proceeds of \$6.98 million to accredited investors. Directors of the Company subscribed for 215,000 shares for \$2,150,000. The Company incurred offering costs of \$248,000 in connection with the private placement.

#### **Fiscal 2021**

During Fiscal 2021, the Company generated cash from financing activities of \$4.8 million. The Company raised net proceeds from a private placement of stock of \$6.7 million, which was offset by the repayment of a \$1.0 million advance from a related party and \$1.0 million for the cash portion of the settlement of the SalvaRx notes.

#### **Fiscal 2020**

During Fiscal 2020, Portage redeemed \$0.3 million of the SalvaRx notes and received a short-term advance of \$1.0 million from its Chairman (see Item 7 (B), "Related Party Transactions").

#### **(C) RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES**

From May 23, 2012 to date, the Company through its operating subsidiaries is engaged in general research and development and clinical and pre-clinical studies as detailed under Item 4 (B) Business Overview of this report. Research and development expenses analysis and details are provided under Item 5 (A) of this report. All research and development expenses are expensed as they are incurred.

PPL's CPP platform is protected by two suits of intellectual property: (a) an exclusive license for all patents on Antennapedia -based cell permeable peptides for non-oncology use; and (b) international patents for proprietary human-derived cell penetrating peptide structures.

#### **(D) TREND INFORMATION**

There are no other trends, commitments, events or uncertainties presently known to management that are reasonably expected to have a material effect on the Company's business, financial condition or results of operation other than as disclosed elsewhere in this report (refer to the heading entitled "Risk Factors").

#### **(E) OFF-BALANCE SHEET ARRANGEMENTS**

At March 31, 2022 and 2021, the Company did not have any off-balance sheet arrangements, including any relationships with unconsolidated entities or financial partnership to enhance perceived liquidity.

#### **(F) CONTRACTUAL OBLIGATIONS**

None.

#### **(G) SAFE HARBOUR**

Not applicable.

## **(H) HOME COUNTRY PRACTICE LETTER DISCLOSURE**

We are incorporated under the BVI Act. Our ordinary shares are registered with the SEC and are listed on the Nasdaq Capital Market. As a result, our corporate governance framework is subject to laws of the British Virgin Islands, or BVI, the securities laws and regulations of the United States and the listing requirements of the Nasdaq Marketplace Rules.

Under Rule 5615 of the Nasdaq Marketplace Rules, a foreign private issuer may follow its home country practice in lieu of the requirements of the Nasdaq Marketplace Rules. We follow the exemptions provide under the Nasdaq Marketplace Rules as described below.

British Virgin Islands law does not require that a majority of our board of directors consist of independent directors or that our board committees consist of entirely independent directors. Our board of directors and board committees, therefore, may include fewer independent directors than would be required if we were subject to Nasdaq Listing Rule 5605(b)(1). In addition, we will not be subject to Nasdaq Listing Rule 5605(b)(2), which requires that independent directors must regularly have scheduled meetings at which only independent directors are present. Also, British Virgin Islands law does not require the board of directors to have a nominating committee or compensation committee, but we do plan on having such committees.

We also are exempt from the Nasdaq listing rules so as to follow the quorum rules for shareholder meetings under British Virgin Islands law. We also are exempt from the Nasdaq listing rules so as to not be required to obtain shareholder approval for certain issuance of securities, shareholder approval of share option plans and change of control transactions under the Nasdaq Listing Rule 5635.

As a foreign private issuer, the Company is exempt from the proxy rules set forth in Sections 14(a), 14(b), 14(c) and 14(f) of the Securities Exchange Act of 1934. The Company solicits proxies in accordance with applicable rules and regulations in British Virgin Islands.

**ITEM 6 – DIRECTORS AND SENIOR MANAGEMENT****(A) DIRECTORS AND SENIOR MANAGEMENT**

The following sets forth the names and province or state and country of residence of our directors and executive officers, the offices held by them in the Company, as of the date of this report, and the month and year in which they became directors or officers. The term of each director expires on the date of our next annual meeting.

<b>Name, Province/State and Country of Residence and Present Position with Portage (1)</b>	<b>Date became Director/Officer</b>	<b>Principal Occupation Last five years</b>
Dr. Gregory Bailey (2) London, U.K. Chairman of the Board of Directors	June 4, 2013	See section 4 (C) of this report
Mr. Steven Mintz (3) Ontario, Canada Director	April 6, 2016	See section 4 (C) of this report
Mr. James Mellon (4) Isle of Man Director	February 15, 2022	See section 4 (C) of this report
Ms. Linda M. Kozick (6) Florida, USA Director	February 15, 2022	See section 4 (C) of this report
Mr. Mark Simon (5) New Jersey, USA Director	February 15, 2022	See section 4 (C) of this report
Dr. Declan Doogan (7) Florida, USA Former Director Chief Executive Officer until April 30, 2019	June 4, 2013	See section 4 (C) of this report
Mr. Kam Shah (7) Ontario, Canada Former Director Chief Financial Officer until March 31, 2020	January 3, 1999	See section 4 (C) of this report
Dr. Ian Walters Connecticut, USA Chief Executive Officer effective May 1, 2019 and Director	August 1, 2016	See section 4 (C) of this report
Mr. Allan Shaw New York, USA Chief Financial Officer	May 12, 2020	See section 4 (C) of this report
Mr. Robert Kramer (8) Utah, USA Chief Scientific Officer	January 8, 2019	See section 4 (C) of this report
Mr. Steven Innaimo (8) Connecticut, USA Vice President of Project Management & Operations	January 8, 2019	See section 4 (C) of this report
Mr. Brian Wiley Massachusetts, USA Chief Business Officer	February 15, 2022	See section 4 (C) of this report
Dr. Robert Glassman (9) New Jersey, USA Director	July 1, 2022	See section 4 (C) of this report

- (1) Neither age nor date of birth of directors or executive officers is required to be reported in our home country nor otherwise publicly disclosed.
- (2) Chair of the Company and Member of the Compensation Committee.
- (3) Chair of the Audit Committee and Member of the Compensation Committee.
- (4) Member of the Audit and Nominating Committees.
- (5) Chair of the Nominating Committee and Member of the Audit Committee.
- (6) Chair of the Compensation Committee and Member of the Nominating Committee.
- (7) Dr. Doogan and Mr. Shah resigned from the Board effective February 15, 2022.
- (8) Reflects the date of the SalvaRx acquisition by the Company. Prior to that, this individual was contracted by SalvaRx Limited.
- (9) Dr. Glassman joined the Board of Directors on July 1, 2022 in connection with the Tarus Therapeutics transaction.

#### Family Relationships

There are no family relationships between or among the directors and executive officers.

#### Other Relationships

There are no arrangements or understandings between or among any major shareholder, customer, supplier or others, pursuant to which any of the above-named persons were selected as directors or as members of senior management.

#### Board Diversity Matrix of Portage Biotech Inc.

The below chart is intended to disclose, to the extent legally permitted, the board of director diversity of Portage Biotech Inc., pursuant to Rule 5606(f) of the NASDAQ listing rules.

Board Diversity Matrix (As of August 1, 2022)				
Country of Principal Executive Offices:	British Virgin Islands			
Foreign Private Issuer	Yes			
Disclosure Prohibited under Home Country Law	Yes			
Total Number of Directors	6			
	Female	Male	Non-Binary	Did Not Disclose Gender
<b>Part I: Gender Identity</b>				
Directors	1	5	–	–
<b>Part II: Demographic Background</b>				
Under-represented person in Home Country			–	
LGBTQ+			–	
Did not Disclose Demographic Background			–	

#### (B) COMPENSATION DISCUSSION AND ANALYSIS

The compensation payable to directors and officers of the Company and its subsidiary is summarized below:

##### 1. General

During Fiscal 2022, the Company engaged a third-party compensation consultant to review the Company's compensation structure and provide recommendations to make the Company competitive for the purpose of recruiting and retaining board members, key management and staff. The review included benchmarking and other analytical tools.

As a result of the study and resulting recommendations, in November 2021, the Board approved cash fees and options to purchase common shares of stock be provided to independent board members for both participation as a member, as well as membership of board committees. Board remuneration commenced as of January 1, 2022.

The Company does not have any pension plans.

## 2. Statement of Director and Executive Compensation

Additionally, as part of the third-party review, the Company adopted a compensation regime based upon targeted goals and other metrics.

The following table and accompanying notes set forth all compensation paid by the Company to its directors, senior management and key consultants for the fiscal years ended March 31, 2022, 2021 and 2020:

Name & Principal Position	Year	Fee and	Bonus	Other	Securities	Shares or Units	LTIP	Other	Total
		Salary <sup>(3)</sup>			Under Options				
		\$	\$	\$	Granted <sup>(1)</sup>	\$	\$	\$	\$
<b>Declan Doogan - Former Independent Director and Audit Committee Member (CEO up to April 30, 2019) <sup>(12)</sup></b>									
	2022	-	-	-	-	-	-	-	-
	2021	-	-	-	1,416,100 <sup>(8)</sup>	-	-	-	1,416,100
	2020	-	-	-	-	-	-	-	-
<b>Kam Shah - Former Director and Former CFO <sup>(12)</sup></b>									
	2022	-	-	-	-	-	-	-	-
	2021	45,000	-	-	1,582,700 <sup>(8)</sup>	-	-	-	1,627,700
	2020	180,000	-	-	-	-	-	-	180,000
<b>Gregory Bailey - Chairman of the Board of Directors and Compensation Committee Member</b>									
	2022	21,667	-	-	57,063 <sup>(4)</sup>	-	-	-	78,730
	2021	-	-	-	1,416,100 <sup>(8)</sup>	-	-	-	1,416,100
	2020	-	-	-	-	-	-	-	-
<b>James Mellon - Independent Director and Audit Committee Member and Nominating Committee Member</b>									
	2022	5,208	-	-	99,360 <sup>(5)</sup>	-	-	-	104,568
<b>Steven Mintz - Independent Director and Chairman of the Audit Committee and Compensation Committee Member</b>									
	2022	18,750	-	-	57,063 <sup>(4)</sup>	-	-	-	75,813
	2021	-	-	-	1,416,100 <sup>(8)</sup>	-	-	-	1,416,100
	2020	-	-	-	-	-	-	-	-
<b>Linda Kozick - Independent Director and Chairperson of the Compensation Committee and Nominating Committee Member</b>									
	2022	5,000	-	-	99,360 <sup>(5)</sup>	-	-	-	104,360
<b>Mark Simon - Independent Director and Chairman of the Nominating Committee and Audit Committee Member</b>									
	2022	5,208	-	-	99,360 <sup>(5)</sup>	-	-	-	104,568
<b>Ian Walters - CEO effective May 1, 2019 and Director</b>									
	2022	459,195	375,000	-	1,101,132 <sup>(6)</sup>	879,942 <sup>(7)</sup>	-	13,952	2,829,221
	2021	368,503	200,000	-	2,583,610 <sup>(9)</sup>	2,698,000 <sup>(10)</sup>	-	-	5,850,113
	2020	350,000	-	-	-	-	-	-	350,000
<b>Allan Shaw - CFO</b>									
	2022	256,000	161,000	-	294,336 <sup>(6)</sup>	235,469 <sup>(7)</sup>	-	13,952	960,757
	2021	186,290	-	-	2,241,410 <sup>(9)</sup>	-	-	-	2,427,700
	2020	-	-	-	-	-	-	-	-
<b>Robert Kramer - Chief Scientific Officer</b>									
	2022	195,501	83,000	-	219,876 <sup>(6)</sup>	175,784 <sup>(7)</sup>	-	-	674,161
	2021	147,500	-	-	1,043,710 <sup>(9)</sup>	1,615,250 <sup>(10)</sup>	-	-	2,806,460
	2020	135,000	-	-	-	-	-	-	135,000
<b>Steven Innaimo - Vice President of Project Management &amp; Operations</b>									
	2022	310,000	93,000	-	120,888 <sup>(6)</sup>	96,068 <sup>(7)</sup>	-	13,952	633,908
	2021	298,000	-	-	2,994,250 <sup>(9)</sup>	-	-	-	3,292,250
	2020	294,000	-	-	-	-	-	-	294,000
<b>Brian Wiley - Chief Business Officer effective December 1, 2021</b>									
	2022	84,057	-	-	525,600 <sup>(6)</sup>	-	-	-	609,657

**Notes:**

- (1) "SAR" means stock appreciation rights. The Company never issued any SARs.
- (2) "LTIP" means long term incentive plan. The Company does not have any such plan.
- (3) Represents fees for services and salaries, as applicable, earned and paid in Fiscal 2022.
- (4) Represents aggregate fair value of options to purchase common stock granted January 19, 2022, which vest on the first anniversary of the date of grant.
- (5) Represents aggregate fair value of options to purchase common stock granted February 15, 2022, which vest monthly over the first three years following the date of grant.
- (6) Represents aggregate fair value of options to purchase common stock granted January 19, 2022, which vest ratably on each of the first four anniversaries of the date of grant.
- (7) Represents the aggregate fair value (market value) of restricted stock units granted January 19, 2022, which were vested on grant date and are subject to certain restrictions.
- (8) Represents the aggregate grant date fair value of options to purchase common stock granted January 13, 2021, which vest 1/3 on January 13, 2021, and 1/3 each on the first and second anniversaries of the grant date.
- (9) Represents aggregate the grant date fair value of options to purchase common stock granted January 13, 2021, which vest ratably on the first, second and third anniversaries of the grant date.
- (10) Represents the aggregate fair value (market value) of restricted stock units granted January 13, 2021, which were vested at grant date and are subject to certain restrictions.
- (11) Represents employee benefits paid by the Company.
- (12) Dr. Declan Doogan and Kam Shah resigned from the Board effective February 15, 2022.

**Long Term Incentive Plan (LTIP) Awards**

On January 19, 2022, the Board of Directors unanimously approved the Amended and Restated 2021 Equity Incentive Plan. The Amended and Restated 2021 Equity Incentive Plan provides for:

- (1) An increase of aggregate number of shares available for awards to 2,001,812, which is equal to 15% of the issued and outstanding common shares in the capital of the Company as of January 19, 2022 subject to discretionary annual increases (on a cumulative basis) as may be approved by the Board in future years by a number of shares not to exceed an additional five percent (5%) of the aggregate number of shares then outstanding;
- (2) The authorization of incentive stock options (should shareholder approval be sought and obtained) under the Amended and Restated 2021 Equity Incentive Plan; and
- (3) The provision of dividend equivalent rights to be issued when authorized.

In addition, one of our companies, iOx Therapeutics Ltd., also has an option plan for acquiring equity in the subsidiaries for their management.

The objective of the Company's and our subsidiaries equity-based incentive plans is to provide for and encourage ownership of our ordinary shares by our directors, officers, consultants and employees, if any and those of any subsidiary companies so that such persons may increase their stake in our company and benefit from increases in the value of the ordinary shares. The Plans are designed to be competitive with the benefit programs of other companies in the Biotechnology sector and enable the Company and its subsidiaries to attract and retain directors, officers and employees of the Company and its subsidiaries and to consultants and management company employees of exceptional skill. It is the view of management that the plans are a significant incentive for the directors, officers, consultants and employees to continue and to increase their efforts in promoting our operations to the mutual benefit of both our company and such individuals and also allows us to avail of the services of experienced persons with minimum cash outlay.

## Outstanding Equity Awards at Fiscal Year-End

The following table and related notes provides information regarding all outstanding equity awards for our named executive officers (“NEOs”) as of March 31, 2022:

Name	Option Awards <sup>(1)</sup>				Stock Awards <sup>(4) (5) (6) (7)</sup>				
	Number of Securities Underlying Unexercised Options (#) Exercisable <sup>(1)</sup>	Number of Securities Underlying Unexercised Options (#) Unexercisable <sup>(1)</sup>	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (#)	Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)
Ian B. Walters	50,333(2)	100,667(2)	100,667(2)	\$ 17.75	January 13, 2031	–	–	–	–
Ian B. Walters	–	125,700(3)	125,700(3)	\$ 10.22	January 19, 2032	–	–	–	–
Allan Shaw	43,667(2)	87,333(2)	87,333(2)	\$ 17.75	January 13, 2031	–	–	–	–
Allan Shaw	–	33,600(3)	33,600(3)	\$ 10.22	January 19, 2032	–	–	–	–
Robert Kramer	20,333(2)	40,667(2)	40,667(2)	\$ 17.75	January 13, 2031	–	–	–	–
Robert Kramer	–	25,100(3)	25,100(3)	\$ 10.22	January 19, 2032	–	–	–	–
Steve Innaimo	58,333(2)	116,667(2)	116,667(2)	\$ 17.75	January 13, 2031	–	–	–	–
Steve Innaimo	–	13,800(3)	13,800(3)	\$ 10.22	January 19, 2032	–	–	–	–
Brian Wiley	–	60,000(3)	60,000(3)	\$ 10.22	January 19, 2032	–	–	–	–

(1) Amounts represent options to purchase ordinary shares.

(2) These options to purchase ordinary shares were granted on January 13, 2021, have a ten-year term and vest ratably on each of the first three anniversaries of the grant date.

(3) These options to purchase ordinary shares were granted on January 19, 2022, have a ten-year term and vest ratably on each of the first four anniversaries of the grant date.

(4) The above table excludes 152,000 restricted stock units to Mr. Walters granted January 13, 2021 with a grant day value of \$2,698,000, which vested on grant date but are subject to certain restrictions and 86,100 restricted stock units granted January 19, 2022 with a grant day value of \$879,942, which vested on grant date but are subject to certain restrictions.

(5) The above table excludes 23,040 restricted stock units to Mr. Shaw granted January 19, 2022 with a grant day value of \$235,469, which vested on grant date but are subject to certain restrictions.

(6) The above table excludes 91,000 restricted stock units to Mr. Kramer granted January 13, 2021, with a grant day value of \$1,615,250, which vested on grant date but are subject to certain restrictions and 17,200 restricted stock units granted January 19, 2022 with a grant day value of \$175,784, which vested on grant date but are subject to certain restrictions.

(7) The above table excludes 9,400 restricted stock units to Mr. Innaimo granted January 19, 2022, with a grant day value of \$96,068, which vested on grant date but are subject to certain restrictions.



**Indebtedness of Directors, Executive Officers and Senior Officers**

None.

**Directors' and Officers' Liability Insurance**

The Company has purchased, at its expense, directors' and officers' liability insurance policy to provide insurance against possible liabilities incurred by them in their capacity as directors and officers of the Company.

**(C) BOARD PRACTICES****Audit Committee**

Our audit committee consists of Mr. Steven Mintz, Mr. James Mellon and Mr. Mark Simon, with Mr. Steven Mintz serving as Chairperson. Each member of our audit committee meets the financial literacy requirements of Nasdaq listing standards. In addition, our board of directors has determined that Mr. Steven Mintz is an audit committee financial expert within the meaning of Item 407(d) of Regulation S-K under the Securities Act of 1933. Mr. Steven Mintz is a Canadian Chartered Professional Accountant. He has over sixteen years of international experience in corporate financial analysis, mergers and acquisitions. He has been on the board of directors of several private and public corporations, operating in various sectors, including technology, oil & gas and biotechnology.

Mr. Mellon is an author, entrepreneur and investor. He was one of the founders of Portage Biotech and is the co-author of five books, all written with a view toward identifying emerging thematic trends leading to investment opportunities.

Mr. Simon has over 30 years advising experience for biotech and pharma companies as an investment banker and research analyst.

Our audit committee will, among other things:

- review our consolidated financial statements and our critical accounting policies and practices;
- select a qualified firm to serve as the independent registered public accounting firm to audit our consolidated financial statements;
- help to ensure the independence and performance of the independent registered public accounting firm;
- discuss the scope and results of the audit with the independent registered public accounting firm and review, with management and the independent registered public accounting firm, our interim and year-end results of operations;
- pre-approve all audit and all permissible non-audit services to be performed by the independent registered public accounting firm;
- oversee the performance of our internal audit function when established;
- review the adequacy of our internal controls;
- develop procedures for employees to submit concerns anonymously about questionable accounting or audit matters;
- review our policies on risk assessment and risk management; and
- review related party transactions.

### **Pre-Approval Policies and Procedures**

In the event that the Company plans to retain the services of the external auditors to the Company for tax compliance, tax advice or tax planning, the Chief Financial Officer of the Company must consult with the chair of the ACC, who has the authority to approve or disapprove on behalf of the committee, those non-audit services. All other permissible non-audit services shall be approved or disapproved by the ACC as a whole.

The Company external auditors are prohibited from performing for the Company non-audit services of the following nature: (a) bookkeeping or other services related to the accounting records or financial statements; (b) financial information systems design and implementation; (c) appraisal or valuation services, fairness opinions or contribution in-kind reports; (d) actuarial services; (e) internal audit outsource services; (f) management functions; (g) human resources; (h) broker or dealer, investment adviser or investment banking services; (i) legal services; (j) expert services unrelated to the audit; and (k) any other service that the Canadian and the United States Public Company Accounting Oversight Board determines is impermissible.

The ACC Charter relating to compensation matters sets forth the evaluation and review requirements for incentive and equity-based compensation plans for the executives based on their periodic performance evaluation.

### **Compensation Committee**

Our compensation committee consists of Ms. Linda Kozick, Mr. Gregory Bailey and Mr. Steven Mintz, with Ms. Linda Kozick serving as Chairperson. Each member of the compensation committee is also a non-employee director, as defined pursuant to Rule 16b-3 promulgated under the Exchange Act. The purpose of our compensation committee is to discharge the responsibilities of our board of directors relating to compensation of our executive officers. Our compensation committee will, among other things:

- review, approve and determine, or make recommendations to our board of directors regarding, the compensation of our executive officers;
- administer our stock and equity incentive plans;
- review and approve, or make recommendations to our board of directors regarding, incentive compensation and equity plans; and
- establish and review general policies relating to compensation and benefits of our employees.

## **Nominating Committee**

Our nominating and corporate governance committee consists of Mr. Mark Simon, Ms. Linda Kozick and Mr. James Mellon with Mr. Mark Simon as Chairperson. Our nominating and corporate governance committee will, among other things:

- identify, evaluate and select, or make recommendations to our board of directors regarding, nominees for election to our board of directors and its committees;
- evaluate the performance of our board of directors and of individual directors;
- consider and make recommendations to our board of directors regarding the composition of our board of directors and its committees;
- review developments in corporate governance practices;
- oversee environmental, social and governance (ESG) matters;
- evaluate the adequacy of our corporate governance practices and reporting; and
- develop and make recommendations to our board of directors regarding corporate governance guidelines and matters.

## **Role of Board of Directors in Risk Oversight Process**

Our board of directors has responsibility for the oversight of our risk management processes and, either as a whole or through its committees, regularly discusses with management our major risk exposures, their potential impact on our business and the steps we take to manage them. The risk oversight process includes receiving regular reports from board committees and members of senior management to enable our board of directors to understand our risk identification, risk management and risk mitigation strategies with respect to areas of potential material risk, including operations, finance, legal, regulatory, cybersecurity, strategic and reputational risk.

## **Code of Business Conduct**

The Company has established a Code of Conduct applicable to our directors, officers and employees. The Code of Conduct is accessible on our website at [www.portagebiotech.com](http://www.portagebiotech.com). If we make any substantive amendments to the Code of Conduct or grant any waiver, including any implicit waiver, from a provision of the Code of Conduct to our officers, we will disclose the nature of such amendment or waiver on that website or in a report on Form 8-K.

## **Compensation Committee Interlocks and Insider Participation**

All compensation and related matters are reviewed by our Compensation Committee. None of the members of our compensation committee is or has at any time during the past year been an officer or employee of ours. None of our executive officers currently serves or in the past year has served as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our board of directors or on our compensation committee.

## EXECUTIVE COMPENSATION

For the year ended March 31, 2022, our NEOs, which are each person who served as our principal executive officer during 2022 and the next four most highly compensated executive officers, are:

- Ian B. Walters, President and Chief Executive Officer and Director
- Allan Shaw, Chief Financial Officer
- Steven Innaimo, Vice President of Project Management & Operations
- Robert Kramer, Chief Scientific Officer
- Brian Wiley, Chief Business Officer

### Executive Compensation Overview

Through November 30, 2021, the compensation of our NEOs has primarily consisted of consulting fees (and in some cases bonuses), and share-based compensation. During Fiscal 2022, the Company entered into Employment contracts with five employees that provide for a combination of base salary, bonuses and long-term incentive compensation in the form of restricted stock units and options to purchase common stock. Our NEOs, like all full-time employees, are eligible to participate in our health and dental benefit plans and 401(k) plan matching program. At a minimum, we expect to review executive compensation annually with input from a compensation consultant. As part of this review process, we expect the board of directors and the compensation committee to apply our values and philosophy, while considering the compensation levels needed to ensure our executive compensation program remains competitive. We will also review whether we are meeting our retention objectives and the potential cost of replacing a key employee.

### Narrative Disclosure to the Summary Compensation Table

#### *Annual Base Salary*

Our NEOs each receive a base salary to compensate them for services rendered to our company. The base salary payable to each named executive officer is intended to provide a fixed component of compensation reflecting the executive's skill set, experience, role and responsibilities. Base salaries are reviewed annually, typically in connection with our annual performance review process, approved by our board of directors or the compensation committee, and may be adjusted from time to time to realign salaries with market levels after taking into account individual responsibilities, performance, and experience.

#### **Employment Agreements**

PDS entered into a Services Agreement with Mr. Walters effective on December 15, 2021. The Services Agreement provides that Mr. Walters will receive a base salary of \$618,000, plus cost-of-living increases. The Services Agreement provides for annual increases based upon the review of the base salary by the board of directors prior to the anniversary of the Services Agreement provided that the annual increase cannot be less than the cost-of-living increase. The Services Agreement also provides that Mr. Walters is eligible to receive an annual performance-based bonus targeted at 59% of the applicable year's base salary, which bonus is earned based on the achievement of performance targets, as determined annually by the Board of Directors and communicated to Mr. Walters in the first quarter of the year. Any annual bonus, to the extent earned, is to be paid no later than March 15 of the following year. The Services Agreement is for an initial term of three years, after which it will automatically renew annually unless terminated in accordance with the Services Agreement.

Under the Services Agreement, Mr. Walters may terminate his employment at any time for Good Reason, as defined in the Services Agreement. We may terminate Mr. Walter's employment immediately upon his death, upon a period of disability or without "Just Cause", as defined. In the event that Mr. Walter's employment is terminated due to his death or Disability, for "Good Reason" or without "Just Cause", Mr. Walters will be entitled to Accrued Benefits (accrued unpaid portion of base salary, accrued unused vacation time and any unpaid expenses). Additionally, he may be entitled to Severance Benefits, which include his then current base salary and the average of his annual bonus for the prior two completed performance years, paid over 12 monthly installments. Additionally, Mr. Walters will be entitled to life insurance benefits and medical and dental benefits for a period of 12 months at the same rate Mr. Walters and the Company shared such costs during his period of employment.

Additionally, all stock options (and any other unvested equity incentive award) held by the CEO relating to shares of the Company will be deemed fully vested and exercisable on the Termination Date, as defined, and the exercise period for such stock options will be increased by a period of two years from the Termination Date.

If the CEO's employment by the Company is terminated by the Company or any successor entity without "Just Cause" (not including termination by virtue of the CEO's death or Disability) or by the CEO for Good Reason within twelve (12) months following the effective date of a "Change in Control" (as defined), then in addition to paying or providing Executive with the Accrued Obligations, the Company will provide the following "Change in Control Severance Benefits":

- (1) The Company will pay the Base Salary continuation benefit for eighteen (18) months;
- (2) The Company will pay the life insurance benefit for eighteen (18) months;
- (3) The Company will pay an additional amount equivalent to the CEO's target annual bonus calculated using the Bonus Percentage for the performance year in which Executive's termination occurs. This bonus will be paid in twelve equal installments commencing on the first payroll date that is more than sixty (60) days following the date of termination of Executive's employment, with the remaining installments occurring on the first day of the month for the eleven (11) months thereafter;
- (4) The Company will provide the CEO with continued medical and dental benefits, as described above, for eighteen (18) months; and
- (5) All stock options (and any other unvested equity incentive award) held by the CEO relating to shares of the Company or its parent will be deemed fully vested and exercisable on the Termination Date, as defined, and the exercise period for such stock options will be increased by a period of two years from the Termination Date.

PDS entered into Services Agreements with each of Messrs. Shaw, Kramer and Innaimo and Wiley (individually, "Executive" and collectively, "Executives") dated as of December 1, 2021 (except Mr. Innaimo, which was dated December 15, 2021). Each of the Services Agreements provides for an initial term of two years and are automatically renewed for one-year periods (except Mr. Wiley, which provides for an initial term of one year and is automatically renewed for one-year periods). The Services Agreements initially provide for base salary and annual bonus, as described in the table below. They also provide for long-term incentives in the form of equity awards from time to time under the Portage Biotech Inc. Amended and Restated 2021 Equity Incentive Plan.

	<b>BASE SALARY</b>	<b>TARGET BONUS</b>
Allan Shaw	\$ 348,000	40%
Robert Kramer	\$ 216,000	40%
Steven Innaimo	\$ 310,000	30%
Brian Wiley	\$ 175,000	30%

The Services Agreements can be terminated by the Company without "Just Cause", by death or Disability, or by the Executive for "Good Reason". In such instances, the Services Agreements provide for the payment of Accrued Obligations (accrued unpaid portion of base salary, accrued unused vacation time and any unpaid expenses). Additionally, Executives (except Mr. Wiley) are entitled to 50% of base salary plus 50% of average annual bonus earned over the prior two performance years, as well as prevailing life insurance benefits for a period of six months and medical and dental benefits for a period of six months at the prevailing rate the Company and the Executive were sharing such expenses.

Additionally, all stock options (and any other unvested equity incentive award) held by the Executives relating to shares of the Company will be deemed fully vested and exercisable on the Termination Date, as defined, and the exercise period for such stock options will be increased by a period of two years from the Termination Date.

If Executive's employment by the Company is terminated by the Company or any successor entity without "Just Cause" (not including termination by virtue of CEO's death or Disability) or by Executive for Good Reason within twelve (12) months following the effective date of a "Change in Control" (as defined), then in addition to paying or providing Executive with the Accrued Obligations, the Company will provide the following "Change in Control Severance Benefits" (except in one case in which Executive is entitled to Item (5) and 50% of Items (1) and (3) below):

- (1) The Company will pay the Base Salary continuation benefit for twelve (12) months;
- (2) The Company will pay the life insurance benefit for twelve (12) months;
- (3) The Company will pay an additional amount equivalent to Executive's target annual bonus calculated using the Bonus Percentage for the performance year in which Executive's termination occurs. This bonus will be payable in twelve equal installments commencing on the first payroll date that is more than sixty (60) days following the date of termination of Executive's employment, with the remaining installments occurring on the first day of the month for the eleven (11) months thereafter;
- (4) The Company will provide the Executive with continued medical and dental benefits, as described above, for twelve (12) months; and
- (5) All stock options (and any other unvested equity incentive award) held by the Executive relating to shares of the Company or its parent will be deemed fully vested and exercisable on the Termination Date and the exercise period for such stock options will be increased by a period of two years from the Termination Date.

The Services Agreements also include customary confidentiality, as well as provisions relating to assignment of inventions. The Services Agreements also includes non-competition and non-solicitation of employees and customers provision that run during the Executive's employment with the Company and for a period of one year after termination of employment.

## Director Compensation

### Non-Employee Director Compensation Policy

Effective January 1, 2022, our board of directors adopted a non-employee director compensation policy that is designed to enable us to attract and retain, on a long-term basis, highly qualified non-employee directors. Under the policy, each director who is not an employee will be paid cash compensation quarterly in arrears based upon the following table:

	<b>ANNUAL RETAINER</b>
<b>Board of Directors:</b>	
Chair	\$ 30,000
All non-employee members	\$ 40,000
<b>Audit Committee:</b>	
Chair	\$ 15,000
Members	\$ 7,500
<b>Compensation Committee:</b>	
Chair	\$ 12,000
Members	\$ 6,000
<b>Nominating Committee:</b>	
Chair	\$ 8,000
Members	\$ 4,000

#### **(D) EMPLOYEES**

The Company currently has six employees. It also uses the services of consultants from time to time.

#### **(E) SHARE OWNERSHIP**

The Board decided to discontinue the 2013 Option Plan, under which stock options to acquire common shares of the Company were granted to directors, employees and consultants of the Company. At March 31, 2022, no stock options were outstanding under the 2013 Option Plan.

On January 13, 2021, the Company approved the 2021 Equity Incentive Plan, which amended and restated the Portage Biotech Inc. 2020 Stock Option Plan. On January 13, 2021, the Company granted in total 868,000 stock options to purchase ordinary shares to four members of our Board of Directors and four executives, including our CEO, who also is a member of our Board of Directors. The stock options have an exercise price of US\$17.75 per share and vest over various terms. The Company also granted 243,000 restricted stock units to two executives, one of whom is our CEO, which vested immediately and are subject to certain restrictions.

On January 19, 2022, the Board of Directors unanimously approved the Amended and Restated 2021 Equity Incentive Plan. The Amended and Restated 2021 Equity Incentive Plan provides for:

- (1) An increase of aggregate number of shares available for awards to 2,001,812, which is equal to 15% of the issued and outstanding common shares in the capital of the Company as of January 19, 2022 subject to discretionary annual increases (on a cumulative basis) as may be approved by the Board in future years by a number of shares not to exceed an additional five percent (5%) of the aggregate number of shares then outstanding;
- (2) The authorization of incentive stock options (should shareholder approval be sought and obtained) under the Amended and Restated 2021 Equity Incentive Plan; and
- (3) The provision of dividend equivalent rights to be issued when authorized.

The following table sets forth the share ownership of our executive officers and directors as at March 31, 2022:

Name	Ordinary Shares Beneficially Owned	
	Number	Percentage *
Gregory Bailey	3,458,862 <sup>(1)</sup>	25.35%
Steven Mintz	109,905 <sup>(1)(2)</sup>	0.65%
James Mellon	3,031,721 <sup>(7)</sup>	17.89%
Linda Kozick	— <sup>(7)</sup>	—%
Mark Simon	— <sup>(7)</sup>	—%
Ian Walters	265,424 <sup>(3)</sup>	1.56%
Allan Shaw	43,666 <sup>(4)</sup>	0.26%
Robert Kramer	161,067 <sup>(5)</sup>	0.95%
Steven Innaimo	58,333 <sup>(6)</sup>	0.34%
Brian Wiley	— <sup>(8)</sup>	—%

\* Based on issued and outstanding ordinary shares at August 1, 2022 plus vested stock options and stock options that vest in the next 60 days.

- (1) Includes 56,667 vested stock options to purchase ordinary shares and excludes 28,333 unvested stock options granted January 13, 2021. Excludes 6,900 unvested stock options granted January 19, 2022.
- (2) Excludes 60,000 shares for which Mr. Mintz has shared investment control and disclaims beneficial ownership.
- (3) Includes 50,333 vested stock options to purchase ordinary shares and excludes 152,000 vested restricted stock units subject to certain restrictions and 100,667 unvested stock options granted January 13, 2021. Excludes 86,100 vested restricted stock units subject to certain restrictions and 125,700 unvested stock options granted January 19, 2022. Additionally, excludes 87,519 shares held in trusts for the benefit of his children for which Mr. Walters disclaims beneficial ownership.
- (4) Includes 43,666 vested stock options to purchase ordinary shares and excludes 87,334 unvested stock options granted January 13, 2021. Excludes 23,040 vested restricted stock units and 33,600 unvested stock options granted January 19, 2022.
- (5) Includes 20,333 vested stock options and excludes 91,000 vested restricted stock units subject to certain restrictions and 40,667 unvested stock options granted January 13, 2021. Excludes 17,200 vested restricted stock units granted January 13, 2021 and 25,100 unvested stock options granted January 19, 2022.
- (6) Includes 58,333 vested stock options to purchase ordinary shares and excludes 116,667 unvested stock options granted January 13, 2021. Excludes 9,400 vested restricted stock units subject to certain restrictions and 13,800 unvested stock options granted January 19, 2022.
- (7) Excludes 13,800 unvested stock options granted February 15, 2022.
- (8) Excludes 60,000 unvested stock options granted January 19, 2022.

All shares held by the above persons carry same rights as the other holders of the ordinary shares of the Company.



## **ITEM 7 – MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS**

### **(A) MAJOR SHAREHOLDERS**

The Company's ordinary shares are recorded on the books of its transfer agent in registered form. A large number of the ordinary shares are, however, registered in the name of intermediaries such as brokerage houses and clearing firms on behalf of their respective clients. The Company does not have knowledge of all the beneficial owners of its ordinary shares. Intermediaries like CDS & Co, Toronto, Canada and Cede & Co., New York, USA held approximately 17% of the issued and outstanding ordinary shares of the company on behalf of beneficial shareholders whose individual holdings details were not available.

At March 31, 2022, the Company had 13,348,943 ordinary shares issued and outstanding and at August 1, 2022, the Company had 16,944,783 ordinary shares issued and outstanding.

The following table sets forth persons known by us to be beneficial owners of more than 5% of our ordinary shares as of August 1, 2022. Beneficial ownership of shares is determined under rules of the SEC and generally includes any shares over which a person exercises sole or shared voting or investment power. Shares subject to options and warrants that are currently exercisable or exercisable within 60 days of the date indicated above are deemed to be beneficially owned by the person holding the option and warrant and included in the holding. These beneficially held ordinary shares, however, are not deemed outstanding for the purpose of computing the percentage ownership of any other person.

<b>Name of Beneficial Owner</b>	<b>No. of Shares</b>	<b>Percentage of Shares*</b>
Gregory Bailey	3,458,862	20.35%
James Mellon	3,031,721	17.89%

\* Based on shares issued and outstanding as of August 1, 2022.

The Company is a publicly owned BVI business company. The Company is not owned or controlled directly or indirectly by another corporation or any foreign government. There are no arrangements, known to the Company, the operation of which may at a subsequent date result in a change of control of the Company.

## ***Insider Reports under Canadian Securities Legislation***

Since the Company is a reporting issuer under the Securities Acts of each of the province of Ontario and British Columbia in Canada, certain "insiders" of the Company (including its directors, certain executive officers, and persons who directly or indirectly beneficially own, control or direct more than 10% of its ordinary shares) are generally required to file insider reports of changes in their ownership of the Company's ordinary shares five days following the trade under National Instrument 55-104 - *Insider Reporting Requirements and Exemptions*, as adopted by the Canadian Securities Administrators. Insider reports must be filed electronically five days following the date of the trade at [www.sedi.ca](http://www.sedi.ca). The public is able to access these reports at [www.sedi.ca](http://www.sedi.ca).

The United States also has rules governing public reporting of the ownership of securities held in public companies. Section 13 of the Exchange Act imposes reporting requirements on persons who acquire beneficial ownership (as such term is defined in the Rule 13d-3 under the Exchange Act) of more than five per cent of a class of an equity security registered under Section 12 of the Exchange Act. In general, these persons must file, within 10 days after such acquisition, a report of beneficial ownership with the United States Securities and Exchange Commission containing the information prescribed by the regulations under Section 13 of the Exchange Act. This information is also required to be sent to the issuer of the securities and to each exchange where the securities are traded.

As a foreign private issuer, the reporting and short-swing profit re-capture rules of Section 16 of the Exchange Act are not applicable to our directors, offices and holders of 10% or more of our issued and outstanding ordinary shares, calculated on a beneficial basis under Rule 13d-3.

## **(B) RELATED PARTY TRANSACTIONS**

All related party transactions that occurred with key management personnel are discussed below. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The board of directors has determined that the Chairman, Chief Executive Officer and Chief Financial Officer are key management personnel.

### ***SalvaRx Acquisition***

On January 8, 2019, the Company acquired 100% of SalvaRx Limited from SalvaRx Group plc. in exchange for 8,050,701 ordinary shares of the Company for an aggregate consideration of US\$92.6 million. 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 Limited and employees of the Company comprise the management team of SalvaRx Limited.

### ***Payable***

In January 2020, the Chairman 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.

### ***Investments***

The Company has entered into related party transactions and certain services agreement with the companies that it has invested in. Key management of the Company has also entered into related party transactions with these invested companies. The related party transactions are as follows:

The following subsidiaries and associates are considered related parties:

- (a) **Stimunity**. The CEO of Portage is one of three members of the Board of Directors of Stimunity. In July 2022, the Company entered into a commitment with Stimunity to provide €600,000 under a Convertible Note with a maturity date of September 1, 2023 ("Maturity Date"). The Convertible Note provides for interest at 7% per annum. The Convertible Note is automatically converted upon Stimunity commencing a Series A subscription round for €20 million. If such Subscription round is completed prior to the Maturity Date, the Company will be entitled to convert the Convertible Note at the subscription share price less 15%. Additionally, if subscribers create a new category of shares with additional rights of less than €5 million (the "Minimum Raise"), the Company will have the right to convert the Convertible Note and historical shares owned into the new category of shares. In the event that Stimunity does not close a subscription prior to the Maturity Date or raises less than the Minimum Raise, the Company will have the right to convert at €363.00 per share or the raise price less 15%, whichever is lower.

- (b) **iOx.** Two of the three directorships on the Board of Directors of iOx are controlled by Portage. Additionally, Portage has an observer on the Board of iOx. The CEO of Portage is also the CEO of iOx, and the management team of the Company comprise the management team of iOx.
- (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.
- (d) **Intensity.** The CEO of Portage is an officer of Intensity and both he and the VP of Projects and Operations of the Company provide services to Intensity. The Company commenced invoicing Intensity for such services in February 2022. Additionally, Intensity provides services (primarily rent) to Portage, which is billed monthly. Portage paid Intensity \$83,437, \$77,088 and \$62,132 for the years ended March 31, 2022, 2021 and 2020, respectively.
- (e) **PGL.** PPL held 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.
- (f) **Portage Development Services.** Portage Development Services is a 100% owned subsidiary of the Company, incorporated in Delaware, which provides human resources, and other services to each operating subsidiary via a shared services agreement.

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

Interest expense includes \$78,427 and \$226,018 interest incurred in the years ended March 31, 2021 and 2020, 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.

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.

On September 8, 2021, the Company, through SalvaRx, completed a settlement of loans (including interest) to and receivables from iOx for services rendered in exchange for 23,772 ordinary shares of iOx at a price of £162. Simultaneously, the Company entered into an agreement with Oxford Sciences Innovation, Plc (“OSI”), the holder of \$0.15 million notes plus accrued interest under which OSI exchanged the notes plus accrued interest for 820 shares of iOx. The Company followed the guidance provided by an IFRS Discussion Group Public Meeting dated November 29, 2016, following the general tenets of IAS 39, “Financial Instruments: Recognition and Measurement,” and IFRIC 19, “Extinguishing Financial Liabilities with Equity Instruments” and recorded the exchange at historical cost. Additionally, no profit or loss was recorded in connection with the exchange. As a result of these transactions, the Company, through SalvaRx, increased its ownership up from 60.49% to 78.32%.

#### **Employment Agreements**

PDS entered into a Services Agreement with Mr. Walters effective on December 15, 2021. The Services Agreement provides that Mr. Walters will receive a base salary of \$618,000, plus cost-of-living increases. The Services Agreement provides for annual increases based upon the review of the base salary by the board of directors prior to the anniversary of the Services Agreement provided that the annual increase cannot be less than the cost-of-living increase. The Services Agreement also provides that Mr. Walters is eligible to receive an annual performance-based bonus targeted at 59% of the applicable year’s base salary, which bonus is earned based on the achievement of performance targets, as determined annually by the Board of Directors and communicated to Mr. Walters in the first quarter of the year. Any annual bonus, to the extent earned, is to be paid no later than March 15 of the following year. The Services Agreement is for an initial term of three years, after which it will automatically renew annually unless terminated in accordance with the Service Agreement.

Under the Service Agreement, Mr. Walters may terminate his employment at any time for Good Reason, as defined in the Service Agreement. We may terminate Mr. Walter’s employment immediately upon his death, upon a period of disability or without “just cause”, as defined. In the event that Mr. Walter’s employment is terminated due to his death or disability, for “Good Reason” or without “just cause”, Mr. Walters will be entitled to Accrued Benefits (accrued unpaid portion of base salary, accrued unused vacation time and any unpaid expenses). Additionally, he may be entitled to Severance Benefits, which include his then current base salary and the average of his annual bonus for the prior two completed performance years, paid over 12 monthly installments. Additionally, Mr. Walters will be entitled to life insurance benefits and medical and dental benefits for a period of 12 months at the same rate Mr. Walters and the Company shared such costs during his period of employment.

Additionally, all stock options (and any other unvested equity incentive award) held by the CEO relating to shares of the Company will be deemed fully vested and exercisable on the Termination Date, as defined, and the exercise period for such stock options will be increased by a period of two years from the Termination Date.

If CEO’s employment by the Company is terminated by the Company or any successor entity without “Just Cause” (not including termination by virtue of CEO’s death or Disability) or by the CEO for Good Reason within twelve (12) months following the effective date of a “Change in Control” (as defined), then in addition to paying or providing Executive with the Accrued Obligations the Company will provide the following “Change in Control Severance Benefits”:

- (1) The Company will pay the Base Salary continuation benefit for eighteen (18) months;
- (2) The Company will pay the life insurance benefit for eighteen (18) months;
- (3) The Company will pay an additional amount equivalent to CEO’s target annual bonus calculated using the Bonus Percentage for the performance year in which Executive’s termination occurs. This bonus will be paid in twelve equal installments commencing on the first payroll date that is more than sixty (60) days following the date of termination of Executive’s employment, with the remaining installments occurring on the first day of the month for the eleven (11) months thereafter;
- (4) The Company will provide the CEO with continued medical and dental benefits, as described above, for eighteen (18) months; and
- (5) All stock options (and any other unvested equity incentive award) held by the CEO relating to shares of the Company or its parent will be deemed fully vested and exercisable on the Termination Date, as defined, and the exercise period for such stock options will be increased by a period of two years from the Termination Date.

We entered into Service Agreements with each of Messrs. Shaw, Kramer and Innaimo and Wiley (individually, “Executive” and collectively, “Executives”) dated as of December 1, 2021 (except Mr. Innaimo, which was dated December 15, 2021). Each of the Service Agreements provides for an initial term of two years and are automatically renewed for one-year periods (except Mr. Wiley, which provides for an initial term of one year and is automatically renewed for one-year periods). The Service Agreements initially provide for base salary and annual bonus, as described in the table below. They also provide for long-term incentives in the form of equity awards from time to time under the Portage Biotech Inc. Amended and Restated 2021 Equity Incentive Plan.

	<b>BASE SALARY</b>	<b>TARGET BONUS</b>
Allan Shaw	\$ 348,000	40%
Robert Kramer	\$ 216,000	40%
Steven Innaimo	\$ 310,000	30%
Brian Wiley	\$ 175,000	30%

The Service Agreements can be terminated by the Company “without cause”, by death or disability, or by the Executive for “good reason”. The Service Agreements provide for the payment of Accrued Obligations (accrued unpaid base salary plus earned but unused vacation time). Additionally, Executives (except Mr. Wiley) are entitled to 50% of base salary plus 50% of average annual bonus earned over the prior two performance years, as well as prevailing life insurance benefits for a period of six months and medical and dental benefits for a period of six months at the prevailing rate the Company and the Executive were sharing such expenses.

Additionally, all stock options (and any other unvested equity incentive award) held by the Executives relating to shares of the Company will be deemed fully vested and exercisable on the Termination Date, as defined, and the exercise period for such stock options will be increased by a period of two years from the Termination Date.

If Executive's employment by the Company is terminated by the Company or any successor entity without "Just Cause" (not including termination by virtue of CEO's death or Disability) or by Executive for Good Reason within twelve (12) months following the effective date of a "Change in Control" (as defined), then in addition to paying or providing Executive with the Accrued Obligation, the Company will provide the following "Change in Control Severance Benefits" (except in one case in which Executive is entitled to 50% of Items 1-4 below):

- (1) The Company will pay the Base Salary continuation benefit for twelve (12) months;
- (2) The Company will pay the life insurance benefit for twelve (12) months;
- (3) The Company will pay an additional amount equivalent to Executive's target annual bonus calculated using the Bonus Percentage for the performance year in which Executive's termination occurs. This bonus will be payable in twelve equal installments commencing on the first payroll date that is more than sixty (60) days following the date of termination of Executive's employment, with the remaining installments occurring on the first day of the month for the eleven (11) months thereafter;
- (4) The Company will provide the Executive with continued medical and dental benefits, as described above, for twelve (12) months; and
- (5) All stock options (and any other unvested equity incentive award) held by the Executive relating to shares of the Company or its parent will be deemed fully vested and exercisable on the Termination Date and the exercise period for such stock options will be increased by a period of two years from the Termination Date.

The Service Agreements also include customary confidentiality, as well as provisions relating to assignment of inventions. The Employment Agreements also includes non-competition and non-solicitation of employees and customers provision that run during the executive's employment with the Company and for a period of one year after termination of employment.

#### ***Bonuses & Board Compensation Arrangements***

In December 2021, the Compensation Committee approved performance bonuses payable to senior management totaling \$0.7 million. The bonuses were paid in December 2021.

In addition, the Compensation Committee of the Board established board of director compensation. Effective January 1, 2022, each non-executive board member will be entitled to receive cash board fees of \$40,000 per annum, payable quarterly in arrears. Additionally, each non-executive board member will be entitled to an annual grant of 6,900 options to purchase common shares, which would vest the first annual anniversary of the date of grant.

The chairman of the Board will be entitled to an annual cash fee of \$30,000, payable quarterly in arrears. Additionally, the chairperson of each of the Audit Committee, Compensation Committee and Nominating Committee will be entitled to annual fees of \$15,000, \$12,000 and \$8,000, respectively, payable quarterly in arrears. Members of those committees will be entitled to annual fees of \$7,500, \$6,000 and \$4,000, respectively, payable quarterly in arrears.

#### **(C) INTERESTS OF EXPERTS AND COUNSEL**

Not applicable.

## **ITEM 8 – FINANCIAL INFORMATION**

### **(A) CONSOLIDATED STATEMENTS AND OTHER FINANCIAL INFORMATION**

#### **Financial Statements**

Information regarding our financial statements is contained under Item 18 of this Annual Report.

#### **Dividend Policy**

Since its incorporation, the Company has not declared or paid, and has no present intention to declare or to pay in the foreseeable future, any cash dividends with respect to its ordinary shares. Earnings will be retained to finance further growth and development of the business of the Company. However, if the Board of Directors declares dividends; all the ordinary shares will participate equally in the dividends, and, in the event of liquidation, in the net assets, of the Company.

In January 2018, the Company declared and distributed its then holdings of common shares of Biohaven Pharmaceuticals Holding Company Ltd. as stock dividend. Whether or not the Board of Directors will determine to do any other distributions of property of the Company in the future is in their sole discretion and will depend on their determination at the future time.

### **(B) SIGNIFICANT CHANGES**

There were no significant events or changes to report that happened subsequent to March 31, 2022, to the date of this report.

## **ITEM 9 – THE OFFER AND LISTING**

### **(A) OFFER AND LISTING DETAILS**

The following tables set forth the reported high and low sale prices for our ordinary shares as quoted on the Nasdaq Capital Market (“NASDAQ”) since February 25, 2021, the over-the-counter (“OTC”) market where the ordinary shares were trading until February 25, 2021, and on the Canadian Securities Exchange (“CSE”), where the Company’s ordinary shares were listed and trading from October 28, 2013 until April 23, 2021, when the Company voluntarily delisted its ordinary shares from the CSE. The Company’s shares trade on NASDAQ on the Nasdaq Capital Market under the symbol “PRTG”.

The following table outlines the annual high and low market prices for an ordinary share for the five most recent fiscal years. Except as noted, reflects share price prior to the 100 to 1 reverse stock split effective June 5, 2020:

Year ended March 31,	High		Low	
	NASDAQ US\$	CSE US\$	NASDAQ US\$	CSE US\$
2022*	42.81	N/A	6.57	N/A
2021*	39.50	38.99	8.88	0.09
2020	0.15	0.14	0.07	0.08
2019	0.14	0.15	0.07	0.07
2018	0.66	0.66	0.06	0.06
2017	0.25	0.22	0.10	0.12

\* Reflects share price subsequent to the 100 to 1 reverse stock split effective June 5, 2020.

The following table outlines the high and low market prices for an ordinary share for each fiscal financial quarter for the two most recent fiscal periods and subsequent periods. Except as noted, reflects share price prior to the 100 to 1 reverse stock split effective June 5, 2020:

Quarter ended:	High		Low	
	NASDAQ US\$	CSE (a) US\$	NASDAQ US\$	CSE (a) US\$
30-Jun-22*	11.95	N/A	5.16	N/A
31-Mar-22*	12.00	N/A	6.57	N/A
31-Dec-21*	23.74	N/A	10.73	N/A
30-Sept-21*	22.40	N/A	13.65	N/A
30-Jun-21*	42.81	N/A	20.96	N/A
31-Mar-21*	39.50	38.99	17.55	17.54
31-Dec-20*	19.59	19.50	8.88	8.85
30-Sept-20*	10.75	10.80	9.06	9.29
30-Jun-20	0.14	0.14	0.09	0.10

\* Reflects share price subsequent to the 100 to 1 reverse stock split effective June 5, 2020.

(a) The Company voluntarily delisted its common shares from the CSE at the market close on April 23, 2021.

The following table outlines the high and low market prices for each of the most recent six months:

Month	High	Low
	NASDAQ US\$	NASDAQ US\$
July 2022 (through July 29)	10.12	7.09
June 2022	11.95	6.70
May 2022	10.00	5.16
April 2022	7.06	5.28
March 2022	8.44	6.57
February 2022	8.84	7.25

**(B) PLAN OF DISTRIBUTION**

Not applicable.

**(C) MARKETS**

The Company's ordinary shares currently trade in one place. Before April 23, 2021, the Company's ordinary shares were traded in two places.

1. Since February 25, 2021, the ordinary shares of the Company began trading on NASDAQ under the trading symbol "PRTG". Before then, the ordinary shares had been traded in the OTC market since 2000 under the trading symbol "PTGEF".
2. Effective October 28, 2013, the Company's ordinary shares were also listed for trading in United States currency on the Canadian Securities Exchange (formerly, Canadian National Stock Exchange) under the symbol "PBT.U". The Company voluntarily delisted its common shares from the CSE at the market close on April 23, 2021, since the Company's shares were trading on NASDAQ from February 2021.

**(D) SELLING SHAREHOLDERS**

Not applicable.

**(E) DILUTION**

Not applicable.

**(F) EXPENSES OF THE ISSUE**

Not applicable.

**ITEM 10 – ADDITIONAL INFORMATION**

**(A) SHARE CAPITAL**

This Form 20-F is being filed as an Annual Report under the Exchange Act and, as such, there is no requirement to provide any information under this section.

**(B) MEMORANDUM AND ARTICLES OF ASSOCIATION**

**General**

Portage Biotech Inc., by action of its board of directors, amended its Memorandum of Association and Articles of Association (the "M&A") on June 19, 2022 and filed an updated version thereof with the Registrar of Companies in the British Virgin Islands on June 21, 2022.

Pursuant to our Memorandum and Articles of Association, we are authorized to issue an unlimited number of ordinary shares of no-par value.



The following are summaries of material terms and provisions of our Memorandum and Articles of Association and the BVI Act, insofar as they relate to the material terms applicable to our ordinary shares. Unless otherwise stated, the following summaries are of the terms of our shares as of the date of this annual report. This summary is not intended to be complete, and you should read the form of our Memorandum and Articles of Association, which has been filed as an exhibit to this report.

### **Meetings of shareholders**

If our shareholders want us to hold a meeting of shareholders of the company, they may requisition the directors to hold one upon the written request of shareholders entitled to exercise at least 10% of the voting rights in respect of the matter for which the meeting is requested. Under British Virgin Islands law, this 10% threshold may only be increased to a maximum of 30% and any such increase would require an amendment to the Memorandum and Articles of Association.

Subject to our Memorandum and Articles of Association, a meeting of shareholders of the company will be called by not less than ten days' written notice and no more than 60 days' notice. Notice of every meeting of shareholders may be delivered electronically and will be given to all of our shareholders. However, the inadvertent failure of the convener or conveners of a meeting of shareholders to give notice of the meeting to a shareholder, or the fact that a shareholder has not received the notice, does not invalidate the meeting.

A meeting of shareholders is duly constituted if, at the commencement of the meeting, there are present in person or by proxy two or more shareholders entitled to vote at the meeting.

### ***Rights attaching to shares***

#### **Voting rights**

Holders of our ordinary shares have identical rights, including dividend and liquidation rights, provided that, except as otherwise expressly provided in our Amended Memorandum and Articles of Association or required by applicable law, on any matter that is submitted to a vote of our shareholders, holders of our ordinary shares are entitled to one vote per ordinary share.

Under the BVI Act, the ordinary shares are deemed to be issued when the name of the shareholder is entered in our register of members. Our register of members is maintained by our transfer agent, TSX Trust Company, which enters the names of our shareholders in our register of members. If (a) information that is required to be entered in the register of shareholders is omitted from the register or is inaccurately entered in the register, or (b) there is unreasonable delay in entering information in the register, a shareholder of the company, or any person who is aggrieved by the omission, inaccuracy or delay, may apply to the British Virgin Islands courts for an order that the register be rectified, and the court may either refuse the application or order the rectification of the register, and may direct us to pay all costs of the application and any damages the applicant may have sustained.

Subject to any rights or restrictions attached to any shares, at any general meeting on a show of hands every shareholder of record who is present in person (or, in the case of a shareholder being a corporation, by its duly authorized representative) or by proxy shall have one vote and on a poll every shareholder present in person (or, in the case of a shareholder being a corporation, by its duly appointed representative) or by proxy shall have one vote for each share which such shareholder is the holder. Voting at any meeting of the shareholders is by show of hands unless a poll is demanded. A poll may be demanded by shareholders present in person or by proxy if the shareholder disputes the outcome of the vote on a proposed resolution and the chairman shall cause a poll to be taken. In the case of a tie vote at a meeting of shareholders, the chairman shall be entitled to a second or casting vote.

No shareholder shall be entitled to vote or be reckoned in a quorum, in respect of any share, unless such shareholder is registered as our shareholder at the applicable record date for that meeting. Shareholders of record may also pass written resolutions without a meeting by a majority vote.

## **Protection of minority shareholders**

Under the laws of the British Virgin Islands, there is little statutory law for the protection of minority shareholders other than the provisions of the BVI Act dealing with shareholder remedies. The principal protection under statutory law is that shareholders may bring an action to enforce the BVI Act or the constituent documents of the Company, our Memorandum and Articles of Association. Shareholders are entitled to have our affairs conducted in accordance with the BVI Act and the Memorandum and Articles of Association.

There are common law rights for the protection of shareholders that may be invoked, largely dependent on English company law, since the common law of the British Virgin Islands is limited. Under the general rule pursuant to English company law known as the rule in *Foss v. Harbottle*, a court will generally refuse to interfere with the management of a company at the insistence of a minority of its shareholders who express dissatisfaction with the conduct of the company's affairs by the majority or the board of directors. However, every shareholder is entitled to have the affairs of the company conducted properly according to British Virgin Islands law and the constituent documents of the company. As such, if those who control the company have persistently disregarded the requirements of the BVI Act or the provisions of the company's Memorandum and Articles of Association, then the courts may grant relief. Generally, the areas in which the courts will intervene are the following: (1) an act complained of which is outside the scope of the authorized business or is illegal or not capable of ratification by the majority; (2) acts that constitute fraud on the minority where the wrongdoers control the company; (3) acts that infringe or are about to infringe on the personal rights of the shareholders, such as the right to vote; and (4) where the company has not complied with provisions requiring approval of a special or extraordinary majority of shareholders, which are more limited than the rights afforded minority shareholders under the laws of many states in the U.S.

## **Pre-emption rights**

British Virgin Islands law does not make a distinction between public and private companies and some of the protections and safeguards (such as statutory pre-emption rights) that investors may expect to find in relation to a public company are not provided for under British Virgin Islands law, save to the extent they are expressly provided for in the Memorandum and Articles of Association. There are no pre-emption rights applicable to the issuance of new shares by us under either British Virgin Islands law generally or our Memorandum and Articles of Association more specifically.

## **Modification of rights**

As permitted by British Virgin Islands law, and our Memorandum and Articles of Association, we may vary the rights attached to our ordinary shares.

## **Transfer of shares**

Subject to any applicable restrictions set forth in our Memorandum and Articles of Association, any of our shareholders may transfer all or any of his or her shares by a written instrument of transfer in the usual or common form or in any other form which our directors may approve. Shares may be held electronically and transferred electronically.

The registration of transfers may be suspended at such times and for such periods as the directors may from time to time determine. If the directors were to refuse (or suspend) a transfer, then the directors should provide the transferor and transferee with a notice providing their reasons for the suspension. The directors can only refuse or delay the registration of a transfer of shares if the transferor has failed to pay amount due in respect of those shares.

## **Changes in authorized ordinary shares**

By resolution of our directors we may (i) consolidate and divide all or any of our unissued authorized shares into shares of larger amount than our existing shares; (ii) sub-divide our existing ordinary shares, or any of them into shares of smaller amount than is fixed by our memorandum of association, subject nevertheless to the provisions of the BVI Act; or (iii) create new classes of shares with preferences to be determined by the board of directors at the time of authorization.

## **Dividends**

Subject to the BVI Act and our Memorandum and Articles of Association, our directors may, by resolution, authorize a distribution to shareholders at such time and of such an amount as they think fit, if they are satisfied, on reasonable grounds, that, immediately after the distribution, we will satisfy the 'solvency test'. A company will satisfy the solvency test if (i) the value of the company's assets exceeds its liabilities; and (ii) the company is able to pay its debts as they fall due. Where a distribution is made to a shareholder at a time when the company did not, immediately after the distribution, satisfy the solvency test, it may be recovered by the company from the shareholder unless (i) the shareholder received the distribution in good faith and without knowledge of the company's failure to satisfy the solvency test; (ii) the shareholder has altered his position in reliance on the validity of the distribution; and (iii) it would be unfair to require repayment in full or at all.

## **Share repurchases**

As permitted by the BVI Act and our Memorandum and Articles of Association, shares may be repurchased, redeemed or otherwise acquired by us provided that, immediately following the repurchase or redemption, we are satisfied we will pass the aforementioned solvency test.

We will require member consent before any share can be purchased, redeemed or otherwise acquired by us, save where such redemption is pursuant to certain statutory provisions, such as pursuant to section 179 of the BVI Act (redemption of minority shares) which allows for the holders of 90% or more of the votes to instruct the company to redeem the shares of the company held by the remaining shareholders.

## **Liquidation rights**

As permitted by British Virgin Islands law and our Memorandum and Articles of Association, a voluntary liquidator may be appointed under Part XII of the BVI Act if we satisfy the solvency test (as aforementioned save that it is satisfied if assets equal or exceed liabilities).

## **Board of directors**

We are managed by a board of directors, which consisted of six directors at March 31, 2022. On July 1, 2022, in connection with the Tarus Therapeutics transaction, we added a seventh board member. Our Memorandum and Articles of Association provide that the board of directors may be established by the board of directors up to a maximum of 15 members.

Our shareholders may, pursuant to our Memorandum and Articles of Association, by resolution of shareholders passed at a meeting of shareholders called for the purpose of removing the director or for purposes including the removal of the director or by a written resolution of shareholders at any time remove any director before the expiration of his or her period of office with or without cause, and may, pursuant to our Memorandum and Articles of Association, elect another person in his or her stead. Subject to our Memorandum and Articles of Association, the directors will have power at any time and from time to time to appoint any person to be a director, either as an addition to the existing directors or to fill a vacancy as long as the total number of directors (exclusive of alternate directors) does not at any time exceed the maximum number fixed by or in accordance with our Memorandum and Articles of Association (if any) and one third times the number of directors to have been elected at the last annual meeting of shareholders.

Our Memorandum and Articles of Association do not provide for alternate directors.

There are no share ownership qualifications for directors, unless otherwise decided by a resolution of shareholders. Meetings of our board of directors may be convened at any time deemed necessary by any of our directors.

Unless the quorum has been otherwise fixed by the board, a meeting of our board of directors will be competent to make lawful and binding decisions if at least one-half of the directors are present or represented. Unless there are only two directors, in which case, the quorum shall be two. At any meeting of our directors, each director, whether by his or her presence or by his or her alternate, is entitled to one vote.

Questions arising at a meeting of our board of directors are required to be decided by simple majority votes of the directors' present or represented at the meeting. In the case of a tie vote, the chairman of the meeting shall not have a second or deciding vote. Our board of directors may also pass written resolutions without a meeting by a majority vote.

The remuneration to be paid to the directors shall be such remuneration as the directors or shareholders shall determine through a resolution.

#### **Issuance of additional ordinary shares**

Our Memorandum and Articles of Association authorize our board of directors to issue additional ordinary shares from time to time as our board of directors shall determine, to the extent of available authorized but unissued shares.

Our Memorandum and Articles of Association authorize our board of directors from time to time to issue ordinary shares to the extent permitted by the BVI Act.

#### **Changes in authorized shares**

We are authorized to issue unlimited number of ordinary shares without par value, which will be subject to the same provisions with reference to the payment of calls, liens, transfers, transmissions, forfeitures and otherwise as the shares in issue. We may by resolution:

- consolidate and divide all or any of our unissued authorized shares into shares of a larger amount than our existing shares;
- sub-divide our existing ordinary shares, or any of them into shares of smaller amount than is fixed by our memorandum of association, subject nevertheless to the provisions of the BVI Act; or
- create new classes of shares with preferences to be determined by the board of directors at the time of authorization.

## **Inspection of books and records**

Under British Virgin Islands law holders of our ordinary shares will be entitled, on giving written notice to us, to inspect and make copies or take extracts of our: (a) Memorandum and Articles of Association; (b) register of shareholders; (c) register of directors; and (d) minutes of meetings and resolutions of shareholders and those classes of shareholders of which he is a shareholder.

Subject to our Memorandum and Articles of Association, our board of directors may, if they are satisfied that it would be contrary to our interest to allow a shareholder to inspect any document, or part of a document as referenced above, refuse to permit the shareholder to inspect the document or limit the inspection of the document, including limiting the making of copies or the taking of extracts from the records. Where our directors exercise their powers in these circumstances, they shall notify the shareholder as soon as reasonably practicable.

## **Conflicts of interest**

Pursuant to the BVI Act and the company's memorandum and articles of association, a director of a company who has an interest in a transaction and who has declared such interest to the other directors, may:

- vote on a matter relating to the transaction;
- attend a meeting of directors at which a matter relating to the transaction arises and be included among the directors present at the meeting for the purposes of a quorum; and
- sign a document on behalf of the company or do any other thing in his capacity as a director, that relates to the transaction.

## **Anti-money laundering laws**

In order to comply with legislation or regulations aimed at the prevention of money laundering we are required to adopt and maintain anti-money laundering procedures and may require subscribers to provide evidence to verify their identity. Where permitted, and subject to certain conditions, we may also delegate the maintenance of our anti-money laundering procedures (including the acquisition of due diligence information) to a suitable person.

We reserve the right to request such information as is necessary to verify the identity of a subscriber for our ordinary shares. In the event of delay or failure on the part of the subscriber in producing any information required for verification purposes, we may refuse to accept the application, in which case any funds received will be returned without interest to the account from which they were originally debited.

If any person resident in the British Virgin Islands knows or suspects that another person is engaged in money laundering or terrorist financing and the information for that knowledge or suspicion came to their attention in the course of their business, the person will be required to report his belief or suspicion to the Financial Investigation Agency of the British Virgin Islands, pursuant to the Proceeds of Criminal Conduct Act (Revised Edition, as amended). Such a report shall not be treated as a breach of confidence or of any restriction upon the disclosure of information imposed by any enactment or otherwise.

## **Duties of directors**

British Virgin Islands law provides that every director of the company in exercising his powers or performing his duties shall act honestly and in good faith and in what the director believes to be in the best interests of the company. Additionally, the director shall exercise the care, diligence, and skill that a reasonable director would exercise in the same circumstances taking into account the nature of the company, the nature of the decision and the position of the director and his responsibilities. In addition, British Virgin Islands law provides that a director shall exercise his powers as a director for a proper purpose and shall not act, or agree to the company acting, in a manner that contravenes British Virgin Islands law or the memorandum and articles of association of the company.

## **Anti-takeover provisions**

The BVI Act does not prevent companies from adopting a wide range of defensive measures, such as staggered boards, blank check preferred shares, removal of directors only for cause and provisions that restrict the rights of shareholders to call meetings and submit shareholder proposals.

## **Voting rights and quorum requirements**

Under British Virgin Islands law, the voting rights of shareholders are regulated by the company's Memorandum and Articles of Association and, in certain circumstances, the BVI Act. The articles of association will govern matters such as quorum for the transaction of business, rights of shares, and majority votes required to approve any action or resolution at a meeting of the shareholders or board of directors. Unless the articles of association otherwise provide, the requisite majority is usually a simple majority of votes cast. Under the M&A, a resolution of shareholders requires a majority vote of those persons voting at a meeting or in the case of a written resolution of shareholders, the vote of a majority of the shareholders.

## **Mergers and similar arrangements**

Under the BVI Act, two or more companies may merge or consolidate in accordance with the statutory provisions. A merger means the merging of two or more constituent companies into one of the constituent companies, and a consolidation means the uniting of two or more constituent companies into a new company. In order to merge or consolidate, the directors of each constituent company must approve a written plan of merger or consolidation which must be authorized by a resolution approved, at a duly convened and constituted meeting of the shareholders of the Company, by the affirmative vote of a majority of those persons voting at a meeting or in the case of a written resolution of shareholders, the vote of a majority of the shareholders.

Shareholders not otherwise entitled to vote on the merger or consolidation may still acquire the right to vote if the plan or merger or consolidation contains any provision which, if proposed as an amendment to the memorandum of amended association and articles of association, would entitle them to vote as a class or series on the proposed amendment. In any event, all shareholders must be given a copy of the plan of merger or consolidation irrespective of whether they are entitled to vote at the meeting or consent to the written resolution to approve the plan of merger or consolidation.

## **Shareholder suits**

We are not aware of any reported class action or derivative action having been brought against the company in a British Virgin Islands court.

Under the BVI Act, if a company or a director of a company engages in, or proposes to engage in, conduct that contravenes the BVI Act or the memorandum of association or articles of the company, the BVI Court may, on the application of a shareholder or a director of the company, make an order directing the company or director to comply with, or restraining the company or director from engaging in that conduct.

In addition, under the BVI Act, the BVI Court may, on the application of a shareholder of a company, grant leave to that shareholder to bring proceedings in the name and on behalf of that company or to intervene in proceedings to which the company is a party for the purpose of continuing, defending or discontinuing the proceedings on behalf of the company. In determining whether to grant leave for such derivative actions, the Court must take into account certain matters, including whether the shareholder is acting in good faith, whether the derivative action is in the interests of the company taking account of the views of the company's directors on commercial matters and whether an alternative remedy to the derivative claim is available.

A shareholder of a company may bring an action against the company for breach of a duty owed by the company to him as a shareholder. The BVI Act also includes provisions for actions based on oppression, and for representative actions where the interests of the claimant are substantially the same as those of other shareholders.

## **Corporate governance**

British Virgin Islands laws do not restrict transactions between a company and its directors, requiring only that directors exercise a duty to act honestly, in good faith and in what the directors believe to be in the best interests to the companies for which they serve.

## **Indemnification**

British Virgin Islands law does not limit the extent to which a company's memorandum and articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the British Virgin Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime. Our Memorandum and Articles of Association provide for the indemnification of our directors against all losses or liabilities incurred or sustained by a director as a director of our company in defending any proceedings, whether civil or criminal and this indemnity only applies if he or she acted honestly and in good faith with a view to our best interests and, with respect to any criminal action, he or she must have had no reasonable cause to believe his or her conduct was unlawful.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted for directors, officers or persons controlling us under the foregoing provisions, we have been advised that, in the opinion of the U.S. Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act and therefore is unenforceable.

## **Staggered board of directors**

The BVI Act does not contain statutory provisions that require staggered board arrangements for a British Virgin Islands company and our Memorandum and Articles of Association do not provide for a staggered board.

## **(C) MATERIAL CONTRACTS**

The Company had no material contract, other than contracts entered into in the ordinary course of business, to which we or any of our subsidiaries is a party, for the fiscal year immediately preceding the filing of this report that are not otherwise discussed herein.

## **(D) EXCHANGE CONTROLS**

There is no income or other tax of the British Virgin Islands imposed by withholding or otherwise on any payment to be made by us.

We are free to acquire, hold and sell foreign currency and securities without restriction. There is no exchange control legislation under British Virgin Islands law and accordingly there are no exchange control regulations imposed under British Virgin Islands law that would prevent us from paying dividends to shareholders in United States Dollars or any other currencies, and all such dividends may be freely transferred out of the British Virgin Islands, clear of any income or other tax of the British Virgin Islands imposed by withholding or otherwise without the necessity of obtaining any consent of any government or authority of the British Virgin Islands.

## **(E) TAXATION**

### **British Virgin Islands Tax Consequences**

Under the law of the British Virgin Islands as currently in effect, a holder of shares of the Company who is not a resident of the British Virgin Islands is not liable for British Virgin Islands income tax on dividends paid with respect to the shares of the Company, and all holders of securities of the Company are not liable to the British Virgin Islands for income tax on gains realized on the sale or disposal of securities. The British Virgin Islands does not impose a withholding tax on dividends paid by a company incorporated or continued under the BVI Act.

There are no capital gains, gift or inheritance taxes levied by the British Virgin Islands on companies incorporated under the BVI Act. In addition, securities of companies incorporated under the BVI Act are not subject to transfer taxes, stamp duties or similar charges.

There is no income tax treaty or convention currently in effect between (i) the United States and the British Virgin Islands or (ii) Canada and the British Virgin Islands, although a Tax Information Exchange Agreement is in force between the United States and the BVI and Canada and the BVI.

## **The BVI Economic Substance (Companies and Limited Partnership) Act (Revised Edition 2020) (“ESA”)**

The above legislation aimed at addressing concerns raised by the Council of the European Union as to offshore structures engaged in certain activities, which attract profits without real economic activity provides (among other things) that BVI companies that carry out certain defined activities, need to take steps to establish substance in the British Virgin Islands. We have taken advice and will be filing our economic substance declaration in the BVI shortly in accordance with the requirements of the legislation. The Company itself will not be subject to any such requirements to establish economic substance in the BVI. Although it is presently anticipated that the ESA will have little material impact on the Company or its operations, as the legislation is new and remains subject to further clarification and interpretation, it is not currently possible to ascertain the precise impact of these legislative changes on the Company.

### **BVI Data Protection**

The Data Protection Act, 2021 (the “**BVI DPA**”) came into force in the British Virgin Islands on July 9, 2021. The BVI DPA establishes a framework of rights and duties designed to safeguard individuals’ personal data, balanced against the need of public authorities, businesses and organizations to collect and use personal data for lawful purposes. The BVI DPA is centered around seven data protection principles (the General Principle, the Notice and Choice Principle, the Disclosure Principle, the Security Principle, the Retention Principle, the Data Protection Principle and the Access Principle) which require that:

- personal data must not be processed without consent unless specific conditions are met and must not be transferred outside the British Virgin Islands, unless there is proof of adequate data protection safeguards or consent from the data subject;
- where consent has been given to processing of personal data, the data subject may at any time withdraw his or her consent;
- a data controller must inform a data subject of specific matters, for instance the purposes for which it is being collected and further processed;
- personal data must not be disclosed for any purpose other than the purpose for which it was to be disclosed at the time of collection or a purpose directly related thereto or to any party other than a third party of a class previously notified to the data subject;
- a data controller shall, when processing personal data, take practical steps to protect personal data from loss, misuse, modification, unauthorized or accidental access or disclosure, alteration or destruction;
- personal data must not be kept for longer than is necessary for the purpose;
- personal data must be accurate, complete, not misleading and kept up to date; and
- a data subject must be given access to his or her own personal data and be able to correct that data where it is inaccurate, incomplete, misleading or not up to date, except where a request for such access or correction is refused under the BVI DPA.

The BVI DPA imposes specific obligations on data controllers, including the duty to (i) apply the data protection principles; and (ii) respond in a timely fashion to requests from data subjects in relation to their personal data.

The Information Commissioner is the regulator responsible for the proper functioning and enforcement of the BVI DPA. Offences under the BVI DPA include:

- processing sensitive personal data in contravention of the BVI DPA;
- willfully obstructing the Information Commissioner or an authorized officer in the conduct of his or her duties and functions;
- willfully disclosing personal information in contravention of the BVI DPA; and
- collecting, storing or disposing of personal information in a manner that contravenes the BVI DPA.



Offences committed under the BVI DPA may result in fines (up to US\$500,000 in certain cases) or imprisonment. Further, a data subject who suffers damage or distress as a result of their data being processed in contravention of the DPA may institute civil proceedings in the British Virgin Islands courts.

## **U.S. Federal Income Tax Consequences**

The discussion below is for general information only and is not, and should not be interpreted to be, tax advice to any holder of our ordinary shares. Each holder or a prospective holder of our ordinary shares is urged to consult his, her or its own tax advisor.

### **General**

This section is a general summary of the material United States federal income tax consequences to U.S. Holders, as defined below, of the ownership and disposition of our ordinary shares as of the date of this report. This summary is based on the provisions of the Internal Revenue Code of 1986, as amended, or the Code, the applicable Treasury regulations promulgated and proposed thereunder, judicial decisions and current administrative rulings and practice, all of which are subject to change, possibly on a retroactive basis. The summary applies to you only if you hold our ordinary shares as a capital asset within the meaning of Section 1221 of the Code. In addition, this summary generally addresses certain U.S. federal income tax consequences to U.S. Holders related to classification as a PFIC. The United States Internal Revenue Service, or the IRS, may challenge the tax consequences described below, and we have not requested, nor will we request, a ruling from the IRS or an opinion of counsel with respect to the United States federal income tax consequences of acquiring, holding or disposing of our ordinary shares. This summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to the ownership of our ordinary shares. In particular, the discussion below does not cover tax consequences that depend upon your particular tax circumstances nor does it cover any state, local or foreign law, or the possible application of the United States federal estate or gift tax. You are urged to consult your own tax advisors regarding the application of the United States federal income tax laws to your particular situation as well as any state, local, foreign and United States federal estate and gift tax consequences of the ownership and disposition of the ordinary shares. In addition, this summary does not take into account any special United States federal income tax rules that apply to a particular U.S. or non-U.S. holder of our common shares, including, without limitation, the following:

- a dealer in securities or currencies;
- a trader in securities that elects to use a mark-to-market method of accounting for its securities holdings;
- a financial institution or a bank;
- an insurance company;
- a tax-exempt organization;
- a person that holds our common shares in a hedging transaction or as part of a straddle or a conversion transaction;
- a person whose functional currency for United States federal income tax purposes is not the U.S. dollar;
- a person liable for alternative minimum tax;
- a person that owns, or is treated as owning, 10% or more, by voting power or value, of our ordinary shares;
- certain former U.S. citizens and residents who have expatriated; or
- a person who receives our shares pursuant to the exercise of employee stock options or otherwise as compensation.

## **U.S. Holders**

For purposes of the discussion below, you are a "U.S. Holder" if you are a beneficial owner of our ordinary shares who or which is:

- an individual United States citizen or resident alien of the United States (as specifically defined for United States federal income tax purposes);
- a corporation, or other entity treated as a corporation for United States federal income tax purposes, created or organized in or under the laws of the United States, any State or the District of Columbia;
- an estate whose income is subject to United States federal income tax regardless of its source; or
- a trust (x) if a United States court can exercise primary supervision over the trust's administration and one or more United States persons are authorized to control all substantial decisions of the trust or (y) if it was in existence on August 20, 1996, was treated as a United States person prior to that date and has a valid election in effect under applicable Treasury regulations to be treated as a United States person.

If a partnership holds our ordinary shares, the tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership. If you are a partner of a partnership holding our ordinary shares, you should consult your tax advisor.

## **Passive Foreign Investment Company (PFIC)**

Under the Code, we will be a PFIC for any taxable year in which, after the application of certain "look-through" rules with respect to related companies, either (i) 75% or more of our gross income consists of "passive income," or (ii) 50% or more of the average quarterly value of our assets consist of assets that produce, or are held for the production of, "passive income." Passive income generally includes interest, dividends, rents, royalties other than certain rents and royalties which are received from unrelated parties in connection with the active conduct of a trade or business, and capital gains. Whether we will be a PFIC in any year depends on the composition of our income and assets, and the relative fair market value of our assets from time to time, which we expect may vary substantially over time. We must make a separate determination each year as to whether we are a PFIC. As a result, our PFIC status may change from year to year based on our income and assets and our anticipated future operations, we were a PFIC in the fiscal year ended in 2018 and may have been a PFIC in prior years and may be a PFIC in the future. We do not believe, at this time, that we will be a PFIC for the fiscal year ended March 31, 2020, due to the fact that we made the acquisition of several immune-oncology related businesses in 2018.

If we are a PFIC for any fiscal year during which a U.S. Holder holds our ordinary shares, we generally will continue to be treated as a PFIC with respect to that U.S. Holder for all succeeding fiscal years during which the U.S. Holder holds our ordinary shares, unless we cease to meet the threshold requirements for PFIC status and that U.S. Holder makes a qualifying "deemed sale" election with respect to the ordinary shares. If such an election is made, the U.S. Holder will be deemed to have sold the ordinary shares it holds at their fair market value on the last day of the last fiscal year in which we qualified as a PFIC, and any gain from such deemed sale will be subject to the consequences described below. After the deemed sale election, the ordinary shares with respect to which the deemed sale election was made will not be treated as shares in a PFIC unless we subsequently become a PFIC.

If we are a PFIC for any taxable year during which a U.S. Holder holds our ordinary shares, the U.S. Holder may be subject to adverse tax consequences. Generally, gain recognized upon a disposition (including, under certain circumstances, a pledge) of our ordinary shares by the U.S. Holder would be allocated ratably over the U.S. Holder's holding period for such ordinary shares. The amounts allocated to the taxable year of disposition and to years before we became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for that taxable year for individuals or corporations, as appropriate, and would be increased by an additional tax equal to interest on the resulting tax deemed deferred with respect to each such other taxable year. Further, to the extent that any distribution received by a U.S. Holder on our ordinary shares exceeds 125% of the average of the annual distributions on such ordinary shares received during the preceding three years or the U.S. Holder's holding period, whichever is shorter, that distribution would be subject to taxation in the same manner described immediately above with respect to gain on disposition.

If we are a PFIC for any fiscal year during which any of our non-U.S. subsidiaries is also a PFIC, a U.S. Holder of our ordinary shares during such year will be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC for purposes of the application of these rules to such subsidiary. U.S. Holders should consult their tax advisers regarding the tax consequences if the PFIC rules apply to any of our subsidiaries. Alternatively, if we are a PFIC and if our ordinary shares are "regularly traded" on a "qualified exchange," a U.S. Holder may be eligible to make a mark-to-market election that would result in tax treatment different from the general tax treatment described above. Our ordinary shares would be treated as "regularly traded" in any calendar year in which more than a de minimis quantity of the ordinary shares are traded on a qualified exchange on at least 15 days during each calendar quarter. NASDAQ is a qualified exchange for this purpose. Additionally, because a mark-to-market election cannot be made for equity interests in any lower-tier PFIC that we may own, a U.S. Holder that makes a mark-to-market election with respect to us may continue to be subject to the PFIC rules with respect to any indirect investments held by us that are treated as an equity interest in a PFIC for U.S. federal income tax purposes. If a U.S. Holder makes the mark-to-market election, the U.S. Holder generally will recognize as ordinary income any excess of the fair market value of the ordinary shares at the end of each taxable year over their adjusted tax basis, and will recognize an ordinary loss in respect of any excess of the adjusted tax basis of the ordinary shares over their fair market value at the end of the taxable year (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). If a U.S. Holder makes the election, the U.S. Holder's tax basis in the ordinary shares will be adjusted to reflect these income or loss amounts. Any gain recognized on the sale or other disposition of our ordinary shares in a year when we are a PFIC will be treated as ordinary income and any loss will be treated as an ordinary loss (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). If a U.S. Holder makes a mark-to-market election it will be effective for the taxable year for which the election is made and all subsequent taxable years unless our ordinary shares are no longer regularly traded on a qualified exchange or the IRS consents to the revocation of the election. U.S. Holders are urged to consult their tax advisers about the availability of the mark-to-market election, and whether making the election would be advisable in their particular circumstances.

Alternatively, a U.S. Holder of stock in a PFIC may make a so-called "Qualified Electing Fund" election to avoid the PFIC rules regarding distributions and gain described above. The PFIC taxation regime would not apply to a U.S. Holder who makes a QEF election for all taxable years that such U.S. Holder has held our ordinary shares while we are a PFIC, provided that we comply with specified reporting requirements. Instead, each U.S. Holder who has made a valid and effective QEF election is required for each taxable year that we are a PFIC to include in income such U.S. Holder's pro rata share of our ordinary earnings as ordinary income and such U.S. Holder's pro rata share of our net capital gains as long-term capital gain, regardless of whether we make any distributions of such earnings or gain. In general, a QEF election is effective only if we make available certain required information. U.S. Holders should be aware, however, that we are not required to make this information available but have agreed to do so for our fiscal year ended March 31, 2022 for those United States shareholders who ask for it. The QEF election is made on a shareholder-by-shareholder basis and generally may be revoked only with the consent of the IRS. U.S. Holders should consult with their own tax advisors regarding eligibility, manner and advisability of making a QEF election if we are treated as a PFIC.

In addition, if we are a PFIC or, with respect to particular U.S. Holders, are treated as a PFIC for the taxable year in which we paid a dividend or for the prior taxable year, the preferential rates discussed above with respect to dividends paid to certain non-corporate U.S. Holders would not apply.

If a U.S. Holder owns our ordinary shares during any year in which we are a PFIC, the U.S. Holder generally will be required to file an IRS Form 8621 (Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund) with respect to us, generally with the U.S. Holder's federal income tax return for that year. If we are a PFIC for a given taxable year, then you should consult your tax advisor concerning your annual filing requirements.

**The U.S. federal income tax rules relating to PFICs are complex. U.S. Holders are urged to consult their own tax advisers with respect to the acquisition, ownership and disposition of our ordinary shares, the consequences to them if we are or become a PFIC, any elections available with respect to our ordinary shares, and the IRS information reporting obligations with respect to the acquisition, ownership and disposition of our ordinary shares.**

#### *Non-U.S. Holders*

If you are not a U.S. Holder, you are a "Non-U.S. Holder."

### ***Distributions on Our Ordinary Shares***

You generally will not be subject to U.S. federal income tax, including withholding tax, on distributions made on our ordinary shares unless:

- you conduct a trade or business in the United States; and
- the distributions are effectively connected with the conduct of that trade or business (and, if an applicable income tax treaty so requires as a condition for you to be subject to U.S. federal income tax on a net income basis in respect of income from our ordinary shares, such distributions are attributable to a permanent establishment that you maintain in the United States).

If you meet the two tests above, you generally will be subject to tax in respect of such dividends in the same manner as a U.S. Holder, as described above. In addition, any effectively connected dividends received by a non-U.S. corporation may also, under certain circumstances, be subject to an additional "branch profits tax" at a 30 percent rate or such lower rate as may be specified by an applicable income tax treaty.

### ***Sale, Exchange or Other Disposition of Our Ordinary Shares***

Generally, you will not be subject to U.S. federal income tax, including withholding tax, in respect of gain recognized on a sale or other taxable disposition of our ordinary shares unless:

- your gain is effectively connected with a trade or business that you conduct in the United States (and, if an applicable income tax treaty so requires as a condition for you to be subject to U.S. federal income tax on a net income basis in respect of gain from the sale or other disposition of our ordinary shares, such gain is attributable to a permanent establishment maintained by you in the United States); or
- you are an individual Non-U.S. Holder and are present in the United States for at least 183 days in the taxable year of the sale or other disposition, and certain other conditions exist.

You will be subject to tax in respect of any gain effectively connected with your conduct of a trade or business in the United States generally in the same manner as a U.S. Holder, as described above. Effectively connected gains realized by a non-U.S. corporation may also, under certain circumstances, be subject to an additional "branch profits tax" at a rate of 30 percent or such lower rate as may be specified by an applicable income tax treaty.

### ***Backup Withholding and Information Reporting***

Payments, including dividends and proceeds of sales, in respect of our ordinary shares that are made in the United States or by a United States related financial intermediary will be subject to United States information reporting rules. In addition, such payments may be subject to United States federal backup withholding tax. You will not be subject to backup withholding provided that:

- you are a corporation or other exempt recipient; or
- you provide your correct United States federal taxpayer identification number and certify, under penalties of perjury, that you are not subject to backup withholding.

Amounts withheld under the backup withholding rules may be credited against your United States federal income tax, and you may obtain a refund of any excess amounts withheld under the backup withholding rules by filing the appropriate claim for refund with the IRS in a timely manner.

### **Foreign asset reporting**

Certain U.S. Holders, who are individuals, are required to report information relating to an interest in ordinary shares, subject to certain exceptions (including an exception for ordinary shares held in accounts maintained by U.S. financial institutions). U.S. Holders are urged to consult their tax advisors regarding their information reporting obligations, if any, with respect to their ownership and disposition of ordinary shares.

### **(F) DIVIDEND AND PAYING AGENTS**

Not applicable.

### **(G) STATEMENT BY EXPERTS**

Not applicable.

### **(H) DOCUMENTS ON DISPLAY**

We are currently subject to the informational requirements of the Exchange Act applicable to foreign private issuers. To fulfill these requirements we file with the Securities and Exchange Commission, within four months after the end of our fiscal year an annual report on Form 20-F containing financial statements that will be examined and reported on, with an opinion expressed, by an independent public accounting firm. We also file current reports on Form 6-K for significant corporate events throughout the year. As a foreign private issuer, we are exempt from the rules under the Exchange Act relating to the furnishing of proxy statements. Also, because we are a foreign private issuer our officers, directors and principal shareholders are exempt from the reporting and short swing profit recovery provisions contained in Section 16 of the Exchange Act.

You may read and copy any document we file with the SEC without charge at the SEC's public reference room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You may also obtain copies of the documents at prescribed rates by writing to the Public Reference Section of the SEC at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1 800 SEC 0330 for further information on the public reference room. The SEC also maintains an Internet site that contains reports and other information regarding issuers that file electronically with the SEC. Our filings with the SEC are also available to the public through this web site at <http://www.sec.gov>.

### **(I) SUBSIDIARY INFORMATION**

The documents concerning the Company's subsidiaries referred to in this Annual Report may be inspected at the Company's office at 6 Adelaide Street East, Suite 300, Toronto, Ontario, Canada M5C 1H6.

### **ITEM 11 – QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

The Company is exposed in varying degrees to a number of risks arising from financial instruments. Management's close involvement in the operations allows for the identification of risks and variances from expectations. The Company does not participate in the use of financial instruments to mitigate these risks and has no designated hedging transactions. The Board approves and monitors the risk management processes. The Board's main objectives for managing risks are to ensure liquidity, the fulfilment of obligations, the continuation of the Company's search for new business participation opportunities, and limited exposure to credit and market risks while ensuring greater returns on the surplus funds on hand. There were no changes to the objectives or the process from the prior year.

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 and cash equivalents, 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.

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 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 in the Company's consolidated statements of financial position.

**Cash and cash equivalents.** Cash and cash equivalents are 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, originally payable over the next four years. The installment note was repaid in full in July 2021.

### ***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 and cash equivalents 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.

**ITEM 12 – DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES**

Not applicable.

**PART II**

**ITEM 13 – DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES**

None.

**ITEM 14 – MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS**

None

**ITEM 15 – CONTROLS AND PROCEDURES**

**Disclosure Controls and Procedures**

The Company's disclosure controls and procedures, as such term is defined in Rules 13(a)-13(e) and 15(d)-15(e) of the Exchange Act are designed to provide reasonable assurance that all relevant information is communicated to senior management, including the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), to allow timely decisions regarding required disclosure. We carried out an evaluation, under the supervision and with the participation of our management, including our CEO and CFO. Based on this evaluation these officers concluded that as of the end of the period covered by this Annual Report on Form 20-F, our disclosure controls and procedures were not effective to ensure that the information required to be disclosed by our company in reports it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission. These disclosure controls and procedures include controls and procedures designed to ensure that such information is accumulated and communicated to the Company's management, including our Company's principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure. The conclusion that the disclosure controls and procedures were not effective was due to the presence of a material weakness in internal control over financial reporting as identified below under the heading "Internal Controls over Financial Reporting Procedures". Management anticipates that such disclosure controls and procedures will not be effective until the material weakness is remediated.

## Management's Annual Report on Internal Control over Financial Reporting (ICFR)

The management of the Company, including the CEO and CFO, is responsible for establishing and maintaining adequate internal controls over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). The Company's internal control system was designed to provide reasonable assurance to the Company's management and the board of directors regarding the reliability of financial reporting and preparation and fair presentation of published financial statements for external purposes in accordance with IFRS. Internal control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of the Company's internal control over financial reporting as of March 31, 2022. In making this assessment, it used the criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on the evaluation under these criteria, management identified material weaknesses in the Company's internal controls over financial reporting, and as a result, management concluded that the Company's internal control over financial reporting was not effective as of March 31, 2022.

Management identified the following material weaknesses set forth below in our internal control over financial reporting.

- Management was unable to perform an effective risk assessment or monitor internal controls over financial reporting;
- The management of the Company lacks the number of skilled persons it requires given the complexity of the reporting requirements it has to make, which more specifically include the staff and expertise (i) to properly segregate duties and perform oversight of work performed and to perform compensating controls over the finance and accounting functions, (ii) to establish and perform fair value estimates or subsequently monitor fluctuations in fair value estimates, and (iii) to apply complex accounting principles, including those relating to business combination accounting, income taxes and fair value estimates; and
- There are insufficient written policies and procedures in place to ensure the correct application of accounting and financial reporting with respect to the current requirements of IFRS and SEC disclosure requirements, some of which specifically relate to investment accounting and fair value measures, assessment of in-process research and development assets, share based payments, carrying amounts of goodwill and intangible assets and business combination accounting.



### **Attestation Report of the Registered Public Accounting Firm**

This Annual Report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report is not subject to attestation by the Company's registered public accounting firm pursuant to rules of the Securities and Exchange Commission that permit the Company to provide only management's report in this Annual Report.

### **Changes in Internal Control over Financial Reporting and Planned Remediation Activities**

Management is committing additional resources improve and augment its control over financial reporting as well as continue to leverage experienced consultants to assist with ongoing IFRS and SEC compliance requirements.

### **ITEM 16(A) – AUDIT COMMITTEE FINANCIAL EXPERTS**

The Board of Directors has determined that Mr. Steven Mintz, who is an independent director, is an audit committee financial expert as such term is defined in Rule 10A-3(b)(1) under the Exchange Act.

### **ITEM 16 (B) – CODE OF ETHICS**

We have adopted a Code of Ethics, which applies to all consultants, officers and directors. A copy of our current code of ethics was included in the exhibits to the fiscal 2014 annual report on Form 20-F.

A copy of our Code of Ethics can be obtained by writing to our corporate office at c/o Portage Services Ltd., Ian Walters, 6 Adelaide Street East, Suite 300, Toronto, Ontario, Canada M5C 1H6.

During the most recently completed fiscal year, the Company has neither: (a) amended its Code of Ethics; nor (b) granted any waiver (including any implicit waiver) from any provision of its Code of Ethics.

### **ITEM 16 (C) – PRINCIPAL ACCOUNTANT'S FEES AND SERVICES**

The following outlines the expenditures for accounting fees paid or accrued to the independent auditing firms of the Company for the last two fiscal periods ended:

<b>March 31,</b>	<b>2022</b>	<b>2021</b>
Audit fee	\$ 196,780	\$ 172,480
Other services	\$ 30,900	\$ 65,000

Included in audit fees are \$67,800 with respect to the three quarterly reviews performed in each of 2022 and 2021. The Company also incurred fees of \$30,900 and \$65,000 with respect to work performed on the Company's comfort letter and registration statement in 2022 and 2021, respectively. The Company did not have any engagement with the independent accounting firm of the Company during the fiscal years ended 2022 and 2021 with respect to professional services for tax compliance, tax advice or tax planning or for any other services.

Under our existing policies, the audit committee must approve all audit and non-audit related services provided by the independent accounting firms.

**ITEM 16 (D) – EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES**

Not applicable.

**ITEM 16 (E) – PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS**

We did not, nor did any affiliated purchaser, purchase any of our equity securities during the fiscal year 2022.

**ITEM 16 (F) – CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT**

Not Applicable.

**ITEM 16 (G) – CORPORATE GOVERNANCE**

We are incorporated under the BVI Act. Our ordinary shares are registered with the SEC and are listed on the Nasdaq Capital Market. As a result, our corporate governance framework is subject to laws of the British Virgin Islands, or BVI, the securities laws and regulations of the United States and the listing requirements of the Nasdaq Marketplace Rules.

Under Rule 5615 of the Nasdaq Marketplace Rules, a foreign private issuer may follow its home country practice in lieu of the requirements of the Nasdaq Marketplace Rules. We follow the exemptions provide under the Nasdaq Marketplace Rules as described below.

British Virgin Islands law does not require that a majority of our board of directors consist of independent directors or that our board committees consist of entirely independent directors. Our board of directors and board committees, therefore, may include fewer independent directors than would be required if we were subject to Nasdaq Listing Rule 5605(b)(1). In addition, we will not be subject to Nasdaq Listing Rule 5605(b)(2), which requires that independent directors must regularly have scheduled meetings at which only independent directors are present. Also, British Virgin Islands law does not require the board of directors to have a nominating committee or compensation committee, but we do plan on having such committees.

We also are exempt from the Nasdaq listing rules so as to follow the quorum rules for shareholder meetings under British Virgin Islands law. We also are exempt from the Nasdaq listing rules so as to not be required to obtain shareholder approval for certain issuance of securities, shareholder approval of share option plans and change of control transactions under the Nasdaq Listing Rule 5635.

As a foreign private issuer, the Company is exempt from the proxy rules set forth in Sections 14(a), 14(b), 14(c) and 14(f) of the Securities Exchange Act of 1934. The Company solicits proxies in accordance with applicable rules and regulations in British Virgin Islands.

**ITEM 16 (H) – MINE SAFETY DISCLOSURE**

Not applicable.

**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, 2022 AND 2021**  
**(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. (the "Company") as of March 31, 2022 and 2021, 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, 2022 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, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended March 31, 2022, 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 provides 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, 2022, 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, 2022.

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 and operating margins.. These assumptions are affected by expected future market or economic conditions.

### *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:

- With 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:
  - 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;
  - 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  
August 1, 2022

**PORTAGE BIOTECH INC.**  
**Consolidated Statements of Financial Position**  
(U.S. Dollars in thousands)

	Notes	March 31,	
		2022	2021
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	\$ 23,352	\$ 2,770
Prepaid expenses and other receivables	5	1,480	2,176
		<u>24,832</u>	<u>4,946</u>
<b>Long-term assets</b>			
Long-term portion of other receivables	5	–	22
Investment in associate	7	1,673	1,735
Investments in private companies	9	7,409	7,409
Goodwill	11	43,324	43,324
In-process research and development	12	117,388	117,388
Other assets		36	36
<b>Total assets</b>		<u>\$ 194,662</u>	<u>\$ 174,860</u>
<b>Liabilities and Equity</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	13	\$ 750	\$ 1,938
Warrant liabilities	16	33	1,120
Unsecured notes payable	14	–	150
		<u>783</u>	<u>3,208</u>
<b>Non-current liabilities</b>			
Deferred tax liability	12, 15	28,445	24,050
		<u>28,445</u>	<u>24,050</u>
<b>Total liabilities</b>		<u>29,228</u>	<u>27,258</u>
<b>Shareholders' Equity</b>			
Capital stock	17	158,324	130,649
Stock option reserve	18	16,928	7,977
Accumulated other comprehensive income		958	958
Accumulated deficit		(55,005)	(38,135)
<b>Total equity attributed to owners of the Company</b>		<u>121,205</u>	<u>101,449</u>
<b>Non-controlling interest</b>	24	<u>44,229</u>	<u>46,153</u>
<b>Total equity</b>		<u>165,434</u>	<u>147,602</u>
<b>Total liabilities and equity</b>		<u>\$ 194,662</u>	<u>\$ 174,860</u>

**Commitments and Contingent Liabilities (Note 20)**

On behalf of the Board “Allan Shaw” Chief Financial Officer “Ian Walters” Director  
(signed) (signed)

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

**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,		
		2022	2021	2020
<b>Expenses</b>				
Research and development		\$ 6,769	\$ 7,312	\$ 4,108
General and administrative expenses		8,819	5,128	1,870
<b>Loss from operations</b>		<b>(15,588)</b>	<b>(12,440)</b>	<b>(5,978)</b>
Change in fair value of warrant liability	16	852	(790)	24
Share of (loss) income in associate accounted for using equity method	7	(62)	(490)	18
(Loss) on equity issued at a discount	17	–	(1,256)	–
(Loss) on extinguishment of notes payable	14	–	(223)	(33)
Gain on sale of marketable equity securities	6	–	72	–
Gain on disposition of subsidiaries	8	–	412	–
Foreign exchange transaction gain	12, 15	24	–	6
Interest income		–	–	11
Interest (expense)		(43)	(177)	(557)
<b>Loss before provision for income taxes</b>		<b>(14,817)</b>	<b>(14,892)</b>	<b>(6,509)</b>
Income tax expense	12, 15	(4,352)	(2,297)	(740)
<b>Net loss</b>		<b>(19,169)</b>	<b>(17,189)</b>	<b>(7,249)</b>
<b>Other comprehensive income (loss)</b>				
Net unrealized gain on investments	6, 9	–	–	876
<b>Total comprehensive loss for year</b>		<b>\$ (19,169)</b>	<b>\$ (17,189)</b>	<b>\$ (6,373)</b>
<b>Net loss attributable to:</b>				
Owners of the Company		\$ (16,870)	\$ (15,833)	\$ (5,333)
Non-controlling interest	24	(2,299)	(1,356)	(1,916)
		<u>\$ (19,169)</u>	<u>\$ (17,189)</u>	<u>\$ (7,249)</u>
<b>Comprehensive loss attributable to:</b>				
Owners of the Company		\$ (16,870)	\$ (15,833)	\$ (4,457)
Non-controlling interest	24	(2,299)	(1,356)	(1,916)
		<u>\$ (19,169)</u>	<u>\$ (17,189)</u>	<u>\$ (6,373)</u>
<b>Loss per share</b>				
Basic and diluted	19	\$ (1.29)	\$ (1.35)	\$ (0.49)
<b>Weighted average shares outstanding</b>				
Basic and diluted	19	13,060	11,733	10,952

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 (Loss)	Retained Earnings (Accumulated Deficit)	Equity Attributable to Owners of Company	Non- Controlling Interest	Total Equity
Balance, April 1, 2019	10,858	\$ 116,237	\$ 324	\$ 82	\$ (16,969)	\$ 99,674	\$ 48,883	\$ 148,557
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 expense	-	-	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 expense	-	-	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 year	-	-	-	-	(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>
Share-based compensation expense	-	-	8,951	-	-	8,951	191	9,142
Shares issued under ATM	91	2,643	-	-	-	2,643	-	2,643
Shares issued under offering	1,150	26,450	-	-	-	26,450	-	26,450
Share issuance costs	-	(1,877)	-	-	-	(1,877)	-	(1,877)
Shares issued or accrued for services	8	120	-	-	-	120	-	120
Warrants exercised	16	339	-	-	-	339	-	339
Exchange of notes payable and accrued interest for iOx shares	-	-	-	-	-	-	184	184
Net loss for year	-	-	-	-	(16,870)	(16,870)	(2,299)	(19,169)
<b>Balance, March 31, 2022</b>	<b>13,349</b>	<b>\$ 158,324</b>	<b>\$ 16,928</b>	<b>\$ 958</b>	<b>\$ (55,005)</b>	<b>\$ 121,205</b>	<b>\$ 44,229</b>	<b>\$ 165,434</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,		
	2022	2021	2020
<b>Cash flows provided by (used in) operating activities:</b>			
Net loss for the year	\$ (19,169)	\$ (17,189)	\$ (7,249)
<b>Adjustments for non-cash items:</b>			
Share-based compensation expense	9,142	8,827	2,159
Increase in deferred tax liability	4,394	2,446	1,240
(Income) loss on fair value of warrant liability	(852)	790	(24)
Fair value of shares issued for services	120	25	–
Share of loss (gain) in associate	62	490	(18)
Gain on sale of marketable equity securities	–	(72)	–
Loss on equity issued at a discount	–	1,256	–
Amortization of debt discount	–	76	265
Loss on early extinguishment of debt	–	223	33
Foreign exchange transaction (gain) loss	–	–	(6)
Gain on disposition of subsidiaries	–	(412)	–
<b>Changes in operating working capital:</b>			
Accounts receivable	522	(111)	–
Prepaid expenses and other receivables	355	(1,477)	(281)
Other assets	(165)	(36)	–
Accounts payable and accrued liabilities	(1,212)	880	167
Other	39	–	–
<b>Net cash used in operating activities</b>	<b>(6,764)</b>	<b>(4,284)</b>	<b>(3,714)</b>
<b>Cash flows provided by (used in) investing activities:</b>			
Proceeds from sale of marketable securities	–	140	–
Investment in associates	–	(1,000)	–
<b>Net cash used in investing activities</b>	<b>–</b>	<b>(860)</b>	<b>–</b>
<b>Cash flows provided by (used in) financing activities:</b>			
Proceeds from shares issued under registered offering	29,093	6,980	–
Share issuance costs	(1,852)	(248)	–
Proceeds from exercise of stock purchase warrants	105	–	–
Repayment of unsecured notes payable	–	(1,020)	(300)
(Repayment of) proceeds from advance from related party	–	(1,000)	1,000
Note proceeds received	–	50	–
<b>Net cash provided by financing activities</b>	<b>27,346</b>	<b>4,762</b>	<b>700</b>
<b>Increase (decrease) in cash and cash equivalents during year</b>	<b>20,582</b>	<b>(382)</b>	<b>(3,014)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>2,770</b>	<b>3,152</b>	<b>6,166</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 23,352</b>	<b>\$ 2,770</b>	<b>\$ 3,152</b>
<b>Supplemental disclosure of cash flow information:</b>			
Cash paid for interest	\$ 19	\$ 748	\$ –
Increase in accounts payable for stock issuance costs	\$ 25	\$ –	\$ –
<b>Supplemental disclosure of non-cash investing and financing activities:</b>			
Fair value of warrant liability for Portage warrants issued	\$ –	\$ 1,120	\$ –
Decrease in warrant liability from warrant exercise	\$ 235	\$ –	\$ –
Exchange of iOx shares for settlement of notes payable, accrued interest and warrants	\$ 184	\$ –	\$ –
Shares issued pursuant to settlement of SalvaRx Notes and warrants	\$ –	\$ 2,640	\$ –
Notes payable settled in disposition of subsidiaries	\$ –	\$ 200	\$ –
Fair value of shares issued to acquire Intensity Holdings Limited	\$ –	\$ –	\$ 1,298
Unrealized gain on investments in Intensity and Sentien	\$ –	\$ –	\$ 876

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 Clarence Thomas Building, P.O. Box 4649, Road Town, Tortola, BVI. Its USA agent, Portage Development Services ("PDS"), is located at 61 Wilton Road, Westport, CT, 06880, USA.

The Company is a foreign private issuer under SEC rules. It is also a reporting issuer under the securities legislation of the provinces of Ontario and British Columbia. Its ordinary shares were listed on the Canadian Securities 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". As the principal market for the Company's ordinary shares is NASDAQ, the Company voluntarily delisted from the CSE on April 23, 2021.

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"). The Company also acquired an option in Nekonal SARM, 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. During fiscal 2021, 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 shelf registration statement and prospectus with the Securities and Exchange Commission ("SEC") 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 specific terms of any securities to be offered pursuant to the base prospectus are specified in the sales agreement prospectus. The Registration Statement currently 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;
- a sales agreement supplemental prospectus covering the offer, issuance and sale by us in an "at the market" offering 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; and
- a prospectus supplement dated June 24, 2021, for the offer, issuance and sale by us of 1,150,000 ordinary shares for gross proceeds of approximately \$26.5 million in a firm commitment underwriting with Cantor Fitzgerald.

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

The sales agreement with Cantor Fitzgerald permits the Company to sell in an at the market offering up to \$50,000,000 of ordinary shares from time to time, the amount of which 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" and Note 17, "Capital Stock" for a further discussion.

**NOTE 2. LIQUIDITY**

As of March 31, 2022, the Company had cash and cash equivalents of approximately \$23.4 million and total current liabilities of approximately \$0.8 million (inclusive of approximately \$0.03 million warrant liability settleable on a non-cash basis). For the year ended March 31, 2022, the Company is reporting a net loss of approximately \$19.2 million and cash used in operating activities of approximately \$6.8 million. As of June 30, 2022, the Company had approximately \$21.0 million of cash on hand.

During the quarter ended June 30, 2021, the Company commenced an "at the market" offering, under which it sold 90,888 shares generating gross proceeds of approximately \$2.6 million (\$2.5 million, net of commissions).

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 was settled June 28, 2021. The Company incurred aggregate offering expenses for the public offering of approximately \$1.8 million, including approximately \$1.6 million of management, underwriting and selling expenses. Management believes the funds generated, along with existing cash and cash equivalents, will be sufficient to fund the Company's research and development activities, as well as the expansion of its operating infrastructure and achievement of numerous developmental milestones. The amount raised is at least sufficient to fund operations through August 2023.

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"), IAS 34 *Interim Financial Reporting* 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"). In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

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 August 1, 2022.

**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 ("U.K.") based immune-oncology company, a 60.49% subsidiary, incorporated in the U.K. on February 10, 2015. In September 2021, the Company, through SalvaRx, exchanged certain notes, accrued interest, warrants and receivables in exchange for shares of iOx. As a result of this exchange, the Company, through SalvaRx, increased its ownership up from 60.49% to 78.32%. See Note 25(c), "Events After the Balance Sheet Date – Share Exchange Agreement - iOx" for a further discussion.
- (c) Saugatuck Therapeutics, Ltd. ("Saugatuck"), a 70% owned subsidiary incorporated in the British Virgin Islands. Saugatuck and subsidiary refers to Saugatuck and Saugatuck Rx LLC.
- (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.
- (e) SalvaRx LLC, a 100% owned subsidiary through SalvaRx.

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

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

(f) Saugatuck Rx LLC, a wholly-owned subsidiary of Saugatuck.

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 21.68% 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. See Note 14, "Unsecured Notes Payable – iOx Unsecured Notes Payable" for a discussion of the Company's settlement of loans with iOx.

***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 16, "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"), the Company acquired notes payable and associated warrants, which were recorded at fair value on the date of the acquisition. See Note 14, "Unsecured Notes Payable" and Note 16, "Warrant Liability" for a further discussion.

**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 on 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. As of March 31, 2022, cash equivalents was comprised of a money market account with maturities less than 90 days from the date of purchase. The Company did not have any cash equivalents as of March 31, 2021.

**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, 2022, 2021 and 2020. 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").

	As of March 31,		
	2022	2021	2020
<b>Stock options</b>	<b>1,151,400</b>	868,000	2,980
<b>Restricted stock units</b>	<b>378,740</b>	243,000	–
<b>Warrants</b>	<b>33,888</b>	49,701	–

**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**

*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.

**(a) 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 were effective for annual periods beginning on or after January 1, 2022. The adoption of these amendments did not have a significant impact on the Company's annual consolidated financial statements.

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

**(b) 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 is effective for annual periods beginning January 1, 2022. The Company has determined that the effect of adopting IAS 37 on its consolidated financial statements will not be significant.

**(c) 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 is effective for annual periods beginning January 1, 2022. The Company has determined that the effect of adopting IAS 16 on its consolidated financial statements will not be significant.

**(d) 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.

**(e) 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, "Consolidated Financial Statements," and IAS 28, "Investments in Associates and Joint Ventures," 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, "Business Combinations," 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>2022</b>	<b>2021</b>
<b>Prepaid insurance</b>	<b>\$ 1,084</b>	<b>\$ 1,445</b>
<b>Research &amp; development tax credits</b>	<b>169</b>	<b>649</b>
<b>Tax deposits</b>	<b>142</b>	<b>–</b>
<b>Other prepaid expenses</b>	<b>45</b>	<b>48</b>
<b>Other receivables</b>	<b>40</b>	<b>34</b>
<b>Total prepaid expenses and other receivables</b>	<b>\$ 1,480</b>	<b>\$ 2,176</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, 2022, the Company has collected the full amount. 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. The installment note receivable was assigned to Portage by PPL prior to the disposition of PPL (see Note 8, "Disposition of PPL").

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

As of March 31, 2020, the Company's investment in marketable equity securities was comprised of 2,000 shares in Biohaven Pharmaceutical Holding Company Limited ("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 and for the years ended March 31, 2022, 2021 and 2020:

(In thousands)	<b>As of and for the years ended March 31,</b>		
	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>Balance, beginning of year</b>	<b>\$ –</b>	<b>\$ 68</b>	<b>\$ 103</b>
<b>Unrealized (loss) gain on investment</b>	<b>–</b>	<b>–</b>	<b>(35)</b>
<b>Proceeds from the sale of the investment</b>	<b>–</b>	<b>(140)</b>	<b>–</b>
<b>Gain on sale</b>	<b>–</b>	<b>72</b>	<b>–</b>
<b>Balance, end of year</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ 68</b>



**NOTE 7. INVESTMENT IN ASSOCIATE**

Details of the Company's associate as of March 31, 2022 and 2021 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, 2022</b>	<b>Voting Rights Held as of March 31, 2021</b>
Associate: Stimunity S.A.	Biotechnology	Paris, France	44.0%	44.0%

The following table is a roll-forward of the Company's investment in Stimunity S.A. as of and for the years ended March 31, 2022 and 2021:

(In thousands)	<b>As of and for the Years Ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Balance, beginning of year</b>	<b>\$ 1,735</b>	<b>\$ 1,225</b>
<b>Additional investment</b>	<b>-</b>	<b>1,000</b>
<b>Share of (loss)</b>	<b>(62)</b>	<b>(490)</b>
<b>Balance, end of year</b>	<b>\$ 1,673</b>	<b>\$ 1,735</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 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.

Under the Shareholders' Agreement between the Company and the founders of Stimunity, the Company committed to a second investment in the amount of €1.5 million (\$1.9 million) (the "Stimunity Commitment") by subscribing to 4,140 Class A shares at a price of €363 per share, upon Stimunity successfully completing agreed milestones ("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%.

On June 1, 2020, the Company made an additional of €0.9 million (\$1.0 million) by executing its subscription for 2,479 Class A shares upon the achievement of certain Milestones, as provided in the Shareholders' Agreement, increasing its equity share in Stimunity to 44%. See Note 20, "Commitments and Contingent Liabilities" and Note 25(d), "Events After the Balance Sheet Date – Stimunity Convertible Note" for a further discussion.

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) in Stimunity of (\$62,000) and \$(490,000) for the years ended March 31, 2022 and 2021, 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.

**PORTAGE BIOTECH INC.**  
**Notes to Consolidated Financial Statements**  
**(U.S. Dollars)**  
**March 31, 2022 and 2021**

**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,			
	2022		2021	
	(Unaudited)		(Unaudited)	
Current assets	\$	1.8	\$	1.6
Non-current assets	\$	–	\$	–
Current liabilities	\$	0.6	\$	0.7
Non-current liabilities	\$	0.1	\$	.01
Equity	\$	1.1	\$	0.8
Company's share in equity – 44.0% and 44.0%	\$	0.5	\$	0.4

	Years Ended March 31,			
	2022		2021	
	(Unaudited)		(Unaudited)	
Revenue	\$	0.2	\$	0.1
Loss from operations	\$	(0.8)	\$	(1.5)
Net loss	\$	(0.4)	\$	(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 roll-forward of the investments in Intensity and Sentien as of March 31, 2022 and 2021:

(In thousands)	Intensity	Sentien	Total
Balance as of April 1, 2020	\$ 7,409	\$ –	\$ 7,409
Unrealized gain (loss) on investment	–	–	–
<b>Balance as of March 31, 2021</b>	<b>7,409</b>	<b>–</b>	<b>7,409</b>
Unrealized (loss) on investment	–	–	–
<b>Balance as of March 31, 2022</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, 2022 and March 31, 2021.

***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.

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 then most recent valuation. There was no unrealized gain or loss recognized during the years ended March 31, 2022 and 2021.

As of March 31, 2022 and March 31, 2021, the Company owned approximately 7.35% and 8%, respectively, of the outstanding shares of Intensity, on a fully diluted basis.

On October 28, 2021, Intensity Therapeutics, Inc. filed a Form S-1 Registration Statement with the SEC to register shares for a public offering. The offering was approved by the SEC, but subsequently withdrawn prior to closing. Intensity is still evaluating market conditions to determine the timing of an offering. As of March 31, 2022, the Company has valued its investment in Intensity based on Intensity's Series C Preferred Stock Offering completed in 2020. If the offering is successful, the Company will value its investment in Intensity based upon fair value (market price) and will record periodic changes in carrying value through OCI.

***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 each of March 31, 2022 and March 31, 2021. 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.

**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.

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 SARM 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)	<b>As of March 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Balance, beginning of year</b>	<b>\$ 43,324</b>	<b>\$ 43,324</b>
<b>Balance, end of year</b>	<b>\$ 43,324</b>	<b>\$ 43,324</b>

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

As of March 31, 2022, 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, pursuant to IAS 36, "Impairment of Assets," 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, 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, 2022.

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 fiscal 2022 and fiscal 2021 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 20.5% and 20.0% as of March 31, 2022 and 2021, 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, 2022 and 2021.

**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):

Project #	Description	Value as of March 31, 2022	Value as of March 31, 2021
<b>iOx:</b>			
PORT 2 (IMM60)	Melanoma & Lung Cancers	\$ 84,213	\$ 84,213
PORT 3 (IMM65)	Ovarian/Prostate Cancers	32,997	32,997
		<u>117,210</u>	<u>117,210</u>
<b>Oncomer/Saugatuck</b>	<b>DNA Aptamers</b>	<b>178</b>	<b>178</b>
		<u>\$ 117,388</u>	<u>\$ 117,388</u>
<b>Deferred tax liability</b>		<u>\$ 30,198</u>	<u>\$ 24,050</u>

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. As indicated above, the Company did identify an external indicator of potential impairment. Pursuant to IAS 36, the Company completed its review of underlying fundamentals, execution, advancement of assets and value creation activities and concluded that no provision for impairment was required.

Deferred tax liability (DTL) represents iOx’s estimated tax on the difference between book and tax basis of the IPR&D, which is taxable in the U.K.

Deferred tax liability related to IPR&D at iOx is subject to tax in the U.K. As of March 31, 2022 and 2021, iOx had a deferred tax liability of approximately \$30.2 million and approximately \$24.1 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 U.K., the deferred tax had been recorded at 17%, the rate applicable in the U.K. 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 U.K. 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. In 2022, the Company recorded \$7.0 million increase in deferred income taxes to reflect a change in the U.K. income tax rate and recognized \$0.7 million of current year losses and \$0.8 million of prior year losses.

Additionally, as the deferred tax liability may be settled in the future in Great British pounds (“GBP”), the Company decreased the deferred tax liability by \$1.1 million as of March 31, 2022 and increased the deferred tax liability by \$2.4 million as of March 31, 2021, 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,	
	2022	2021
Accounts payable	\$ 188	\$ 113
Accrued bonuses	193	–
Accrued legal fees	186	–
Accrued other professional fees	75	77
Accrued accounting and auditing fees	69	59
Insurance premium note	–	1,651
Accrued interest	–	5
Other	39	33
<b>Total accounts payable and accrued liabilities</b>	<u>\$ 750</u>	<u>\$ 1,938</u>

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**NOTE 14. UNSECURED NOTES PAYABLE**

Following is a roll-forward of notes payable:

(In thousands)	<u>CURRENT</u> <u>PPL</u>	<u>CURRENT</u> <u>iOx</u>	<u>NON-CURRENT</u> <u>SalvaRx</u>	<u>Total</u>
Balance, April 1, 2020	\$ 200	\$ 100	\$ 3,361	\$ 3,661
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>
<b>Exchange of notes payable and accrued interest for iOx shares</b>	<b>–</b>	<b>(150)</b>	<b>–</b>	<b>(150)</b>
<b>Balance, March 31, 2022</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>

***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 (former director), 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.

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

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

***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.

On September 8, 2021, the Company, through SalvaRx, completed a settlement of loans (including interest) to and receivables from iOx for services rendered in exchange for 23,772 ordinary shares of iOx at a price of £162. Simultaneously, the Company entered into an agreement with Oxford Sciences Innovation, Plc ("OSI"), the holder of \$0.15 million notes plus accrued interest under which OSI exchanged the notes plus accrued interest for 820 shares of iOx. The Company followed the guidance provided by an IFRS Discussion Group Public Meeting dated November 29, 2016, following the general tenets of IAS 39, "Financial Instruments: Recognition and Measurement," and IFRIC 19, "Extinguishing Financial Liabilities with Equity Instruments" and recorded the exchange at historical cost. Additionally, no profit or loss was recorded in connection with the exchange. As a result of these transactions, the Company, through SalvaRx, increased its ownership up from 60.49% to 78.32%.

**NOTE 15. INCOME TAXES**

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

PDS is a U.S. corporation and is subject to U.S. federal, state and local income taxes, as applicable.

iOx is subject to U.K. taxes.

The benefit from (provision for) income taxes consists of the following:

(In thousands)	<b>Years Ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Current:</b>		
<b>Federal</b>	\$ -	\$ -
<b>State and local</b>	-	-
<b>Foreign</b>	42	149
	<u>42</u>	<u>149</u>
<b>Deferred:</b>		
<b>Federal</b>	-	-
<b>State and local</b>	-	-
<b>Foreign</b>	(4,394)	(2,446)
	<u>(4,394)</u>	<u>(2,446)</u>
<b>Provision for income taxes</b>	<u>\$ (4,352)</u>	<u>\$ (2,297)</u>



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**NOTE 15. INCOME TAXES (Cont'd)**

The following is a reconciliation of the U.S. taxes to the effective income tax rates for the years ended March 31, 2022 and 2021 (\$ in thousands):

	Years Ended March 31,	
	2022	2021
Loss on ordinary activities before tax	\$ 1,342	\$ —
Statutory U.S. income tax rate	21.0%	21.0%
Loss at statutory income tax rate	282	—
Losses (unrecognized)	(282)	—
<b>Income tax benefit (expense)</b>	<b>\$ —</b>	<b>\$ —</b>

The Company has a \$1.3 million net operating loss, which expires March 31, 2042.

The following is a reconciliation of the U.K. taxes to the effective income tax rates for the years ended March 31, 2022 and 2021 (\$ in thousands):

	Years Ended March 31,	
	2022	2021
Loss on ordinary activities before tax	\$ 4,127	\$ 1,218
Statutory U.K. income tax rate	19.0%	19.0%
Loss at statutory income tax rate	784	231
Change (increase) in deferred income tax rate	(6,998)	—
Recognition of deferred tax assets	722	—
Foreign currency effect	1,098	(2,542)
Other adjustments	—	96
Research and development credit	42	149
Losses (unrecognized)	—	(231)
<b>Income tax expense</b>	<b>\$ (4,352)</b>	<b>\$ (2,297)</b>

Research and development credit receivables of \$0.2 million and \$0.6 million were included in prepaid expenses and other receivables on the consolidated statements of financial position as of March 31, 2022 and 2021, respectively.

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

	Year Ended March 31, 2022				Year Ended March 31, 2021			
	United States	BVI	United Kingdom	Total	United States	BVI	Foreign	Total
Pre-tax (loss)	\$ (1,342)	\$ (9,348)	\$ (4,127)	\$ (14,817)	\$ —	\$ (13,674)	\$ (1,218)	\$ (14,892)
Losses not subject to tax	—	9,348	—	9,348	—	13,674	—	13,674
<b>Taxable (loss)</b>	<b>\$ (1,342)</b>	<b>\$ —</b>	<b>\$ (4,127)</b>	<b>\$ (5,469)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (1,218)</b>	<b>\$ (1,218)</b>

**NOTE 15. INCOME TAXES (Cont'd)**

As of March 31, 2022 and 2021, the Company's deferred tax assets and liabilities in the U.K. consisted of the effects of temporary differences attributable to the following (in thousands):

	<b>As of March 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Deferred tax assets:</b>		
<b>Net operating loss</b>	\$ (3,253)	\$ (1,689)
<b>Deferred tax asset (unrecognized)</b>	1,500	1,689
<b>Deferred tax asset</b>	(1,753)	-
<b>Deferred tax liabilities:</b>		
<b>In-process research and development</b>	30,198	24,050
<b>Deferred tax liability</b>	30,198	24,050
<b>Net deferred tax liability</b>	<u>\$ 28,445</u>	<u>\$ 24,050</u>

iOx generated research and development cash credits of approximately \$0.04 million and \$0.1 million that have been recorded for the years ended March 31, 2022 and 2021, respectively.

As of March 31, 2022, the Company had U.S. deferred tax assets of \$0.3 million, which were not recognized for financial statement purposes. There were no U.S. deferred tax assets as of March 31, 2021.

As of March 31, 2022, 2021 and 2020, cumulative tax losses for iOx were approximately \$13.0 million, \$8.9 million and \$7.7 million, respectively.

As of March 31, 2022 and 2021, iOx had a deferred tax liability of approximately \$28.4 million and approximately \$24.1 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 U.K., the deferred tax had been recorded at 17%, the rate applicable in the U.K. 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 U.K. 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. In 2022, the Company recorded \$7.0 million increase in deferred income taxes to reflect a change in the U.K. income tax rate and recognized \$0.7 million of current year losses and \$0.8 million of prior year losses.

Additionally, as the deferred tax liability may be settled in the future in GBP, the Company decreased the deferred tax liability by \$1.1 million at March 31, 2022 and increased the deferred tax liability by \$2.4 million as of March 31, 2021, respectively, to reflect the difference in exchange rates from period to period.

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

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**NOTE 16. WARRANT LIABILITY**

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

	Exercise Price	PBI	
		Warrants	Amount
			In 000'\$
Warrants outstanding, April 1, 2021	\$ 6.64	49,701	\$ 1,120
Exercise of warrants as of March 31, 2022	\$ 6.64	(15,813)	(235)
Fair value adjustment as of March 31, 2022 (1) (2)	–	–	(852)
Warrants outstanding, March 31, 2022	\$ 6.64	33,888	\$ 33

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

The Black-Scholes assumptions used in the fair value calculation of the warrants as of March 31, 2022 were:

Risk free rate: 1.06%

Expected Dividend: \$0

Expected Life: 0.53 years

Volatility: 51.49%

(2) The Company recognized a gain (loss) of \$0.9 million, \$(0.8) million and \$0.02 million in the years ended March 31, 2022, 2021 and 2020, respectively, to reflect the change in fair value of the underlying warrants. The warrants expire in October 2022.

**NOTE 17. CAPITAL STOCK**

(a) Authorized ordinary shares: Unlimited number of common shares without par value.

(b) Following is a roll-forward of ordinary shares for the years ended March 31, 2022 and 2021:

	Years Ended March 31,			
	2022		2021	
	Ordinary Shares In 000'	Amount In 000'\$	Ordinary Shares (c) In 000'	Amount In 000'\$
Balance, beginning of year	12,084	\$ 130,649	10,988	\$ 117,817
Shares issued in public offering and ATM	1,241	27,216	–	–
Warrants exercised	16	339	–	–
Shares issued for services	8	120	1	25
Shares issued in a private placement, net of issue costs	–	–	698	6,732
Exchange of SalvaRx warrants for Portage 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
Balance, end of year	13,349	\$ 158,324	12,084	\$ 130,649

(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 in the year ended March 31, 2021.

**NOTE 17. CAPITAL STOCK (Cont'd)**

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.

During the quarter ended June 30, 2021, the Company commenced an "at the market" offering, under which it sold 90,888 shares generating gross proceeds of approximately \$2.6 million (\$2.5 million, net of commissions).

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 was settled June 28, 2021. The Company incurred aggregate offering expenses for the public offering of approximately \$1.8 million, including approximately \$1.6 million of management, underwriting and selling expenses. The Company is using the net proceeds raised to fund its research and development activities and support operations. The amount raised is sufficient to fund operations through at least March 2023. Funds may be used to accelerate development activities to advance the Company's product portfolio, working capital and general corporate purposes.

See Note 25, "Events After the Balance Sheet Date" for a discussion of additional ordinary shares issued.

**NOTE 18. STOCK OPTION RESERVE**

(a) The following table provides the activity for the Company's stock option reserve for the years ended March 31, 2022 and 2021:

	Years Ended March 31,			
	2022		2021	
	Non-Controlling Interest	Stock Option Reserve	Non-Controlling Interest	Stock Option Reserve
(In thousands)				
<b>Balance, beginning of year</b>	\$ 11,468	\$ 7,977	\$ 10,618	\$ 58
<b>Share-based compensation expense</b>	191	8,951	850	7,977
<b>Expiration of unexercised stock options</b>	-	-	-	(58)
<b>Balance, end of year</b>	<u>\$ 11,659</u>	<u>\$ 16,928</u>	<u>\$ 11,468</u>	<u>\$ 7,977</u>

**NOTE 18. STOCK OPTION RESERVE (Cont'd)**

**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 vested 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.

**Amended and Restated 2021 Equity Incentive Plan and Grants of Stock Options and Restricted Stock Units**

On January 19, 2022, the Board of Directors unanimously approved the Amended and Restated 2021 Equity Incentive Plan (the "Amended and Restated 2021 Equity Incentive Plan"). The Amended and Restated 2021 Equity Incentive Plan provides for:

- (1) An increase of aggregate number of shares available for awards to 2,001,812, which is equal to 15% of the issued and outstanding common shares in the capital of the Company as of January 19, 2022 subject to discretionary annual increases (on a cumulative basis) as may be approved by the Board in future years by a number of shares not to exceed an additional five percent (5%) of the aggregate number of shares then outstanding;
- (2) The authorization of incentive stock options (should shareholder approval be sought and obtained) under the Amended and Restated 2021 Equity Incentive Plan; and
- (3) The provision of dividend equivalent rights to be issued when authorized.

**NOTE 18. STOCK OPTION RESERVE (Cont'd)**

Pursuant to the Amended and Restated 2021 Equity Incentive Plan, on January 19, 2022, the Company granted an aggregate of 302,000 stock options exercisable at a price of US\$10.22 per share, representing the average price of the shares on the day of grant (January 19, 2022), which expire on January 19, 2032 to various directors, officers and consultants of the Company. A total of 13,800 of the 302,000 stock options were granted to two members of the Board of Directors' and vest on the first anniversary of the date of the grant. The balance of 288,200 stock options were granted to employees (one of whom is also a director), and a consultant, which vest ratably on each of the first four annual anniversaries of the date of the grant.

Additionally, the Company granted 135,740 restricted stock units to employees (one of whom is also a director) on January 19, 2022, with a fair value of US\$10.22 per share, representing the average price of the shares on the day of grant (January 19, 2022). The restricted stock units were fully vested and nonforfeitable as of the date of the grant and will expire on January 19, 2032.

On February 15, 2022, James Mellon, Linda Kozick and Mark Simon were appointed to the Board of Directors. Mr. Mellon owned approximately 23.9% of the Company's outstanding shares at that date. Additionally, Mr. Mellon had previously served as a member of the Board of Directors from 2016 to August 14, 2020. On February 15, 2022, in connection with the appointments, each of these directors were granted 13,800 non-incentive stock options, which vest ratably monthly over a three-year period. The options have an exercise price of \$8.59 per share, the average price of the stock on February 15, 2022, the day immediately preceding the grant date, and will expire, if unexercised, on February 15, 2032.

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.

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>
Grant Date	November 28, 2016
Risk free interest rate	2.6%
Expected dividend	Nil
Expected volatility	80%
Expected life	1.3 years
Fair value of iOx stock	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 Amended and Restated 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

**NOTE 18. STOCK OPTION RESERVE (Cont'd)**

Following are the weighted average assumptions used in connection with the January 19, 2022 option grant, with respect to the Company's Amended and Restated 2021 Equity Incentive Plan:

<b>Assumption</b>	<b>Unvested Options</b>
Risk free interest rate	1.09%
Expected dividend	Nil
Expected volatility	116%
Expected life	6.2 years
Fair value of Portage stock	US\$8.74

Following are the weighted average assumptions used in connection with the February 15, 2022 option grant, with respect to the Company's Amended and Restated 2021 Equity Incentive Plan:

<b>Assumption</b>	<b>Unvested Options</b>
Risk free interest rate	1.99%
Expected dividend	Nil
Expected volatility	111%
Expected life	6.0 years
Fair value of Portage stock	US\$7.20

(b) The movements in the number of options issued for the years ended March 31, 2022 and 2021 were:

	<b>PBI Amended and Restated 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>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Balance, beginning of year</b>	<b>868,000</b>	–	–	2,980	<b>1,924</b>	2,599
<b>Granted</b>	<b>343,400</b>	868,000	–	–	–	–
<b>Expired or forfeited</b>	<b>(60,000)</b>	–	–	(2,980)	<b>(649)</b>	(675)
<b>Balance, end of year</b>	<b>1,151,400</b>	868,000	–	–	<b>1,275</b>	1,924
<b>Exercisable, end of year</b>	<b>405,997</b>	116,666	–	–	<b>1,275</b>	1,604

The Board discontinued the 2013 Option Plan in fiscal 2019.

(c) The following are the weighted average exercise price and the remaining contractual life for outstanding options by plan as of March 31, 2022 and 2021:

	<b>PBI Amended and Restated 2021 Equity Incentive Plan</b>		<b>iOx Option Plan (Subsidiary Plan)</b>	
	<b>As of March 31,</b>		<b>As of March 31,</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Weighted average exercise price</b>	<b>\$ 15.47</b>	\$ 17.75	<b>\$ 157.60</b>	\$ 165.20
<b>Weighted average remaining contractual life (in years)</b>	<b>9.10</b>	9.79	<b>0.05</b>	0.95

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, 2022 and March 31, 2021.

**NOTE 18. STOCK OPTION RESERVE (Cont'd)**

The Company recorded approximately \$8.9 million and \$8.0 million of share-based compensation expense with respect to the Amended and Restated 2021 Equity Incentive Plan in the years ended March 31, 2022 and 2021, respectively. The Company expects to record additional share-based compensation expense of approximately \$6.3 million through January 2026 with respect to the Amended and Restated 2021 Equity Incentive Plan. Additionally, the intrinsic value of the stock options granted under the Amended and Restated 2021 Equity Incentive Plan was nil at March 31, 2022.

The Company recorded approximately \$0.2 million, \$0.9 million and \$2.2 million of share-based compensation expense related to the iOx stock option plan for the years ended March 31, 2022, 2021 and 2020, respectively. As of March 31, 2022, the Company's iOx stock option plan was fully vested. Additionally, the intrinsic value of the iOx stock options was approximately \$0.1 million at March 31, 2022, all of which is associated with vested exercisable options.

**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):

	Years Ended March 31,		
	2022	2021	2020
<i>Numerator (in 000's)</i>			
<b>Net loss attributable to owners of the Company</b>	<b>\$ (16,870)</b>	<b>\$ (15,833)</b>	<b>\$ (5,333)</b>
<i>Denominator (in 000')</i>			
<b>Weighted average number of shares – Basic and Diluted</b>	<b>13,060</b>	<b>11,733</b>	<b>10,952</b>
<b>Basic and diluted (loss) per share (Actual)</b>	<b>\$ (1.29)</b>	<b>\$ (1.35)</b>	<b>\$ (0.49)</b>

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, 2022, 2021, and 2020. 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.

	As of March 31,	
	2021	2020
<b>Stock options</b>	<b>1,151,400</b>	<b>868,000</b>
<b>Restricted stock units</b>	<b>378,740</b>	<b>243,000</b>
<b>Warrants</b>	<b>33,888</b>	<b>49,701</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**

Effective March 15, 2022, iOx entered into a Master Services Agreement (“MSA”) with Parexel International (IRE) Limited (“Parexel”) under which Parexel agrees to provide services as Contract Research Organization (“CRO”) provided in a work order (“Work Order”) effective June 1, 2022 under which Parexel will operate a Phase 2 study of IMM60 and pembrolizumab in advanced melanoma and NSCLC. The MSA provides for a five-year term, and the Work Order provides for a term to be ended upon the completion the services required. The budget provides for service fees and pass-through expenses and clinical sites totaling \$11.5 million.

**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.** The CEO of Portage is one of three members of the Board of Directors of Stimunity (see Note 7, “Investment in Associate” and Note 25(d) “Stimunity Convertible Note”).
- (b) **iOx.** Two of the three 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 Portage is also the CEO of iOx, and the management team of the Company comprise the management team of iOx.
- (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.** The CEO of Portage is an officer of Intensity and both he and the VP of Projects and Operations of the Company provide services to Intensity. The Company commenced invoicing Intensity for such services in February 2022 (see Note 9, “Investments in Private Companies”). Additionally, Intensity provides services (primarily rent) to Portage, which is billed monthly. Portage paid Intensity \$83,437, \$77,088 and \$62,132 for the years ended March 31, 2022, 2021 and 2020, respectively.
- (e) **PGL.** PPL held 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”).

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

- (f) **Portage Development Services.** Portage Development Services is a 100% owned subsidiary incorporated in Delaware, which provides human resources, and other services to each operating subsidiary via a shared services agreement.

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

Interest expense includes \$78,427 and \$226,018 interest incurred in the years ended March 31, 2021 and 2020, 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").

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.

On September 8, 2021, the Company, through SalvaRx, completed a settlement of loans (including interest) to and receivables from iOx for services rendered in exchange for 23,772 ordinary shares of iOx at a price of £162. Simultaneously, the Company entered into an agreement with Oxford Sciences Innovation, Plc ("OSI"), the holder of \$0.15 million notes plus accrued interest under which OSI exchanged the notes plus accrued interest for 820 shares of iOx. The Company followed the guidance provided by an IFRS Discussion Group Public Meeting dated November 29, 2016, following the general tenets of IAS 39, "Financial Instruments: Recognition and Measurement," and IFRIC 19, "Extinguishing Financial Liabilities with Equity Instruments" and recorded the exchange at historical cost. Additionally, no profit or loss was recorded in connection with the exchange. As a result of these transactions, the Company, through SalvaRx, increased its ownership up from 60.49% to 78.32%. See Note 25(c), "Events After the Balance Sheet Date – Share Exchange Agreement - iOx" for a further discussion.

**Employment Agreements**

PDS entered into a Services Agreement with its CEO effective December 15, 2021. The Services Agreement provides that the CEO will receive a base salary of \$618,000, plus cost-of-living increases. The Services Agreement provides for annual increases based upon the review of the base salary by the board of directors prior to the anniversary of the Services Agreement provided that the annual increase cannot be less than the cost-of-living increase. The Services Agreement also provides that the CEO is eligible to receive an annual performance-based bonus targeted at 59% of the applicable year's base salary, which bonus is earned based on the achievement of performance targets, as determined annually by the Board of Directors and communicated to the CEO in the first quarter of the year. Any annual bonus, to the extent earned, is to be paid no later than March 15 of the following year. The Services Agreement is for an initial term of three years, after which it will automatically renew annually unless terminated in accordance with the Services Agreement.

Under the Services Agreement, the CEO may terminate his employment at any time for Good Reason, as defined in the Services Agreement. We may terminate the CEO's employment immediately upon his death, upon a period of disability or without "Just Cause", as defined. In the event that the CEO's employment is terminated due to his death or Disability, for "Good Reason" or without "Just Cause," he will be entitled to Accrued Benefits (accrued unpaid portion of base salary, accrued unused vacation time and any unpaid expenses). Additionally, he may be entitled to Severance Benefits, which include his then current base salary and the average of his annual bonus for the prior two completed performance years, paid over 12 monthly installments. Additionally, the CEO will be entitled to life insurance benefits and medical and dental benefits for a period of 12 months at the same rate the CEO and the Company shared such costs during his period of employment.

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

Additionally, all stock options (and any other unvested equity incentive award) held by the CEO relating to shares of the Company will be deemed fully vested and exercisable on the Termination Date, as defined, and the exercise period for such stock options will be increased by a period of two years from the Termination Date.

If the CEO's employment by the Company is terminated by the Company or any successor entity without "Just Cause" (not including termination by virtue of the CEO's death or Disability) or by the CEO for Good Reason within twelve (12) months following the effective date of a "Change in Control" (as defined), then in addition to paying or providing Executive with the Accrued Obligations, the Company will provide the following "Change in Control Severance Benefits":

- (1) The Company will pay the Base Salary continuation benefit for eighteen (18) months;
- (2) The Company will pay the life insurance benefit for eighteen (18) months;
- (3) The Company will pay an additional amount equivalent to the CEO's target annual bonus calculated using the Bonus Percentage for the performance year in which Executive's termination occurs. This bonus will be paid in twelve equal installments commencing on the first payroll date that is more than sixty (60) days following the date of termination of Executive's employment, with the remaining installments occurring on the first day of the month for the eleven (11) months thereafter;
- (4) The Company will provide the CEO with continued medical and dental benefits, as described above, for eighteen (18) months; and
- (5) All stock options (and any other unvested equity incentive award) held by the CEO relating to shares of the Company or its parent will be deemed fully vested and exercisable on the Termination Date, as defined, and the exercise period for such stock options will be increased by a period of two years from the Termination Date.

PDS entered into Services Agreements with each of our four other senior officers (individually, "Executive" and collectively, "Executives"), three of which are dated as of December 1, 2021 and one of which is dated December 15, 2021. Each of the Services Agreements provides for an initial term of two years and are automatically renewed for one-year periods (except one, which provides for an initial term of one year and is automatically renewed for one-year periods). The Services Agreements initially provide for annual base salaries ranging from \$175,000 to \$348,000 and annual bonus targets ranging from 30% to 40%. They also provide for long-term incentives in the form of equity awards from time to time under the Portage Biotech Inc. Amended and Restated 2021 Equity Incentive Plan.

The Services Agreements can be terminated by the Company without "Just Cause", by death or Disability, or by the Executive for "Good Reason". In such instances, the Services Agreements provide for the payment of Accrued Obligations (accrued unpaid portion of base salary, accrued unused vacation time and any unpaid expenses). Additionally, Executives (except one) are entitled to 50% of base salary plus 50% of average annual bonus earned over the prior two performance years, as well as prevailing life insurance benefits for a period of six months and medical and dental benefits for a period of six months at the prevailing rate the Company and the Executive were sharing such expenses.

Additionally, all stock options (and any other unvested equity incentive award) held by the Executives relating to shares of the Company will be deemed fully vested and exercisable on the Termination Date, as defined, and the exercise period for such stock options will be increased by a period of two years from the Termination Date.

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

If Executive's employment by the Company is terminated by the Company or any successor entity without "Just Cause" (not including termination by virtue of CEO's death or Disability) or by Executive for Good Reason within twelve (12) months following the effective date of a "Change in Control" (as defined), then in addition to paying or providing Executive with the Accrued Obligations, the Company will provide the following "Change in Control Severance Benefits" (except in one case in which Executive is entitled to Item (5) and 50% of Items (1) and (3) below):

- (1) The Company will pay the Base Salary continuation benefit for twelve (12) months;
- (2) The Company will pay the life insurance benefit for twelve (12) months;
- (3) The Company will pay an additional amount equivalent to Executive's target annual bonus calculated using the Bonus Percentage for the performance year in which Executive's termination occurs. This bonus will be payable in twelve equal installments commencing on the first payroll date that is more than sixty (60) days following the date of termination of Executive's employment, with the remaining installments occurring on the first day of the month for the eleven (11) months thereafter;
- (4) The Company will provide the Executive with continued medical and dental benefits, as described above, for twelve (12) months; and
- (5) All stock options (and any other unvested equity incentive award) held by the Executive relating to shares of the Company or its parent will be deemed fully vested and exercisable on the Termination Date and the exercise period for such stock options will be increased by a period of two years from the Termination Date.

The Services Agreements also include customary confidentiality, as well as provisions relating to assignment of inventions. The Services Agreements also includes non-competition and non-solicitation of employees and customers provision that run during the Executive's employment with the Company and for a period of one year after termination of employment.

***Bonuses & Board Compensation Arrangements***

In December 2021, the Compensation Committee approved performance bonuses payable to senior management totaling \$0.7 million. The bonuses were paid in December 2021.

In addition, the Compensation Committee of the Board established board of director compensation. Effective January 1, 2022, each non-executive board member will be entitled to receive cash board fees of \$40,000 per annum, payable quarterly in arrears. Additionally, each non-executive board member will be entitled to an annual grant of 6,900 options to purchase common shares, which would vest the first annual anniversary of the date of grant.

The chairman of the Board will be entitled to an annual cash fee of \$30,000, payable quarterly in arrears. Additionally, the chairperson of each of the Audit Committee, Compensation Committee and Nomination Committee will be entitled to annual fees of \$15,000, \$12,000 and \$8,000, respectively, payable quarterly in arrears. Members of those committees will be entitled to annual fees of \$7,500, \$6,000 and \$4,000, respectively, payable quarterly in arrears.

**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:

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

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, 2022 and March 31, 2021:

(In thousands)	As of March 31,			
	2022		2021	
	Amortized Cost	Fair Value through Other Comprehensive Income (FVTOCI)	Amortized Cost	FVTOCI
<b>Financial assets</b>				
Cash and cash equivalents	\$ 23,352	\$ –	\$ 2,770	\$ –
Prepaid expenses and other receivables	\$ 1,480	\$ –	\$ 2,176	\$ –
Investments	\$ –	\$ 9,082	\$ –	\$ 9,144
<b>Financial liabilities</b>				
Accounts payable and accrued liabilities	\$ 750	\$ –	\$ 1,938	\$ –
Unsecured notes payable	\$ –	\$ –	\$ 150	\$ –
Warrant liability	\$ –	\$ 33	\$ –	\$ 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 and cash equivalents, 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.

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.

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

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

**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 16, "Warrant Liability").

There have been no transfers between levels of the fair value hierarchy for the years ended March 31, 2022 and 2021.

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 in the Company's consolidated statements of financial position.

**Cash and cash equivalents.** Cash and cash equivalents are 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"), originally payable over the next four years. The installment note was repaid in full in July 2021.

**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 and cash equivalents 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.

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

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 2, "Liquidity" and Note 17, "Capital Stock" 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 \$0.8 million as of March 31, 2022 (approximately \$1.9 million as of March 31, 2021) and current assets of approximately \$24.8 million as of March 31, 2022 (approximately \$4.9 million as of March 31, 2021). 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, 2022, shareholders' equity attributable to the owners of the company was approximately \$121.2 million (approximately \$101.4 million as of March 31, 2021).

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, 2022 and 2021.

**NOTE 24. NON-CONTROLLING INTEREST**

(In thousands)	PGL	SalvaRx	iOx	Saugatuck and subsidiary	Total
<b>Non-controlling interest as of April 1, 2020</b>	\$ (81)	\$ 2,451	\$ 46,712	\$ 28	\$ 49,110
<b>Share-based compensation expense</b>	-	-	850	-	850
<b>Exchange of SalvaRx warrants for Portage warrants in SalvaRx Notes settlement</b>	-	(2,451)	-	-	(2,451)
<b>Net (loss) attributable to non-controlling interest</b>	81	-	(1,389)	(48)	(1,356)
<b>Non-controlling interest as of March 31, 2021</b>	\$ -	\$ -	\$ 46,173	\$ (20)	\$ 46,153
<b>Share-based compensation expense</b>	-	-	191	-	191
<b>Exchange of notes payable, accrued interest and warrants for iOx shares</b>	-	-	184	-	184
<b>Net (loss) attributable to non-controlling interest</b>	-	-	(1,847)	(452)	(2,299)
<b>Non-controlling interest as of March 31, 2022</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,701</u>	<u>\$ (472)</u>	<u>\$ 44,229</u>

On September 8, 2021, the Company, through SalvaRx, completed a settlement of loans (including interest) to and receivables from iOx for services rendered in exchange for 23,772 ordinary shares of iOx at a price of £162. See Note 14, "Unsecured Notes Payable – iOx Unsecured Notes Payable" for a further discussion.

Saugatuck and subsidiary includes Saugatuck and its wholly-owned subsidiary, Saugatuck Rx LLC.

**NOTE 25. EVENTS AFTER THE BALANCE SHEET DATE**

**(a) *Tarus Therapeutics, Inc. Merger Agreement***

On July 1, 2022, the Company, its wholly-owned subsidiary, Tarus Acquisition Inc., and Tarus Therapeutics, Inc., a Delaware Corporation advancing adenosine receptor agonists for the treatment of solid tumors, entered into an Agreement and Plan of Merger and Reorganization (the “Merger Agreement”). Under the structure of the Merger Agreement, Tarus Therapeutics, Inc. was ultimately merged into a wholly-owned subsidiary of the Company with the surviving entity renamed Tarus Therapeutics, LLC. The Tarus merger entitles the Company to the rights, know-how and/or ownership related to the assets developed by Tarus (the “Adenosine Compounds”), including:

1. All rights and obligations related to the License Agreement between Tarus and Impetis, dated October 29, 2019, and the Call Option under the License Agreement, which was exercised on November 5, 2020.
2. All intellectual property and related documents owned or controlled by Tarus, including issued or pending patents, patent applications and trade secrets. Additionally, any draft submissions and/or correspondence with patent authorities.
3. All documents and supplies related to Adenosine Compounds including inventory, reagents, data, assays, reports, vendor agreements and other information related to the preclinical development.
4. All clinical supplies, manufacturing know-how, batch records, regulatory documents pertaining to the Adenosine Compounds, certain reservations for manufacturing campaigns and any related agreements.
5. All regulatory documents and correspondence pertaining to the Adenosine Compounds.
6. All CRO agreements and protocol related documents for Adenosine Compounds.
7. All current documents related to market research, forecasting, budgets and competitive intelligence.
8. Rights to the use of Tarus Therapeutics name for regulatory purposes.

As consideration for Tarus, the Company issued to Tarus shareholders an aggregate of 2,425,999 ordinary shares of Portage, calculated on the basis of \$18M divided by the 60-day Volume Weighted Average Price per share. The shares are unregistered and subject to lock-ups for terms ranging from six to twelve months. Additionally, payments of up to \$32 million in cash or Portage ordinary shares would be triggered upon achievement of future development and sales milestones. As a result of the transaction:

- The Company also assumed \$2M short-term debt held by Tarus and deferred license milestones obligations (\$1M plus interest).
- Upon enrolling the first patient in a Phase 2 clinical trial, Portage will pay an additional one-time payment of \$15M. Payment will be in the form of cash or PRTG stock (at the discretion of Portage).



**NOTE 25. EVENTS AFTER THE BALANCE SHEET DATE (Cont'd)**

**(b) Purchase Agreement**

On July 6, 2022 (the "Signing Date"), the Company entered into a Purchase Agreement (the "Purchase Agreement") with Lincoln Park Capital Fund, LLC ("Lincoln"), pursuant to which the Company may require Lincoln to purchase ordinary shares having an aggregate value of up to \$30 million over a period of 36 months. Pursuant to the Purchase Agreement, Lincoln will be obligated to purchase ordinary shares in three different scenarios as described below.

Upon execution of the Purchase Agreement, The Company issued to Lincoln 94,508 ordinary shares, representing a 3% commitment fee valued at \$0.9 million. The Company has the right to terminate the Purchase Agreement for any reason, effective upon one (1) business day prior written notice to Lincoln. Lincoln has no right to terminate the Purchase Agreement.

The Purchase Agreement does not impose any financial or business covenants on the Company and there are no limitations on the use of proceeds received by the Company from Lincoln. The Company may raise capital from other sources in its sole discretion; provided, however, that the Company shall not enter into any similar agreement for the issuance of variable priced equity-like securities until the three (3) year anniversary of the Signing Date, excluding, however, an at-the-market ("ATM") transaction with a registered broker-dealer.

In connection with the Purchase Agreement, the Company and Lincoln entered into a Registration Rights Agreement (the "Registration Rights Agreement"), dated July 6, 2022. Pursuant to the Registration Rights Agreement, the Company agreed, that within the time required under Rule 424(b) under the Securities Act, it will file with the SEC the Initial Prospectus Supplement to the Company's shelf registration statement pursuant to Rule 424(b) for the purpose of registering for resale the ordinary shares to be issued to Lincoln under the Purchase Agreement. All reasonable expenses of the Company incurred through the registration of the ordinary shares under the Purchase Agreement shall be paid by the Company.

**(c) Share Exchange Agreement - iOx**

On July 18, 2022, the Company entered into a Share Exchange Agreement with each of the minority shareholders of iOx (Sellers). Under the terms of the Share Exchange Agreement, each Seller shall sell to Company, and Company shall acquire from each Seller, legal and beneficial ownership of the number of iOx Shares held by each Seller, free and clear of any Share Encumbrances, in exchange for the issuance in an aggregate of 1,070,000 Portage Shares to be allocated among the Sellers based upon their relative ownership. Upon the completion of the Share Exchange, Portage owns 100% of the issued and outstanding shares of iOx.

As additional consideration for the sale of the iOx Exchange Shares to the Company, the Sellers shall have the contingent right to receive additional shares ("Earnout Shares") from the Company having an aggregate value equal to \$25M calculated at the Per Share Earnout Price, as defined, upon the achievement of certain milestones defined as the dosing of the first patient in a Phase 3 clinical trial for either PORT-2 (IMM60 iNKT cell activator/agonist) or PORT-3 (PLGA-nanoparticle formulation of IMM60 combined with a NY-ESO-1 peptide vaccine). The Company shall have the option, in its sole and absolute discretion, to pay the Sellers up to USD \$25M in cash.

**NOTE 25. EVENTS AFTER THE BALANCE SHEET DATE (Cont'd)**

**(d) *Stimunity Convertible Note***

On July 13, 2022, the Company entered into a commitment with Stimunity to provide €600,000 under a Convertible Note with a maturity date of September 1, 2023 (the "Maturity Date"). The Convertible Note provides for interest at 7% per annum. The Convertible Note is automatically converted upon Stimunity commencing a Series A subscription round for €20 million. If such Subscription round is completed prior to the Maturity Date, the Company will be entitled to convert the Convertible Note at the subscription share price less 15%. Additionally, if subscribers create a new category of shares with additional rights of less than €5 million (the "Minimum Raise"), the Company will have the right to convert the Convertible Note and historical shares owned into the new category of shares. In the event that Stimunity does not close a subscription prior to the Maturity Date or raises less than the Minimum Raise, the Company will have the right to convert at €363.00 per share or the raise price less 15%, whichever is lower. The Convertible Note is expected to be funded by September 1, 2022.

It is anticipated that such Convertible Note will be funded by existing cash and cash provided under the ELOC.

(b) EXHIBITS

The following documents are filed as part of this 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 - Incorporated herein by reference 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 of Association and Articles of Association of Portage Biotech Inc. as filed in the British Virgin Island on June 21, 2022 - Incorporated herein by reference to Exhibit 99.1 to Form 6-K filed on June 23, 2022.</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.</u></a>
<a href="#"><u>2.2</u></a>	<a href="#"><u>Agreement and Plan of Merger and Reorganization among Portage Biotech Inc., Portage Merger Sub 1, Inc., Portage Merger Sub 2, LLC, Tarus Therapeutics, Inc. and Shareholder Representative Services LLC dated as of July 1, 2022 - Incorporated herein by reference to Exhibit 2.1 to Form 6-K filed on July 8, 2022.</u></a>
<a href="#"><u>2.3</u></a>	<a href="#"><u>Share Exchange Agreement dated as of July 18, 2022, by and among Portage Biotech Inc., SalvaRx Ltd., and each of the shareholders of iOx Therapeutics Ltd. - Incorporated herein by reference to Exhibit 2.1 to Form 6-K filed on July 19, 2022.</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 - Incorporated herein by reference to Exhibit 1.1 to Form F-3 filed on 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. - Incorporated herein by reference 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 - Incorporated herein by reference to Exhibit 10.1 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 - Incorporated herein by reference to Exhibit 10 to Form S-8 filed on December 19, 2013.</u></a>
<a href="#"><u>4(c)(iv).3</u></a>	<a href="#"><u>Stock Option Plan - Incorporated herein by reference to Exhibit 10 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 - Incorporated herein by reference to Exhibit 4(c)(iv).4 to Form 20-F filed on July 29, 2021.</u></a>
<a href="#"><u>4(c)(iv).5*</u></a>	<a href="#"><u>Portage Biotech Inc. Amended and Restated 2021 Equity Incentive Plan dated as of January 19, 2022.</u></a>
<a href="#"><u>8.1*</u></a>	<a href="#"><u>List of Subsidiaries.</u></a>
<a href="#"><u>10.1</u></a>	<a href="#"><u>Form of Lock-Up Agreement dated July 1, 2022 - Incorporated herein by reference to Exhibit 10.1 to Form 6-K filed on July 8, 2022.</u></a>

(b) EXHIBITS (Cont'd)

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
<a href="#"><u>10.2</u></a>	<a href="#"><u>Form of Lock-Up Agreement dated July 1, 2022 - <b>Incorporated herein by reference</b> to Exhibit 10.2 to Form 6-K filed on July 8, 2022.</u></a>
<a href="#"><u>10.3</u></a>	<a href="#"><u>Purchase Agreement dated as of July 6, 2022, by and between Portage Biotech Inc. and Lincoln Park Capital Fund, LLC - <b>Incorporated herein by reference</b> to Exhibit 10.3 to Form 6-K filed on July 8, 2022.</u></a>
<a href="#"><u>10.4</u></a>	<a href="#"><u>Registration Rights Agreement dated as of July 6, 2022, by and between Portage Biotech Inc. and Lincoln Park Capital Fund, LLC - <b>Incorporated herein by reference</b> to Exhibit 10.4 to Form 6-K filed on July 8, 2022.</u></a>
<a href="#"><u>10.5*</u></a>	<a href="#"><u>Services Agreement effective as of December 15, 2021, by and between Portage Development Services Inc. and Ian B. Walters, MD.</u></a>
<a href="#"><u>10.6*</u></a>	<a href="#"><u>Services Agreement effective as of December 1, 2021, by and between Portage Development Services Inc. and Allan Shaw.</u></a>
<a href="#"><u>10.7*</u></a>	<a href="#"><u>Services Agreement effective as of December 1, 2021, by and between Portage Development Services Inc. and Robert Kramer, PhD.</u></a>
<a href="#"><u>10.8*</u></a>	<a href="#"><u>Services Agreement effective as of December 15, 2021, by and between Portage Development Services Inc. and Steven Innaimo.</u></a>
<a href="#"><u>10.9*</u></a>	<a href="#"><u>Services Agreement effective as of December 1, 2021, by and between Portage Development Services Inc. and Brian Wiley.</u></a>
<a href="#"><u>10.10*</u></a>	<a href="#"><u>Form of Share Option Agreement dated as of January 13, 2021.</u></a>
<a href="#"><u>10.11*</u></a>	<a href="#"><u>Form of Share Option Agreement dated as of January 13, 2021.</u></a>
<a href="#"><u>10.12*</u></a>	<a href="#"><u>Form of Restricted Share Unit Award and Dividend Equivalent Rights Agreement dated as of January 13, 2021.</u></a>
<a href="#"><u>10.13*</u></a>	<a href="#"><u>Form of Share Option Agreement dated as of January 19, 2022.</u></a>
<a href="#"><u>10.14*</u></a>	<a href="#"><u>Form of Share Option Agreement dated as of January 19, 2022.</u></a>
<a href="#"><u>10.15*</u></a>	<a href="#"><u>Form of Restricted Share Unit Award and Dividend Equivalent Rights Agreement dated as of January 19, 2022.</u></a>
<a href="#"><u>10.16*</u></a>	<a href="#"><u>Form of Share Option Agreement dated as of February 15, 2022.</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 Exhibit 11.1 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 Exhibit 11.2 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 Exhibit 11.3 to Form F-20 filed on July 31, 2014.</u></a>
<a href="#"><u>11.4*</u></a>	<a href="#"><u>Nominating Committee Charter.</u></a>

(b) EXHIBITS (Cont'd)

<b>Exhibit No.</b>	<b>Description of Exhibit</b>
<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>101</b>	The following financial information from our Annual Report on Form 20-F for the year ended March 31, 2022 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.
<b>101.INS*</b>	XBRL Instance Document.
<b>101.SCH*</b>	XBRL Taxonomy Extension Schema Document.
<b>101.CAL*</b>	XBRL Taxonomy Extension Calculation Linkbase Document.
<b>101.DEF*</b>	XBRL Taxonomy Extension Definition Linkbase Document.
<b>101.LAB*</b>	XBRL Taxonomy Extension Label Linkbase Document.
<b>101.PRE*</b>	XBRL Taxonomy Extension Presentation Linkbase Document.

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\* Filed herewith

**SIGNATURES**

The Company hereby certifies that it meets all of the requirements for filing on 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 29<sup>th</sup> day of July, 2022

**PORTAGE BIOTECH INC.**

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

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

## Description of Securities

### Share Capital

Pursuant to our Memorandum and Articles of Association, we are authorized to issue an unlimited number of ordinary shares of no-par value.

### Meetings of shareholders

If our shareholders want us to hold a meeting of shareholders of the company, they may requisition the directors to hold one upon the written request of shareholders entitled to exercise at least 10% of the voting rights in respect of the matter for which the meeting is requested. Under British Virgin Islands law, this 10% threshold may only be increased to a maximum of 30% and any such increase would require an amendment to the Memorandum and Articles of Association.

Subject to our Memorandum and Articles of Association, a meeting of shareholders of the company will be called by not less than ten days' written notice and no more than 60 days' notice. Notice of every meeting of shareholders may be delivered electronically and will be given to all of our shareholders. However, the inadvertent failure of the convener or conveners of a meeting of shareholders to give notice of the meeting to a shareholder, or the fact that a shareholder has not received the notice, does not invalidate the meeting.

A meeting of shareholders is duly constituted if, at the commencement of the meeting, there are present in person or by proxy two or more shareholders entitled to vote at the meeting.

### Rights attaching to shares

### Voting rights

Holders of our ordinary shares have identical rights, including dividend and liquidation rights, provided that, except as otherwise expressly provided in our Amended Memorandum and Articles of Association or required by applicable law, on any matter that is submitted to a vote of our shareholders, holders of our ordinary shares are entitled to one vote per ordinary share.

Under the BVI Act, the ordinary shares are deemed to be issued when the name of the shareholder is entered in our register of members. Our register of members is maintained by our transfer agent, TSX Trust Company, which enters the names of our shareholders in our register of members. If (a) information that is required to be entered in the register of shareholders is omitted from the register or is inaccurately entered in the register, or (b) there is unreasonable delay in entering information in the register, a shareholder of the company, or any person who is aggrieved by the omission, inaccuracy or delay, may apply to the British Virgin Islands courts for an order that the register be rectified, and the court may either refuse the application or order the rectification of the register, and may direct us to pay all costs of the application and any damages the applicant may have sustained.

Subject to any rights or restrictions attached to any shares, at any general meeting on a show of hands every shareholder of record who is present in person (or, in the case of a shareholder being a corporation, by its duly authorized representative) or by proxy shall have one vote and on a poll every shareholder present in person (or, in the case of a shareholder being a corporation, by its duly appointed representative) or by proxy shall have one vote for each share which such shareholder is the holder. Voting at any meeting of the shareholders is by show of hands unless a poll is demanded. A poll may be demanded by shareholders present in person or by proxy if the shareholder disputes the outcome of the vote on a proposed resolution and the chairman shall cause a poll to be taken. In the case of a tie vote at a meeting of shareholders, the chairman shall be entitled to a second or casting vote.

No shareholder shall be entitled to vote or be reckoned in a quorum, in respect of any share, unless such shareholder is registered as our shareholder at the applicable record date for that meeting. Shareholders of record may also pass written resolutions without a meeting by a majority vote.

## **Protection of minority shareholders**

Under the laws of the British Virgin Islands, there is little statutory law for the protection of minority shareholders other than the provisions of the BVI Act dealing with shareholder remedies. The principal protection under statutory law is that shareholders may bring an action to enforce the BVI Act or the constituent documents of the corporation, our Memorandum and Articles of Association. Shareholders are entitled to have our affairs conducted in accordance with the BVI Act and the Memorandum and Articles of Association.

There are common law rights for the protection of shareholders that may be invoked, largely dependent on English company law, since the common law of the British Virgin Islands is limited. Under the general rule pursuant to English company law known as the rule in *Foss v. Harbottle*, a court will generally refuse to interfere with the management of a company at the insistence of a minority of its shareholders who express dissatisfaction with the conduct of the company's affairs by the majority or the board of directors. However, every shareholder is entitled to have the affairs of the company conducted properly according to British Virgin Islands law and the constituent documents of the company. As such, if those who control the company have persistently disregarded the requirements of the BVI Act or the provisions of the company's Memorandum and Articles of Association, then the courts may grant relief. Generally, the areas in which the courts will intervene are the following: (1) an act complained of which is outside the scope of the authorized business or is illegal or not capable of ratification by the majority; (2) acts that constitute fraud on the minority where the wrongdoers control the company; (3) acts that infringe or are about to infringe on the personal rights of the shareholders, such as the right to vote; and (4) where the company has not complied with provisions requiring approval of a special or extraordinary majority of shareholders, which are more limited than the rights afforded minority shareholders under the laws of many states in the U.S.

## **Pre-emption rights**

British Virgin Islands law does not make a distinction between public and private companies and some of the protections and safeguards (such as statutory pre-emption rights) that investors may expect to find in relation to a public company are not provided for under British Virgin Islands law, save to the extent they are expressly provided for in the Memorandum and Articles of Association. There are no pre-emption rights applicable to the issuance of new shares by us under either British Virgin Islands law generally or our Memorandum and Articles of Association more specifically.

## **Modification of rights**

As permitted by British Virgin Islands law, and our Memorandum and Articles of Association, we may vary the rights attached to our ordinary shares.

## **Transfer of shares**

Subject to any applicable restrictions set forth in our Memorandum and Articles of Association, any of our shareholders may transfer all or any of his or her shares by a written instrument of transfer in the usual or common form or in any other form which our directors may approve. Shares may be held electronically and transferred electronically.

The registration of transfers may be suspended at such times and for such periods as the directors may from time to time determine. If the directors were to refuse (or suspend) a transfer, then the directors should provide the transferor and transferee with a notice providing their reasons for the suspension. The directors can only refuse or delay the registration of a transfer of shares if the transferor has failed to pay amount due in respect of those shares.

## **Changes in authorized ordinary shares**

By resolution of our directors we may (i) consolidate and divide all or any of our unissued authorized shares into shares of larger amount than our existing shares; (ii) sub-divide our existing ordinary shares, or any of them into shares of smaller amount than is fixed by our memorandum of association, subject nevertheless to the provisions of the BVI Act; or (iii) create new classes of shares with preferences to be determined by the board of directors at the time of authorization.



## **Dividends**

Subject to the BVI Act and our Memorandum and Articles of Association, our directors may, by resolution, authorize a distribution to shareholders at such time and of such an amount as they think fit, if they are satisfied, on reasonable grounds, that, immediately after the distribution, we will satisfy the 'solvency test'. A company will satisfy the solvency test if (i) the value of the company's assets exceeds its liabilities; and (ii) the company is able to pay its debts as they fall due. Where a distribution is made to a shareholder at a time when the company did not, immediately after the distribution, satisfy the solvency test, it may be recovered by the company from the shareholder unless (i) the shareholder received the distribution in good faith and without knowledge of the company's failure to satisfy the solvency test; (ii) the shareholder has altered his position in reliance on the validity of the distribution; and (iii) it would be unfair to require repayment in full or at all.

## **Share repurchases**

As permitted by the BVI Act and our Memorandum and Articles of Association, shares may be repurchased, redeemed or otherwise acquired by us provided that, immediately following the repurchase or redemption, we are satisfied we will pass the aforementioned solvency test.

We will require member consent before any share can be purchased, redeemed or otherwise acquired by us, save where such redemption is pursuant to certain statutory provisions, such as pursuant to section 179 of the BVI Act (redemption of minority shares) which allows for the holders of 90% or more of the votes to instruct the company to redeem the shares of the company held by the remaining shareholders.

## **Liquidation rights**

As permitted by British Virgin Islands law and our Memorandum and Articles of Association, a voluntary liquidator may be appointed under Part XII of the BVI Act if we satisfy the solvency test (as aforementioned save that it is satisfied if assets equal or exceed liabilities).

## **Board of directors**

We are managed by a board of directors, which consisted of six directors at March 31, 2022. On July 1, 2022, in connection with the Tarus Therapeutics transaction, we added a seventh board member. Our Memorandum and Articles of Association provide that the board of directors may be established by the board of directors up to a maximum of 15 members.

Our shareholders may, pursuant to our Memorandum and Articles of Association, by resolution of shareholders passed at a meeting of shareholders called for the purpose of removing the director or for purposes including the removal of the director or by a written resolution of shareholders at any time remove any director before the expiration of his or her period of office with or without cause, and may, pursuant to our Memorandum and Articles of Association, elect another person in his or her stead. Subject to our Memorandum and Articles of Association, the directors will have power at any time and from time to time to appoint any person to be a director, either as an addition to the existing directors or to fill a vacancy as long as the total number of directors (exclusive of alternate directors) does not at any time exceed the maximum number fixed by or in accordance with our Memorandum and Articles of Association (if any) and one third times the number of directors to have been elected at the last annual meeting of shareholders. Our Memorandum and Articles of Association do not provide for alternate directors.

There are no share ownership qualifications for directors, unless otherwise decided by a resolution of shareholders. Meetings of our board of directors may be convened at any time deemed necessary by any of our directors.

Unless the quorum has been otherwise fixed by the board, a meeting of our board of directors will be competent to make lawful and binding decisions if at least one-half of the directors are present or represented. Unless there are only two directors, in which case, the quorum shall be two. At any meeting of our directors, each director, whether by his or her presence or by his or her alternate, is entitled to one vote.

Questions arising at a meeting of our board of directors are required to be decided by simple majority votes of the directors' present or represented at the meeting. In the case of a tie vote, the chairman of the meeting shall not have a second or deciding vote. Our board of directors may also pass written resolutions without a meeting by a majority vote.

The remuneration to be paid to the directors shall be such remuneration as the directors or shareholders shall determine through a resolution.

#### **Issuance of additional ordinary shares**

Our Memorandum and Articles of Association authorize our board of directors to issue additional ordinary shares from time to time as our board of directors shall determine, to the extent of available authorized but unissued shares.

Our Memorandum and Articles of Association authorize our board of directors from time to time to issue ordinary shares to the extent permitted by the BVI Act.

#### **Changes in authorized shares**

We are authorized to issue unlimited number of ordinary shares without par value, which will be subject to the same provisions with reference to the payment of calls, liens, transfers, transmissions, forfeitures and otherwise as the shares in issue. We may by resolution:

- consolidate and divide all or any of our unissued authorized shares into shares of a larger amount than our existing shares;
- sub-divide our existing ordinary shares, or any of them into shares of smaller amount than is fixed by our memorandum of association, subject nevertheless to the provisions of the BVI Act; or
- create new classes of shares with preferences to be determined by the board of directors at the time of authorization.

#### **Inspection of books and records**

Under British Virgin Islands law holders of our ordinary shares will be entitled, on giving written notice to us, to inspect and make copies or take extracts of our: (a) Memorandum and Articles of Association; (b) register of shareholders; (c) register of directors; and (d) minutes of meetings and resolutions of shareholders and those classes of shareholders of which he is a shareholder.

Subject to our Memorandum and Articles of Association, our board of directors may, if they are satisfied that it would be contrary to our interest to allow a shareholder to inspect any document, or part of a document as referenced above, refuse to permit the shareholder to inspect the document or limit the inspection of the document, including limiting the making of copies or the taking of extracts from the records. Where our directors exercise their powers in these circumstances, they shall notify the shareholder as soon as reasonably practicable.

#### **Conflicts of interest**

Pursuant to the BVI Act and the company's memorandum and articles of association, a director of a company who has an interest in a transaction and who has declared such interest to the other directors, may:

- vote on a matter relating to the transaction;
- attend a meeting of directors at which a matter relating to the transaction arises and be included among the directors present at the meeting for the purposes of a quorum; and
- sign a document on behalf of the company or do any other thing in his capacity as a director, that relates to the transaction.

## **Anti-money laundering laws**

In order to comply with legislation or regulations aimed at the prevention of money laundering we are required to adopt and maintain anti-money laundering procedures and may require subscribers to provide evidence to verify their identity. Where permitted, and subject to certain conditions, we may also delegate the maintenance of our anti-money laundering procedures (including the acquisition of due diligence information) to a suitable person.

We reserve the right to request such information as is necessary to verify the identity of a subscriber for our ordinary shares. In the event of delay or failure on the part of the subscriber in producing any information required for verification purposes, we may refuse to accept the application, in which case any funds received will be returned without interest to the account from which they were originally debited.

If any person resident in the British Virgin Islands knows or suspects that another person is engaged in money laundering or terrorist financing and the information for that knowledge or suspicion came to their attention in the course of their business, the person will be required to report his belief or suspicion to the Financial Investigation Agency of the British Virgin Islands, pursuant to the Proceeds of Criminal Conduct Act 1997 (as amended). Such a report shall not be treated as a breach of confidence or of any restriction upon the disclosure of information imposed by any enactment or otherwise.

## **Duties of directors**

British Virgin Islands law provides that every director of the company in exercising his powers or performing his duties shall act honestly and in good faith and in what the director believes to be in the best interests of the company. Additionally, the director shall exercise the care, diligence, and skill that a reasonable director would exercise in the same circumstances taking into account the nature of the company, the nature of the decision and the position of the director and his responsibilities. In addition, British Virgin Islands law provides that a director shall exercise his powers as a director for a proper purpose and shall not act, or agree to the company acting, in a manner that contravenes British Virgin Islands law or the memorandum and articles of association of the company.

## **Anti-takeover provisions**

The BVI Act does not prevent companies from adopting a wide range of defensive measures, such as staggered boards, blank check preferred shares, removal of directors only for cause and provisions that restrict the rights of shareholders to call meetings and submit shareholder proposals.

## **Voting rights and quorum requirements**

Under British Virgin Islands law, the voting rights of shareholders are regulated by the company's Memorandum and Articles of Association and, in certain circumstances, the BVI Act. The articles of association will govern matters such as quorum for the transaction of business, rights of shares, and majority votes required to approve any action or resolution at a meeting of the shareholders or board of directors. Unless the articles of association otherwise provide, the requisite majority is usually a simple majority of votes cast. Under the M&A, a resolution of shareholders requires a majority vote of those persons voting at a meeting or in the case of a written resolution of shareholders, the vote of a majority of the shareholders.

## **Mergers and similar arrangements**

Under the BVI Act, two or more companies may merge or consolidate in accordance with the statutory provisions. A merger means the merging of two or more constituent companies into one of the constituent companies, and a consolidation means the uniting of two or more constituent companies into a new company. In order to merge or consolidate, the directors of each constituent company must approve a written plan of merger or consolidation which must be authorized by a resolution approved, at a duly convened and constituted meeting of the shareholders of the Company, by the affirmative vote of a majority of those persons voting at a meeting or in the case of a written resolution of shareholders, the vote of a majority of the shareholders.

Shareholders not otherwise entitled to vote on the merger or consolidation may still acquire the right to vote if the plan or merger or consolidation contains any provision which, if proposed as an amendment to the memorandum of amended association and articles of association, would entitle them to vote as a class or series on the proposed amendment. In any event, all shareholders must be given a copy of the plan of merger or consolidation irrespective of whether they are entitled to vote at the meeting or consent to the written resolution to approve the plan of merger or consolidation.

### **Shareholder suits**

We are not aware of any reported class action or derivative action having been brought against the company in a British Virgin Islands court.

Under the BVI Act, if a company or a director of a company engages in, or proposes to engage in, conduct that contravenes the BVI Act or the memorandum of association or articles of the company, the BVI Court may, on the application of a shareholder or a director of the company, make an order directing the company or director to comply with, or restraining the company or director from engaging in that conduct.

In addition, under the BVI Act, the BVI Court may, on the application of a shareholder of a company, grant leave to that shareholder to bring proceedings in the name and on behalf of that company or to intervene in proceedings to which the company is a party for the purpose of continuing, defending or discontinuing the proceedings on behalf of the company. In determining whether to grant leave for such derivative actions, the Court must take into account certain matters, including whether the shareholder is acting in good faith, whether the derivative action is in the interests of the company taking account of the views of the company's directors on commercial matters and whether an alternative remedy to the derivative claim is available.

A shareholder of a company may bring an action against the company for breach of a duty owed by the company to him as a shareholder. The BVI Act also includes provisions for actions based on oppression, and for representative actions where the interests of the claimant are substantially the same as those of other shareholders.

### **Corporate governance**

British Virgin Islands laws do not restrict transactions between a company and its directors, requiring only that directors exercise a duty to act honestly, in good faith and in what the directors believe to be in the best interests to the companies for which they serve.

### **Indemnification**

British Virgin Islands law does not limit the extent to which a company's memorandum and articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the British Virgin Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime. Our Memorandum and Articles of Association provide for the indemnification of our directors against all losses or liabilities incurred or sustained by a director as a director of our company in defending any proceedings, whether civil or criminal and this indemnity only applies if he or she acted honestly and in good faith with a view to our best interests and, with respect to any criminal action, he or she must have had no reasonable cause to believe his or her conduct was unlawful.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted for directors, officers or persons controlling us under the foregoing provisions, we have been advised that, in the opinion of the U.S. Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act and therefore is unenforceable.

### **Staggered board of directors**

The BVI Act does not contain statutory provisions that require staggered board arrangements for a British Virgin Islands company and our Memorandum and Articles of Association do not provide for a staggered board.



**PORTAGE BIOTECH INC.**  
**AMENDED AND RESTATED**  
**2021 EQUITY INCENTIVE PLAN**

1. Purposes of the Plan.

This Plan is an amendment and restatement, effective as of the 2022 Amendment Date, of the Portage Biotech Inc. 2021 Equity Incentive Plan. The purpose of this Plan is to develop the interest of the directors, officers, employees and consultants who provide on-going services to the Company and its subsidiaries in the growth and development of the Company by providing such persons with the opportunity to acquire an equity interest in the Company or to be paid incentive compensation and to better enable the Company and its subsidiaries to attract and retain persons of desired experience and ability.

The Plan permits the grant of Incentive Stock Options, Nonstatutory Stock Options, Stock Appreciation Rights, Dividend Equivalent Rights, Restricted Stock, Restricted Stock Units and Cash-Based Incentive Awards.

2. Definitions. As used herein, the following definitions will apply:

(a) “2022 Amendment Date” means January 19, 2022.

(b) “Act” means the U.S. Securities Act of 1933, as amended, and the rules and regulations thereunder.

(c) “Administrator” means the Board or any of its Committees as will be administering the Plan, in accordance with Section 4 of the Plan.

(d) “Applicable Laws” means the requirements relating to the administration of equity-based awards under U.S. state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws of any foreign country or jurisdiction where Awards are, or will be, granted under the Plan or where Shares are, or will be, granted on exercise of any such Award.

(e) “Award” means, individually or collectively, a grant under the Plan of Options, Stock Appreciation Rights, Dividend Equivalent Rights, Restricted Stock, Restricted Stock Units or Cash-Based Incentive Awards.

(f) “Award Agreement” means the written or electronic agreement setting forth the terms and provisions applicable to each Award granted under the Plan. The Award Agreement is subject to the terms and conditions of the Plan.

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(g) “Board” means the Board of Directors of the Company.

(h) “Cash-Based Incentive Award” means an Award denominated in cash that is granted under Section 10 of the Plan.

(i) “Cause” means:

(i) an unauthorized use or disclosure by the Participant of the Company’s confidential information or trade secrets that causes material harm to the Company;

(ii) a material breach by the Participant of any agreement between the Participant and the Company;

(iii) a material failure by the Participant to comply with the Company’s written policies or rules;

(iv) the Participant’s conviction of, or plea of “guilty” or “no contest” to, a felony under the laws of the United States or any State thereof;

(v) the Participant’s gross negligence or willful misconduct;

(vi) a continuing failure by the Participant to perform assigned duties after receiving written notification of such failure from the Board; or

(vii) a failure by the Participant to cooperate in good faith with a governmental or internal investigation of the Company or its directors, officers or employees, if the Company has requested the Participant’s cooperation.

(j) “Change in Control” means:

(i) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity;

(ii) a merger, reorganization or consolidation pursuant to which the holders of the Company’s outstanding voting power and outstanding shares immediately prior to such transaction do not own a majority of the outstanding voting power and outstanding shares or other equity interests of the resulting or successor entity (or its ultimate parent, if applicable) immediately upon completion of such transaction;

(iii) the sale of more than fifty percent of the Shares of the Company to an unrelated person, entity or group thereof acting in concert; or

(iv) any other transaction in which the owners of the Company’s outstanding voting power immediately prior to such transaction do not own at least a majority of the outstanding voting power of the Company or any successor entity immediately upon completion of the transaction other than as a result of the acquisition of securities directly from the Company.

- (k) “Code” means the United States Internal Revenue Code of 1986, as amended. Any reference to a section of the Code herein will be a reference to any successor or amended section of the Code.
- (l) “Committee” means the compensation committee of Directors or of other individuals satisfying Applicable Laws appointed by the Board, or by the compensation committee of the Board, in accordance with Section 4 hereof.
- (m) “Common Stock” means the common stock of the Company.
- (n) “Company” means Portage Biotech Inc., a corporation established in the territory of the British Virgin Islands, or any successor thereto.
- (o) “Consultant” means any natural person, including an advisor, engaged by the Company to render bona fide services to such entity, provided the services (i) are not in connection with the offer or sale of securities in a capital-raising transaction, and (ii) do not directly promote or maintain a market for the Company’s securities.
- (p) “Director” means a member of the Board.
- (q) “Disability” means total and permanent disability as defined in Code Section 22(e)(3), provided that in the case of Awards other than Incentive Stock Options, the Administrator in its discretion may determine whether a permanent and total disability exists in accordance with uniform and non-discriminatory standards adopted by the Administrator from time to time.
- (r) “Dividend Equivalent Right” means an Award entitling the grantee to receive credits based on dividends that would have been paid on Shares specified in the Dividend Equivalent Right (or other Award to which it relates) if such Shares had been issued to and held by the grantee.
- (s) “Employee” means any person, including officers and Directors, employed by the Company. Neither service as a Director nor payment of a director’s fee by the Company will be sufficient to constitute “employment” by the Company.
- (t) “Exchange Act” means the United States Securities Exchange Act of 1934, as amended.
- (u) “Exchange Program” means a program under which (i) outstanding Awards are surrendered or cancelled in exchange for Awards of the same type (which may have higher or lower exercise prices and different terms), Awards of a different type, and/or cash, (ii) Participants would have the opportunity to transfer any outstanding Awards to a financial institution or other person or entity selected by the Administrator, and/or (iii) the exercise price of an outstanding Award is reduced or increased. The Administrator will determine the terms and conditions of any Exchange Program in its sole discretion.
- (v) “Fair Market Value” means the fair market value of a Share as determined by the Administrator in good faith, provided, however, that if the Shares are listed on the National Association of Securities Dealers Automated Quotation System (“NASDAQ”), Nasdaq Global Market, The New York Stock Exchange, Canadian Securities Exchange, or another national securities exchange or traded on any established market, the determination shall be made by reference to market quotations. If there are no market quotations for such date, the determination shall be made by reference to the last date preceding such date for which there are market quotations. Such determination shall be conclusive and binding on all persons

(w) “Incentive Stock Option” means an Option that by its terms qualifies and is otherwise intended to qualify as an incentive stock option within the meaning of Code Section 422 and the United States Treasury Regulations promulgated thereunder.

(x) “Nonstatutory Stock Option” means an Option that by its terms does not qualify or is not intended to qualify as an Incentive Stock Option.

(y) “Option” means a stock option granted pursuant to the Plan.

(z) “Parent” means a “parent corporation,” whether now or hereafter existing, as defined in Code Section 424(e).

(aa) “Participant” means the holder of an outstanding Award.

(bb) “Period of Restriction” means the period during which the transfer of Shares of Restricted Stock are subject to restrictions and therefore, the Shares are subject to a substantial risk of forfeiture. Such restrictions may be based on the passage of time, the achievement of target levels of performance, or the occurrence of other events as determined by the Administrator.

(cc) “Plan” means this Portage Biotech Inc. Amended and Restated 2021 Equity Incentive Plan, as in effect from time to time.

(dd) “Qualifying Director” means a Person who is, with respect to actions intended to obtain an exemption from Section 16(b) of the Exchange Act pursuant to Rule 16b-3 under the Exchange Act, a “non-employee director” within the meaning of Rule 16b-3 under the Exchange Act.

(ee) “Restricted Stock” means Shares issued pursuant to an Award of Restricted Stock under Section 8 of the Plan or the early exercise of an Option.

(ff) “Restricted Stock Unit” means a bookkeeping entry representing an amount equal to the Fair Market Value of one Share, granted pursuant to Section 9. Each Restricted Stock Unit represents an unfunded and unsecured obligation of the Company.

(gg) “Separation from Service” means a “Separation from Service” as such term is defined in the United States Treasury Regulations promulgated under Code Section 409A.

(hh) “Service Provider” means an Employee, Director or Consultant.

(ii) “Share” means a share of the Common Stock, as adjusted in accordance with Section 14 of the Plan.



(jj) “Share Limit” means the maximum aggregate number of Shares that may be issued pursuant to Awards under this Plan.

(kk) “Stock Appreciation Right” means an Award, granted alone or in connection with an Option, that pursuant to Section 7 is designated as a Stock Appreciation Right.

(ll) “Subsidiary” means a “subsidiary corporation,” whether now or hereafter existing, as defined in Code Section 424(f).

3. Share Limit.

(a) General. Subject to Section 14 of the Plan, the Share Limit shall be equal to [●], all of which may be granted pursuant to Incentive Stock Options. Notwithstanding the foregoing, in each calendar year following 2022, and taking into account the then-current business environment, the Company’s business needs and such additional factors as the Board, in its sole and absolute discretion, determines to be appropriate, the Board may determine to increase (on a cumulative basis) the then-applicable Share Limit by a number of Shares not to exceed five percent (5%) of the aggregate number of Shares then outstanding. However, any increase described in the immediately preceding sentence shall not affect the aggregate number of Shares that may be issued as Incentive Stock Options (which, for avoidance of doubt, shall at all times be equal to [●], subject to adjustment solely in accordance with Section 14 of the Plan and Code Section 424).

(b) Lapsed Awards. If an Award expires or becomes unexercisable without having been exercised in full, is surrendered pursuant to an Exchange Program, is forfeited, or is repurchased by the Company for an amount equal to the lower of (i) the Exercise Price of each Share being repurchased and (ii) the Fair Market Value of each Share being repurchased at the time the right of repurchase is exercised (such that the repurchase is effectively a forfeiture), the Shares that were subject thereto will become available for future grant or sale under the Plan (unless the Plan has terminated). With respect to Stock Appreciation Rights, only Shares actually issued pursuant to a Stock Appreciation Right will cease to be available under the Plan; all remaining Shares under Stock Appreciation Rights will remain available for future grant or sale under the Plan (unless the Plan has terminated). Shares that have actually been issued under the Plan under any Award will not be returned to the Plan and will not become available for future distribution under the Plan; except that Shares that are forfeited to the Company, including Shares that are effectively forfeited to the Company as the result of a Company repurchase, will become available for future grant under the Plan. Shares used to pay the exercise price of an Award or to satisfy the tax withholding obligations related to an Award will become available for future grant or sale under the Plan. To the extent an Award under the Plan is paid out in cash rather than Shares, such cash payment will not result in reducing the number of Shares available for issuance under the Plan. Notwithstanding the foregoing and, subject to adjustment as provided in Section 14, the maximum number of Shares that may be issued upon the exercise of Incentive Stock Options will equal the aggregate number stated in the last sentence of Section 3(a) plus, to the extent allowable under Code Section 422 and the Treasury Regulations promulgated thereunder, any Shares that become available for issuance under the Plan pursuant to Section 3(b).

(c) Share Reserve. Shares granted pursuant to Awards may consist of authorized but unissued Shares, treasury Shares or reacquired Shares. The Company, during the term of this Plan, will at all times reserve and keep available such number of Shares as will be sufficient to satisfy the requirements of the Plan.

4. Administration of the Plan.

(a) Administration of the Plan; Delegation. The Plan shall be administered by the Administrator. To the extent required to comply with the provisions of Rule 16b-3 promulgated under the Exchange Act (if the Board is not acting as the Committee under the Plan) it is intended that each member of the Committee shall, at the time such member takes any action with respect to an Award under the Plan that is intended to qualify for the exemptions provided by Rule 16b-3 promulgated under the Exchange Act be a Qualifying Director. However, the fact that a Committee member shall fail to qualify as a Qualifying Director shall not invalidate any Award granted by the Committee that is otherwise validly granted under the Plan. Subject to Applicable Law, the Board or the Committee, in its discretion, may delegate all or part of its administrative duty and authority to a committee consistent of one or more officers of the Company, including the Chief Executive Officer, other than with respect to grants to individuals who are subject to the reporting and other provisions of Section 16 of the Exchange Act or are members of a committee to which such authority is delegated.

(b) Powers of the Administrator. Subject to the provisions of the Plan, and in the case of a Committee, subject to the specific duties delegated by the Board to such Committee, the Administrator will have the authority, in its discretion:

(i) to determine the Fair Market Value;

(ii) to select the Service Providers to whom Awards may be granted hereunder; granted

(iii) to determine the number of Shares to be covered by each Award

(iv) to approve forms of Award Agreements for use under the Plan (which forms may, for the avoidance of doubt, be different for each Service Provider to whom Awards are proposed to be granted hereunder);

(v) to determine the terms and conditions, not inconsistent with the terms of the Plan, of any Award granted hereunder. Such terms and conditions include, but are not limited to, the terms and conditions of grant, the exercise price, the time or times when Awards may be exercised (which may be based on performance criteria), any vesting acceleration or waiver of forfeiture restrictions, and any restriction or limitation regarding any Award or the Shares relating thereto, based in each case on such factors as the Administrator will determine;

(vi) to institute and determine the terms and conditions of an Exchange Program pursuant to the Plan;

(vii) to construe and interpret the terms of the Plan and Awards granted hereunder;

(viii) to prescribe, amend and rescind rules and regulations relating to the Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable foreign laws or for qualifying for favorable tax treatment under applicable foreign laws;

(ix) to modify or amend each Award (subject to Section 19(c) of the Plan), including but not limited to the discretionary authority to extend the post-termination exercisability period of Awards and to extend the maximum term of an Option (subject to Section 6(d));

(x) to allow Participants to satisfy withholding tax obligations in a manner prescribed in Section 14;

(xi) to authorize any person to execute on behalf of the Company any instrument required to effect the grant of an Award previously granted by the Administrator; and

(xii) to make all other determinations deemed necessary or advisable for administering the Plan.

(c) Effect of Administrator's Decision. The Administrator's decisions, determinations and interpretations will be final and binding on all Participants and any other holders of Awards.

(d) Indemnification. Neither the Board nor the Committee nor any member of either or any delegate thereof, shall be liable for any act, omission, interpretation, construction or determination made in good faith in connection with the Plan, and the members of the Board, the Committee (and any delegate thereof) shall be entitled in all cases to indemnification and reimbursement by the Company in respect of any claim, loss, damage or expense (including, without limitation, reasonable attorneys' fees) arising or resulting therefrom to the fullest extent permitted by law and/or under the Company's articles or bylaws, and any directors' and officers' liability insurance coverage which may be in effect from time to time and/or any indemnification agreement between such individual and the Company.

5. Eligibility. Nonstatutory Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units and Dividend Equivalent Rights may be granted to Service Providers. Incentive Stock Options may be granted only to Employees.

6. Stock Options.

(a) Grant of Options. Subject to the terms and provisions of the Plan, the Administrator, at any time and from time to time, may grant Options in such amounts as the Administrator, in its sole discretion, will determine.

(b) Option Agreement. Each Award of an Option will be evidenced by an Award Agreement that will specify the terms and conditions of grant, the exercise price, the term of the Option, the number of Shares subject to the Option, the exercise restrictions, if any, applicable to the Option, and such other terms and conditions as the Administrator, in its sole discretion, will determine. Except as provided in Section 14(a), dividends shall not be paid with respect to Shares subject to an Option; provided, however, that the holder of an Option may be credited with Dividend Equivalent Rights with respect to the Shares subject to such Option to the extent set forth in the applicable Award Agreement or as otherwise determined by the Administrator from time to time, and subject to such terms and conditions as the Administrator may determine.

(c) Limitations. Each Option will be designated in the Award Agreement as either an Incentive Stock Option or a Nonstatutory Stock Option. Notwithstanding such designation, however, to the extent that the aggregate Fair Market Value of the Shares with respect to which Incentive Stock Options are exercisable for the first time by the Participant during any calendar year (under all plans of the Company and any Parent or Subsidiary) exceeds one hundred thousand dollars (\$100,000) (United States currency), such Options will be treated as Nonstatutory Stock Options. For purposes of this Section 6(c), Incentive Stock Options will be taken into account in the order in which they were granted, the Fair Market Value of the Shares will be determined as of the time the Option with respect to such Shares is granted, and calculation will be performed in accordance with Code Section 422 and Treasury Regulations promulgated thereunder. In addition, the qualification of Awards as Incentive Stock Options shall be subject to shareholder approval of the Plan in accordance with Section 24 hereof.

(d) Term of Option. The term of each Option will be stated in the Award Agreement; provided, however, that the term will be no more than ten (10) years from the date of grant thereof. In the case of an Incentive Stock Option granted to a Participant who, at the time the Incentive Stock Option is granted, owns stock representing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Parent or Subsidiary, the term of the Incentive Stock Option will be five (5) years from the date of grant or such shorter term as may be provided in the Award Agreement.

(e) Option Exercise Price and Consideration.

(i) Exercise Price. The per Share exercise price for the Shares to be issued pursuant to the exercise of an Option will be determined by the Administrator, but will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant. In addition, in the case of an Incentive Stock Option granted to an Employee who owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary, the per Share exercise price will be no less than one hundred ten percent (110%) of the Fair Market Value per Share on the date of grant. Notwithstanding the foregoing provisions of this Section 6(e)(i), Options may be granted with a per Share exercise price of less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant pursuant to a transaction described in, and in a manner consistent with, Code Section 424(a).

(ii) Waiting Period and Exercise Dates. At the time an Option is granted, the Administrator will fix the period within which the Option may be exercised and will determine any conditions that must be satisfied before the Option may be exercised.

(iii) Form of Consideration. The Administrator will determine the acceptable form of consideration for exercising an Option, including the method of payment. In the case of an Incentive Stock Option, the Administrator will determine the acceptable form of consideration at the time of grant. Such consideration may consist of: (1) cash; (2) check; (3) promissory note, to the extent permitted by Applicable Laws; (4) other Shares, provided that such Shares have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which such Option will be exercised and provided further that accepting such Shares will not result in any adverse accounting consequences to the Company, as the Administrator determines in its sole discretion; (5) consideration received by the Company under a cashless exercise program (whether through a broker or otherwise) implemented by the Company in connection with the Plan; (6) by net exercise; (7) such other consideration and method of payment for the issuance of Shares to the extent permitted by Applicable Laws; or (8) any combination of the foregoing methods of payment. In making its determination as to the type of consideration to accept, the Administrator will consider if acceptance of such consideration may be reasonably expected to benefit the Company.

(f) Exercise of Option.

(i) Procedure for Exercise; Rights as a Stockholder. Any Option granted hereunder will be exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Administrator and set forth in the Award Agreement. An Option may not be exercised for a fraction of a Share.

An Option will be deemed exercised when the Company receives: (1) notice of exercise (in such form as the Administrator may specify from time to time) from the person entitled to exercise the Option, and (2) full payment for the Shares with respect to which the Option is exercised (together with applicable tax withholding). Full payment may consist of any consideration and method of payment authorized by the Administrator and permitted by the Award Agreement and the Plan. Shares issued upon exercise of an Option will be issued in the name of the Participant or, if requested by the Participant, in the name of the Participant and his or her spouse. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares subject to an Option, notwithstanding the exercise of the Option. The Company will issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 14 of the Plan.

Exercising an Option in any manner will decrease the number of Shares thereafter available, both for purposes of the Plan and for sale under the Option, by the number of Shares as to which the Option is exercised.

(ii) Resignation or Termination without Cause. If a Participant ceases to be a Service Provider, other than as the result of the Participant's termination for Cause or the Participant's death or Disability, the Participant may exercise his or her Option within ninety (90) days of termination, or such longer period of time as is specified in the Award Agreement or determined by the Administrator (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement) to the extent that the Option is vested on the date of termination. Unless otherwise provided by the Administrator, if on the date of termination the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If after termination the Participant does not exercise his or her Option within the time specified by the Administrator, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(iii) Termination for Cause. If a Participant ceases to be a Service Provider as the result of the Participant's termination for Cause or the Participant's resignation in anticipation of a termination for Cause, the Participant may not exercise his or her Option following such termination or resignation. Unless otherwise provided by the Administrator, a Participant who is terminated for Cause, or who resigns in anticipation of a termination for Cause, will automatically forfeit his or her Option in its entirety (including any vested portion). Such forfeited Option will terminate and the Shares covered by the Option will revert to the Plan. Any determination of whether a Participant resigned in anticipation of a termination for Cause or a Participant's employment or service is (or is deemed to have been) terminated for Cause shall be made by the Administrator in its sole discretion, which determination shall be final and binding. If, subsequent to a Participant's termination of employment or service, it is determined by the Administrator that the Participant's employment or service could have been terminated for Cause, the Administrator may deem such Participant's employment or service to have been terminated for Cause, and any Option held by the Participant shall be subject to the treatment applicable following a termination for Cause, including under any recapture, clawback or similar policy of the Company as may be in effect from time to time.

(iv) Disability of Participant. If a Participant ceases to be a Service Provider as a result of the Participant's Disability, the Participant may exercise his or her Option within one (1) year of termination, or such longer period of time as is specified in the Award Agreement or determined by the Administrator (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement) to the extent the Option is vested on the date of termination. Unless otherwise provided by the Administrator, if on the date of termination the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If after termination the Participant does not exercise his or her Option within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(v) Death of Participant. If a Participant dies while a Service Provider, the Option may be exercised within one (1) year following the Participant's death, or within such longer period of time as is specified in the Award Agreement or determined by the Administrator (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement) to the extent that the Option is vested on the date of death, by the Participant's designated beneficiary, provided such beneficiary has been designated prior to the Participant's death in a form acceptable to the Administrator. If no such beneficiary has been designated by the Participant, then such Option may be exercised by the personal representative of the Participant's estate or by the person(s) to whom the Option is transferred pursuant to the Participant's will or in accordance with the laws of descent and distribution. Unless otherwise provided by the Administrator, if at the time of death Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will immediately revert to the Plan. If the Option is not so exercised within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

7. Stock Appreciation Rights.

(a) Grant of Stock Appreciation Rights. Subject to the terms and conditions of the Plan, a Stock Appreciation Right may be granted to Service Providers at any time and from time to time as will be determined by the Administrator, in its sole discretion.

(b) Number of Shares. The Administrator will have complete discretion to determine the number of Shares subject to any Award of Stock Appreciation Rights.

(c) Exercise Price and Other Terms. The per Share exercise price for the Shares that will determine the amount of the payment to be received upon exercise of a Stock Appreciation Right as set forth in Section 7(f) will be determined by the Administrator and will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant. Otherwise, the Administrator, subject to the provisions of the Plan, will have complete discretion to determine the terms and conditions of Stock Appreciation Rights granted under the Plan.

(d) Stock Appreciation Right Agreement. Each Stock Appreciation Right grant will be evidenced by an Award Agreement that will specify the terms and conditions of grant, the exercise price, the term of the Stock Appreciation Right, the conditions of exercise, and such other terms and conditions as the Administrator, in its sole discretion, will determine. Except as provided in Section 14(a), dividends shall not be paid with respect to Shares subject to a Stock Appreciation Right; provided, however, that the holder of a Stock Appreciation Right may be credited with Dividend Equivalent Rights with respect to the Shares subject to such Stock Appreciation Right to the extent set forth in the applicable Award Agreement or as otherwise determined by the Administrator from time to time, and subject to such terms and conditions as the Administrator may determine.

(e) Expiration of Stock Appreciation Rights. A Stock Appreciation Right granted under the Plan will expire upon the date determined by the Administrator, in its sole discretion, and set forth in the Award Agreement. Notwithstanding the foregoing, the rules of Section 6(d) relating to the maximum term and Section 6(f) relating to exercise also will apply to Stock Appreciation Rights.

(f) Payment of Stock Appreciation Right Amount. Upon exercise of a Stock Appreciation Right, a Participant will be entitled to receive payment from the Company in an amount determined by multiplying:

- (i) The difference between the Fair Market Value of a Share on the date of exercise over the exercise price; times
- (ii) The number of Shares with respect to which the Stock Appreciation Right is exercised.

At the discretion of the Administrator, the payment upon Stock Appreciation Right exercise may be in cash, in Shares of equivalent value, or in some combination thereof.

8. Restricted Stock.

(a) Grant of Restricted Stock. Subject to the terms and provisions of the Plan, the Administrator, at any time and from time to time, may grant Shares of Restricted Stock to Service Providers in such amounts as the Administrator, in its sole discretion, will determine.

(b) Restricted Stock Agreement. Each Award of Restricted Stock will be evidenced by an Award Agreement that will specify the terms and conditions of grant, the Period of Restriction, the number of Shares granted, and such other terms and conditions as the Administrator, in its sole discretion, will determine. Unless the Administrator determines otherwise, the Company as escrow agent will hold Shares of Restricted Stock until the restrictions on such Shares have lapsed.

(c) Transferability. Except as provided in this Section 8 or as the Administrator determines, Shares of Restricted Stock may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated until the end of the applicable Period of Restriction.

(d) Other Restrictions. The Administrator, in its sole discretion, may impose such other restrictions on Shares of Restricted Stock as it may deem advisable or appropriate.

(e) Removal of Restrictions. Except as otherwise provided in this Section 8, Shares of Restricted Stock covered by each Restricted Stock grant made under the Plan will be released from escrow as soon as practicable after the last day of the Period of Restriction or at such other time as the Administrator may determine. The Administrator, in its discretion, may accelerate the time at which any restrictions will lapse or be removed.

(f) Voting Rights. During the Period of Restriction, Service Providers holding Shares of Restricted Stock granted hereunder may exercise full voting rights with respect to those Shares, unless the Administrator determines otherwise.

(g) Dividends and Other Distributions. During the Period of Restriction, Service Providers holding Shares of Restricted Stock will be entitled to receive all dividends and other distributions paid with respect to such Shares, unless the Administrator provides otherwise. In addition, Service Providers holding Shares of Restricted Stock may be credited with Dividend Equivalent Rights with respect to such Shares to the extent set forth in the applicable Award Agreement or as otherwise determined by the Administrator from time to time, and subject to such terms and conditions as the Administrator may determine. If any such dividends or distributions or Dividend Equivalent Rights are paid in Shares, the Shares will be subject to the same restrictions on transferability and forfeitability as the Shares of Restricted Stock with respect to which they were paid.

(h) Return of Restricted Stock to Company. On the date set forth in the Award Agreement, the Restricted Stock for which restrictions have not lapsed will revert to the Company and again will become available for grant under the Plan.

9. Restricted Stock Units.

(a) Grant. Restricted Stock Units may be granted at any time and from time to time as determined by the Administrator. After the Administrator determines that it will grant Restricted Stock Units, it will advise the Participant in an Award Agreement of the terms, conditions, and restrictions related to the grant, including the number of Restricted Stock Units.



(b) Vesting Criteria and Other Terms. The Administrator will set vesting criteria in its discretion, which, depending on the extent to which the criteria are met, will determine the number of Restricted Stock Units that will be paid out to the Participant. The Administrator may set vesting criteria based upon the achievement of Company-wide, business unit, or individual goals (including, but not limited to, continued employment or service), or any other basis determined by the Administrator in its discretion.

(c) Earning Restricted Stock Units. Upon meeting the applicable vesting criteria, the Participant will be entitled to receive a payout as determined by the Administrator. Notwithstanding the foregoing, at any time after the grant of Restricted Stock Units, the Administrator, in its sole discretion, may reduce or waive any vesting criteria that must be met to receive a payout.

(d) Form and Timing of Payment. Payment of earned Restricted Stock Units will be made as soon as practicable after the date(s) determined by the Administrator and set forth in the Award Agreement. The Administrator, in its sole discretion, may settle earned Restricted Stock Units in cash, Shares, or a combination of both.

(e) Rights as a Shareholder. A grantee shall not have any rights as a shareholder of the Company until and unless the grantee is issued Shares upon settlement of Restricted Share Units; provided, however, that the grantee may be credited with Dividend Equivalent Rights with respect to the units underlying his or her Restricted Share Units, subject to such terms and conditions as the Administrator may determine.

(f) Cancellation. On the date set forth in the Award Agreement, all unearned Restricted Stock Units will be forfeited to the Company.

10. Cash-Based Incentive Awards; Dividend Equivalent Rights.

(a) The Administrator may grant Cash-Based Incentive Awards under the Plan. A Cash-Based Incentive Award is an Award that entitles the grantee to a payment in cash upon the attainment of specified performance goals. The Administrator shall determine the maximum duration of the Cash-Based Incentive Award, the amount of cash to which the Cash-Based Incentive Award pertains, the conditions upon which the Cash-Based Incentive Award shall become vested or payable, and such other provisions as the Administrator shall determine. Each Cash-Based Incentive Award shall specify a cash-denominated payment amount, formula or payment ranges as determined by the Administrator. Payment, if any, with respect to a Cash-Based Incentive Award shall be made in accordance with the terms of the Award and may be made in cash.

(b) The Administrator may grant Dividend Equivalent Rights under the Plan pursuant to an Award Agreement. Dividend Equivalent Rights may be granted alone or ancillary to or otherwise in respect of any other Award. A Dividend Equivalent Right shall relate to a specified number of Shares and shall entitle the holder of the Dividend Equivalent Right to a payment in an amount equal to the amount of the dividends that would have been payable to a holder of such Shares had they been outstanding and vested during the term of the Dividend Equivalent Right. Payment of a Dividend Equivalent Right may be made in cash, Shares, other securities, other Awards or other property and may be made currently or credited to an account (which shall not bear interest) for the holder and paid at such time as the Administrator shall specify in the applicable Award Agreement. Dividend Equivalent Rights shall otherwise be subject to such terms and conditions (which may include vesting and forfeiture terms, and may provide for payment in the form of reinvestment in additional Shares) as may be set out in the applicable Award Agreement.

11. Compliance With Code Section 409A. Awards will be designed and operated in such a manner that they are either exempt from the application of, or comply with, the requirements of Code Section 409A, except as otherwise determined in the sole discretion of the Administrator. The Plan and each Award Agreement under the Plan is intended to meet the requirements of Code Section 409A and will be construed and interpreted in accordance with such intent, except as otherwise determined in the sole discretion of the Administrator. To the extent that an Award or payment, or the settlement or deferral thereof, is subject to Code Section 409A the Award will be granted, paid, settled or deferred in a manner that will meet the requirements of Code Section 409A, such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Code Section 409A.

12. Leaves of Absence/Transfer Between Locations. Unless the Administrator provides otherwise, vesting of Awards granted hereunder will be suspended during any unpaid leave of absence. For the purposes of the Plan, a Participant will not cease to be an Employee in the case of (i) any leave of absence approved by the Company or (ii) transfers between locations of the Company. For purposes of Incentive Stock Options, no such leave may exceed three (3) months, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Company is not so guaranteed, then six (6) months following the first (1<sup>st</sup>) day of such leave, any Incentive Stock Option held by the Participant will cease to be treated as an Incentive Stock Option and will be treated for tax purposes as a Nonstatutory Stock Option.

13. Transfer of Awards or Shares. Unless determined otherwise by the Administrator, Awards may not be sold, pledged, assigned, hypothecated, or otherwise transferred in any manner other than by will or by the laws of descent and distribution, and may be exercised, during the lifetime of the Participant, only by the Participant (or legal representative or guardian, in the event of the Participant's incapacity).

14. Adjustments; Dissolution or Liquidation; Merger or Change in Control.

(a) Adjustments. In the event that any extraordinary cash dividend or other distribution, dividend or other distribution in kind, recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, or other similar corporate event or transaction or change in the corporate structure of the Company affecting the Shares occurs, the Administrator, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the Plan, will adjust or substitute: (i) the number and kind of Shares or other property that may be issued under the Plan or under particular forms of Awards; (ii) the number and kind of Shares or other property subject to outstanding Awards; (iii) the exercise price, grant price or purchase price applicable to outstanding Awards; and/or (iv) other value determinations (including performance conditions) applicable to the Plan or outstanding Awards. All such adjustments shall be made in good-faith compliance with Code Sections 409A, 422 and 424, as applicable.

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, the Administrator will notify each Participant as soon as practicable prior to the effective date of such proposed transaction. To the extent it has not been previously exercised, an Award will terminate immediately prior to the consummation of such proposed action.

(c) Change in Control. In the event of a Change in Control, each outstanding Award will be treated as the Administrator determines (subject to the provisions of the following paragraph) without a Participant's consent. Such treatment may include, without limitation, that (i) Awards will be assumed, or substantially equivalent Awards will be substituted, by the acquiring or succeeding corporation (or an affiliate thereof) with appropriate adjustments as to the number and kind of shares and prices (in good-faith compliance with Code Sections 409A, 422 and 424, as applicable); (ii) upon written notice to a Participant, the Participant's Awards will terminate upon or immediately prior to the consummation of such Change in Control; (iii) outstanding Awards will vest and become exercisable, realizable, or payable, or restrictions applicable to an Award will lapse, in whole or in part prior to or upon consummation of such Change in Control, and, to the extent the Administrator determines, terminate upon or immediately prior to the effectiveness of such Change in Control; (iv) the termination of an Award in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise of such Award or realization of the Participant's rights as of the date of the occurrence of the transaction (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction the Administrator determines in good faith that no amount would have been attained upon the exercise of such Award or realization of the Participant's rights, then such Award may be terminated by the Company without payment); (v) the replacement of such Award with other rights or property selected by the Administrator in its sole discretion; or (vi) any combination of the foregoing. In taking any of the actions permitted under this Section 14(c), the Administrator will not be obligated to treat all Awards similarly, including all Awards held by a Participant or all Awards of the same type.

If an Option or Stock Appreciation Right is not assumed or substituted in the event of a Change in Control, the Administrator may, in its discretion, elect to accelerate all unvested Shares subject to Options or Stock Appreciation Rights that are not assumed or substituted, and, in any event, will notify the Participant in writing or electronically that the Option or Stock Appreciation Right will be exercisable for a period of time determined by the Administrator in its sole discretion, and the Option or Stock Appreciation Right will terminate upon the expiration of such period.

For the purposes of this Section 14(c), an Award will be considered assumed if, following the Change in Control, the Award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the Change in Control, the consideration (whether stock, cash, or other securities or property) received in the Change in Control by holders of Common Stock for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the Change in Control is not solely common stock of the successor corporation or its Parent, the Administrator may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of an Option or Stock Appreciation Right or upon the payout of a Restricted Stock Unit, for each Share subject to such Award, to be solely common stock of the successor corporation or its Parent equal in fair market value to the per share consideration received by holders of Common Stock in the Change in Control.

Notwithstanding anything in this Section 14(c) to the contrary, an Award that vests, is earned or paid out upon the satisfaction of one or more performance goals will not be considered assumed if the Company or its successor modifies any of such performance goals without the Participant's consent; provided, however, a modification to such performance goals only to reflect the successor corporation's post-Change in Control corporate structure will not be deemed to invalidate an otherwise valid Award assumption.

Notwithstanding anything in this Section 14(c) to the contrary, if a payment under an Award Agreement is subject to Code Section 409A and if the change in control definition contained in the Award Agreement does not comply with the definition of "change in control event" for purposes of a distribution under Code Section 409A, then any payment of an amount that is otherwise accelerated under this Section will be delayed until the earliest time that such payment would be permissible under Code Section 409A without triggering any penalties applicable under Code Section 409A.

15. Tax Withholding.

(a) Withholding Requirements. Prior to the delivery of any Shares or cash pursuant to an Award (or exercise thereof), the Company will have the power and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy federal, state, local, foreign or other taxes (including the Participant's FICA obligation) required to be withheld with respect to such Award (or exercise thereof).

(b) Withholding Arrangements. The Board, in its sole discretion and pursuant to such procedures as the Administrator may specify from time to time, may permit a Participant to satisfy such tax withholding obligation, in whole or in part, by (without limitation) (i) paying cash, (ii) electing to have the Company withhold otherwise deliverable Shares having a Fair Market Value equal to the minimum statutory amount required to be withheld, (iii) delivering to the Company already-owned Shares having a Fair Market Value equal to the statutory amount required to be withheld, provided the delivery of such Shares will not result in any adverse accounting consequences, as the Administrator determines in its sole discretion, or (iv) selling a sufficient number of Shares otherwise deliverable to the Participant through such means as the Administrator may determine in its sole discretion (whether through a broker or otherwise) equal to the amount required to be withheld. The amount of the withholding requirement will be deemed to include any amount which the Administrator agrees may be withheld at the time the election is made, not to exceed the amount determined by using the maximum federal, state or local marginal income tax rates applicable to the Participant with respect to the Award on the date that the amount of tax to be withheld is to be determined. The Fair Market Value of the Shares to be withheld or delivered will be determined as of the date that the taxes are required to be withheld.

16. No Effect on Employment or Service. Neither the Plan nor any Award will confer upon a Participant any right with respect to continuing the Participant's relationship as a Service Provider with the Company, nor will they interfere in any way with the Participant's right or the Company's right to terminate such relationship at any time, with or without cause, to the extent permitted by Applicable Laws.

17. Clawback/Repayment. All Awards shall be subject to reduction, cancellation, forfeiture or recoupment to the extent necessary to comply with (i) any clawback, forfeiture or other similar policy adopted by the Board or the Committee and as in effect from time to time; and (ii) Applicable Law. Further, unless otherwise determined by the Committee, to the extent that the Participant receives any amount in excess of the amount that the Participant should otherwise have received under the terms of the Award for any reason (including, without limitation, by reason of a financial restatement, mistake in calculations or other administrative error), the Participant shall be required to repay any such excess amount to the Company.

18. Date of Grant. The date of grant of an Award will be, for all purposes, the date on which the Administrator makes the determination granting such Award, or such other later date as is determined by the Administrator. Notice of the determination will be provided to each Participant within a reasonable time after the date of such grant.

19. Term of Plan. Subject to Section 23 of the Plan, the Plan will become effective upon its adoption by the Board. Unless sooner terminated under Section 20, it will continue in effect for a term of ten (10) years from the later of (a) the effective date of the Plan, or (b) the earlier of the most recent Board or stockholder approval of an increase in the number of Shares reserved for issuance under the Plan.

20. Amendment and Termination of the Plan.

(a) Amendment and Termination. The Board may at any time amend, alter, suspend or terminate the Plan.

(b) Stockholder Approval. The Company will obtain stockholder approval of any Plan amendment to the extent necessary and desirable to comply with Applicable Laws.

(c) Effect of Amendment or Termination. No amendment, alteration, suspension or termination of the Plan will impair the rights of any Participant, unless mutually agreed otherwise between the Participant and the Administrator, which agreement must be in writing and signed by the Participant and the Company. Termination of the Plan will not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination.

21. Conditions Upon Issuance of Awards. Awards will not be granted unless the grant of such Award will comply with Applicable Laws. As a condition of the grant of an Award, the Company may require the person to whom such Award is granted to represent and warrant at the time of such grant that the grant to such person is permitted under Applicable Laws.

22. Conditions Upon Issuance of Shares.

(a) Legal Compliance. Shares will not be issued pursuant to the exercise of an Award unless the exercise of such Award and the issuance and delivery of such Shares will comply with Applicable Laws and will be further subject to the approval of counsel for the Company with respect to such compliance.

(b) Investment Representations. As a condition to the exercise of an Award, the Company may require the person exercising such Award to represent and warrant at the time of any such exercise that (i) the Shares are being purchased only for investment and without any intention to sell or distribute, or offer to sell or distribute, such Shares if, in the opinion of counsel for the Company, such a representation is required and (ii) the purchase of Shares is permitted under Applicable Laws.

23. Inability to Obtain Authority. The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, will relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority will not have been obtained.

24. Stockholder Approval. As a condition to the granting of Incentive Stock Options hereunder, the Plan must be approved by the stockholders of the Company within twelve (12) months after the 2022 Amendment Date. If such approval is not timely attained, then (a) Awards of Incentive Stock Options shall cease to be eligible for grant under the Plan, and (b) if an Award of Options designated as Incentive Stock Options was previously granted, such Options will instead be Nonstatutory Stock Options for all purposes of the Plan (and for avoidance of doubt, the Plan shall otherwise remain in full force and effect as amended on the 2022 Amendment Date). Any such stockholder approval will be obtained in the manner required under Applicable Laws.

25. Governing Law. The Plan shall be governed by and construed in accordance with the internal laws of the British Virgin Islands applicable to contracts made and performed wholly within the State of Connecticut, without giving effect to the conflict of laws provisions thereof. EACH PARTICIPANT WHO ACCEPTS AN AWARD IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY SUIT, ACTION, OR OTHER PROCEEDING INSTITUTED BY OR AGAINST SUCH PARTICIPANT IN RESPECT OF THE PARTICIPANT'S RIGHTS OR OBLIGATIONS HEREUNDER.

**LIST OF SUBSIDIARIES**

<b>Name</b>	<b>Jurisdiction</b>	<b>Percentage of ownership</b>
Stimunity S.A.	France	44%
SalvaRx Limited	BVI	100%
iOx Therapeutics Ltd.	UK	78%
Saugatuck Therapeutics Ltd.	BVI	70%
Tarus Therapeutics Limited (formerly Intensity Holdings Limited)	BVI	100%
Saugatuck Rx LLC	USA	70% *
SalvaRx LLC	USA	100%
Tarus Therapeutics, LLC	USA	100%

\* 100% owned by Saugatuck Therapeutics Ltd.

## SERVICES AGREEMENT

**THIS SERVICES AGREEMENT** (the “**Agreement**”) is effective as of December 15, 2021, by and between **Portage Development Services Inc.**, a Delaware corporation (the “**Company**”), and **Ian B. Walters, MD** a resident of the State of Connecticut (the “**Executive**”).

**WHEREAS**, the Company and Executive desire to enter into this Agreement pursuant to which the Company will continue to employ Executive in the capacity, for the period and on the terms and conditions set forth herein;

**NOW, THEREFORE**, in consideration of the premises and mutual covenants and agreements herein contained, the parties hereby agree as follows:

**1. EMPLOYMENT BY THE COMPANY.**

(a) **EMPLOYMENT AND DUTIES.** The Company hereby continues to employ Executive of the Company to act in accordance with the terms and conditions hereinafter set forth. During the Term (as defined below), Executive will report to the Board of Directors (the “**Board**”) and agrees that it will devote sufficient time, attention and skills to the operation of the Business (as defined below) of the Company and that it will perform such duties, functions, responsibilities and authority in connection with the foregoing as are from time to time delegated to Executive by the Board. These duties shall include, but shall not be limited to, responsibility for the Company’s day to day operations and other tasks delegated by the Board. For purposes of this Agreement, the “**Business**” of the Company shall be defined as the development and commercialization of immuno-oncology and related products and related technology based products with mechanisms including iNKT agonists, intratumoral chemotherapy, STING agonists, RAGE antibodies, and nanoliopgels. Executive is not bound by the terms of any agreement with any previous employer or other party which would limit its abilities to perform its duties and obligations hereunder.

(b) **TERM.** The term of this Agreement shall commence on the date hereof and shall continue for a period of three (3) years (the “**Initial Term**”). Thereafter, this Agreement shall be automatically renewed for one year periods. The Initial Term and any renewals thereof shall be referred to herein as the “**Term.**” In each case, the Term will continue until terminated in accordance with Section 6(d).

**2. COMPENSATION.** In consideration of all the services to be rendered by Executive to the Company hereunder, the Company hereby agrees to pay or otherwise provide Executive the following compensation and benefits. It is furthermore understood that the Company shall have the right to deduct or withhold as required under any provision of applicable law from:

(a) **SALARY.** Executive shall receive an initial annual salary of Six Hundred Eighteen Thousand Dollars (\$618,000) to begin on December 1, 2021, plus annual cost of living salary increases (“**Base Salary**”). The applicable Base Salary shall be reviewed by the Board each year prior to the anniversary of this Agreement to determine the annual increase to the applicable year’s Base Salary; provided, however, that in no event shall such annual increase be less than cost of living increase. The applicable Base Salary will be paid in equal installments not less frequently than bi-monthly in accordance with the Company’s salary payment practices in effect from time to time for senior executives of the Company

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(b) **BONUS PAYMENT.** In addition to the Base Salary then in effect, Executive shall be eligible to receive a bonus payment (the “**Bonus Payment**”) with a target of fifty-nine percent (59%) of the applicable year’s Base Salary (the “**Bonus Percentage**”) based upon Executive achieving performance objectives as determined each year by the Board of Directors and communicated to Executive during the first quarter of the year. The Bonus Payment will be paid in accordance with the Company’s bonus payment practices in effect from time to time for senior executives of the Company, but no later than March 15 of the calendar year immediately following the calendar year for which the bonus is being measured. The Board shall review the Executive’s Bonus Percentage annually and may, in the Board’s sole discretion, increase the Bonus Percentage based upon the Company’s and Executive’s performance.

(c) **LONG TERM INCENTIVES.** Executive shall be eligible to participate in equity awards from time to time under the Portage Biotech Inc. 2021 Equity Incentive Plan on terms and conditions established for such grant by the Board of Directors of Portage Biotech Inc.

(d) **EXPENSES.** Executive shall be entitled to be reimbursed for all reasonable expenses incurred by him in connection with the fulfillment of his duties hereunder, including all necessary continuing education and certification costs and related expenses; provided, however, that Executive has obtained the Company’s prior written approval of such expenses and has complied with all policies and procedures related to the reimbursement of such expenses as shall, from time to time, be established by the Company. For the avoidance of doubt, to the extent that any reimbursements payable to Executive under this subsection 2(e) are subject to the provisions of Section 409A of the Code: any such reimbursements will be paid no later than December 31 of the year following the year in which the expense was incurred, the amount of expenses reimbursed in one year will not affect the amount eligible for reimbursement in any subsequent year, and the right to reimbursement under this Agreement will not be subject to liquidation or exchange for another benefit.

(e) **VACATIONS AND SICK LEAVE.** Executive shall be entitled to four (4) weeks paid vacation annually to be taken in accordance with the Company’s vacation policy in effect from time to time and at such time or times as may be mutually agreed upon by the Company and Executive; provided, however, that if for any reason Executive does not take the full four (4) weeks’ vacation in any given year, Executive shall be entitled to accrue and carry over such vacation time according to the policy established by the Company. Executive shall also be entitled to sick leave according to the sick leave policy which the Company may adopt from time to time.

(f) **ATTORNEY’S FEES.** Executive shall be reimbursed by the Company for all reasonable attorney’s fees incurred by Executive in negotiating the Agreement upon the Company’s receipt of such documentation thereof as the Company may reasonably require.

### **3. INDEMNIFICATION.**

**COMPANY’S OBLIGATION TO INDEMNIFY.** To the maximum extent allowable under the law of Delaware and the Bylaws and Certificates of Incorporation of the Company, the Company shall at all times during the Term and thereafter, indemnify and defend and hold Executive harmless from and against all liability, loss, costs, claims, damages, expenses, judgments, awards, and settlements as well as attorneys’ fees and expenses, personal or otherwise, whether in tort or in contract, law or equity, that the Company or the Executive may incur by reason of or arising out of any claim made by any third party (together, the “**Losses**”) by reason of, relating to or arising out of Executive’s employment with Company; provided, however, that the Company’s foregoing indemnification obligations shall not apply to Losses incurred by the Company as a result of the Executive’s willful misconduct, gross negligence, or conviction of a felony (including entry of a plea of nolo contendere) for illegal or criminal behavior. Indemnification shall include all costs, including actual attorneys’ fees and expenses reasonably incurred in pursuing indemnity claims under or enforcement of this Agreement. The Company will promptly advance to Executive expenses incurred or to be incurred by Executive to defend any claim, action, suit, proceeding or investigation with respect to the matters subject to indemnification pursuant to this Section 3 (including any expenses incurred in enforcing Executive’s rights under this Section 3), after receipt by the Company of a written request from Executive for such advance together with documentation reasonably acceptable to the Company and subject to an undertaking by Executive to pay back any advanced amounts for which it is determined by agreement between Executive and the Company or by a final judgment of a court of competent jurisdiction that Executive was not entitled to indemnification. This indemnity is in addition to, and does not replace, Portage Biotech Inc. obligations to indemnify.

(a) D&O INSURANCE. During the employment Term and for a commercially reasonable period thereafter, the Company shall cover or cause Portage Biotech, Inc to cover the Executive under its directors' and officers' liability insurance policy to the extent commercially available.

4. **INSURANCE.** The Company may secure, in its own name, or otherwise, and at its own expense, life, health, accident and other insurance covering Executive. Executive agrees to assist the Company in procuring such insurance by submitting to the usual and customary medical and other examinations and by signing, as the insured, such applications and other instruments in writing as may be reasonably requires by the insurance companies to which application is made pursuant to such insurance. Executive agrees that it shall have no right, title, or interest in or to any insurance policies or to the proceeds thereof which the Company many so elect to take out or to continue on Executive's life.

5. **TERMINATION OF EMPLOYMENT.**

(a) **TERMINATION BY THE COMPANY WITHOUT JUST CAUSE, BY VIRTUE OF DEATH OR DISABILITY OF EXECUTIVE, OR RESIGNATION BY THE EXECUTIVE FOR GOOD REASON.**

(i) The Company shall have the right to terminate Executive's employment with the Company pursuant to this Section 6(a) at any time, in accordance with Section 6(d), without "**Just Cause**" (as defined in Section 6(c)(ii) below) or by virtue of Executive's death or Disability (as defined herein) by giving notice as described in Section 9(a) of this Agreement. The Executive shall have the right to terminate its employment for Good Reason in accordance with Section 6(a)(vi).

(ii) If the Company terminates Executive's employment at any time without Just Cause or by virtue of the death or Disability of Executive or Executive terminates its employment with the Company for "**Good Reason**" (as defined in Section 6(a)(vi) below) , then Executive shall be entitled to receive the Accrued Obligations (defined in 6(a)(iv) below). If Executive complies with the obligations in Section 6(a)(iii) below, Executive shall also be eligible to receive the following "**Severance Benefits**":

(1) The Company will pay Executive an amount equal to the sum of (A) Executive's then current Base Salary and (B) the average annual bonus for each of the prior two completed performance years, such sum to be divided by twelve and less all applicable withholdings and deductions, paid in equal installments for twelve (12) months (the "**Severance Period**"), commencing on the first payroll date that is more than sixty (60) days following the date of termination of Executive's employment, with the remaining installments occurring on the first day of each remaining month of the Severance Period thereafter.

(2) If a policy is in place when the Severance Period commences, the Company shall pay to the Executive the premiums for the continuation of the Executive's life insurance benefits for a period of twelve (12) months (the "**Life Insurance Period**") from the date of termination, subject to any applicable withholdings and deductions, in monthly installments commencing on the Company's first regular payroll date that is more than sixty (60) days following the date of termination.

(3) The Company will provide Executive with continued medical and dental benefits for the duration of the Severance Period at the same rate of participant and Company shared costs as in effect for active employees of the Company.

(4) all stock options (and any other unvested equity incentive award) held by the Executive relating to shares of the Company or its parent will be deemed fully vested and exercisable on the Termination Date and the exercise period for such stock options will be increased by a period of two years from the Termination Date

(iii) Executive will be paid all of the Accrued Obligations on the Company's first payroll date after Executive's date of termination from employment or earlier if required by law. Executive shall receive the Severance Benefits pursuant to Section 6(a)(ii) or Change in Control Severance Benefits pursuant to Section 6(b)(i) of this Agreement if by the 60<sup>th</sup> day following the date of Executive's termination of employment, he has signed, delivered to the Company and not revoked in whole or in part a mutually agreeable separation agreement that includes a general release in favor of the Company (the "**Release**").

(iv) For purposes of this Agreement, "**Accrued Obligations**" are any accrued but unpaid portion of the applicable Base Salary, plus any accrued but unused vacation time and unpaid expenses (in accordance with Section 2(d)) that have been earned by the Executive as the date of such termination.

(v) For purposes of this Agreement, and subject to applicable state and federal law, termination by the Company on account of the Executive's "**Disability**" shall mean termination because Executive is unable due to a physical or mental condition to perform the essential functions of his position with or without reasonable accommodation for six (6) months in the aggregate during any twelve (12) month period or based on the written certification by two licensed physicians of the likely continuation of such condition for such period. This definition shall be interpreted and applied consistent with the Americans with Disabilities Act, the Family and Medical Leave Act, and other applicable law. Whenever Severance Benefits or Change in Control Severance Benefits are payable to Executive hereunder during a time when Executive is partially or totally disabled, and such Disability would entitle it to disability income payments according to the terms of any plan or policy now or hereafter provided by the Company, the Severance Benefits or Change in Control Severance Benefits payable to Executive hereunder shall be inclusive of any such disability income and shall not be in addition thereto, even if such disability income is payable directly to Executive by an insurance company under a policy paid for by the Company.

(vi) For purposes of this Agreement, "**Good Reason**" shall mean the occurrence of any of the following events without Executive's consent: a material reduction in Executive's Base Salary; a material reduction in the Executive's duties, authority and responsibilities relative to the Executive's duties, authority, and responsibilities in effect immediately prior to such reduction; the relocation of Executive's principal place of employment, without Executive's consent, in a manner that lengthens his one-way commute distance by fifty (50) or more miles from his then-current principal place of employment immediately prior to such relocation; any material breach of the Agreement by the Company or its successors; or the liquidation, dissolution, merger, consolidation or reorganization of the Company or transfer of all or a significant portion of its business and/or assets, unless the successor or successors shall have assumed all duties and obligations of the Company under the Agreement; *provided, however*, that, any such termination by Executive shall only be deemed for Good Reason pursuant to this definition if: Executive gives the Company written notice of its intent to terminate for Good Reason within thirty (30) days following the occurrence of one or more condition(s) that it believes constitute(s) Good Reason, which notice shall describe such condition(s); the Company fails to remedy such condition(s) within thirty (30) days following receipt of the written notice (the "**Cure Period**"); the Company has not, prior to receiving such notice from Executive, already informed Executive that its employment with the Company is being terminated and Executive voluntarily terminates its employment within thirty (30) days following the end of the Cure Period.

(b) TERMINATION BY THE COMPANY WITHOUT JUST CAUSE OR RESIGNATION BY THE EXECUTIVE FOR GOOD REASON COINCIDENT WITH A CHANGE IN CONTROL.

(i) If Executive's employment by the Company is terminated by the Company or any successor entity without "**Just Cause**" (as defined in Section 6(c)(ii)) (not including termination by virtue of Executive's death or Disability) or by Executive for Good Reason within twelve (12) months following the effective date of a "**Change in Control**" (as defined below), then in addition to paying or providing Executive with the Accrued Obligations and subject to compliance with Section 6(a)(iii), the Company will provide the following "**Change in Control Severance Benefits**":

(1) The Company will pay the Base Salary continuation benefit as described in Section 6(a)(ii)(1), except that the Severance Period in Section 6(a)(ii)(1) shall instead be eighteen (18) months;

(2) The Company will pay the life insurance benefit as described in Section 6(a)(ii)(3), except that the Life Insurance Period in Section 6(a)(ii)(3) shall instead be eighteen (18) months; and

(3) The Company will pay an additional amount equivalent to Executive's target annual bonus calculated using the Bonus Percentage for the performance year in which Executive's termination occurs. This bonus will be payable subject to standard federal and state payroll withholding requirements and paid in twelve equal installments commencing on the first payroll date that is more than sixty (60) days following the date of termination of Executive's employment, with the remaining installments occurring on the first day of the month for the eleven (11) months thereafter.

(4) The Company will provide Executive with continued medical and dental benefits as described in Section 6(a)(ii)(3) for the duration of the Severance Period, except that the Severance Period shall be eighteen (18) months.

(5) all stock options (and any other unvested equity incentive award) held by the Executive relating to shares of the Company or its parent will be deemed fully vested and exercisable on the Termination Date and the exercise period for such stock options will be increased by a period of two years from the Termination Date.

(ii) For purposes of this Agreement, a "**Change in Control**" means the occurrence of any of the following events: (i) an acquisition of the Company by another entity by means of any transaction or series of related transactions (including, without limitation, any reorganization, merger or consolidation but excluding any merger effected exclusively for the purpose of changing the domicile of the Founder), (ii) a transaction or series of related transactions in which a Person, or a group of related Persons, becomes the beneficial owner of, or acquires from shareholders of the Company shares representing more than fifty percent (50%) of the outstanding voting power of the Company, or (iii) a sale, transfer, exclusive license or other disposition, in a single transaction or a series of related transactions, of all or substantially all of the assets of the Company.

(c) TERMINATION FOR JUST CAUSE OR VOLUNTARY TERMINATION.

(i) If Executive's employment is terminated prior to the expiration of the Term for Just Cause or if Executive's employment is terminated as set forth in Section 6(d)(ii) or (iii) hereof (not including a resignation for Good Reason), Executive will be paid the Accrued Obligations on the Company's first payroll date after Executive's date of termination from employment or earlier if required by law. Executive shall NOT be entitled to receive any Severance Benefits (as defined in Section 6(a)(ii)) or Change in Control Severance Benefits (defined in Section 6(b)(i)).

(ii) For the purposes hereof, the Company shall have "**Just Cause**" to terminate Executive's employment hereunder as a result of Executive's gross negligence that causes demonstrable harm to the Company, willful misconduct that causes demonstrable harm to the Company, conviction of a felony (including the entry of a plea of nolo contendere) for illegal or criminal behavior in carrying out his duties as required pursuant to the terms of the Agreement. Notwithstanding any other provision contained herein, the Company shall have the right to terminate the agreement and Executive's employment without Just Cause, and Executive's remedies hereunder in the event of such termination shall be limited to the Severance Benefits or Change in Control Severance Benefits, as applicable, set forth in Section 6(a)(ii) and 6(b)(i) hereof.

(d) EVENTS OF TERMINATION. This Agreement shall terminate on the earliest to occur of the following events:

- (i) the expiration of the Term;
- (ii) the mutual written agreement of the Company and the Executive;
- (iii) the voluntary termination of the Executive other than as a result of a resignation for Good Reason (as defined in Section 6(a)(iv));
- (iv) the death of Executive or Executive's retirement;
- (v) termination on account of Executive's Disability (as defined above);
- (vi) the termination of the Executive by the Company with or without Just Cause (as defined in Section 6(c)(ii)) upon giving written notice to Executive; or
- (vii) for a termination for Good Reason, immediately upon Executive's full satisfaction of the requirements of Section 6(a)(vi).

(e) SECTION 409A.

(i) Notwithstanding anything to the contrary herein, the following provisions apply to the extent severance benefits provided herein are subject to Section 409A of the Internal Revenue Code (the “Code”) and the regulations and other guidance thereunder and any state law of similar effect (collectively “Section 409A”). Severance benefits shall not commence until the Executive has a “separation from service” (as defined under Treasury Regulation Section 1.409A-1(h), without regard to any alternative definition thereunder, a “separation from service”). Each installment of severance benefits is a separate “payment” for purposes of Treas. Reg. Section 1.409A-2(b)(2)(i), and the severance benefits are intended to satisfy the exemptions from application of Section 409A provided under Treasury Regulations Sections 1.409A-1(b)(4), 1.409A-1(b)(5) and 1.409A-1(b)(9). However, if such exemptions are not available and the Executive is, upon separation from service, a “specified employee” for purposes of Section 409A, then, solely to the extent necessary to avoid adverse personal tax consequences under Section 409A, the timing of the severance benefits payments shall be delayed until the earlier of six (6) months and one day after the Executive’s separation from service, the Executive’s death or such earlier date as permitted under Section 409A without the imposition of adverse taxation. Upon the first business day following the expiration of such applicable Section 409A period, all payments deferred pursuant to this paragraph shall be paid in a lump sum to Executive, and any remaining payments due shall be paid as otherwise provided herein or in the applicable agreement. No interest shall be due on any amounts so deferred. The parties acknowledge that the exemptions from application of Section 409A to severance benefits are fact specific, and any later amendment of this Agreement to alter the timing, amount or conditions that will trigger payment of severance benefits may preclude the ability of severance benefits provided under this Agreement to qualify for an exemption. To the extent that any severance payments or benefits are deferred compensation under Section 409A, and are not otherwise exempt from the application of Section 409A, then, if the period during which Executive may consider and sign the Release spans two calendar years, the payment of such severance payments and benefits will not be made or begin until the later calendar year.

(ii) It is intended that this Agreement shall comply with the requirements of Section 409A, and any ambiguity contained herein shall be interpreted in such manner so as to avoid adverse personal tax consequences under Section 409A. Notwithstanding the foregoing, the Company shall in no event be obligated to indemnify the Executive for any taxes or interest that may be assessed by the Internal Revenue Service pursuant to Section 409A of the Code to payments made pursuant to this Agreement.

## 6. RESTRICTIVE COVENANTS.

(a) CONFIDENTIAL INFORMATION AND INVENTION ASSIGNMENT. As a condition of continued employment, Executive agrees to abide by the Confidential Information and Invention Assignment Agreement, attached as Exhibit A, that he previously executed (the “CIIA”). The CIIA may be amended from time to time without regard to this Agreement. The CIIA contains provisions that are intended by the parties to survive and do survive termination of this Agreement.

(b) NON-SOLICITATION AND NON-COMPETITION. Executive and the Company agree that the Company would suffer irreparable harm and incur substantial damage if Executive were to enter into Competition (as defined herein) with the Company. Therefore, in order for the Company to protect its legitimate business interests, Executive agrees as follows:

(i) Without the prior written consent of the Company, Executive shall not, during the period of employment with the Company, directly or indirectly, invest or engage in any business that is Competitive (as defined herein) with the Business of the Company or accept employment or render services to a Competitor (as defined herein) of the Company as a director, officer, agent, employee or consultant or solicit or attempt to solicit or accept business that is Competitive with the Business of the Company, except that Executive may own up to five percent (5%) of any outstanding class of securities of any company registered under Section 12 of the Securities Exchange Act of 1934, as amended; provided, however, the Company acknowledges that Executive currently engages in a number of activities set forth on Exhibit B as long as such permitted activities do not have a material adverse effect on the Executive’s performance or this Agreement.

(ii) Without the prior written consent of the Company and upon any termination of Executive's employment with the Company and for a period of twelve (12) months thereafter, Executive shall not, either directly or indirectly, (x) invest or engage in any business that is Competitive (as defined herein) with the Business of the Company, except that Executive may own up to five percent (5%) of any outstanding class of securities of any company registered under Section 12 of the Securities Exchange Act of 1934, as amended, (y) accept employment with or render services to a Competitor of the Company as a director, officer, agent, employee or consultant unless he is serving in a capacity that has no relationship to that portion of the Competitor's business that is Competitive with the Business of the Company, or (z) solicit, attempt to solicit or accept business Competitive with the Business of the Company from any of the customers of the Company at the time of his termination or within twelve (12) months prior thereto or from any person or entity whose business the Company was soliciting at such time.

(iii) Upon termination of his employment with the Company, and for a period of twelve (12) months thereafter, Executive shall not, either directly or indirectly, engage, hire, employ or solicit in any manner whatsoever the employment of an employee of the Company.

(iv) For purposes of this Agreement, a business or activity is in "**Competition**" or "**Competitive**" with the Business of the Company if it involves, and a person or entity is a "**Competitor**", if that person or entity is engaged in, or about to become engaged in, the research, development, design, manufacturing, marketing or selling of a specific product or technology that closely resembles, competes, or is designed to compete, with, or has applications similar to any product or technology for which the Company has obtained or applied for a patent or made disclosures, or any product or technology involving any other proprietary research or development engaged in or conducted by the Company during the Term of Executive's employment with the Company.

## 7. GENERAL PROVISIONS.

(a) **NOTICES.** Any notices required hereunder to be in writing shall be deemed effectively given: upon personal delivery to the party to be notified, when sent by electronic mail, telex or confirmed facsimile if sent during normal business hours of the recipient, and if not, then on the next business day, five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the Company at its primary office location and to Executive at Executive's address as listed on the Company payroll or Executive's company-provided email address, or at such other address as the Company or the Executive may designate by ten (10) days advance written notice to the other.

(b) **ENTIRE AGREEMENT.** This Agreement, together with Exhibits A and B, constitutes the entire agreement between the parties hereto relating to the subject matter hereof, and supersedes all prior agreements and understandings, whether oral or written, with respect to the same. No modification, alteration, amendment or revision of or supplement to this Agreement shall be valid or effective unless the same is in writing and signed by both parties hereto. The Company acknowledges that Executive is a party to a separate agreement addressing additional employment terms with Portage Biotech Inc., a BVI entity.

(c) **GOVERNING LAW.** This Agreement and the rights and duties of the parties hereunder shall be governed by, construed under and enforced in accordance with the laws of the State of Connecticut.

(d) **ASSIGNMENT.** The rights and obligations of the parties under this Agreement shall not be assignable without written permission of the other party.

(e) SEVERABILITY. The invalidity of any provision of this Agreement under the applicable laws of the State of Connecticut or any other jurisdiction, shall not affect the other provisions hereby declared to be severable from all other provisions. The intention of the parties, as expressed in any provision held to be void or ineffective shall be given such full force and effect as may be permitted by law.

(f) SURVIVAL. The obligations under Sections 3, 4, 6, 7 and 8 shall survive the termination of this Agreement.

(g) REMEDIES. Executive and the Company recognize that the services to be rendered under this Agreement by Executive are special, unique, and of extraordinary character, and that in the event of the breach by Executive of the terms and conditions of Sections 3, 4, and 7 hereof the Company shall be entitled, if it so elects, to institute and prosecute proceedings in any court of competent jurisdiction, to obtain damages for any breach thereof.

(h) DISPUTE RESOLUTION. Except for the right of either party to apply to a court of competent jurisdiction for a temporary restraining order, a preliminary injunction, or other equitable relief to preserve the status quo or prevent irreparable harm, any and all claims, disputes or controversies arising under, out of, or in connection with the Agreement, including any dispute relating to production, use or commercialization, which the parties shall be unable to resolve within sixty (60) days shall be mediated in good faith. The party raising such dispute shall promptly advise the other party of such claim, dispute or controversy in a writing, which describes in reasonable detail the nature of such dispute. By not later than five (5) business days after the recipient has received such notice of dispute, each party shall have selected for itself a representative who shall have the authority to bind such party, and shall additionally have advised the other party in writing of the name and title of such representative. By not later than ten (10) business days after the date of such notice of dispute, the party against whom the dispute shall be raised shall select a mediation firm in Connecticut and such representatives shall schedule a date with such firm for a mediation hearing. The parties shall enter into good faith mediation and each party shall pay the costs that party incurs in connection with the mediation, but all other costs of the mediation, including the fees of the mediator and administrative fees, shall be paid by the Company. If the representatives of the parties have not been able to resolve the dispute within fifteen (15) business days after such mediation hearing, the parties shall have the right to pursue any other remedies legally available to resolve such dispute in either the Courts of the State of Connecticut or in the United States District Court for the District of Connecticut, to whose jurisdiction for such purposes Company and Executive each hereby irrevocably consents and submits.

*[signatures to follow on next page]*



IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

**Portage Development Services, INC.**

By:   
Name: Steve Mintz  
Authorized Representative

**EXECUTIVE**

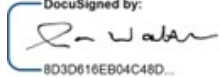
  
Name: Ian B. Walters, MD



Exhibit B – Permitted Activities

1. Portage Development Services, Inc., a company formed under the laws of the State of Delaware. Dr. Walters has an ownership position and is its CEO. It acts as CRO for the Company and third parties
2. Intensity Therapeutics, a company formed under the laws of Delaware. Dr. Walters has an ownership position and is its Chief Medical Officer.
3. Value Driven Drug Development Services, a company formed under the laws of Connecticut which provides consulting services to pharmaceutical, investment and biotech companies. Dr. Walters has an ownership position and is its CEO
4. Mina Therapeutics, a company formed under the laws of the UK which is developing RNAQ therapeutics for the treatment of Cancer. Dr. Walters serves as a clinical advisor.
5. ENZO Biochem (\$ENZ), a company formed under the laws of Delaware that provides clinical lab services and diagnostic development. Dr. Walters serves as an independent director.

## SERVICES AGREEMENT

**THIS SERVICES AGREEMENT** (the “**Agreement**”) is effective as of December 1., 2021, by and between **Portage Development Services Inc.**, a Delaware corporation (the “**Company**”), and **Allan Shaw** a resident of the State of New York (the “**Executive**”).

**WHEREAS**, the Company and Executive desire to enter into this Agreement pursuant to which the Company will continue to employ Executive in the capacity, for the period and on the terms and conditions set forth herein;

**NOW, THEREFORE**, in consideration of the premises and mutual covenants and agreements herein contained, the parties hereby agree as follows:

**1. EMPLOYMENT BY THE COMPANY.**

(a) **EMPLOYMENT AND DUTIES.** The Company hereby continues to employ Executive of the Company to act in accordance with the terms and conditions hereinafter set forth. During the Term (as defined below), Executive will report to the Chief Executive Officer (the “**CEO**”) and agrees that it will devote sufficient time, attention and skills to the operation of the Business (as defined below) of the Company and that it will perform such duties, functions, responsibilities and authority in connection with the foregoing as are from time to time delegated to Executive by the Board. These duties shall include, but shall not be limited to, responsibility for the Company’s finances and reporting obligations and other tasks delegated by the Board. For purposes of this Agreement, the “**Business**” of the Company shall be defined as the development and commercialization of immuno-oncology and related products and related technology based products with mechanisms including iNKT agonists, intratumoral chemotherapy, STING agonists, RAGE antibodies, and nanoliopgels. Executive is not bound by the terms of any agreement with any previous employer or other party which would limit its abilities to perform its duties and obligations hereunder.

(b) **TERM.** The term of this Agreement shall commence on the date hereof and shall continue for a period of two (2) years (the “**Initial Term**”). Thereafter, this Agreement shall be automatically renewed for one year periods. The Initial Term and any renewals thereof shall be referred to herein as the “**Term.**” In each case, the Term will continue until terminated in accordance with Section 6(d).

**2. COMPENSATION.** In consideration of all the services to be rendered by Executive to the Company hereunder, the Company hereby agrees to pay or otherwise provide Executive the following compensation and benefits. It is furthermore understood that the Company shall have the right to deduct or withhold as required under any provision of applicable law from:

(a) **SALARY.** Executive shall receive an initial annual salary of Three Hundred Forty-Eight Thousand Dollars (\$348,000) to begin on December 1, 2021, plus annual cost of living salary increases (“**Base Salary**”). The applicable Base Salary shall be reviewed by the Board each year prior to the anniversary of this Agreement to determine the annual increase to the applicable year’s Base Salary; provided, however, that in no event shall such annual increase be less than cost of living increase. The applicable Base Salary will be paid in equal installments not less frequently than bi-monthly in accordance with the Company’s salary payment practices in effect from time to time for senior executives of the Company

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(b) **BONUS PAYMENT.** In addition to the Base Salary then in effect, Executive shall be eligible to receive a bonus payment (the “**Bonus Payment**”) with a target of forty percent (40%) of the applicable year’s Base Salary (the “**Bonus Percentage**”) based upon Executive achieving performance objectives as determined each year by the Board of Directors and communicated to Executive during the first quarter of the year. The Bonus Payment will be paid in accordance with the Company’s bonus payment practices in effect from time to time for senior executives of the Company, but no later than March 15 of the calendar year immediately following the calendar year for which the bonus is being measured. The Board shall review the Executive’s Bonus Percentage annually and may, in the Board’s sole discretion, increase the Bonus Percentage based upon the Company’s and Executive’s performance.

(c) **LONG TERM INCENTIVES.** Executive shall be eligible to participate in equity awards from time to time under the Portage Biotech Inc. 2021 Equity Incentive Plan on terms and conditions established for such grant by the Board of Directors of Portage Biotech Inc.

(d) **EXPENSES.** Executive shall be entitled to be reimbursed for all reasonable expenses incurred by him in connection with the fulfillment of his duties hereunder, including all necessary continuing education and certification costs and related expenses; provided, however, that Executive has obtained the Company’s prior written approval of such expenses and has complied with all policies and procedures related to the reimbursement of such expenses as shall, from time to time, be established by the Company. For the avoidance of doubt, to the extent that any reimbursements payable to Executive under this subsection 2(e) are subject to the provisions of Section 409A of the Code: any such reimbursements will be paid no later than December 31 of the year following the year in which the expense was incurred, the amount of expenses reimbursed in one year will not affect the amount eligible for reimbursement in any subsequent year, and the right to reimbursement under this Agreement will not be subject to liquidation or exchange for another benefit.

(e) **VACATIONS AND SICK LEAVE.** Executive shall be entitled to four (4) weeks paid vacation annually to be taken in accordance with the Company’s vacation policy in effect from time to time and at such time or times as may be mutually agreed upon by the Company and Executive; provided, however, that if for any reason Executive does not take the full four (4) weeks’ vacation in any given year, Executive shall be entitled to accrue and carry over such vacation time according to the policy established by the Company. Executive shall also be entitled to sick leave according to the sick leave policy which the Company may adopt from time to time.

### 3. **INDEMNIFICATION.**

**COMPANY’S OBLIGATION TO INDEMNIFY.** To the maximum extent allowable under the law of Delaware and the Bylaws and Certificates of Incorporation of the Company, the Company shall at all times during the Term and thereafter, indemnify and defend and hold Executive harmless from and against all liability, loss, costs, claims, damages, expenses, judgments, awards, and settlements as well as attorneys’ fees and expenses, personal or otherwise, whether in tort or in contract, law or equity, that the Company or the Executive may incur by reason of or arising out of any claim made by any third party (together, the “**Losses**”) by reason of, relating to or arising out of Executive’s employment with Company; provided, however, that the Company’s foregoing indemnification obligations shall not apply to Losses incurred by the Company as a result of the Executive’s willful misconduct, gross negligence, or conviction of a felony (including entry of a plea of nolo contendere) for illegal or criminal behavior. Indemnification shall include all costs, including actual attorneys’ fees and expenses reasonably incurred in pursuing indemnity claims under or enforcement of this Agreement. The Company will promptly advance to Executive expenses incurred or to be incurred by Executive to defend any claim, action, suit, proceeding or investigation with respect to the matters subject to indemnification pursuant to this Section 3 (including any expenses incurred in enforcing Executive’s rights under this Section 3), after receipt by the Company of a written request from Executive for such advance together with documentation reasonably acceptable to the Company and subject to an undertaking by Executive to pay back any advanced amounts for which it is determined by agreement between Executive and the Company or by a final judgment of a court of competent jurisdiction that Executive was not entitled to indemnification. This indemnity is in addition to, and does not replace, Portage Biotech Inc. obligations to indemnify.

(a) D&O INSURANCE. During the employment Term and for a commercially reasonable period thereafter, the Company shall cover or cause Portage Biotech, Inc to cover the Executive under its directors' and officers' liability insurance policy to the extent commercially available.

4. **INSURANCE.** The Company may secure, in its own name, or otherwise, and at its own expense, life, health, accident and other insurance covering Executive. Executive agrees to assist the Company in procuring such insurance by submitting to the usual and customary medical and other examinations and by signing, as the insured, such applications and other instruments in writing as may be reasonably requires by the insurance companies to which application is made pursuant to such insurance. Executive agrees that it shall have no right, title, or interest in or to any insurance policies or to the proceeds thereof which the Company may so elect to take out or to continue on Executive's life.

5. **TERMINATION OF EMPLOYMENT.**

(a) **TERMINATION BY THE COMPANY WITHOUT JUST CAUSE, BY VIRTUE OF DEATH OR DISABILITY OF EXECUTIVE, OR RESIGNATION BY THE EXECUTIVE FOR GOOD REASON.**

(i) The Company shall have the right to terminate Executive's employment with the Company pursuant to this Section 6(a) at any time, in accordance with Section 6(d), without "**Just Cause**" (as defined in Section 6(c)(ii) below) or by virtue of Executive's death or Disability (as defined herein) by giving notice as described in Section 9(a) of this Agreement. The Executive shall have the right to terminate its employment for Good Reason in accordance with Section 6(a)(vi).

(ii) If the Company terminates Executive's employment at any time without Just Cause or by virtue of the death or Disability of Executive or Executive terminates its employment with the Company for "**Good Reason**" (as defined in Section 6(a)(vi) below) , then Executive shall be entitled to receive the Accrued Obligations (defined in 6(a)(iv) below). If Executive complies with the obligations in Section 6(a)(iii) below, Executive shall also be eligible to receive the following "**Severance Benefits**":

(1) The Company will pay Executive an amount equal to the sum of (A) 50% of Executive's then current Base Salary and (B) 50% of the average annual bonus for each of the prior two completed performance years, such sum to be divided by Six and less all applicable withholdings and deductions, paid in equal installments for six (6) months (the "**Severance Period**"), commencing on the first payroll date that is more than sixty (60) days following the date of termination of Executive's employment, with the remaining installments occurring on the first day of each remaining month of the Severance Period thereafter.

(2) If a policy is in place when the Severance Period commences, the Company shall pay to the Executive the premiums for the continuation of the Executive's life insurance benefits for a period of six (6) months (the "**Life Insurance Period**") from the date of termination, subject to any applicable withholdings and deductions, in monthly installments commencing on the Company's first regular payroll date that is more than sixty (60) days following the date of termination.

(3) The Company will provide Executive with continued medical and dental benefits for the duration of the Severance Period at the same rate of participant and Company shared costs as in effect for active employees of the Company.

(4) all stock options (and any other unvested equity incentive award) held by the Executive relating to shares of the Company or its parent will be deemed fully vested and exercisable on the Termination Date and the exercise period for such stock options will be increased by a period of two years from the Termination Date

(iii) Executive will be paid all of the Accrued Obligations on the Company's first payroll date after Executive's date of termination from employment or earlier if required by law. Executive shall receive the Severance Benefits pursuant to Section 6(a)(ii) or Change in Control Severance Benefits pursuant to Section 6(b)(i) of this Agreement if by the 60<sup>th</sup> day following the date of Executive's termination of employment, he has signed, delivered to the Company and not revoked in whole or in part a mutually agreeable separation agreement that includes a general release in favor of the Company (the "**Release**").

(iv) For purposes of this Agreement, "**Accrued Obligations**" are any accrued but unpaid portion of the applicable Base Salary, plus any accrued but unused vacation time and unpaid expenses (in accordance with Section 2(d)) that have been earned by the Executive as the date of such termination.

(v) For purposes of this Agreement, and subject to applicable state and federal law, termination by the Company on account of the Executive's "**Disability**" shall mean termination because Executive is unable due to a physical or mental condition to perform the essential functions of his position with or without reasonable accommodation for six (6) months in the aggregate during any twelve (12) month period or based on the written certification by two licensed physicians of the likely continuation of such condition for such period. This definition shall be interpreted and applied consistent with the Americans with Disabilities Act, the Family and Medical Leave Act, and other applicable law. Whenever Severance Benefits or Change in Control Severance Benefits are payable to Executive hereunder during a time when Executive is partially or totally disabled, and such Disability would entitle it to disability income payments according to the terms of any plan or policy now or hereafter provided by the Company, the Severance Benefits or Change in Control Severance Benefits payable to Executive hereunder shall be inclusive of any such disability income and shall not be in addition thereto, even if such disability income is payable directly to Executive by an insurance company under a policy paid for by the Company.

(vi) For purposes of this Agreement, "**Good Reason**" shall mean the occurrence of any of the following events without Executive's consent: a material reduction in Executive's Base Salary; a material reduction in the Executive's duties, authority and responsibilities relative to the Executive's duties, authority, and responsibilities in effect immediately prior to such reduction; the relocation of Executive's principal place of employment, without Executive's consent, in a manner that lengthens his one-way commute distance by fifty (50) or more miles from his then-current principal place of employment immediately prior to such relocation; any material breach of the Agreement by the Company or its successors; or the liquidation, dissolution, merger, consolidation or reorganization of the Company or transfer of all or a significant portion of its business and/or assets, unless the successor or successors shall have assumed all duties and obligations of the Company under the Agreement; *provided, however*, that, any such termination by Executive shall only be deemed for Good Reason pursuant to this definition if: Executive gives the Company written notice of its intent to terminate for Good Reason within thirty (30) days following the occurrence of one or more condition(s) that it believes constitute(s) Good Reason, which notice shall describe such condition(s); the Company fails to remedy such condition(s) within thirty (30) days following receipt of the written notice (the "**Cure Period**"); the Company has not, prior to receiving such notice from Executive, already informed Executive that its employment with the Company is being terminated and Executive voluntarily terminates its employment within thirty (30) days following the end of the Cure Period.

(b) TERMINATION BY THE COMPANY WITHOUT JUST CAUSE OR RESIGNATION BY THE EXECUTIVE FOR GOOD REASON COINCIDENT WITH A CHANGE IN CONTROL.

(i) If Executive's employment by the Company is terminated by the Company or any successor entity without "**Just Cause**" (as defined in Section 6(c)(ii)) (not including termination by virtue of Executive's death or Disability) or by Executive for Good Reason within twelve (12) months following the effective date of a "**Change in Control**" (as defined below), then in addition to paying or providing Executive with the Accrued Obligations and subject to compliance with Section 6(a)(iii), the Company will provide the following "**Change in Control Severance Benefits**":

(1) The Company will pay the Base Salary continuation benefit as described in Section 6(a)(ii)(1), except that the Severance Period in Section 6(a)(ii)(1) shall instead be twelve (12) months;

(2) The Company will pay the life insurance benefit as described in Section 6(a)(ii)(3), except that the Life Insurance Period in Section 6(a)(ii)(3) shall instead be twelve (12) months; and

(3) The Company will pay an additional amount equivalent to Executive's target annual bonus calculated using the Bonus Percentage for the performance year in which Executive's termination occurs. This bonus will be payable subject to standard federal and state payroll withholding requirements and paid in twelve equal installments commencing on the first payroll date that is more than sixty (60) days following the date of termination of Executive's employment, with the remaining installments occurring on the first day of the month for the eleven (11) months thereafter.

(4) The Company will provide Executive with continued medical and dental benefits as described in Section 6(a)(ii)(3) for the duration of the Severance Period, except that the Severance Period shall be twelve (12) months.

(5) all stock options (and any other unvested equity incentive award) held by the Executive relating to shares of the Company or its parent will be deemed fully vested and exercisable on the Termination Date and the exercise period for such stock options will be increased by a period of two years from the Termination Date.

(ii) For purposes of this Agreement, a "**Change in Control**" means the occurrence of any of the following events: (i) an acquisition of the Company by another entity by means of any transaction or series of related transactions (including, without limitation, any reorganization, merger or consolidation but excluding any merger effected exclusively for the purpose of changing the domicile of the Founder), (ii) a transaction or series of related transactions in which a Person, or a group of related Persons, becomes the beneficial owner of, or acquires from shareholders of the Company shares representing more than fifty percent (50%) of the outstanding voting power of the Company, or (iii) a sale, transfer, exclusive license or other disposition, in a single transaction or a series of related transactions, of all or substantially all of the assets of the Company.

(c) TERMINATION FOR JUST CAUSE OR VOLUNTARY TERMINATION.



(i) If Executive's employment is terminated prior to the expiration of the Term for Just Cause or if Executive's employment is terminated as set forth in Section 6(d)(ii) or (iii) hereof (not including a resignation for Good Reason), Executive will be paid the Accrued Obligations on the Company's first payroll date after Executive's date of termination from employment or earlier if required by law. Executive shall NOT be entitled to receive any Severance Benefits (as defined in Section 6(a)(ii)) or Change in Control Severance Benefits (defined in Section 6(b)(i)).

(ii) For the purposes hereof, the Company shall have "**Just Cause**" to terminate Executive's employment hereunder as a result of Executive's gross negligence that causes demonstrable harm to the Company, willful misconduct that causes demonstrable harm to the Company, conviction of a felony (including the entry of a plea of nolo contendere) for illegal or criminal behavior in carrying out his duties as required pursuant to the terms of the Agreement. Notwithstanding any other provision contained herein, the Company shall have the right to terminate the agreement and Executive's employment without Just Cause, and Executive's remedies hereunder in the event of such termination shall be limited to the Severance Benefits or Change in Control Severance Benefits, as applicable, set forth in Section 6(a)(ii) and 6(b)(i) hereof.

(d) EVENTS OF TERMINATION. This Agreement shall terminate on the earliest to occur of the following events:

- (i) the expiration of the Term;
- (ii) the mutual written agreement of the Company and the Executive;
- (iii) the voluntary termination of the Executive other than as a result of a resignation for Good Reason (as defined in Section 6(a)(iv));
- (iv) the death of Executive or Executive's retirement;
- (v) termination on account of Executive's Disability (as defined above);
- (vi) the termination of the Executive by the Company with or without Just Cause (as defined in Section 6(c)(ii)) upon giving written notice to Executive; or
- (vii) for a termination for Good Reason, immediately upon Executive's full satisfaction of the requirements of Section 6(a)(vi).

(e) SECTION 409A.

(i) Notwithstanding anything to the contrary herein, the following provisions apply to the extent severance benefits provided herein are subject to Section 409A of the Internal Revenue Code (the "**Code**") and the regulations and other guidance thereunder and any state law of similar effect (collectively "**Section 409A**"). Severance benefits shall not commence until the Executive has a "**separation from service**" (as defined under Treasury Regulation Section 1.409A-1(h), without regard to any alternative definition thereunder, a "**separation from service**"). Each installment of severance benefits is a separate "**payment**" for purposes of Treas. Reg. Section 1.409A-2(b)(2)(i), and the severance benefits are intended to satisfy the exemptions from application of Section 409A provided under Treasury Regulations Sections 1.409A-1(b)(4), 1.409A-1(b)(5) and 1.409A-1(b)(9). However, if such exemptions are not available and the Executive is, upon separation from service, a "**specified employee**" for purposes of Section 409A, then, solely to the extent necessary to avoid adverse personal tax consequences under Section 409A, the timing of the severance benefits payments shall be delayed until the earlier of six (6)

months and one day after the Executive's separation from service, the Executive's death or such earlier date as permitted under Section 409A without the imposition of adverse taxation. Upon the first business day following the expiration of such applicable Section 409A period, all payments deferred pursuant to this paragraph shall be paid in a lump sum to Executive, and any remaining payments due shall be paid as otherwise provided herein or in the applicable agreement. No interest shall be due on any amounts so deferred. The parties acknowledge that the exemptions from application of Section 409A to severance benefits are fact specific, and any later amendment of this Agreement to alter the timing, amount or conditions that will trigger payment of severance benefits may preclude the ability of severance benefits provided under this Agreement to qualify for an exemption. To the extent that any severance payments or benefits are deferred compensation under Section 409A, and are not otherwise exempt from the application of Section 409A, then, if the period during which Executive may consider and sign the Release spans two calendar years, the payment of such severance payments and benefits will not be made or begin until the later calendar year.

(ii) It is intended that this Agreement shall comply with the requirements of Section 409A, and any ambiguity contained herein shall be interpreted in such manner so as to avoid adverse personal tax consequences under Section 409A. Notwithstanding the foregoing, the Company shall in no event be obligated to indemnify the Executive for any taxes or interest that may be assessed by the Internal Revenue Service pursuant to Section 409A of the Code to payments made pursuant to this Agreement.

## 6. RESTRICTIVE COVENANTS.

(a) **CONFIDENTIAL INFORMATION AND INVENTION ASSIGNMENT.** As a condition of continued employment, Executive agrees to abide by the Confidential Information and Invention Assignment Agreement, attached as Exhibit A, that he previously executed (the "CIIA"). The CIIA may be amended from time to time without regard to this Agreement. The CIIA contains provisions that are intended by the parties to survive and do survive termination of this Agreement.

(b) **NON-SOLICITATION AND NON-COMPETITION.** Executive and the Company agree that the Company would suffer irreparable harm and incur substantial damage if Executive were to enter into Competition (as defined herein) with the Company. Therefore, in order for the Company to protect its legitimate business interests, Executive agrees as follows:

(i) Without the prior written consent of the Company, Executive shall not, during the period of employment with the Company, directly or indirectly, invest or engage in any business that is Competitive (as defined herein) with the Business of the Company or accept employment or render services to a Competitor (as defined herein) of the Company as a director, officer, agent, employee or consultant or solicit or attempt to solicit or accept business that is Competitive with the Business of the Company, except that Executive may own up to five percent (5%) of any outstanding class of securities of any company registered under Section 12 of the Securities Exchange Act of 1934, as amended; provided, however, the Company acknowledges that Executive currently engages in a number of activities set forth on Exhibit B as long as such permitted activities do not have a material adverse effect on the Executive's performance or this Agreement.

(ii) Without the prior written consent of the Company and upon any termination of Executive's employment with the Company and for a period of twelve (12) months thereafter, Executive shall not, either directly or indirectly, (x) invest or engage in any business that is Competitive (as defined herein) with the Business of the Company, except that Executive may own up to five percent (5%) of any outstanding class of securities of any company registered under Section 12 of the Securities Exchange Act of 1934, as amended, (y) accept employment with or render services to a Competitor of the Company as a director, officer, agent, employee or consultant unless he is serving in a capacity that has no relationship to that portion of the Competitor's business that is Competitive with the Business of the Company, or (z) solicit, attempt to solicit or accept business Competitive with the Business of the Company from any of the customers of the Company at the time of his termination or within twelve (12) months prior thereto or from any person or entity whose business the Company was soliciting at such time.

(iii) Upon termination of his employment with the Company, and for a period of twelve (12) months thereafter, Executive shall not, either directly or indirectly, engage, hire, employ or solicit in any manner whatsoever the employment of an employee of the Company.

(iv) For purposes of this Agreement, a business or activity is in “**Competition**” or “**Competitive**” with the Business of the Company if it involves, and a person or entity is a “**Competitor**”, if that person or entity is engaged in, or about to become engaged in, the research, development, design, manufacturing, marketing or selling of a specific product or technology that closely resembles, competes, or is designed to compete, with, or has applications similar to any product or technology for which the Company has obtained or applied for a patent or made disclosures, or any product or technology involving any other proprietary research or development engaged in or conducted by the Company during the Term of Executive’s employment with the Company.

## 7. GENERAL PROVISIONS.

(a) NOTICES. Any notices required hereunder to be in writing shall be deemed effectively given: upon personal delivery to the party to be notified, when sent by electronic mail, telex or confirmed facsimile if sent during normal business hours of the recipient, and if not, then on the next business day, five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the Company at its primary office location and to Executive at Executive’s address as listed on the Company payroll or Executive’s company-provided email address, or at such other address as the Company or the Executive may designate by ten (10) days advance written notice to the other.

(b) ENTIRE AGREEMENT. This Agreement, together with Exhibits A and B, constitutes the entire agreement between the parties hereto relating to the subject matter hereof, and supersedes all prior agreements and understandings, whether oral or written, with respect to the same. No modification, alteration, amendment or revision of or supplement to this Agreement shall be valid or effective unless the same is in writing and signed by both parties hereto.

## 8.

(a) GOVERNING LAW. This Agreement and the rights and duties of the parties hereunder shall be governed by, construed under and enforced in accordance with the laws of the State of New York.

(b) ASSIGNMENT. The rights and obligations of the parties under this Agreement shall not be assignable without written permission of the other party.

(c) SEVERABILITY. The invalidity of any provision of this Agreement under the applicable laws of the State of Connecticut or any other jurisdiction, shall not affect the other provisions hereby declared to be severable from all other provisions. The intention of the parties, as expressed in any provision held to be void or ineffective shall be given such full force and effect as may be permitted by law.

(d) SURVIVAL. The obligations under Sections 3, 4, 6, 7 and 8 shall survive the termination of this Agreement.

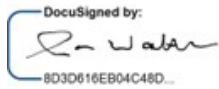
(e) REMEDIES. Executive and the Company recognize that the services to be rendered under this Agreement by Executive are special, unique, and of extraordinary character, and that in the event of the breach by Executive of the terms and conditions of Sections 3, 4, and 7 hereof the Company shall be entitled, if it so elects, to institute and prosecute proceedings in any court of competent jurisdiction, to obtain damages for any breach thereof.

(f) DISPUTE RESOLUTION. Except for the right of either party to apply to a court of competent jurisdiction for a temporary restraining order, a preliminary injunction, or other equitable relief to preserve the status quo or prevent irreparable harm, any and all claims, disputes or controversies arising under, out of, or in connection with the Agreement, including any dispute relating to production, use or commercialization, which the parties shall be unable to resolve within sixty (60) days shall be mediated in good faith. The party raising such dispute shall promptly advise the other party of such claim, dispute or controversy in a writing, which describes in reasonable detail the nature of such dispute. By not later than five (5) business days after the recipient has received such notice of dispute, each party shall have selected for itself a representative who shall have the authority to bind such party, and shall additionally have advised the other party in writing of the name and title of such representative. By not later than ten (10) business days after the date of such notice of dispute, the party against whom the dispute shall be raised shall select a mediation firm in Connecticut and such representatives shall schedule a date with such firm for a mediation hearing. The parties shall enter into good faith mediation and each party shall pay the costs that party incurs in connection with the mediation, but all other costs of the mediation, including the fees of the mediator and administrative fees, shall be paid by the Company. If the representatives of the parties have not been able to resolve the dispute within fifteen (15) business days after such mediation hearing, the parties shall have the right to pursue any other remedies legally available to resolve such dispute in either the Courts of the State of Connecticut or in the United States District Court for the District of Connecticut, to whose jurisdiction for such purposes Company and Executive each hereby irrevocably consents and submits.

*[signatures to follow on next page]*

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

**Portage Development Services, INC.**

By:  DocuSigned by:  
Ian Walters  
8D3D616EB04C48D...

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Name: Ian B. Walters, MD  
CEO

**EXECUTIVE**

 DocuSigned by:  
Allan Shaw  
9D52980232B144B...

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Name: Allan Shaw



Exhibit B – Permitted Activities

Presently, Executive is serving ASC Therapeutics as fractional CFO for approximately 25-40 hours per month.

Presently, Executive currently serves on the boards of CalciMedica, Blue Water Vaccines and Edith & Carl Marks JCH of Bensonhurst.

Presently, Executive provides ad hoc advisory via Shaw Strategic Capital LLC: for approximately 2-4 hours / month of time on average to Parthenon Therapeutics.

## SERVICES AGREEMENT

**THIS SERVICES AGREEMENT** (the “**Agreement**”) is effective as of December 1, 2021, by and between **Portage Development Services Inc.**, a Delaware corporation (the “**Company**”), and **Robert Kramer, PhD** a resident of the State of Utah (the “**Executive**”).

**WHEREAS**, the Company and Executive desire to enter into this Agreement pursuant to which the Company will continue to employ Executive in the capacity, for the period and on the terms and conditions set forth herein;

**NOW, THEREFORE**, in consideration of the premises and mutual covenants and agreements herein contained, the parties hereby agree as follows:

**1. EMPLOYMENT BY THE COMPANY.**

(a) **EMPLOYMENT AND DUTIES.** The Company hereby continues to employ Executive of the Company to act in accordance with the terms and conditions hereinafter set forth. During the Term (as defined below), Executive will report to the Chief Executive Officer (the “**CEO**”) and agrees that it will devote sufficient time, attention and skills to the operation of the Business (as defined below) of the Company and that it will perform such duties, functions, responsibilities and authority in connection with the foregoing as are from time to time delegated to Executive by the Board. These duties shall include, but shall not be limited to, responsibility for the Company’s scientific functions and other tasks delegated by the Board. For purposes of this Agreement, the “**Business**” of the Company shall be defined as the development and commercialization of immuno-oncology and related products and related technology based products with mechanisms including iNKT agonists, intratumoral chemotherapy, STING agonists, RAGE antibodies, and nanoliopgels. Executive is not bound by the terms of any agreement with any previous employer or other party which would limit its abilities to perform its duties and obligations hereunder.

(b) **TERM.** The term of this Agreement shall commence on the date hereof and shall continue for a period of two (2) years (the “**Initial Term**”). Thereafter, this Agreement shall be automatically renewed for one year periods. The Initial Term and any renewals thereof shall be referred to herein as the “**Term**.” In each case, the Term will continue until terminated in accordance with Section 6(d).

**2. COMPENSATION.** In consideration of all the services to be rendered by Executive to the Company hereunder, the Company hereby agrees to pay or otherwise provide Executive the following compensation and benefits. It is furthermore understood that the Company shall have the right to deduct or withhold as required under any provision of applicable law from:

(a) **SALARY.** Executive shall receive an initial annual salary of Two Hundred Sixteen Thousand Dollars (\$216,000) to begin on December 1, 2021, plus annual cost of living salary increases (“**Base Salary**”). The applicable Base Salary shall be reviewed by the Board each year prior to the anniversary of this Agreement to determine the annual increase to the applicable year’s Base Salary; provided, however, that in no event shall such annual increase be less than cost of living increase. The applicable Base Salary will be paid in equal installments not less frequently than bi-monthly in accordance with the Company’s salary payment practices in effect from time to time for senior executives of the Company

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(b) **BONUS PAYMENT.** In addition to the Base Salary then in effect, Executive shall be eligible to receive a bonus payment (the “**Bonus Payment**”) with a target of forty percent (40%) of the applicable year’s Base Salary (the “**Bonus Percentage**”) based upon Executive achieving performance objectives as determined each year by the Board of Directors and communicated to Executive during the first quarter of the year. The Bonus Payment will be paid in accordance with the Company’s bonus payment practices in effect from time to time for senior executives of the Company, but no later than March 15 of the calendar year immediately following the calendar year for which the bonus is being measured. The Board shall review the Executive’s Bonus Percentage annually and may, in the Board’s sole discretion, increase the Bonus Percentage based upon the Company’s and Executive’s performance.

(c) **LONG TERM INCENTIVES.** Executive shall be eligible to participate in equity awards from time to time under the Portage Biotech Inc. 2021 Equity Incentive Plan on terms and conditions established for such grant by the Board of Directors of Portage Biotech Inc.

(d) **EXPENSES.** Executive shall be entitled to be reimbursed for all reasonable expenses incurred by him in connection with the fulfillment of his duties hereunder, including all necessary continuing education and certification costs and related expenses; provided, however, that Executive has obtained the Company’s prior written approval of such expenses and has complied with all policies and procedures related to the reimbursement of such expenses as shall, from time to time, be established by the Company. For the avoidance of doubt, to the extent that any reimbursements payable to Executive under this subsection 2(e) are subject to the provisions of Section 409A of the Code: any such reimbursements will be paid no later than December 31 of the year following the year in which the expense was incurred, the amount of expenses reimbursed in one year will not affect the amount eligible for reimbursement in any subsequent year, and the right to reimbursement under this Agreement will not be subject to liquidation or exchange for another benefit.

(e) **VACATIONS AND SICK LEAVE.** Executive shall be entitled to four (4) weeks paid vacation annually to be taken in accordance with the Company’s vacation policy in effect from time to time and at such time or times as may be mutually agreed upon by the Company and Executive; provided, however, that if for any reason Executive does not take the full four (4) weeks’ vacation in any given year, Executive shall be entitled to accrue and carry over such vacation time according to the policy established by the Company. Executive shall also be entitled to sick leave according to the sick leave policy which the Company many adopt from time to time.

### 3. **INDEMNIFICATION.**

**COMPANY’S OBLIGATION TO INDEMNIFY.** To the maximum extent allowable under the law of Delaware and the Bylaws and Certificates of Incorporation of the Company, the Company shall at all times during the Term and thereafter, indemnify and defend and hold Executive harmless from and against all liability, loss, costs, claims, damages, expenses, judgments, awards, and settlements as well as attorneys’ fees and expenses, personal or otherwise, whether in tort or in contract, law or equity, that the Company or the Executive may incur by reason of or arising out of any claim made by any third party (together, the “**Losses**”)by reason of, relating to or arising out of Executive’s employment with Company; provided, however, that the Company’s foregoing indemnification obligations shall not apply to Losses incurred by the Company as a result of the Executive’s willful misconduct, gross negligence, or conviction of a felony (including entry of a plea of nolo contendere) for illegal or criminal behavior. Indemnification shall include all costs, including actual attorneys’ fees and expenses reasonably incurred in pursuing indemnity claims under or enforcement of this Agreement. The Company will promptly advance to Executive expenses incurred or to be incurred by Executive to defend any claim, action, suit, proceeding or investigation with respect to the matters subject to indemnification pursuant to this Section 3 (including any expenses incurred in enforcing Executive’s rights under this Section 3), after receipt by the Company of a written request from Executive for such advance together with documentation reasonably acceptable to the Company and subject to an undertaking by Executive to pay back any advanced amounts for which it is determined by agreement between Executive and the Company or by a final judgment of a court of competent jurisdiction that Executive was not entitled to indemnification. This indemnity is in addition to, and does not replace, Portage Biotech Inc. obligations to indemnify.

(a) D&O INSURANCE. During the employment Term and for a commercially reasonable period thereafter, the Company shall cover or cause Portage Biotech, Inc to cover the Executive under its directors' and officers' liability insurance policy to the extent commercially available.

4. **INSURANCE.** The Company may secure, in its own name, or otherwise, and at its own expense, life, health, accident and other insurance covering Executive. Executive agrees to assist the Company in procuring such insurance by submitting to the usual and customary medical and other examinations and by signing, as the insured, such applications and other instruments in writing as may be reasonably requires by the insurance companies to which application is made pursuant to such insurance. Executive agrees that it shall have no right, title, or interest in or to any insurance policies or to the proceeds thereof which the Company may so elect to take out or to continue on Executive's life.

5. **TERMINATION OF EMPLOYMENT.**

(a) **TERMINATION BY THE COMPANY WITHOUT JUST CAUSE, BY VIRTUE OF DEATH OR DISABILITY OF EXECUTIVE, OR RESIGNATION BY THE EXECUTIVE FOR GOOD REASON.**

(i) The Company shall have the right to terminate Executive's employment with the Company pursuant to this Section 6(a) at any time, in accordance with Section 6(d), without "**Just Cause**" (as defined in Section 6(c)(ii) below) or by virtue of Executive's death or Disability (as defined herein) by giving notice as described in Section 9(a) of this Agreement. The Executive shall have the right to terminate its employment for Good Reason in accordance with Section 6(a)(vi).

(ii) If the Company terminates Executive's employment at any time without Just Cause or by virtue of the death or Disability of Executive or Executive terminates its employment with the Company for "**Good Reason**" (as defined in Section 6(a)(vi) below) , then Executive shall be entitled to receive the Accrued Obligations (defined in 6(a)(iv) below). If Executive complies with the obligations in Section 6(a)(iii) below, Executive shall also be eligible to receive the following "**Severance Benefits**":

(1) The Company will pay Executive an amount equal to the sum of (A) 50% of Executive's then current Base Salary and (B) 50% of the average annual bonus for each of the prior two completed performance years, such sum to be divided by Six and less all applicable withholdings and deductions, paid in equal installments for six (6) months (the "**Severance Period**"), commencing on the first payroll date that is more than sixty (60) days following the date of termination of Executive's employment, with the remaining installments occurring on the first day of each remaining month of the Severance Period thereafter.

(2) If a policy is in place when the Severance Period commences, the Company shall pay to the Executive the premiums for the continuation of the Executive's life insurance benefits for a period of six (6) months (the "**Life Insurance Period**") from the date of termination, subject to any applicable withholdings and deductions, in monthly installments commencing on the Company's first regular payroll date that is more than sixty (60) days following the date of termination.

(3) The Company will provide Executive with continued medical and dental benefits for the duration of the Severance Period at the same rate of participant and Company shared costs as in effect for active employees of the Company.

(4) all stock options (and any other unvested equity incentive award) held by the Executive relating to shares of the Company or its parent will be deemed fully vested and exercisable on the Termination Date and the exercise period for such stock options will be increased by a period of two years from the Termination Date

(iii) Executive will be paid all of the Accrued Obligations on the Company's first payroll date after Executive's date of termination from employment or earlier if required by law. Executive shall receive the Severance Benefits pursuant to Section 6(a)(ii) or Change in Control Severance Benefits pursuant to Section 6(b)(i) of this Agreement if by the 60<sup>th</sup> day following the date of Executive's termination of employment, he has signed, delivered to the Company and not revoked in whole or in part a mutually agreeable separation agreement that includes a general release in favor of the Company (the "**Release**").

(iv) For purposes of this Agreement, "**Accrued Obligations**" are any accrued but unpaid portion of the applicable Base Salary, plus any accrued but unused vacation time and unpaid expenses (in accordance with Section 2(d)) that have been earned by the Executive as the date of such termination.

(v) For purposes of this Agreement, and subject to applicable state and federal law, termination by the Company on account of the Executive's "**Disability**" shall mean termination because Executive is unable due to a physical or mental condition to perform the essential functions of his position with or without reasonable accommodation for six (6) months in the aggregate during any twelve (12) month period or based on the written certification by two licensed physicians of the likely continuation of such condition for such period. This definition shall be interpreted and applied consistent with the Americans with Disabilities Act, the Family and Medical Leave Act, and other applicable law. Whenever Severance Benefits or Change in Control Severance Benefits are payable to Executive hereunder during a time when Executive is partially or totally disabled, and such Disability would entitle it to disability income payments according to the terms of any plan or policy now or hereafter provided by the Company, the Severance Benefits or Change in Control Severance Benefits payable to Executive hereunder shall be inclusive of any such disability income and shall not be in addition thereto, even if such disability income is payable directly to Executive by an insurance company under a policy paid for by the Company.

(vi) For purposes of this Agreement, "**Good Reason**" shall mean the occurrence of any of the following events without Executive's consent: a material reduction in Executive's Base Salary; a material reduction in the Executive's duties, authority and responsibilities relative to the Executive's duties, authority, and responsibilities in effect immediately prior to such reduction; the relocation of Executive's principal place of employment, without Executive's consent, in a manner that lengthens his one-way commute distance by fifty (50) or more miles from his then-current principal place of employment immediately prior to such relocation; any material breach of the Agreement by the Company or its successors; or the liquidation, dissolution, merger, consolidation or reorganization of the Company or transfer of all or a significant portion of its business and/or assets, unless the successor or successors shall have assumed all duties and obligations of the Company under the Agreement; *provided, however*, that, any such termination by Executive shall only be deemed for Good Reason pursuant to this definition if: Executive gives the Company written notice of its intent to terminate for Good Reason within thirty (30) days following the occurrence of one or more condition(s) that it believes constitute(s) Good Reason, which notice shall describe such condition(s); the Company fails to remedy such condition(s) within thirty (30) days following receipt of the written notice (the "**Cure Period**"); the Company has not, prior to receiving such notice from Executive, already informed Executive that its employment with the Company is being terminated and Executive voluntarily terminates its employment within thirty (30) days following the end of the Cure Period.

(b) TERMINATION BY THE COMPANY WITHOUT JUST CAUSE OR RESIGNATION BY THE EXECUTIVE FOR GOOD REASON COINCIDENT WITH A CHANGE IN CONTROL.

(i) If Executive's employment by the Company is terminated by the Company or any successor entity without "**Just Cause**" (as defined in Section 6(c)(ii)) (not including termination by virtue of Executive's death or Disability) or by Executive for Good Reason within twelve (12) months following the effective date of a "**Change in Control**" (as defined below), then in addition to paying or providing Executive with the Accrued Obligations and subject to compliance with Section 6(a)(iii), the Company will provide the following "**Change in Control Severance Benefits**":

(1) The Company will pay the Base Salary continuation benefit as described in Section 6(a)(ii)(1), except that the Severance Period in Section 6(a)(ii)(1) shall instead be twelve (12) months;

(2) The Company will pay the life insurance benefit as described in Section 6(a)(ii)(3), except that the Life Insurance Period in Section 6(a)(ii)(3) shall instead be twelve (12) months; and

(3) The Company will pay an additional amount equivalent to Executive's target annual bonus calculated using the Bonus Percentage for the performance year in which Executive's termination occurs. This bonus will be payable subject to standard federal and state payroll withholding requirements and paid in twelve equal installments commencing on the first payroll date that is more than sixty (60) days following the date of termination of Executive's employment, with the remaining installments occurring on the first day of the month for the eleven (11) months thereafter.

(4) The Company will provide Executive with continued medical and dental benefits as described in Section 6(a)(ii)(3) for the duration of the Severance Period, except that the Severance Period shall be twelve (12) months.

(5) all stock options (and any other unvested equity incentive award) held by the Executive relating to shares of the Company or its parent will be deemed fully vested and exercisable on the Termination Date and the exercise period for such stock options will be increased by a period of two years from the Termination Date.

(ii) For purposes of this Agreement, a "**Change in Control**" means the occurrence of any of the following events: (i) an acquisition of the Company by another entity by means of any transaction or series of related transactions (including, without limitation, any reorganization, merger or consolidation but excluding any merger effected exclusively for the purpose of changing the domicile of the Founder), (ii) a transaction or series of related transactions in which a Person, or a group of related Persons, becomes the beneficial owner of, or acquires from shareholders of the Company shares representing more than fifty percent (50%) of the outstanding voting power of the Company, or (iii) a sale, transfer, exclusive license or other disposition, in a single transaction or a series of related transactions, of all or substantially all of the assets of the Company.

(c) TERMINATION FOR JUST CAUSE OR VOLUNTARY TERMINATION.

(i) If Executive's employment is terminated prior to the expiration of the Term for Just Cause or if Executive's employment is terminated as set forth in Section 6(d)(ii) or (iii) hereof (not including a resignation for Good Reason), Executive will be paid the Accrued Obligations on the Company's first payroll date after Executive's date of termination from employment or earlier if required by law. Executive shall NOT be entitled to receive any Severance Benefits (as defined in Section 6(a)(ii)) or Change in Control Severance Benefits (defined in Section 6(b)(i)).

(ii) For the purposes hereof, the Company shall have "**Just Cause**" to terminate Executive's employment hereunder as a result of Executive's gross negligence that causes demonstrable harm to the Company, willful misconduct that causes demonstrable harm to the Company, conviction of a felony (including the entry of a plea of nolo contendere) for illegal or criminal behavior in carrying out his duties as required pursuant to the terms of the Agreement. Notwithstanding any other provision contained herein, the Company shall have the right to terminate the agreement and Executive's employment without Just Cause, and Executive's remedies hereunder in the event of such termination shall be limited to the Severance Benefits or Change in Control Severance Benefits, as applicable, set forth in Section 6(a)(ii) and 6(b)(i) hereof.

(d) EVENTS OF TERMINATION. This Agreement shall terminate on the earliest to occur of the following events:

- (i) the expiration of the Term;
- (ii) the mutual written agreement of the Company and the Executive;
- (iii) the voluntary termination of the Executive other than as a result of a resignation for Good Reason (as defined in Section 6(a)(iv));
- (iv) the death of Executive or Executive's retirement;
- (v) termination on account of Executive's Disability (as defined above);
- (vi) the termination of the Executive by the Company with or without Just Cause (as defined in Section 6(c)(ii)) upon giving written notice to Executive; or
- (vii) for a termination for Good Reason, immediately upon Executive's full satisfaction of the requirements of Section 6(a)(vi).

(e) SECTION 409A.

(i) Notwithstanding anything to the contrary herein, the following provisions apply to the extent severance benefits provided herein are subject to Section 409A of the Internal Revenue Code (the "**Code**") and the regulations and other guidance thereunder and any state law of similar effect (collectively "**Section 409A**"). Severance benefits shall not commence until the Executive has a "**separation from service**" (as defined under Treasury Regulation Section 1.409A-1(h), without regard to any alternative definition thereunder, a "**separation from service**"). Each installment of severance benefits is a separate "**payment**" for purposes of Treas. Reg. Section 1.409A-2(b)(2)(i), and the severance benefits are intended to satisfy the exemptions from application of Section 409A provided under Treasury Regulations Sections 1.409A-1(b)(4), 1.409A-1(b)(5) and 1.409A-1(b)(9). However, if such exemptions are not available and the Executive is, upon separation from service, a "**specified employee**" for purposes of Section 409A, then, solely to the extent necessary to avoid adverse personal tax consequences under Section 409A, the timing of the severance benefits payments shall be delayed until the earlier of six (6)

months and one day after the Executive's separation from service, the Executive's death or such earlier date as permitted under Section 409A without the imposition of adverse taxation. Upon the first business day following the expiration of such applicable Section 409A period, all payments deferred pursuant to this paragraph shall be paid in a lump sum to Executive, and any remaining payments due shall be paid as otherwise provided herein or in the applicable agreement. No interest shall be due on any amounts so deferred. The parties acknowledge that the exemptions from application of Section 409A to severance benefits are fact specific, and any later amendment of this Agreement to alter the timing, amount or conditions that will trigger payment of severance benefits may preclude the ability of severance benefits provided under this Agreement to qualify for an exemption. To the extent that any severance payments or benefits are deferred compensation under Section 409A, and are not otherwise exempt from the application of Section 409A, then, if the period during which Executive may consider and sign the Release spans two calendar years, the payment of such severance payments and benefits will not be made or begin until the later calendar year.

(ii) It is intended that this Agreement shall comply with the requirements of Section 409A, and any ambiguity contained herein shall be interpreted in such manner so as to avoid adverse personal tax consequences under Section 409A. Notwithstanding the foregoing, the Company shall in no event be obligated to indemnify the Executive for any taxes or interest that may be assessed by the Internal Revenue Service pursuant to Section 409A of the Code to payments made pursuant to this Agreement.

## **6. RESTRICTIVE COVENANTS.**

(a) **CONFIDENTIAL INFORMATION AND INVENTION ASSIGNMENT.** As a condition of continued employment, Executive agrees to abide by the Confidential Information and Invention Assignment Agreement, attached as Exhibit A, that he previously executed (the "CIIA"). The CIIA may be amended from time to time without regard to this Agreement. The CIIA contains provisions that are intended by the parties to survive and do survive termination of this Agreement.

(b) **NON-SOLICITATION AND NON-COMPETITION.** Executive and the Company agree that the Company would suffer irreparable harm and incur substantial damage if Executive were to enter into Competition (as defined herein) with the Company. Therefore, in order for the Company to protect its legitimate business interests, Executive agrees as follows:

(i) Without the prior written consent of the Company, Executive shall not, during the period of employment with the Company, directly or indirectly, invest or engage in any business that is Competitive (as defined herein) with the Business of the Company or accept employment or render services to a Competitor (as defined herein) of the Company as a director, officer, agent, employee or consultant or solicit or attempt to solicit or accept business that is Competitive with the Business of the Company, except that Executive may own up to five percent (5%) of any outstanding class of securities of any company registered under Section 12 of the Securities Exchange Act of 1934, as amended; provided, however, the Company acknowledges that Executive currently engages in a number of activities set forth on Exhibit B as long as such permitted activities do not have a material adverse effect on the Executive's performance or this Agreement.

(ii) Without the prior written consent of the Company and upon any termination of Executive's employment with the Company and for a period of twelve (12) months thereafter, Executive shall not, either directly or indirectly, (x) invest or engage in any business that is Competitive (as defined herein) with the Business of the Company, except that Executive may own up to five percent (5%) of any outstanding class of securities of any company registered under Section 12 of the Securities Exchange Act of 1934, as amended, (y) accept employment with or render services to a Competitor of the Company as a director, officer, agent, employee or consultant unless he is serving in a capacity that has no relationship to that portion of the Competitor's business that is Competitive with the Business of the Company, or (z) solicit, attempt to solicit or accept business Competitive with the Business of the Company from any of the customers of the Company at the time of his termination or within twelve (12) months prior thereto or from any person or entity whose business the Company was soliciting at such time.

(iii) Upon termination of his employment with the Company, and for a period of twelve (12) months thereafter, Executive shall not, either directly or indirectly, engage, hire, employ or solicit in any manner whatsoever the employment of an employee of the Company.

(iv) For purposes of this Agreement, a business or activity is in “**Competition**” or “**Competitive**” with the Business of the Company if it involves, and a person or entity is a “**Competitor**”, if that person or entity is engaged in, or about to become engaged in, the research, development, design, manufacturing, marketing or selling of a specific product or technology that closely resembles, competes, or is designed to compete, with, or has applications similar to any product or technology for which the Company has obtained or applied for a patent or made disclosures, or any product or technology involving any other proprietary research or development engaged in or conducted by the Company during the Term of Executive’s employment with the Company.

## 7. GENERAL PROVISIONS.

(a) **NOTICES.** Any notices required hereunder to be in writing shall be deemed effectively given: upon personal delivery to the party to be notified, when sent by electronic mail, telex or confirmed facsimile if sent during normal business hours of the recipient, and if not, then on the next business day, five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the Company at its primary office location and to Executive at Executive’s address as listed on the Company payroll or Executive’s company-provided email address, or at such other address as the Company or the Executive may designate by ten (10) days advance written notice to the other.

(b) **ENTIRE AGREEMENT.** This Agreement, together with Exhibits A and B, constitutes the entire agreement between the parties hereto relating to the subject matter hereof, and supersedes all prior agreements and understandings, whether oral or written, with respect to the same. No modification, alteration, amendment or revision of or supplement to this Agreement shall be valid or effective unless the same is in writing and signed by both parties hereto. .

(c) **GOVERNING LAW.** This Agreement and the rights and duties of the parties hereunder shall be governed by, construed under and enforced in accordance with the laws of the State of New York.

(d) **ASSIGNMENT.** The rights and obligations of the parties under this Agreement shall not be assignable without written permission of the other party.

(e) **SEVERABILITY.** The invalidity of any provision of this Agreement under the applicable laws of the State of Connecticut or any other jurisdiction, shall not affect the other provisions hereby declared to be severable from all other provisions. The intention of the parties, as expressed in any provision held to be void or ineffective shall be given such full force and effect as may be permitted by law.

(f) SURVIVAL. The obligations under Sections 3, 4, 6, 7 and 8 shall survive the termination of this Agreement.

(g) REMEDIES. Executive and the Company recognize that the services to be rendered under this Agreement by Executive are special, unique, and of extraordinary character, and that in the event of the breach by Executive of the terms and conditions of Sections 3, 4, and 7 hereof the Company shall be entitled, if it so elects, to institute and prosecute proceedings in any court of competent jurisdiction, to obtain damages for any breach thereof.

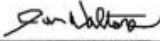
(h) DISPUTE RESOLUTION. Except for the right of either party to apply to a court of competent jurisdiction for a temporary restraining order, a preliminary injunction, or other equitable relief to preserve the status quo or prevent irreparable harm, any and all claims, disputes or controversies arising under, out of, or in connection with the Agreement, including any dispute relating to production, use or commercialization, which the parties shall be unable to resolve within sixty (60) days shall be mediated in good faith. The party raising such dispute shall promptly advise the other party of such claim, dispute or controversy in a writing, which describes in reasonable detail the nature of such dispute. By not later than five (5) business days after the recipient has received such notice of dispute, each party shall have selected for itself a representative who shall have the authority to bind such party, and shall additionally have advised the other party in writing of the name and title of such representative. By not later than ten (10) business days after the date of such notice of dispute, the party against whom the dispute shall be raised shall select a mediation firm in Connecticut and such representatives shall schedule a date with such firm for a mediation hearing. The parties shall enter into good faith mediation and each party shall pay the costs that party incurs in connection with the mediation, but all other costs of the mediation, including the fees of the mediator and administrative fees, shall be paid by the Company. If the representatives of the parties have not been able to resolve the dispute within fifteen (15) business days after such mediation hearing, the parties shall have the right to pursue any other remedies legally available to resolve such dispute in either the Courts of the State of Connecticut or in the United States District Court for the District of Connecticut, to whose jurisdiction for such purposes Company and Executive each hereby irrevocably consents and submits.

*[signatures to follow on next page]*



IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

**Portage Development Services, INC.**

By:   
Name: Ian B. Walters, MD  
Title: Chief Executive Officer

**EXECUTIVE**

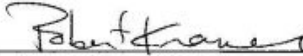
  
Name: Robert Kramer  
Title: Chief Scientific Officer

Exhibit A - Confidential Information and Invention Assignment Agreement

Exhibit B - Permitted Activities



1.

**SERVICES AGREEMENT**

**THIS SERVICES AGREEMENT** (the “**Agreement**”) is effective as of December 15, 2021, by and between **Portage Development Services Inc.**, a Delaware corporation (the “**Company**”), and **Steve Innaimo** a resident of the State of Connecticut (the “**Executive**”).

**WHEREAS**, the Company and Executive desire to enter into this Agreement pursuant to which the Company will continue to employ Executive in the capacity, for the period and on the terms and conditions set forth herein;

**NOW, THEREFORE**, in consideration of the premises and mutual covenants and agreements herein contained, the parties hereby agree as follows:

**1. EMPLOYMENT BY THE COMPANY.**

(a) **EMPLOYMENT AND DUTIES.** The Company hereby continues to employ Executive of the Company to act in accordance with the terms and conditions hereinafter set forth. During the Term (as defined below), Executive will report to the Chief Executive Officer (the “**CEO**”) and agrees that it will devote sufficient time, attention and skills to the operation of the Business (as defined below) of the Company and that it will perform such duties, functions, responsibilities and authority in connection with the foregoing as are from time to time delegated to Executive by the Board. These duties shall include, but shall not be limited to, responsibility for the Company’s project management and operations functions and other tasks delegated by the Board. For purposes of this Agreement, the “**Business**” of the Company shall be defined as the development and commercialization of immuno-oncology and related products and related technology based products with mechanisms including iNKT agonists, intratumoral chemotherapy, STING agonists, RAGE antibodies, and nanoliopgels. Executive is not bound by the terms of any agreement with any previous employer or other party which would limit its abilities to perform its duties and obligations hereunder.

(b) **TERM.** The term of this Agreement shall commence on the date hereof and shall continue for a period of two (2) years (the “**Initial Term**”). Thereafter, this Agreement shall be automatically renewed for one year periods. The Initial Term and any renewals thereof shall be referred to herein as the “**Term.**” In each case, the Term will continue until terminated in accordance with Section 6(d).

**2. COMPENSATION.** In consideration of all the services to be rendered by Executive to the Company hereunder, the Company hereby agrees to pay or otherwise provide Executive the following compensation and benefits. It is furthermore understood that the Company shall have the right to deduct or withhold as required under any provision of applicable law from:

(a) **SALARY.** Executive shall receive an initial annual salary of Three Hundred Ten Thousand Dollars (\$310,000) to begin on December 1, 2021, plus annual cost of living salary increases (“**Base Salary**”). The applicable Base Salary shall be reviewed by the Board each year prior to the anniversary of this Agreement to determine the annual increase to the applicable year’s Base Salary; provided, however, that in no event shall such annual increase be less than cost of living increase. The applicable Base Salary will be paid in equal installments not less frequently than bi-monthly in accordance with the Company’s salary payment practices in effect from time to time for senior executives of the Company

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(b) **BONUS PAYMENT.** In addition to the Base Salary then in effect, Executive shall be eligible to receive a bonus payment (the “**Bonus Payment**”) with a target of thirty percent (30%) of the applicable year’s Base Salary (the “**Bonus Percentage**”) based upon Executive achieving performance objectives as determined each year by the Board of Directors and communicated to Executive during the first quarter of the year. The Bonus Payment will be paid in accordance with the Company’s bonus payment practices in effect from time to time for senior executives of the Company, but no later than March 15 of the calendar year immediately following the calendar year for which the bonus is being measured. The Board shall review the Executive’s Bonus Percentage annually and may, in the Board’s sole discretion, increase the Bonus Percentage based upon the Company’s and Executive’s performance.

(c) **LONG TERM INCENTIVES.** Executive shall be eligible to participate in equity awards from time to time under the Portage Biotech Inc. 2021 Equity Incentive Plan on terms and conditions established for such grant by the Board of Directors of Portage Biotech Inc.

(d) **EXPENSES.** Executive shall be entitled to be reimbursed for all reasonable expenses incurred by him in connection with the fulfillment of his duties hereunder, including all necessary continuing education and certification costs and related expenses; provided, however, that Executive has obtained the Company’s prior written approval of such expenses and has complied with all policies and procedures related to the reimbursement of such expenses as shall, from time to time, be established by the Company. For the avoidance of doubt, to the extent that any reimbursements payable to Executive under this subsection 2(e) are subject to the provisions of Section 409A of the Code: any such reimbursements will be paid no later than December 31 of the year following the year in which the expense was incurred, the amount of expenses reimbursed in one year will not affect the amount eligible for reimbursement in any subsequent year, and the right to reimbursement under this Agreement will not be subject to liquidation or exchange for another benefit.

(e) **VACATIONS AND SICK LEAVE.** Executive shall be entitled to four (4) weeks paid vacation annually to be taken in accordance with the Company’s vacation policy in effect from time to time and at such time or times as may be mutually agreed upon by the Company and Executive; provided, however, that if for any reason Executive does not take the full four (4) weeks’ vacation in any given year, Executive shall be entitled to accrue and carry over such vacation time according to the policy established by the Company. Executive shall also be entitled to sick leave according to the sick leave policy which the Company many adopt from time to time.

### 3. **INDEMNIFICATION.**

**COMPANY’S OBLIGATION TO INDEMNIFY.** To the maximum extent allowable under the law of Delaware and the Bylaws and Certificates of Incorporation of the Company, the Company shall at all times during the Term and thereafter, indemnify and defend and hold Executive harmless from and against all liability, loss, costs, claims, damages, expenses, judgments, awards, and settlements as well as attorneys’ fees and expenses, personal or otherwise, whether in tort or in contract, law or equity, that the Company or the Executive may incur by reason of or arising out of any claim made by any third party (together, the “**Losses**”)by reason of, relating to or arising out of Executive’s employment with Company; provided, however, that the Company’s foregoing indemnification obligations shall not apply to Losses incurred by the Company as a result of the Executive’s willful misconduct, gross negligence, or conviction of a felony (including entry of a plea of nolo contendere) for illegal or criminal behavior. Indemnification shall include all costs, including actual attorneys’ fees and expenses reasonably incurred in pursuing indemnity claims under or enforcement of this Agreement. The Company will promptly advance to Executive expenses incurred or to be incurred by Executive to defend any claim, action, suit, proceeding or investigation with respect to the matters subject to indemnification pursuant to this Section 3 (including any expenses incurred in enforcing Executive’s rights under this Section 3), after receipt by the Company of a written request from Executive for such advance together with documentation reasonably acceptable to the Company and subject to an undertaking by Executive to pay back any advanced amounts for which it is determined by agreement between Executive and the Company or by a final judgment of a court of competent jurisdiction that Executive was not entitled to indemnification. This indemnity is in addition to, and does not replace, Portage Biotech Inc. obligations to indemnify.

(a) D&O INSURANCE. During the employment Term and for a commercially reasonable period thereafter, the Company shall cover or cause Portage Biotech, Inc to cover the Executive under its directors' and officers' liability insurance policy to the extent commercially available.

4. **INSURANCE.** The Company may secure, in its own name, or otherwise, and at its own expense, life, health, accident and other insurance covering Executive. Executive agrees to assist the Company in procuring such insurance by submitting to the usual and customary medical and other examinations and by signing, as the insured, such applications and other instruments in writing as may be reasonably requires by the insurance companies to which application is made pursuant to such insurance. Executive agrees that it shall have no right, title, or interest in or to any insurance policies or to the proceeds thereof which the Company may so elect to take out or to continue on Executive's life.

5. **TERMINATION OF EMPLOYMENT.**

(a) **TERMINATION BY THE COMPANY WITHOUT JUST CAUSE, BY VIRTUE OF DEATH OR DISABILITY OF EXECUTIVE, OR RESIGNATION BY THE EXECUTIVE FOR GOOD REASON.**

(i) The Company shall have the right to terminate Executive's employment with the Company pursuant to this Section 6(a) at any time, in accordance with Section 6(d), without "**Just Cause**" (as defined in Section 6(c)(ii) below) or by virtue of Executive's death or Disability (as defined herein) by giving notice as described in Section 9(a) of this Agreement. The Executive shall have the right to terminate its employment for Good Reason in accordance with Section 6(a)(vi).

(ii) If the Company terminates Executive's employment at any time without Just Cause or by virtue of the death or Disability of Executive or Executive terminates its employment with the Company for "**Good Reason**" (as defined in Section 6(a)(vi) below) , then Executive shall be entitled to receive the Accrued Obligations (defined in 6(a)(iv) below). If Executive complies with the obligations in Section 6(a)(iii) below, Executive shall also be eligible to receive the following "**Severance Benefits**":

(1) The Company will pay Executive an amount equal to the sum of (A) 50% of Executive's then current Base Salary and (B) 50% of the average annual bonus for each of the prior two completed performance years, such sum to be divided by Six and less all applicable withholdings and deductions, paid in equal installments for six (6) months (the "**Severance Period**"), commencing on the first payroll date that is more than sixty (60) days following the date of termination of Executive's employment, with the remaining installments occurring on the first day of each remaining month of the Severance Period thereafter.

(2) If a policy is in place when the Severance Period commences, the Company shall pay to the Executive the premiums for the continuation of the Executive's life insurance benefits for a period of six (6) months (the "**Life Insurance Period**") from the date of termination, subject to any applicable withholdings and deductions, in monthly installments commencing on the Company's first regular payroll date that is more than sixty (60) days following the date of termination.

(3) The Company will provide Executive with continued medical and dental benefits for the duration of the Severance Period at the same rate of participant and Company shared costs as in effect for active employees of the Company.

(4) all stock options (and any other unvested equity incentive award) held by the Executive relating to shares of the Company or its parent will be deemed fully vested and exercisable on the Termination Date and the exercise period for such stock options will be increased by a period of two years from the Termination Date

(iii) Executive will be paid all of the Accrued Obligations on the Company's first payroll date after Executive's date of termination from employment or earlier if required by law. Executive shall receive the Severance Benefits pursuant to Section 6(a)(ii) or Change in Control Severance Benefits pursuant to Section 6(b)(i) of this Agreement if by the 60<sup>th</sup> day following the date of Executive's termination of employment, he has signed, delivered to the Company and not revoked in whole or in part a mutually agreeable separation agreement that includes a general release in favor of the Company (the "**Release**").

(iv) For purposes of this Agreement, "**Accrued Obligations**" are any accrued but unpaid portion of the applicable Base Salary, plus any accrued but unused vacation time and unpaid expenses (in accordance with Section 2(d)) that have been earned by the Executive as the date of such termination.

(v) For purposes of this Agreement, and subject to applicable state and federal law, termination by the Company on account of the Executive's "**Disability**" shall mean termination because Executive is unable due to a physical or mental condition to perform the essential functions of his position with or without reasonable accommodation for six (6) months in the aggregate during any twelve (12) month period or based on the written certification by two licensed physicians of the likely continuation of such condition for such period. This definition shall be interpreted and applied consistent with the Americans with Disabilities Act, the Family and Medical Leave Act, and other applicable law. Whenever Severance Benefits or Change in Control Severance Benefits are payable to Executive hereunder during a time when Executive is partially or totally disabled, and such Disability would entitle it to disability income payments according to the terms of any plan or policy now or hereafter provided by the Company, the Severance Benefits or Change in Control Severance Benefits payable to Executive hereunder shall be inclusive of any such disability income and shall not be in addition thereto, even if such disability income is payable directly to Executive by an insurance company under a policy paid for by the Company.

(vi) For purposes of this Agreement, "**Good Reason**" shall mean the occurrence of any of the following events without Executive's consent: a material reduction in Executive's Base Salary; a material reduction in the Executive's duties, authority and responsibilities relative to the Executive's duties, authority, and responsibilities in effect immediately prior to such reduction; the relocation of Executive's principal place of employment, without Executive's consent, in a manner that lengthens his one-way commute distance by fifty (50) or more miles from his then-current principal place of employment immediately prior to such relocation; any material breach of the Agreement by the Company or its successors; or the liquidation, dissolution, merger, consolidation or reorganization of the Company or transfer of all or a significant portion of its business and/or assets, unless the successor or successors shall have assumed all duties and obligations of the Company under the Agreement; *provided, however*, that, any such termination by Executive shall only be deemed for Good Reason pursuant to this definition if: Executive gives the Company written notice of its intent to terminate for Good Reason within thirty (30) days following the occurrence of one or more condition(s) that it believes constitute(s) Good Reason, which notice shall describe such condition(s); the Company fails to remedy such condition(s) within thirty (30) days following receipt of the written notice (the "**Cure Period**"); the Company has not, prior to receiving such notice from Executive, already informed Executive that its employment with the Company is being terminated and Executive voluntarily terminates its employment within thirty (30) days following the end of the Cure Period.

(b) TERMINATION BY THE COMPANY WITHOUT JUST CAUSE OR RESIGNATION BY THE EXECUTIVE FOR GOOD REASON COINCIDENT WITH A CHANGE IN CONTROL.

(i) If Executive's employment by the Company is terminated by the Company or any successor entity without "**Just Cause**" (as defined in Section 6(c)(ii)) (not including termination by virtue of Executive's death or Disability) or by Executive for Good Reason within twelve (12) months following the effective date of a "**Change in Control**" (as defined below), then in addition to paying or providing Executive with the Accrued Obligations and subject to compliance with Section 6(a)(iii), the Company will provide the following "**Change in Control Severance Benefits**":

(1) The Company will pay the Base Salary continuation benefit as described in Section 6(a)(ii)(1), except that the Severance Period in Section 6(a)(ii)(1) shall instead be twelve (12) months;

(2) The Company will pay the life insurance benefit as described in Section 6(a)(ii)(3), except that the Life Insurance Period in Section 6(a)(ii)(3) shall instead be twelve (12) months; and

(3) The Company will pay an additional amount equivalent to Executive's target annual bonus calculated using the Bonus Percentage for the performance year in which Executive's termination occurs. This bonus will be payable subject to standard federal and state payroll withholding requirements and paid in twelve equal installments commencing on the first payroll date that is more than sixty (60) days following the date of termination of Executive's employment, with the remaining installments occurring on the first day of the month for the eleven (11) months thereafter.

(4) The Company will provide Executive with continued medical and dental benefits as described in Section 6(a)(ii)(3) for the duration of the Severance Period, except that the Severance Period shall be twelve (12) months.

(5) all stock options (and any other unvested equity incentive award) held by the Executive relating to shares of the Company or its parent will be deemed fully vested and exercisable on the Termination Date and the exercise period for such stock options will be increased by a period of two years from the Termination Date.

(ii) For purposes of this Agreement, a "**Change in Control**" means the occurrence of any of the following events: (i) an acquisition of the Company by another entity by means of any transaction or series of related transactions (including, without limitation, any reorganization, merger or consolidation but excluding any merger effected exclusively for the purpose of changing the domicile of the Founder), (ii) a transaction or series of related transactions in which a Person, or a group of related Persons, becomes the beneficial owner of, or acquires from shareholders of the Company shares representing more than fifty percent (50%) of the outstanding voting power of the Company, or (iii) a sale, transfer, exclusive license or other disposition, in a single transaction or a series of related transactions, of all or substantially all of the assets of the Company.

(c) TERMINATION FOR JUST CAUSE OR VOLUNTARY TERMINATION.



(i) If Executive's employment is terminated prior to the expiration of the Term for Just Cause or if Executive's employment is terminated as set forth in Section 6(d)(ii) or (iii) hereof (not including a resignation for Good Reason), Executive will be paid the Accrued Obligations on the Company's first payroll date after Executive's date of termination from employment or earlier if required by law. Executive shall NOT be entitled to receive any Severance Benefits (as defined in Section 6(a)(ii)) or Change in Control Severance Benefits (defined in Section 6(b)(i)).

(ii) For the purposes hereof, the Company shall have "**Just Cause**" to terminate Executive's employment hereunder as a result of Executive's gross negligence that causes demonstrable harm to the Company, willful misconduct that causes demonstrable harm to the Company, conviction of a felony (including the entry of a plea of nolo contendere) for illegal or criminal behavior in carrying out his duties as required pursuant to the terms of the Agreement. Notwithstanding any other provision contained herein, the Company shall have the right to terminate the agreement and Executive's employment without Just Cause, and Executive's remedies hereunder in the event of such termination shall be limited to the Severance Benefits or Change in Control Severance Benefits, as applicable, set forth in Section 6(a)(ii) and 6(b)(i) hereof.

(d) **EVENTS OF TERMINATION.** This Agreement shall terminate on the earliest to occur of the following events:

- (i) the expiration of the Term;
- (ii) the mutual written agreement of the Company and the Executive;
- (iii) the voluntary termination of the Executive other than as a result of a resignation for Good Reason (as defined in Section 6(a)(iv));
- (iv) the death of Executive or Executive's retirement;
- (v) termination on account of Executive's Disability (as defined above);
- (vi) the termination of the Executive by the Company with or without Just Cause (as defined in Section 6(c)(ii)) upon giving written notice to Executive; or
- (vii) for a termination for Good Reason, immediately upon Executive's full satisfaction of the requirements of Section 6(a)(vi).

(e) **SECTION 409A.**

(i) Notwithstanding anything to the contrary herein, the following provisions apply to the extent severance benefits provided herein are subject to Section 409A of the Internal Revenue Code (the "**Code**") and the regulations and other guidance thereunder and any state law of similar effect (collectively "**Section 409A**"). Severance benefits shall not commence until the Executive has a "**separation from service**" (as defined under Treasury Regulation Section 1.409A-1(h), without regard to any alternative definition thereunder, a "**separation from service**"). Each installment of severance benefits is a separate "**payment**" for purposes of Treas. Reg. Section 1.409A-2(b)(2)(i), and the severance benefits are intended to satisfy the exemptions from application of Section 409A provided under Treasury Regulations Sections 1.409A-1(b)(4), 1.409A-1(b)(5) and 1.409A-1(b)(9). However, if such exemptions are not available and the Executive is, upon separation from service, a "**specified employee**" for purposes of Section 409A, then, solely to the extent necessary to avoid adverse personal tax consequences under Section 409A, the timing of the severance benefits payments shall be delayed until the earlier of six (6)

months and one day after the Executive's separation from service, the Executive's death or such earlier date as permitted under Section 409A without the imposition of adverse taxation. Upon the first business day following the expiration of such applicable Section 409A period, all payments deferred pursuant to this paragraph shall be paid in a lump sum to Executive, and any remaining payments due shall be paid as otherwise provided herein or in the applicable agreement. No interest shall be due on any amounts so deferred. The parties acknowledge that the exemptions from application of Section 409A to severance benefits are fact specific, and any later amendment of this Agreement to alter the timing, amount or conditions that will trigger payment of severance benefits may preclude the ability of severance benefits provided under this Agreement to qualify for an exemption. To the extent that any severance payments or benefits are deferred compensation under Section 409A, and are not otherwise exempt from the application of Section 409A, then, if the period during which Executive may consider and sign the Release spans two calendar years, the payment of such severance payments and benefits will not be made or begin until the later calendar year.

(ii) It is intended that this Agreement shall comply with the requirements of Section 409A, and any ambiguity contained herein shall be interpreted in such manner so as to avoid adverse personal tax consequences under Section 409A. Notwithstanding the foregoing, the Company shall in no event be obligated to indemnify the Executive for any taxes or interest that may be assessed by the Internal Revenue Service pursuant to Section 409A of the Code to payments made pursuant to this Agreement.

## 6. RESTRICTIVE COVENANTS.

(a) **CONFIDENTIAL INFORMATION AND INVENTION ASSIGNMENT.** As a condition of continued employment, Executive agrees to abide by the Confidential Information and Invention Assignment Agreement, attached as Exhibit A, that he previously executed (the "CIIA"). The CIIA may be amended from time to time without regard to this Agreement. The CIIA contains provisions that are intended by the parties to survive and do survive termination of this Agreement.

(b) **NON-SOLICITATION AND NON-COMPETITION.** Executive and the Company agree that the Company would suffer irreparable harm and incur substantial damage if Executive were to enter into Competition (as defined herein) with the Company. Therefore, in order for the Company to protect its legitimate business interests, Executive agrees as follows:

(i) Without the prior written consent of the Company, Executive shall not, during the period of employment with the Company, directly or indirectly, invest or engage in any business that is Competitive (as defined herein) with the Business of the Company or accept employment or render services to a Competitor (as defined herein) of the Company as a director, officer, agent, employee or consultant or solicit or attempt to solicit or accept business that is Competitive with the Business of the Company, except that Executive may own up to five percent (5%) of any outstanding class of securities of any company registered under Section 12 of the Securities Exchange Act of 1934, as amended; provided, however, the Company acknowledges that Executive currently engages in a number of activities set forth on Exhibit B as long as such permitted activities do not have a material adverse effect on the Executive's performance or this Agreement.

(ii) Without the prior written consent of the Company and upon any termination of Executive's employment with the Company and for a period of twelve (12) months thereafter, Executive shall not, either directly or indirectly, (x) invest or engage in any business that is Competitive (as defined herein) with the Business of the Company, except that Executive may own up to five percent (5%) of any outstanding class of securities of any company registered under Section 12 of the Securities Exchange Act of 1934, as amended, (y) accept employment with or render services to a Competitor of the Company as a director, officer, agent, employee or consultant unless he is serving in a capacity that has no relationship to that portion of the Competitor's business that is Competitive with the Business of the Company, or (z) solicit, attempt to solicit or accept business Competitive with the Business of the Company from any of the customers of the Company at the time of his termination or within twelve (12) months prior thereto or from any person or entity whose business the Company was soliciting at such time.

(iii) Upon termination of his employment with the Company, and for a period of twelve (12) months thereafter, Executive shall not, either directly or indirectly, engage, hire, employ or solicit in any manner whatsoever the employment of an employee of the Company.

(iv) For purposes of this Agreement, a business or activity is in “**Competition**” or “**Competitive**” with the Business of the Company if it involves, and a person or entity is a “**Competitor**”, if that person or entity is engaged in, or about to become engaged in, the research, development, design, manufacturing, marketing or selling of a specific product or technology that closely resembles, competes, or is designed to compete, with, or has applications similar to any product or technology for which the Company has obtained or applied for a patent or made disclosures, or any product or technology involving any other proprietary research or development engaged in or conducted by the Company during the Term of Executive’s employment with the Company.

## 7. GENERAL PROVISIONS.

(a) **NOTICES.** Any notices required hereunder to be in writing shall be deemed effectively given: upon personal delivery to the party to be notified, when sent by electronic mail, telex or confirmed facsimile if sent during normal business hours of the recipient, and if not, then on the next business day, five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the Company at its primary office location and to Executive at Executive’s address as listed on the Company payroll or Executive’s company-provided email address, or at such other address as the Company or the Executive may designate by ten (10) days advance written notice to the other.

(b) **ENTIRE AGREEMENT.** This Agreement, together with Exhibits A and B, constitutes the entire agreement between the parties hereto relating to the subject matter hereof, and supersedes all prior agreements and understandings, whether oral or written, with respect to the same. No modification, alteration, amendment or revision of or supplement to this Agreement shall be valid or effective unless the same is in writing and signed by both parties hereto.

(c) **GOVERNING LAW.** This Agreement and the rights and duties of the parties hereunder shall be governed by, construed under and enforced in accordance with the laws of the State of New York.

(d) **ASSIGNMENT.** The rights and obligations of the parties under this Agreement shall not be assignable without written permission of the other party.

(e) **SEVERABILITY.** The invalidity of any provision of this Agreement under the applicable laws of the State of Connecticut or any other jurisdiction, shall not affect the other provisions hereby declared to be severable from all other provisions. The intention of the parties, as expressed in any provision held to be void or ineffective shall be given such full force and effect as may be permitted by law.

(f) SURVIVAL. The obligations under Sections 3, 4, 6, 7 and 8 shall survive the termination of this Agreement.

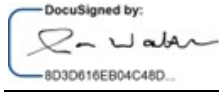
(g) REMEDIES. Executive and the Company recognize that the services to be rendered under this Agreement by Executive are special, unique, and of extraordinary character, and that in the event of the breach by Executive of the terms and conditions of Sections 3, 4, and 7 hereof the Company shall be entitled, if it so elects, to institute and prosecute proceedings in any court of competent jurisdiction, to obtain damages for any breach thereof.

(h) DISPUTE RESOLUTION. Except for the right of either party to apply to a court of competent jurisdiction for a temporary restraining order, a preliminary injunction, or other equitable relief to preserve the status quo or prevent irreparable harm, any and all claims, disputes or controversies arising under, out of, or in connection with the Agreement, including any dispute relating to production, use or commercialization, which the parties shall be unable to resolve within sixty (60) days shall be mediated in good faith. The party raising such dispute shall promptly advise the other party of such claim, dispute or controversy in a writing, which describes in reasonable detail the nature of such dispute. By not later than five (5) business days after the recipient has received such notice of dispute, each party shall have selected for itself a representative who shall have the authority to bind such party, and shall additionally have advised the other party in writing of the name and title of such representative. By not later than ten (10) business days after the date of such notice of dispute, the party against whom the dispute shall be raised shall select a mediation firm in Connecticut and such representatives shall schedule a date with such firm for a mediation hearing. The parties shall enter into good faith mediation and each party shall pay the costs that party incurs in connection with the mediation, but all other costs of the mediation, including the fees of the mediator and administrative fees, shall be paid by the Company. If the representatives of the parties have not been able to resolve the dispute within fifteen (15) business days after such mediation hearing, the parties shall have the right to pursue any other remedies legally available to resolve such dispute in either the Courts of the State of Connecticut or in the United States District Court for the District of Connecticut, to whose jurisdiction for such purposes Company and Executive each hereby irrevocably consents and submits.

*[signatures to follow on next page]*

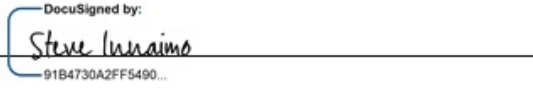
IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

**Portage Development Services, INC.**

By:  DocuSigned by:  
8D3D616EB04C48D...

Name: Ian B. Walters, MD  
CEO

**EXECUTIVE**

 DocuSigned by:  
91B4730A2FF5490...

Name: Steve Innaimo



1.

**SERVICES AGREEMENT**

**THIS SERVICES AGREEMENT** (the “**Agreement**”) is effective as of December 1, 2021, by and between **Portage Development Services Inc.**, a Delaware corporation (the “**Company**”), and **Brian Wiley** a resident of the State of Massachusetts (the “**Executive**”).

**WHEREAS**, the Company and Executive desire to enter into this Agreement pursuant to which the Company will continue to employ Executive in the capacity, for the period and on the terms and conditions set forth herein;

**NOW, THEREFORE**, in consideration of the premises and mutual covenants and agreements herein contained, the parties hereby agree as follows:

**1. EMPLOYMENT BY THE COMPANY.**

(a) **EMPLOYMENT AND DUTIES.** The Company hereby continues to employ Executive of the Company to act in accordance with the terms and conditions hereinafter set forth. During the Term (as defined below), Executive will report to the Chief Executive Officer (the “**CEO**”) and agrees that it will devote sufficient time, attention and skills to the operation of the Business (as defined below) of the Company and that it will perform such duties, functions, responsibilities and authority in connection with the foregoing as are from time to time delegated to Executive by the Board. These duties shall include, but shall not be limited to, responsibility for the Company’s business development and commercial functions and other tasks delegated by the Board. For purposes of this Agreement, the “**Business**” of the Company shall be defined as the development and commercialization of immuno-oncology and related products and related technology based products with mechanisms including iNKT agonists, intratumoral chemotherapy, STING agonists, RAGE antibodies, and nanoliopgels. Executive is not bound by the terms of any agreement with any previous employer or other party which would limit its abilities to perform its duties and obligations hereunder.

(b) **TERM.** The term of this Agreement shall commence on the date hereof and shall continue for a period of one (1) year (the “**Initial Term**”). Thereafter, this Agreement shall be automatically renewed for one year periods. The Initial Term and any renewals thereof shall be referred to herein as the “**Term.**” In each case, the Term will continue until terminated in accordance with Section 6(d).

**2. COMPENSATION.** In consideration of all the services to be rendered by Executive to the Company hereunder, the Company hereby agrees to pay or otherwise provide Executive the following compensation and benefits. It is furthermore understood that the Company shall have the right to deduct or withhold as required under any provision of applicable law from:

(a) **SALARY.** Executive shall receive an initial annual salary of One Hundred Seventy-five Thousand Dollars (\$175,000) to begin on December 1, 2021, plus annual cost of living salary increases (“**Base Salary**”). The applicable Base Salary shall be reviewed by the Board each year prior to the anniversary of this Agreement to determine the annual increase to the applicable year’s Base Salary; provided, however, that in no event shall such annual increase be less than cost of living increase. The applicable Base Salary will be paid in equal installments not less frequently than bi-monthly in accordance with the Company’s salary payment practices in effect from time to time for senior executives of the Company

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(b) **BONUS PAYMENT.** In addition to the Base Salary then in effect, Executive shall be eligible to receive a bonus payment (the “**Bonus Payment**”) with a target of thirty percent (30%) of the applicable year’s Base Salary (the “**Bonus Percentage**”) based upon Executive achieving performance objectives as determined each year by the Board of Directors and communicated to Executive during the first quarter of the year. The Bonus Payment will be paid in accordance with the Company’s bonus payment practices in effect from time to time for senior executives of the Company, but no later than March 15 of the calendar year immediately following the calendar year for which the bonus is being measured. The Board shall review the Executive’s Bonus Percentage annually and may, in the Board’s sole discretion, increase the Bonus Percentage based upon the Company’s and Executive’s performance.

(c) **LONG TERM INCENTIVES.** Executive shall be eligible to participate in equity awards from time to time under the Portage Biotech Inc. 2021 Equity Incentive Plan on terms and conditions established for such grant by the Board of Directors of Portage Biotech Inc.

(d) **EXPENSES.** Executive shall be entitled to be reimbursed for all reasonable expenses incurred by him in connection with the fulfillment of his duties hereunder, including all necessary continuing education and certification costs and related expenses; provided, however, that Executive has obtained the Company’s prior written approval of such expenses and has complied with all policies and procedures related to the reimbursement of such expenses as shall, from time to time, be established by the Company. For the avoidance of doubt, to the extent that any reimbursements payable to Executive under this subsection 2(e) are subject to the provisions of Section 409A of the Code: any such reimbursements will be paid no later than December 31 of the year following the year in which the expense was incurred, the amount of expenses reimbursed in one year will not affect the amount eligible for reimbursement in any subsequent year, and the right to reimbursement under this Agreement will not be subject to liquidation or exchange for another benefit.

(e) **VACATIONS AND SICK LEAVE.** Executive shall be entitled to four (4) weeks paid vacation annually to be taken in accordance with the Company’s vacation policy in effect from time to time and at such time or times as may be mutually agreed upon by the Company and Executive; provided, however, that if for any reason Executive does not take the full four (4) weeks’ vacation in any given year, Executive shall be entitled to accrue and carry over such vacation time according to the policy established by the Company. Executive shall also be entitled to sick leave according to the sick leave policy which the Company many adopt from time to time.

### 3. **INDEMNIFICATION.**

**COMPANY’S OBLIGATION TO INDEMNIFY.** To the maximum extent allowable under the law of Delaware and the Bylaws and Certificates of Incorporation of the Company, the Company shall at all times during the Term and thereafter, indemnify and defend and hold Executive harmless from and against all liability, loss, costs, claims, damages, expenses, judgments, awards, and settlements as well as attorneys’ fees and expenses, personal or otherwise, whether in tort or in contract, law or equity, that the Company or the Executive may incur by reason of or arising out of any claim made by any third party (together, the “**Losses**”)by reason of, relating to or arising out of Executive’s employment with Company; provided, however, that the Company’s foregoing indemnification obligations shall not apply to Losses incurred by the Company as a result of the Executive’s willful misconduct, gross negligence, or conviction of a felony (including entry of a plea of nolo contendere) for illegal or criminal behavior. Indemnification shall include all costs, including actual attorneys’ fees and expenses reasonably incurred in pursuing indemnity claims under or enforcement of this Agreement. The Company will promptly advance to Executive expenses incurred or to be incurred by Executive to defend any claim, action, suit, proceeding or investigation with respect to the matters subject to indemnification pursuant to this Section 3 (including any expenses incurred in enforcing Executive’s rights under this Section 3), after receipt by the Company of a written request from Executive for such advance together with documentation reasonably acceptable to the Company and subject to an undertaking by Executive to pay back any advanced amounts for which it is determined by agreement between Executive and the Company or by a final judgment of a court of competent jurisdiction that Executive was not entitled to indemnification. This indemnity is in addition to, and does not replace, Portage Biotech Inc. obligations to indemnify.

(a) D&O INSURANCE. During the employment Term and for a commercially reasonable period thereafter, the Company shall cover or cause Portage Biotech, Inc to cover the Executive under its directors' and officers' liability insurance policy to the extent commercially available.

4. **INSURANCE.** The Company may secure, in its own name, or otherwise, and at its own expense, life, health, accident and other insurance covering Executive. Executive agrees to assist the Company in procuring such insurance by submitting to the usual and customary medical and other examinations and by signing, as the insured, such applications and other instruments in writing as may be reasonably requires by the insurance companies to which application is made pursuant to such insurance. Executive agrees that it shall have no right, title, or interest in or to any insurance policies or to the proceeds thereof which the Company may so elect to take out or to continue on Executive's life.

5. **TERMINATION OF EMPLOYMENT.**

(a) **TERMINATION BY THE COMPANY WITHOUT JUST CAUSE, BY VIRTUE OF DEATH OR DISABILITY OF EXECUTIVE, OR RESIGNATION BY THE EXECUTIVE FOR GOOD REASON.**

(i) The Company shall have the right to terminate Executive's employment with the Company pursuant to this Section 6(a) at any time, in accordance with Section 6(d), without "**Just Cause**" (as defined in Section 6(c)(ii) below) or by virtue of Executive's death or Disability (as defined herein) by giving notice as described in Section 9(a) of this Agreement. The Executive shall have the right to terminate its employment for Good Reason in accordance with Section 6(a)(vi).

(ii) If the Company terminates Executive's employment at any time without Just Cause or by virtue of the death or Disability of Executive or Executive terminates its employment with the Company for "**Good Reason**" (as defined in Section 6(a)(vi) below) , then Executive shall be entitled to receive the Accrued Obligations (defined in 6(a)(iv) below).

(1) all stock options (and any other unvested equity incentive award) held by the Executive relating to shares of the Company or its parent will be deemed fully vested and exercisable on the Termination Date and the exercise period for such stock options will be increased by a period of two years from the Termination Date

(iii) Executive will be paid all of the Accrued Obligations on the Company's first payroll date after Executive's date of termination from employment or earlier if required by law. Executive shall receive the Severance Benefits pursuant to Section 6(a)(ii) or Change in Control Severance Benefits pursuant to Section 6(b)(i) of this Agreement if by the 60<sup>th</sup> day following the date of Executive's termination of employment, he has signed, delivered to the Company and not revoked in whole or in part a mutually agreeable separation agreement that includes a general release in favor of the Company (the "**Release**").

(iv) For purposes of this Agreement, "**Accrued Obligations**" are any accrued but unpaid portion of the applicable Base Salary, plus any accrued but unused vacation time and unpaid expenses (in accordance with Section 2(d)) that have been earned by the Executive as the date of such termination.

(v) For purposes of this Agreement, and subject to applicable state and federal law, termination by the Company on account of the Executive's "**Disability**" shall mean termination because Executive is unable due to a physical or mental condition to perform the essential functions of his position with or without reasonable accommodation for six (6) months in the aggregate during any twelve (12) month period or based on the written certification by two licensed physicians of the likely continuation of such condition for such period. This definition shall be interpreted and applied consistent with the Americans with Disabilities Act, the Family and Medical Leave Act, and other applicable law. Whenever Severance Benefits or Change in Control Severance Benefits are payable to Executive hereunder during a time when Executive is partially or totally disabled, and such Disability would entitle it to disability income payments according to the terms of any plan or policy now or hereafter provided by the Company, the Severance Benefits or Change in Control Severance Benefits payable to Executive hereunder shall be inclusive of any such disability income and shall not be in addition thereto, even if such disability income is payable directly to Executive by an insurance company under a policy paid for by the Company.

(vi) For purposes of this Agreement, "**Good Reason**" shall mean the occurrence of any of the following events without Executive's consent: a material reduction in Executive's Base Salary; a material reduction in the Executive's duties, authority and responsibilities relative to the Executive's duties, authority, and responsibilities in effect immediately prior to such reduction; the relocation of Executive's principal place of employment, without Executive's consent, in a manner that lengthens his one-way commute distance by fifty (50) or more miles from his then-current principal place of employment immediately prior to such relocation; any material breach of the Agreement by the Company or its successors; or the liquidation, dissolution, merger, consolidation or reorganization of the Company or transfer of all or a significant portion of its business and/or assets, unless the successor or successors shall have assumed all duties and obligations of the Company under the Agreement; *provided, however*, that, any such termination by Executive shall only be deemed for Good Reason pursuant to this definition if: Executive gives the Company written notice of its intent to terminate for Good Reason within thirty (30) days following the occurrence of one or more condition(s) that it believes constitute(s) Good Reason, which notice shall describe such condition(s); the Company fails to remedy such condition(s) within thirty (30) days following receipt of the written notice (the "**Cure Period**"); the Company has not, prior to receiving such notice from Executive, already informed Executive that its employment with the Company is being terminated and Executive voluntarily terminates its employment within thirty (30) days following the end of the Cure Period.

(b) **TERMINATION BY THE COMPANY WITHOUT JUST CAUSE OR RESIGNATION BY THE EXECUTIVE FOR GOOD REASON COINCIDENT WITH A CHANGE IN CONTROL.**

(i) If Executive's employment by the Company is terminated by the Company or any successor entity without "**Just Cause**" (as defined in Section 6(c)(ii)) (not including termination by virtue of Executive's death or Disability) or by Executive for Good Reason within twelve (12) months following the effective date of a "**Change in Control**" (as defined below), then in addition to paying or providing Executive with the Accrued Obligations and subject to compliance with Section 6(a)(iii), the Company will provide the following "**Change in Control Severance Benefits**":

(1) The Company will pay the Base Salary for six (6) months;

(2) The Company will pay an additional amount equivalent to 50% of the Executive's target annual bonus calculated using the Bonus Percentage for the performance year in which Executive's termination occurs. This bonus will be payable subject to standard federal and state payroll withholding requirements and paid in twelve equal installments commencing on the first payroll date that is more than sixty (60) days following the date of termination of Executive's employment, with the remaining installments occurring on the first day of the month for the eleven (11) months thereafter.

(3) all stock options (and any other unvested equity incentive award) held by the Executive relating to shares of the Company or its parent will be deemed fully vested and exercisable on the Termination Date and the exercise period for such stock options will be increased by a period of two years from the Termination Date.

(ii) For purposes of this Agreement, a “**Change in Control**” means the occurrence of any of the following events: (i) an acquisition of the Company by another entity by means of any transaction or series of related transactions (including, without limitation, any reorganization, merger or consolidation but excluding any merger effected exclusively for the purpose of changing the domicile of the Founder), (ii) a transaction or series of related transactions in which a Person, or a group of related Persons, becomes the beneficial owner of, or acquires from shareholders of the Company shares representing more than fifty percent (50%) of the outstanding voting power of the Company, or (iii) a sale, transfer, exclusive license or other disposition, in a single transaction or a series of related transactions, of all or substantially all of the assets of the Company.

(c) **TERMINATION FOR JUST CAUSE OR VOLUNTARY TERMINATION.**

(i) If Executive’s employment is terminated prior to the expiration of the Term for Just Cause or if Executive’s employment is terminated as set forth in Section 6(d)(ii) or (iii) hereof (not including a resignation for Good Reason), Executive will be paid the Accrued Obligations on the Company’s first payroll date after Executive’s date of termination from employment or earlier if required by law. Executive shall NOT be entitled to receive any Change in Control Severance Benefits (defined in Section 6(b)(i)).

(ii) For the purposes hereof, the Company shall have “**Just Cause**” to terminate Executive’s employment hereunder as a result of Executive’s gross negligence that causes demonstrable harm to the Company, willful misconduct that causes demonstrable harm to the Company, conviction of a felony (including the entry of a plea of nolo contendere) for illegal or criminal behavior in carrying out his duties as required pursuant to the terms of the Agreement. Notwithstanding any other provision contained herein, the Company shall have the right to terminate the agreement and Executive’s employment without Just Cause, and Executive’s remedies hereunder in the event of such termination shall be limited to the Severance Benefits or Change in Control Severance Benefits, as applicable, set forth in Section 6(a)(ii) and 6(b)(i) hereof.

(d) **EVENTS OF TERMINATION.** This Agreement shall terminate on the earliest to occur of the following events:

- (i) the expiration of the Term;
- (ii) the mutual written agreement of the Company and the Executive;
- (iii) the voluntary termination of the Executive other than as a result of a resignation for Good Reason (as defined in Section 6(a)(iv));
- (iv) the death of Executive or Executive’s retirement;
- (v) termination on account of Executive’s Disability (as defined above);

- (vi) the termination of the Executive by the Company with or without Just Cause (as defined in Section 6(c)(ii)) upon giving written notice to Executive; or
- (vii) for a termination for Good Reason, immediately upon Executive's full satisfaction of the requirements of Section 6(a)(vi).

## 6. RESTRICTIVE COVENANTS.

(a) **CONFIDENTIAL INFORMATION AND INVENTION ASSIGNMENT.** As a condition of continued employment, Executive agrees to abide by the Confidential Information and Invention Assignment Agreement, attached as Exhibit A, that he previously executed (the "**CIIA**"). The CIIA may be amended from time to time without regard to this Agreement. The CIIA contains provisions that are intended by the parties to survive and do survive termination of this Agreement.

(b) **NON-SOLICITATION AND NON-COMPETITION.** Executive and the Company agree that the Company would suffer irreparable harm and incur substantial damage if Executive were to enter into Competition (as defined herein) with the Company. Therefore, in order for the Company to protect its legitimate business interests, Executive agrees as follows:

(i) Without the prior written consent of the Company, Executive shall not, during the period of employment with the Company, directly or indirectly, invest or engage in any business that is Competitive (as defined herein) with the Business of the Company or accept employment or render services to a Competitor (as defined herein) of the Company as a director, officer, agent, employee or consultant or solicit or attempt to solicit or accept business that is Competitive with the Business of the Company, except that Executive may own up to five percent (5%) of any outstanding class of securities of any company registered under Section 12 of the Securities Exchange Act of 1934, as amended; provided, however, the Company acknowledges that Executive currently engages in a number of activities set forth on Exhibit B as long as such permitted activities do not have a material adverse effect on the Executive's performance or this Agreement.

(ii) Without the prior written consent of the Company and upon any termination of Executive's employment with the Company and for a period of twelve (12) months thereafter, Executive shall not, either directly or indirectly, (x) invest or engage in any business that is Competitive (as defined herein) with the Business of the Company, except that Executive may own up to five percent (5%) of any outstanding class of securities of any company registered under Section 12 of the Securities Exchange Act of 1934, as amended, (y) accept employment with or render services to a Competitor of the Company as a director, officer, agent, employee or consultant unless he is serving in a capacity that has no relationship to that portion of the Competitor's business that is Competitive with the Business of the Company, or (z) solicit, attempt to solicit or accept business Competitive with the Business of the Company from any of the customers of the Company at the time of his termination or within twelve (12) months prior thereto or from any person or entity whose business the Company was soliciting at such time.

(iii) Upon termination of his employment with the Company, and for a period of twelve (12) months thereafter, Executive shall not, either directly or indirectly, engage, hire, employ or solicit in any manner whatsoever the employment of an employee of the Company.

(iv) For purposes of this Agreement, a business or activity is in "**Competition**" or "**Competitive**" with the Business of the Company if it involves, and a person or entity is a "**Competitor**", if that person or entity is engaged in, or about to become engaged in, the research, development, design, manufacturing, marketing or selling of a specific product or technology that closely resembles, competes, or is designed to compete, with, or has applications similar to any product or technology for which the Company has obtained or applied for a patent or made disclosures, or any product or technology involving any other proprietary research or development engaged in or conducted by the Company during the Term of Executive's employment with the Company.

**7. GENERAL PROVISIONS.**

(a) **NOTICES.** Any notices required hereunder to be in writing shall be deemed effectively given: upon personal delivery to the party to be notified, when sent by electronic mail, telex or confirmed facsimile if sent during normal business hours of the recipient, and if not, then on the next business day, five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the Company at its primary office location and to Executive at Executive's address as listed on the Company payroll or Executive's company-provided email address, or at such other address as the Company or the Executive may designate by ten (10) days advance written notice to the other.

(b) **ENTIRE AGREEMENT.** This Agreement, together with Exhibits A and B, constitutes the entire agreement between the parties hereto relating to the subject matter hereof, and supersedes all prior agreements and understandings, whether oral or written, with respect to the same. No modification, alteration, amendment or revision of or supplement to this Agreement shall be valid or effective unless the same is in writing and signed by both parties hereto.

(c) **GOVERNING LAW.** This Agreement and the rights and duties of the parties hereunder shall be governed by, construed under and enforced in accordance with the laws of the State of New York.

(d) **ASSIGNMENT.** The rights and obligations of the parties under this Agreement shall not be assignable without written permission of the other party.

(e) **SEVERABILITY.** The invalidity of any provision of this Agreement under the applicable laws of the State of Connecticut or any other jurisdiction, shall not affect the other provisions hereby declared to be severable from all other provisions. The intention of the parties, as expressed in any provision held to be void or ineffective shall be given such full force and effect as may be permitted by law.

(f) **SURVIVAL.** The obligations under Sections 3, 4, 6, 7 and 8 shall survive the termination of this Agreement.

(g) **REMEDIES.** Executive and the Company recognize that the services to be rendered under this Agreement by Executive are special, unique, and of extraordinary character, and that in the event of the breach by Executive of the terms and conditions of Sections 3, 4, and 7 hereof the Company shall be entitled, if it so elects, to institute and prosecute proceedings in any court of competent jurisdiction, to obtain damages for any breach thereof.

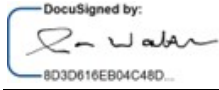
(h) **DISPUTE RESOLUTION.** Except for the right of either party to apply to a court of competent jurisdiction for a temporary restraining order, a preliminary injunction, or other equitable relief to preserve the status quo or prevent irreparable harm, any and all claims, disputes or controversies arising under, out of, or in connection with the Agreement, including any dispute relating to production, use or commercialization, which the parties shall be unable to resolve within sixty (60) days shall be mediated in good faith. The party raising such dispute shall promptly advise the other party of such claim, dispute or controversy in a writing, which describes in reasonable detail the nature of such dispute. By not later than

five (5) business days after the recipient has received such notice of dispute, each party shall have selected for itself a representative who shall have the authority to bind such party, and shall additionally have advised the other party in writing of the name and title of such representative. By not later than ten (10) business days after the date of such notice of dispute, the party against whom the dispute shall be raised shall select a mediation firm in Connecticut and such representatives shall schedule a date with such firm for a mediation hearing. The parties shall enter into good faith mediation and each party shall pay the costs that party incurs in connection with the mediation, but all other costs of the mediation, including the fees of the mediator and administrative fees, shall be paid by the Company. If the representatives of the parties have not been able to resolve the dispute within fifteen (15) business days after such mediation hearing, the parties shall have the right to pursue any other remedies legally available to resolve such dispute in either the Courts of the State of Connecticut or in the United States District Court for the District of Connecticut, to whose jurisdiction for such purposes Company and Executive each hereby irrevocably consents and submits.

*[signatures to follow on next page]*

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

**Portage Development Services, INC.**

By: 8D3D016EB04C48D...

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Name: Ian B. Walters, MD  
CEO

**EXECUTIVE**

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Name: brian wiley





Exhibit B – Permitted Activities

1. Executive currently serves as a consultant, advisor or board member for the following companies:
  - A. Kenjockey Biotechnology (Consultant)
    - a. Bispecific Antibodies (Efflux Pumps X TAAs)
  - B. KinaRx Inc (Consultant and Board Member)
    - a. Kinase Inhibitors (Oncology and Non-Oncology)
  - C. Ena Respiratory (Consultant)
    - a. Pan-antiviral nasal spray (Non-Oncology)
  - D. Alauos Therapeutics (Consultant)
    - a. TCR-T Cell Therapy
    - b. Intra-tumoral gene activated IL12
    - c. CAR-T (CD19 and BCMA)
  - E. BlueAllele (Advisor)
    - a. Gene Editing (Rare Disease)



**PORTAGE BIOTECH INC.**

**2021 EQUITY INCENTIVE PLAN**

**Share Option Agreement**

This Share Option Agreement (this "**Agreement**"), dated as of the Grant Date, is between Portage Biotech Inc., a corporation formed under the laws of the Territory of the British Virgin Islands (the "**Company**"), and \_\_\_\_\_ (the "**Optionee**").

The Company hereby grants to the Optionee the following option (the "**Option**") to purchase Common Shares of the Company in accordance with the terms and conditions of this Agreement and the Portage Biotech Inc. 2021 Equity Incentive Plan (the "**Plan**"):

Total Number of Shares Subject to this Option:	_____
Type of Option (ISO or an NQO):	NQO
Exercise Price per Share:	\$17.75
Grant Date:	January 13, 2021
Vesting Schedule:	1/3 each year
Vesting Commencement Date:	January 13, 2021
Number of Vested Shares on Grant Date:	0
Vesting Period:	3 years
Number of Shares Vesting at end of each Vesting Period:	_____
Expiration Date:	January 13, 2031

**1. Plan.** This Agreement, which constitutes an Award Agreement under the Plan, is granted pursuant to and is governed by the Plan, the terms and conditions of which are incorporated into this Agreement by reference. To the extent there is any inconsistency between the terms of the Plan and this Agreement, the terms of the Plan shall control. Unless the context otherwise requires, capitalized terms used herein without definitions shall have the respective meanings assigned to them in the Plan. By signing this Agreement, the Optionee acknowledges receipt of a copy of the Plan.

**2. Grant of Option.** On the terms and conditions set forth in this Agreement, the Company grants to the Optionee on the Grant Date this Option to purchase, at the Exercise Price Per Share set forth above, the Total Number of Shares Subject to this Option, as set forth above.

**3. Exercisability Schedule.** The Optionee may exercise this Option for such number of Shares as have become exercisable pursuant to the Vesting Schedule set forth above; provided that upon each vesting date the Optionee is employed with the Company or is otherwise providing services to the Company.

4. **Exercise of Option.** Prior to the Expiration Date (or such earlier date as set forth in Section 5 below), the Optionee may exercise this Option by delivering a Notice of Share Option Exercise in the form attached hereto as **Exhibit A** (the "**Notice**"), signed by the Optionee, and received by the Company at its principal office, accompanied by this Agreement and payment in full in the manner provided in the Plan. The Optionee may purchase less than the number of Shares covered hereby, provided that no partial exercise of this Option may be for any fractional Share or for fewer than ten (10) whole Shares. The Optionee (or any other person entitled to exercise this Option) shall not be entitled to any rights as a Shareholder of the Company with respect to any Shares issuable upon exercise of this Option until such Shares shall have been registered on the register of members of the Company in the name of the Optionee (or such other person).

5. **Exercise of Option After Termination of Employment.**

a. **Termination of service.** Except as otherwise determined by the Board, or as may otherwise be expressly provided in any employment agreement between the Company and the Optionee, upon the termination of the service of the Optionee to the Company (or to an Affiliate of the Company), this Option shall expire on the earliest of the following occasions:

- i. the date that is **three (3) months** after the voluntary termination of the Optionee's service;
- ii. the date that is **two (2) years** after the termination of the Optionee's service by the Company (or by an Affiliate of the Company) other than for cause;
- iii. the date of the termination of the Optionee's service by the Company (or by an Affiliate of the Company) for Cause;
- iv. the date one (1) year after the termination of the Optionee's service by reason of Disability;
- v. the date one (1) year after the termination of the Optionee's service by reason of the Optionee's death; or
- vi. the specified Expiration Date of the Option, as set forth above.
- vii. Any portion of this Option that is not exercisable on the date of termination of the Optionee's service with the Company, for any reason, shall terminate immediately and automatically be null and void and of no further force and effect.

6. **Restrictions on Transfer.** The Optionee shall not sell, assign, transfer, pledge, hypothecate or otherwise dispose of, by operation of law or otherwise except by will or the laws of descent and distribution, and during the lifetime of the Optionee, this Option shall be exercisable only by the Optionee.

7. **Withholding.** No Shares shall be issued pursuant to the exercise of this Option unless and until the Optionee pays to the Company or makes provision satisfactory to the Company for payment of any federal, state or local withholding taxes required by law to be withheld in respect of this Option.

8. **Section 409A of the Code.** This Agreement shall be interpreted in such a manner that all provisions relating to the settlement of the RSU Award and Dividend Equivalent Rights granted hereunder are in compliance with or are exempt from the requirements of Section 409A of the Code.

9. **Amendment.** The Board may at any time or times amend the Plan or this Agreement for the purpose of satisfying the requirements of any changes in applicable laws or regulations or for any other purpose which at the time may be permitted by law. No termination, amendment of the Plan or amendment of this Agreement shall, without the Optionee's consent, materially adversely affect the Optionee's rights under this Agreement.

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10. **Notices.** All notices, requests, consents and other communications shall be in writing and be deemed given when delivered personally, by telex or facsimile transmission or when received if mailed by first class registered or certified mail, postage prepaid. Notices to the Company or the Optionee shall be addressed as set forth underneath their signatures below, or to such other address or addresses as may have been furnished by such party in writing to the other.

11. **Data Privacy Consent.** In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Participant (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Participant may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Participant shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

12. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the British Virgin Islands without regard to conflict of law principles.

13. **WAIVER OF JURY TRIAL.** EACH PARTY HERETO IRREVOCABLY AND KNOWINGLY WAIVES (TO THE FULLEST EXTENT PERMITTED BY LAW) ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING (INCLUDING, WITHOUT LIMITATION, ANY COUNTERCLAIM) ARISING OUT OF THIS AGREEMENT OR ANY OTHER AGREEMENTS OR TRANSACTIONS RELATED HERETO OR THERETO, INCLUDING, WITHOUT LIMITATION, ANY ACTION OR PROCEEDING (A) TO ENFORCE OR DEFEND ANY RIGHTS UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HEREWITH, OR (B) ARISING FROM ANY DISPUTE OR CONTROVERSY IN CONNECTION WITH OR RELATED TO THIS AGREEMENT. EACH PARTY HERETO AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT A JURY.

14. **Entire Agreement.** This Agreement and the Plan constitutes the full and entire understanding and agreement between the parties with regard to the subject hereof and supersedes in their entirety all other or prior agreements between or among the Company and the Optionee regarding the subjects hereof.

15. **CONSENT TO JURISDICTION.**

a. EACH OF THE PARTIES HERETO HEREBY CONSENTS TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE TERRITORY OF THE BRITISH VIRGIN ISLANDS, AS WELL AS TO THE JURISDICTION OF ALL COURTS TO WHICH AN APPEAL MAY BE TAKEN FROM SUCH COURTS, FOR THE PURPOSE OF ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF, OR IN CONNECTION WITH, THIS AGREEMENT OR ANY OF THE RELATED AGREEMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, INCLUDING, WITHOUT LIMITATION, ANY PROCEEDING RELATING TO ANCILLARY MEASURES IN AID OF ARBITRATION, PROVISIONAL REMEDIES AND INTERIM RELIEF, OR ANY PROCEEDING TO ENFORCE ANY ARBITRAL DECISION OR AWARD.

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b. EACH PARTY HEREBY EXPRESSLY WAIVES ANY AND ALL RIGHTS TO BRING ANY SUIT, ACTION OR OTHER PROCEEDING IN OR BEFORE ANY COURT OR TRIBUNAL OTHER THAN THE COURTS OF THE TERRITORY OF THE BRITISH VIRGIN ISLANDS AND COVENANTS THAT IT SHALL NOT SEEK IN ANY MANNER TO RESOLVE ANY DISPUTE OTHER THAN AS SET FORTH IN THIS SECTION OR TO CHALLENGE OR SET ASIDE ANY DECISION, AWARD OR JUDGMENT OBTAINED IN ACCORDANCE WITH THE PROVISIONS HEREOF.

c. EACH OF THE PARTIES HERETO HEREBY EXPRESSLY WAIVES ANY AND ALL OBJECTIONS IT MAY HAVE TO VENUE, INCLUDING, WITHOUT LIMITATION, THE INCONVENIENCE OF SUCH FORUM, IN ANY OF SUCH COURTS. IN ADDITION, EACH OF THE PARTIES CONSENTS TO THE SERVICE OF PROCESS BY PERSONAL SERVICE OR ANY MANNER IN WHICH NOTICES MAY BE DELIVERED HEREUNDER.

16. **Counterparts.** For the convenience of the parties and to facilitate execution, this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

*[Signature Page Follows]*

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The undersigned executed this Agreement as of the date set forth above.

**OPTIONEE**

**PORTAGE BIOTECH INC.**

\_\_\_\_\_  
Print Name  
Address: \_\_\_\_\_  
\_\_\_\_\_  
E-Mail: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_



Exhibit A

**NOTICE OF SHARE OPTION EXERCISE**

[DATE]

[ ]  
[INSERT ADDRESS]  
Attention: Treasurer

Dear Sir or Madam

Pursuant to the terms of the share option agreement between myself and Portage Biotech Inc. (the "**Company**") dated (the "**Agreement**"), under the Company's 2021 Equity Incentive Plan, I, [Insert Name], hereby [Circle One] partially/fully exercise such Option by including herein payment in the amount of \$ representing the purchase price for [Fill in number of Underlying Shares] Shares. I have chosen the following form(s) of payment:

- 1. Cash
- 2. Certified or bank check payable to [ ]
- 3. Other (as described in the Plan (please describe))

\_\_\_\_\_.

In connection with my exercise of the Option as set forth above, I hereby represent and warrant to the Company as follows:

(i) I am purchasing the Shares for my own account for investment only, and not with a view to, or for sale in connection with, any distribution of the Shares in violation of the Securities Act, or any rule or regulation under the Securities Act.

(ii) I have had such an opportunity as I have deemed adequate to obtain from the Company such information as is necessary to permit me to evaluate the merits and risks of my investment in the Company and have consulted with my own advisers with respect to my investment in the Company.

(iii) I have sufficient experience in business, financial and investment matters to be able to evaluate the risks involved in the purchase of the Shares and to make an informed investment decision with respect to such purchase.

(iv) I can afford a complete loss of the value of the Shares and am able to bear the economic risk of holding such Option Shares for an indefinite period of time.

(v) I understand that the Shares have not be registered under the Securities Act (it being understood that the Shares are being issued and sold in reliance on the exemption provided in Rule 701 thereunder) or any applicable state securities or "blue sky" laws and may not be sold or otherwise transferred or disposed of in the absence of an effective registration statement under the Securities Act of 1933 and under any applicable state securities or "blue sky" laws (or exemptions from the registration requirements thereof). I further acknowledge that certificates representing Shares will bear restrictive legends reflecting the foregoing.





(vi) I understand and agree that the Shares when issued will continue to be subject to the Plan.

Sincerely yours,

\_\_\_\_\_

Name

Address:

\_\_\_\_\_

\_\_\_\_\_



PORTAGE BIOTECH INC.

## 2021 EQUITY INCENTIVE PLAN

## Share Option Agreement

This Share Option Agreement (this "**Agreement**"), dated as of the Grant Date, is between Portage Biotech Inc., a corporation formed under the laws of the Territory of the British Virgin Islands (the "**Company**"), and \_\_\_\_\_ (the "**Optionee**").

The Company hereby grants to the Optionee the following option (the "**Option**") to purchase Common Shares of the Company in accordance with the terms and conditions of this Agreement and the Portage Biotech Inc. 2021 Equity Incentive Plan (the "**Plan**"):

Total Number of Shares Subject to this Option:	_____
Type of Option (ISO or an NQO):	NQO
Exercise Price per Share:	\$17.75
Grant Date:	January 13, 2021
Vesting Schedule:	1/3 on grant, and 1/3 each year
Vesting Commencement Date:	January 13, 2021
Number of Vested Shares on Grant Date:	_____
Vesting Period:	2 years
Number of Shares Vesting at end of each Vesting Period:	_____
Expiration Date:	January 13, 2031

**1. Plan.** This Agreement, which constitutes an Award Agreement under the Plan, is granted pursuant to and is governed by the Plan, the terms and conditions of which are incorporated into this Agreement by reference. To the extent there is any inconsistency between the terms of the Plan and this Agreement, the terms of the Plan shall control. Unless the context otherwise requires, capitalized terms used herein without definitions shall have the respective meanings assigned to them in the Plan. By signing this Agreement, the Optionee acknowledges receipt of a copy of the Plan.

**2. Grant of Option.** On the terms and conditions set forth in this Agreement, the Company grants to the Optionee on the Grant Date this Option to purchase, at the Exercise Price Per Share set forth above, the Total Number of Shares Subject to this Option, as set forth above.

**3. Exercisability Schedule.** The Optionee may exercise this Option for such number of Shares as have become exercisable pursuant to the Vesting Schedule set forth above; provided that upon each vesting date the Optionee is employed with the Company or is otherwise providing services to the Company.

4. **Exercise of Option.** Prior to the Expiration Date (or such earlier date as set forth in Section 5 below), the Optionee may exercise this Option by delivering a Notice of Share Option Exercise in the form attached hereto as **Exhibit A** (the “**Notice**”), signed by the Optionee, and received by the Company at its principal office, accompanied by this Agreement and payment in full in the manner provided in the Plan. The Optionee may purchase less than the number of Shares covered hereby, provided that no partial exercise of this Option may be for any fractional Share or for fewer than ten (10) whole Shares. The Optionee (or any other person entitled to exercise this Option) shall not be entitled to any rights as a Shareholder of the Company with respect to any Shares issuable upon exercise of this Option until such Shares shall have been registered on the register of members of the Company in the name of the Optionee (or such other person).

5. **Exercise of Option After Termination of Employment.**

a. **Termination of service.** Except as otherwise determined by the Board, or as may otherwise be expressly provided in any employment agreement between the Company and the Optionee, upon the termination of the service of the Optionee to the Company (or to an Affiliate of the Company), this Option shall expire on the earliest of the following occasions:

- i. the date that is **three (3) months** after the voluntary termination of the Optionee’s service;
- ii. the date that is **two (2) years** after the termination of the Optionee’s service by the Company (or by an Affiliate of the Company) other than for cause;
- iii. the date of the termination of the Optionee’s service by the Company (or by an Affiliate of the Company) for Cause;
- iv. the date one (1) year after the termination of the Optionee’s service by reason of Disability;
- v. the date one (1) year after the termination of the Optionee’s service by reason of the Optionee’s death; or
- vi. the specified Expiration Date of the Option, as set forth above.
- vii. Any portion of this Option that is not exercisable on the date of termination of the Optionee’s service with the Company, for any reason, shall terminate immediately and automatically be null and void and of no further force and effect.

6. **Restrictions on Transfer.** The Optionee shall not sell, assign, transfer, pledge, hypothecate or otherwise dispose of, by operation of law or otherwise except by will or the laws of descent and distribution, and during the lifetime of the Optionee, this Option shall be exercisable only by the Optionee.

7. **Withholding.** No Shares shall be issued pursuant to the exercise of this Option unless and until the Optionee pays to the Company or makes provision satisfactory to the Company for payment of any federal, state or local withholding taxes required by law to be withheld in respect of this Option.

8. **Section 409A of the Code.** This Agreement shall be interpreted in such a manner that all provisions relating to the settlement of the RSU Award and Dividend Equivalent Rights granted hereunder are in compliance with or are exempt from the requirements of Section 409A of the Code.

9. **Amendment.** The Board may at any time or times amend the Plan or this Agreement for the purpose of satisfying the requirements of any changes in applicable laws or regulations or for any other purpose which at the time may be permitted by law. No termination, amendment of the Plan or amendment of this Agreement shall, without the Optionee’s consent, materially adversely affect the Optionee’s rights under this Agreement.

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10. **Notices.** All notices, requests, consents and other communications shall be in writing and be deemed given when delivered personally, by telex or facsimile transmission or when received if mailed by first class registered or certified mail, postage prepaid. Notices to the Company or the Optionee shall be addressed as set forth underneath their signatures below, or to such other address or addresses as may have been furnished by such party in writing to the other.

11. **Data Privacy Consent.** In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Participant (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Participant may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Participant shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

12. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the British Virgin Islands without regard to conflict of law principles.

13. **WAIVER OF JURY TRIAL.** EACH PARTY HERETO IRREVOCABLY AND KNOWINGLY WAIVES (TO THE FULLEST EXTENT PERMITTED BY LAW) ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING (INCLUDING, WITHOUT LIMITATION, ANY COUNTERCLAIM) ARISING OUT OF THIS AGREEMENT OR ANY OTHER AGREEMENTS OR TRANSACTIONS RELATED HERETO OR THERETO, INCLUDING, WITHOUT LIMITATION, ANY ACTION OR PROCEEDING (A) TO ENFORCE OR DEFEND ANY RIGHTS UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HEREWITH, OR (B) ARISING FROM ANY DISPUTE OR CONTROVERSY IN CONNECTION WITH OR RELATED TO THIS AGREEMENT. EACH PARTY HERETO AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT A JURY.

14. **Entire Agreement.** This Agreement and the Plan constitutes the full and entire understanding and agreement between the parties with regard to the subject hereof and supersedes in their entirety all other or prior agreements between or among the Company and the Optionee regarding the subjects hereof.

15. **CONSENT TO JURISDICTION.**

a. EACH OF THE PARTIES HERETO HEREBY CONSENTS TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE TERRITORY OF THE BRITISH VIRGIN ISLANDS, AS WELL AS TO THE JURISDICTION OF ALL COURTS TO WHICH AN APPEAL MAY BE TAKEN FROM SUCH COURTS, FOR THE PURPOSE OF ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF, OR IN CONNECTION WITH, THIS AGREEMENT OR ANY OF THE RELATED AGREEMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, INCLUDING, WITHOUT LIMITATION, ANY PROCEEDING RELATING TO ANCILLARY MEASURES IN AID OF ARBITRATION, PROVISIONAL REMEDIES AND INTERIM RELIEF, OR ANY PROCEEDING TO ENFORCE ANY ARBITRAL DECISION OR AWARD.

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b. EACH PARTY HEREBY EXPRESSLY WAIVES ANY AND ALL RIGHTS TO BRING ANY SUIT, ACTION OR OTHER PROCEEDING IN OR BEFORE ANY COURT OR TRIBUNAL OTHER THAN THE COURTS OF THE TERRITORY OF THE BRITISH VIRGIN ISLANDS AND COVENANTS THAT IT SHALL NOT SEEK IN ANY MANNER TO RESOLVE ANY DISPUTE OTHER THAN AS SET FORTH IN THIS SECTION OR TO CHALLENGE OR SET ASIDE ANY DECISION, AWARD OR JUDGMENT OBTAINED IN ACCORDANCE WITH THE PROVISIONS HEREOF.

c. EACH OF THE PARTIES HERETO HEREBY EXPRESSLY WAIVES ANY AND ALL OBJECTIONS IT MAY HAVE TO VENUE, INCLUDING, WITHOUT LIMITATION, THE INCONVENIENCE OF SUCH FORUM, IN ANY OF SUCH COURTS. IN ADDITION, EACH OF THE PARTIES CONSENTS TO THE SERVICE OF PROCESS BY PERSONAL SERVICE OR ANY MANNER IN WHICH NOTICES MAY BE DELIVERED HEREUNDER.

16. **Counterparts.** For the convenience of the parties and to facilitate execution, this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

*[Signature Page Follows]*

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The undersigned executed this Agreement as of the date set forth above.

**OPTIONEE**

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email: \_\_\_\_\_

**PORTAGE BIOTECH INC.**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title \_\_\_\_\_

*[Signature Page to Stock Option Agreement]*

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**Exhibit A**

**NOTICE OF SHARE OPTION EXERCISE**

[DATE]

[ ]

[INSERT ADDRESS]

Attention: Treasurer Dear Sir or Madam

Pursuant to the terms of the share option agreement between myself and Portage Biotech Inc. (the "**Company**") dated (the "**Agreement**"), under the Company's 2021 Equity Incentive Plan, I, [Insert Name] , hereby [Circle One] partially/fully exercise such Option by including herein payment in the amount of \$ representing the purchase price for [Fill in number of Underlying Shares] Shares. I have chosen the following form(s) of payment:

- 1. Cash
  - 2. Certified or bank check payable to [ ]
  - 3. Other (as described in the Plan (please describe))
- 

In connection with my exercise of the Option as set forth above, I hereby represent and warrant to the Company as follows:

(i) I am purchasing the Shares for my own account for investment only, and not with a view to, or for sale in connection with, any distribution of the Shares in violation of the Securities Act, or any rule or regulation under the Securities Act.

(ii) I have had such an opportunity as I have deemed adequate to obtain from the Company such information as is necessary to permit me to evaluate the merits and risks of my investment in the Company and have consulted with my own advisers with respect to my investment in the Company.

(iii) I have sufficient experience in business, financial and investment matters to be able to evaluate the risks involved in the purchase of the Shares and to make an informed investment decision with respect to such purchase.

(iv) I can afford a complete loss of the value of the Shares and am able to bear the economic risk of holding such Option Shares for an indefinite period of time.

(v) I understand that the Shares have not be registered under the Securities Act (it being understood that the Shares are being issued and sold in reliance on the exemption provided in Rule 701 thereunder) or any applicable state securities or "blue sky" laws and may not be sold or otherwise transferred or disposed of in the absence of an effective registration statement under the Securities Act of 1933 and under any applicable state securities or "blue sky" laws (or exemptions from the registration requirements thereof). I further acknowledge that certificates representing Shares will bear restrictive legends reflecting the foregoing.

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(vi) I understand and agree that the Shares when issued will continue to be subject to the Plan.

Sincerely yours,

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Address:  
\_\_\_\_\_  
\_\_\_\_\_







PORTAGE BIOTECH INC.

2021 EQUITY INCENTIVE PLAN

Restricted Share Unit Award and Dividend Equivalent Rights Agreement

Total Number of Shares Subject to this RSU:	_____
Total Number of Dividend Equivalent Rights	_____
Grant Date:	January 13, 2021
Vesting Schedule:	Fully vested
Expiration Date:	January 13, 2031

1. **Plan.** This Agreement, which constitutes an RSU Award and Dividend Equivalent Rights under the Plan, is granted pursuant to and is governed by the Plan, the terms and conditions of which are incorporated into this Agreement by reference. To the extent there is any inconsistency between the terms of the Plan and this Agreement, the terms of the Plan shall control. Unless the context otherwise requires, capitalized terms used herein without definitions shall have the respective meanings assigned to them in the Plan. By signing this Agreement, the Participant acknowledges receipt of a copy of the Plan.
2. **Grant of RSU Award.**
  - a. Grant. On the terms and conditions set forth in this Agreement, the Company grants to the Participant on the Grant Date RSUs as set forth above.
  - b. Vesting. The RSU Award is fully vested and nonforfeitable as of the Grant Date.
  - c. Distribution. The RSU Award shall be settled in cash or Shares, at the sole discretion of the Administrator, on the first to occur of the following:
    - i. Change in Control
    - ii. The Participant's Separation from Service
    - iii. The Participant's death, or
    - iv. The Participant's Disability.

The Plan's settlement of RSUs shall be made by the latest of: (i) the end of the year in which the payment is due; or (ii) the 15th day of the third calendar month following the payment due date provided that the Participant is not able, directly or indirectly, to designate the year in which such payment will be made.

3. **Grant of Dividend Equivalent Rights.**

- a. **Grant.** On the terms and conditions set forth in this Agreement, the Company grants to the Participant on the Grant Date Dividend Equivalent Rights as set forth above.
- b. **Vesting.** As of any date that the Company pays any dividend or distribution on its Common Stock, the Company make a cash payment in an amount equal to (i) the per share dividend or distribution paid by the Company on its Common Stock on such date, multiplied by (ii) the total number of Dividend Equivalent Rights subject to the Award, provided, however, that the Participant is an active employee as of the date such dividend or distribution is paid. If the Participant's service relationship with the Company or a Subsidiary terminates for any reason (including death or disability) prior to the date such dividend or distribution is paid, neither the Grantee nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such Dividend Equivalent Rights.
- c. **Distribution.** The Dividend Equivalent Right shall be settled in cash no later than the 15<sup>th</sup> day of the third month after the month in which the dividend or distribution to which such payment relates is paid.

4. **Restrictions on Transfer.** The Participant shall not sell, assign, transfer, pledge, hypothecate or otherwise dispose of, by operation of law or otherwise except by will or the laws of descent and distribution the RSU Award or Dividend Equivalent Rights granted herein..

5. **Withholding.** No Shares shall be issued or cash payment unless and until the Participant pays to the Company or makes provision satisfactory to the Company for payment of any federal, state or local withholding taxes required by law to be withheld in respect of the RSU Award or Dividend Equivalent Rights granted herein..

6. **Section 409A of the Code.** This Agreement shall be interpreted in such a manner that all provisions relating to the settlement of the RSU Award and Dividend Equivalent Rights granted hereunder are in compliance with or are exempt from the requirements of Section 409A of the Code.

7. **Amendment.** The Board may at any time or times amend the Plan or this Agreement for the purpose of satisfying the requirements of any changes in applicable laws or regulations or for any other purpose which at the time may be permitted by law. No termination, amendment of the Plan or amendment of this Agreement shall, without the Participant's consent, materially adversely affect the Participant's rights under this Agreement.

8. **Notices.** All notices, requests, consents and other communications shall be in writing and be deemed given when delivered personally, by telex or facsimile transmission or when received if mailed by first class registered or certified mail, postage prepaid. Notices to the Company or the Participant shall be addressed as set forth underneath their signatures below, or to such other address or addresses as may have been furnished by such party in writing to the other.

9. **Data Privacy Consent.** In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Participant (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Participant may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Participant shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

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10. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the British Virgin Islands without regard to conflict of law principles.
11. **WAIVER OF JURY TRIAL.** EACH PARTY HERETO IRREVOCABLY AND KNOWINGLY WAIVES (TO THE FULLEST EXTENT PERMITTED BY LAW) ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING (INCLUDING, WITHOUT LIMITATION, ANY COUNTERCLAIM) ARISING OUT OF THIS AGREEMENT OR ANY OTHER AGREEMENTS OR TRANSACTIONS RELATED HERETO OR THERETO, INCLUDING, WITHOUT LIMITATION, ANY ACTION OR PROCEEDING (A) TO ENFORCE OR DEFEND ANY RIGHTS UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HEREWITH, OR (B) ARISING FROM ANY DISPUTE OR CONTROVERSY IN CONNECTION WITH OR RELATED TO THIS AGREEMENT. EACH PARTY HERETO AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT A JURY.
12. **Entire Agreement.** This Agreement and the Plan constitutes the full and entire understanding and agreement between the parties with regard the subject hereof and supersedes in their entirety all other or prior agreements between or among the Company and the Participant regarding the subjects hereof.
13. **CONSENT TO JURISDICTION.**
- a. EACH OF THE PARTIES HERETO HEREBY CONSENTS TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE TERRITORY OF THE BRITISH VIRGIN ISLANDS, AS WELL AS TO THE JURISDICTION OF ALL COURTS TO WHICH AN APPEAL MAY BE TAKEN FROM SUCH COURTS, FOR THE PURPOSE OF ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF, OR IN CONNECTION WITH, THIS AGREEMENT OR ANY OF THE RELATED AGREEMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, INCLUDING, WITHOUT LIMITATION, ANY PROCEEDING RELATING TO ANCILLARY MEASURES IN AID OF ARBITRATION, PROVISIONAL REMEDIES AND INTERIM RELIEF, OR ANY PROCEEDING TO ENFORCE ANY ARBITRAL DECISION OR AWARD.
  - b. EACH PARTY HEREBY EXPRESSLY WAIVES ANY AND ALL RIGHTS TO BRING ANY SUIT, ACTION OR OTHER PROCEEDING IN OR BEFORE ANY COURT OR TRIBUNAL OTHER THAN THE COURTS OF THE TERRITORY OF THE BRITISH VIRGIN ISLANDS AND COVENANTS THAT IT SHALL NOT SEEK IN ANY MANNER TO RESOLVE ANY DISPUTE OTHER THAN AS SET FORTH IN THIS SECTION OR TO CHALLENGE OR SET ASIDE ANY DECISION, AWARD OR JUDGMENT OBTAINED IN ACCORDANCE WITH THE PROVISIONS HEREOF.
  - c. EACH OF THE PARTIES HERETO HEREBY EXPRESSLY WAIVES ANY AND ALL OBJECTIONS IT MAY HAVE TO VENUE, INCLUDING, WITHOUT LIMITATION, THE INCONVENIENCE OF SUCH FORUM, IN ANY OF SUCH COURTS. IN ADDITION, EACH OF THE PARTIES CONSENTS TO THE SERVICE OF PROCESS BY PERSONAL SERVICE OR ANY MANNER IN WHICH NOTICES MAY BE DELIVERED HEREUNDER.
-

14. **Counterparts.** For the convenience of the parties and to facilitate execution, this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

*[Signature Page Follows]*

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The undersigned executed this Agreement as of the date set forth above.

**PARTICIPANT**

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Address: \_\_\_\_\_

**PORTAGE BIOTECH INC.**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_



PORTAGE BIOTECH INC.

## 2021 EQUITY INCENTIVE PLAN

## Share Option Agreement

This Share Option Agreement (this “**Agreement**”), dated as of the Grant Date, is between Portage Biotech Inc., a corporation formed under the laws of the Territory of the British Virgin Islands (the “**Company**”), and \_\_\_\_\_ (the “**Optionee**”).

The Company hereby grants to the Optionee the following option (the “**Option**”) to purchase Common Shares of the Company in accordance with the terms and conditions of this Agreement and the Portage Biotech Inc. 2021 Equity Incentive Plan (the “**Plan**”):

Total Number of Shares Subject to this Option:	_____
Type of Option (ISO or an NQO):	NQO
Exercise Price per Share:	\$10.22
Grant Date:	January 19, 2022
Vesting Schedule:	1/4 each year
Vesting Commencement Date:	January 19, 2022
Number of Vested Shares on Grant Date:	0
Vesting Period:	4 years
Number of Shares Vesting at end of each Vesting Period:	_____
Expiration Date:	January 19, 2032

1. **Plan.** This Agreement, which constitutes an Award Agreement under the Plan, is granted pursuant to and is governed by the Plan, the terms and conditions of which are incorporated into this Agreement by reference. To the extent there is any inconsistency between the terms of the Plan and this Agreement, the terms of the Plan shall control. Unless the context otherwise requires, capitalized terms used herein without definitions shall have the respective meanings assigned to them in the Plan. By signing this Agreement, the Optionee acknowledges receipt of a copy of the Plan.

2. **Grant of Option.** On the terms and conditions set forth in this Agreement, the Company grants to the Optionee on the Grant Date this Option to purchase, at the Exercise Price Per Share set forth above, the Total Number of Shares Subject to this Option, as set forth above.

3. **Exercisability Schedule.** The Optionee may exercise this Option for such number of Shares as have become exercisable pursuant to the Vesting Schedule set forth above; provided that upon each vesting date the Optionee is employed with the Company or is otherwise providing services to the Company.

4. **Exercise of Option.** Prior to the Expiration Date (or such earlier date as set forth in Section 5 below), the Optionee may exercise this Option by delivering a Notice of Share Option Exercise in the form attached hereto as **Exhibit A** (the “**Notice**”), signed by the Optionee, and received by the Company at its principal office, accompanied by this Agreement and payment in full in the manner provided in the Plan. The Optionee may purchase less than the number of Shares covered hereby, provided that no partial exercise of this Option may be for any fractional Share or for fewer than ten (10) whole Shares. The Optionee (or any other person entitled to exercise this Option) shall not be entitled to any rights as a Shareholder of the Company with respect to any Shares issuable upon exercise of this Option until such Shares shall have been registered on the register of members of the Company in the name of the Optionee (or such other person).

5. **Exercise of Option After Termination of Employment.**

a. **Termination of service.** Except as otherwise determined by the Board, or as may otherwise be expressly provided in any employment agreement between the Company and the Optionee, upon the termination of the service of the Optionee to the Company (or to an Affiliate of the Company), this Option shall expire on the earliest of the following occasions:

- i. the date that is **three (3) months** after the voluntary termination of the Optionee’s service;
- ii. the date that is **two (2) years** after the termination of the Optionee’s service by the Company (or by an Affiliate of the Company) other than for cause;
- iii. the date of the termination of the Optionee’s service by the Company (or by an Affiliate of the Company) for Cause;
- iv. the date one (1) year after the termination of the Optionee’s service by reason of Disability;
- v. the date one (1) year after the termination of the Optionee’s service by reason of the Optionee’s death; or
- vi. the specified Expiration Date of the Option, as set forth above.
- vii. Any portion of this Option that is not exercisable on the date of termination of the Optionee’s service with the Company, for any reason, shall terminate immediately and automatically be null and void and of no further force and effect.

6. **Restrictions on Transfer.** The Optionee shall not sell, assign, transfer, pledge, hypothecate or otherwise dispose of, by operation of law or otherwise except by will or the laws of descent and distribution, and during the lifetime of the Optionee, this Option shall be exercisable only by the Optionee.

7. **Withholding.** No Shares shall be issued pursuant to the exercise of this Option unless and until the Optionee pays to the Company or makes provision satisfactory to the Company for payment of any federal, state or local withholding taxes required by law to be withheld in respect of this Option.

8. **Section 409A of the Code.** This Agreement shall be interpreted in such a manner that all provisions relating to the settlement of the RSU Award and Dividend Equivalent Rights granted hereunder are in compliance with or are exempt from the requirements of Section 409A of the Code.

9. **Amendment.** The Board may at any time or times amend the Plan or this Agreement for the purpose of satisfying the requirements of any changes in applicable laws or regulations or for any other purpose which at the time may be permitted by law. No termination, amendment of the Plan or amendment of this Agreement shall, without the Optionee’s consent, materially adversely affect the Optionee’s rights under this Agreement.

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10. **Notices.** All notices, requests, consents and other communications shall be in writing and be deemed given when delivered personally, by telex or facsimile transmission or when received if mailed by first class registered or certified mail, postage prepaid. Notices to the Company or the Optionee shall be addressed as set forth underneath their signatures below, or to such other address or addresses as may have been furnished by such party in writing to the other.

11. **Data Privacy Consent.** In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Participant (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Participant may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Participant shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

12. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the British Virgin Islands without regard to conflict of law principles.

13. **WAIVER OF JURY TRIAL.** EACH PARTY HERETO IRREVOCABLY AND KNOWINGLY WAIVES (TO THE FULLEST EXTENT PERMITTED BY LAW) ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING (INCLUDING, WITHOUT LIMITATION, ANY COUNTERCLAIM) ARISING OUT OF THIS AGREEMENT OR ANY OTHER AGREEMENTS OR TRANSACTIONS RELATED HERETO OR THERETO, INCLUDING, WITHOUT LIMITATION, ANY ACTION OR PROCEEDING (A) TO ENFORCE OR DEFEND ANY RIGHTS UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HEREWITH, OR (B) ARISING FROM ANY DISPUTE OR CONTROVERSY IN CONNECTION WITH OR RELATED TO THIS AGREEMENT. EACH PARTY HERETO AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT A JURY.

14. **Entire Agreement.** This Agreement and the Plan constitutes the full and entire understanding and agreement between the parties with regard to the subject hereof and supersedes in their entirety all other or prior agreements between or among the Company and the Optionee regarding the subjects hereof.

15. **CONSENT TO JURISDICTION.**

a. EACH OF THE PARTIES HERETO HEREBY CONSENTS TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE TERRITORY OF THE BRITISH VIRGIN ISLANDS, AS WELL AS TO THE JURISDICTION OF ALL COURTS TO WHICH AN APPEAL MAY BE TAKEN FROM SUCH COURTS, FOR THE PURPOSE OF ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF, OR IN CONNECTION WITH, THIS AGREEMENT OR ANY OF THE RELATED AGREEMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, INCLUDING, WITHOUT LIMITATION, ANY PROCEEDING RELATING TO ANCILLARY MEASURES IN AID OF ARBITRATION, PROVISIONAL REMEDIES AND INTERIM RELIEF, OR ANY PROCEEDING TO ENFORCE ANY ARBITRAL DECISION OR AWARD.

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b. EACH PARTY HEREBY EXPRESSLY WAIVES ANY AND ALL RIGHTS TO BRING ANY SUIT, ACTION OR OTHER PROCEEDING IN OR BEFORE ANY COURT OR TRIBUNAL OTHER THAN THE COURTS OF THE TERRITORY OF THE BRITISH VIRGIN ISLANDS AND COVENANTS THAT IT SHALL NOT SEEK IN ANY MANNER TO RESOLVE ANY DISPUTE OTHER THAN AS SET FORTH IN THIS SECTION OR TO CHALLENGE OR SET ASIDE ANY DECISION, AWARD OR JUDGMENT OBTAINED IN ACCORDANCE WITH THE PROVISIONS HEREOF.

c. EACH OF THE PARTIES HERETO HEREBY EXPRESSLY WAIVES ANY AND ALL OBJECTIONS IT MAY HAVE TO VENUE, INCLUDING, WITHOUT LIMITATION, THE INCONVENIENCE OF SUCH FORUM, IN ANY OF SUCH COURTS. IN ADDITION, EACH OF THE PARTIES CONSENTS TO THE SERVICE OF PROCESS BY PERSONAL SERVICE OR ANY MANNER IN WHICH NOTICES MAY BE DELIVERED HEREUNDER.

16. **Counterparts.** For the convenience of the parties and to facilitate execution, this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

*[Signature Page Follows]*

The undersigned executed this Agreement as of the date set forth above.

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**OPTIONEE**

**PORTAGE BIOTECH INC.**

Print Name: \_\_\_\_\_

Address: \_\_\_\_\_

Email: \_\_\_\_\_

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**Exhibit A**

**NOTICE OF SHARE OPTION EXERCISE**

[DATE]

[ ]  
[INSERT ADDRESS]  
Attention: Treasurer

Dear Sir or Madam

Pursuant to the terms of the share option agreement between myself and Portage Biotech Inc. (the "**Company**") dated (the "**Agreement**"), under the Company's 2021 Equity Incentive Plan, I, [Insert Name], hereby [Circle One] partially/fully exercise such Option by including herein payment in the amount of \$ representing the purchase price for [Fill in number of Underlying Shares] Shares. I have chosen the following form(s) of payment:

- 1. Cash
- 2. Certified or bank check payable to [ ]
- 3. Other (as described in the Plan (please describe))

\_\_\_\_\_.

In connection with my exercise of the Option as set forth above, I hereby represent and warrant to the Company as follows:

- (i) I am purchasing the Shares for my own account for investment only, and not with a view to, or for sale in connection with, any distribution of the Shares in violation of the Securities Act, or any rule or regulation under the Securities Act.
  - (ii) I have had such an opportunity as I have deemed adequate to obtain from the Company such information as is necessary to permit me to evaluate the merits and risks of my investment in the Company and have consulted with my own advisers with respect to my investment in the Company.
  - (iii) I have sufficient experience in business, financial and investment matters to be able to evaluate the risks involved in the purchase of the Shares and to make an informed investment decision with respect to such purchase.
  - (iv) I can afford a complete loss of the value of the Shares and am able to bear the economic risk of holding such Option Shares for an indefinite period of time.
  - (v) I understand that the Shares have not be registered under the Securities Act (it being understood that the Shares are being issued and sold in reliance on the exemption provided in Rule 701 thereunder) or any applicable state securities or "blue sky" laws and may not be sold or otherwise transferred or disposed of in the absence of an effective registration statement under the Securities Act of 1933 and under any applicable state securities or "blue sky" laws (or exemptions from the registration requirements thereof). I further acknowledge that certificates representing Shares will bear restrictive legends reflecting the foregoing.
-

(vi) I understand and agree that the Shares when issued will continue to be subject to the Plan.

Sincerely yours,

\_\_\_\_\_  
Name

Address:  
\_\_\_\_\_  
\_\_\_\_\_



PORTAGE BIOTECH INC.

## 2021 EQUITY INCENTIVE PLAN

## Share Option Agreement

This Share Option Agreement (this "**Agreement**"), dated as of the Grant Date, is between Portage Biotech Inc., a corporation formed under the laws of the Territory of the British Virgin Islands (the "**Company**"), and Gregory Bailey, MD (the "**Optionee**").

The Company hereby grants to the Optionee the following option (the "**Option**") to purchase Common Shares of the Company in accordance with the terms and conditions of this Agreement and the Portage Biotech Inc. 2021 Equity Incentive Plan (the "**Plan**"):

Total Number of Shares Subject to this Option:	_____
Type of Option (ISO or an NQO):	NQO
Exercise Price per Share:	\$10.22
Grant Date:	January 19, 2022
Vesting Schedule:	Vests in full, after 1 year of service
Vesting Commencement Date:	January 19, 2022
Number of Vested Shares on Grant Date:	0
Vesting Period:	1 years
Number of Shares Vesting at end of each Vesting Period:	_____
Expiration Date:	January 19, 2032

**1. Plan.** This Agreement, which constitutes an Award Agreement under the Plan, is granted pursuant to and is governed by the Plan, the terms and conditions of which are incorporated into this Agreement by reference. To the extent there is any inconsistency between the terms of the Plan and this Agreement, the terms of the Plan shall control. Unless the context otherwise requires, capitalized terms used herein without definitions shall have the respective meanings assigned to them in the Plan. By signing this Agreement, the Optionee acknowledges receipt of a copy of the Plan.

**2. Grant of Option.** On the terms and conditions set forth in this Agreement, the Company grants to the Optionee on the Grant Date this Option to purchase, at the Exercise Price Per Share set forth above, the Total Number of Shares Subject to this Option, as set forth above.

**3. Exercisability Schedule.** The Optionee may exercise this Option for such number of Shares as have become exercisable pursuant to the Vesting Schedule set forth above; provided that upon each vesting date the Optionee is employed with the Company or is otherwise providing services to the Company.

4. **Exercise of Option.** Prior to the Expiration Date (or such earlier date as set forth in Section 5 below), the Optionee may exercise this Option by delivering a Notice of Share Option Exercise in the form attached hereto as **Exhibit A** (the “**Notice**”), signed by the Optionee, and received by the Company at its principal office, accompanied by this Agreement and payment in full in the manner provided in the Plan. The Optionee may purchase less than the number of Shares covered hereby, provided that no partial exercise of this Option may be for any fractional Share or for fewer than ten (10) whole Shares. The Optionee (or any other person entitled to exercise this Option) shall not be entitled to any rights as a Shareholder of the Company with respect to any Shares issuable upon exercise of this Option until such Shares shall have been registered on the register of members of the Company in the name of the Optionee (or such other person).

5. **Exercise of Option After Termination of Employment.**

a. **Termination of service.** Except as otherwise determined by the Board, or as may otherwise be expressly provided in any employment agreement between the Company and the Optionee, upon the termination of the service of the Optionee to the Company (or to an Affiliate of the Company), this Option shall expire on the earliest of the following occasions:

- i. the date that is **three (3) months** after the voluntary termination of the Optionee’s service;
- ii. the date that is **two (2) years** after the termination of the Optionee’s service by the Company (or by an Affiliate of the Company) other than for cause;
- iii. the date of the termination of the Optionee’s service by the Company (or by an Affiliate of the Company) for Cause;
- iv. the date one (1) year after the termination of the Optionee’s service by reason of Disability;
- v. the date one (1) year after the termination of the Optionee’s service by reason of the Optionee’s death; or
- vi. the specified Expiration Date of the Option, as set forth above.
- vii. Any portion of this Option that is not exercisable on the date of termination of the Optionee’s service with the Company, for any reason, shall terminate immediately and automatically be null and void and of no further force and effect.

6. **Restrictions on Transfer.** The Optionee shall not sell, assign, transfer, pledge, hypothecate or otherwise dispose of, by operation of law or otherwise except by will or the laws of descent and distribution, and during the lifetime of the Optionee, this Option shall be exercisable only by the Optionee.

7. **Withholding.** No Shares shall be issued pursuant to the exercise of this Option unless and until the Optionee pays to the Company or makes provision satisfactory to the Company for payment of any federal, state or local withholding taxes required by law to be withheld in respect of this Option.

8. **Section 409A of the Code.** This Agreement shall be interpreted in such a manner that all provisions relating to the settlement of the RSU Award and Dividend Equivalent Rights granted hereunder are in compliance with or are exempt from the requirements of Section 409A of the Code.

9. **Amendment.** The Board may at any time or times amend the Plan or this Agreement for the purpose of satisfying the requirements of any changes in applicable laws or regulations or for any other purpose which at the time may be permitted by law. No termination, amendment of the Plan or amendment of this Agreement shall, without the Optionee’s consent, materially adversely affect the Optionee’s rights under this Agreement.

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10. **Notices.** All notices, requests, consents and other communications shall be in writing and be deemed given when delivered personally, by telex or facsimile transmission or when received if mailed by first class registered or certified mail, postage prepaid. Notices to the Company or the Optionee shall be addressed as set forth underneath their signatures below, or to such other address or addresses as may have been furnished by such party in writing to the other.

11. **Data Privacy Consent.** In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Participant (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Participant may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Participant shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

12. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the British Virgin Islands without regard to conflict of law principles.

13. **WAIVER OF JURY TRIAL.** EACH PARTY HERETO IRREVOCABLY AND KNOWINGLY WAIVES (TO THE FULLEST EXTENT PERMITTED BY LAW) ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING (INCLUDING, WITHOUT LIMITATION, ANY COUNTERCLAIM) ARISING OUT OF THIS AGREEMENT OR ANY OTHER AGREEMENTS OR TRANSACTIONS RELATED HERETO OR THERETO, INCLUDING, WITHOUT LIMITATION, ANY ACTION OR PROCEEDING (A) TO ENFORCE OR DEFEND ANY RIGHTS UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HEREWITH, OR (B) ARISING FROM ANY DISPUTE OR CONTROVERSY IN CONNECTION WITH OR RELATED TO THIS AGREEMENT. EACH PARTY HERETO AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT A JURY.

14. **Entire Agreement.** This Agreement and the Plan constitutes the full and entire understanding and agreement between the parties with regard to the subject hereof and supersedes in their entirety all other or prior agreements between or among the Company and the Optionee regarding the subjects hereof.

15. **CONSENT TO JURISDICTION.**

a. EACH OF THE PARTIES HERETO HEREBY CONSENTS TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE TERRITORY OF THE BRITISH VIRGIN ISLANDS, AS WELL AS TO THE JURISDICTION OF ALL COURTS TO WHICH AN APPEAL MAY BE TAKEN FROM SUCH COURTS, FOR THE PURPOSE OF ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF, OR IN CONNECTION WITH, THIS AGREEMENT OR ANY OF THE RELATED AGREEMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, INCLUDING, WITHOUT LIMITATION, ANY PROCEEDING RELATING TO ANCILLARY MEASURES IN AID OF ARBITRATION, PROVISIONAL REMEDIES AND INTERIM RELIEF, OR ANY PROCEEDING TO ENFORCE ANY ARBITRAL DECISION OR AWARD.

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b. EACH PARTY HEREBY EXPRESSLY WAIVES ANY AND ALL RIGHTS TO BRING ANY SUIT, ACTION OR OTHER PROCEEDING IN OR BEFORE ANY COURT OR TRIBUNAL OTHER THAN THE COURTS OF THE TERRITORY OF THE BRITISH VIRGIN ISLANDS AND COVENANTS THAT IT SHALL NOT SEEK IN ANY MANNER TO RESOLVE ANY DISPUTE OTHER THAN AS SET FORTH IN THIS SECTION OR TO CHALLENGE OR SET ASIDE ANY DECISION, AWARD OR JUDGMENT OBTAINED IN ACCORDANCE WITH THE PROVISIONS HEREOF.

c. EACH OF THE PARTIES HERETO HEREBY EXPRESSLY WAIVES ANY AND ALL OBJECTIONS IT MAY HAVE TO VENUE, INCLUDING, WITHOUT LIMITATION, THE INCONVENIENCE OF SUCH FORUM, IN ANY OF SUCH COURTS. IN ADDITION, EACH OF THE PARTIES CONSENTS TO THE SERVICE OF PROCESS BY PERSONAL SERVICE OR ANY MANNER IN WHICH NOTICES MAY BE DELIVERED HEREUNDER.

16. **Counterparts.** For the convenience of the parties and to facilitate execution, this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

*[Signature Page Follows]*

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The undersigned executed this Agreement as of the date set forth above.

**OPTIONEE**

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email: \_\_\_\_\_

**PORTAGE BIOTECH INC.**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title \_\_\_\_\_

*[Signature Page to Stock Option Agreement]*

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**Exhibit A**

**NOTICE OF SHARE OPTION EXERCISE**

[DATE]

[ ]

[INSERT ADDRESS]

Attention: Treasurer Dear Sir or Madam

Pursuant to the terms of the share option agreement between myself and Portage Biotech Inc. (the "**Company**") dated (the "**Agreement**"), under the Company's 2021 Equity Incentive Plan, I, [Insert Name] , hereby [Circle One] partially/fully exercise such Option by including herein payment in the amount of \$ representing the purchase price for [Fill in number of Underlying Shares] Shares. I have chosen the following form(s) of payment:

- 1. Cash
- 2. Certified or bank check payable to [ ]
- 3. Other (as described in the Plan (please describe))

In connection with my exercise of the Option as set forth above, I hereby represent and warrant to the Company as follows:

(i) I am purchasing the Shares for my own account for investment only, and not with a view to, or for sale in connection with, any distribution of the Shares in violation of the Securities Act, or any rule or regulation under the Securities Act.

(ii) I have had such an opportunity as I have deemed adequate to obtain from the Company such information as is necessary to permit me to evaluate the merits and risks of my investment in the Company and have consulted with my own advisers with respect to my investment in the Company.

(iii) I have sufficient experience in business, financial and investment matters to be able to evaluate the risks involved in the purchase of the Shares and to make an informed investment decision with respect to such purchase.

(iv) I can afford a complete loss of the value of the Shares and am able to bear the economic risk of holding such Option Shares for an indefinite period of time.

(v) I understand that the Shares have not be registered under the Securities Act (it being understood that the Shares are being issued and sold in reliance on the exemption provided in Rule 701 thereunder) or any applicable state securities or "blue sky" laws and may not be sold or otherwise transferred or disposed of in the absence of an effective registration statement under the Securities Act of 1933 and under any applicable state securities or "blue sky" laws (or exemptions from the registration requirements thereof). I further acknowledge that certificates representing Shares will bear restrictive legends reflecting the foregoing.

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(vi) I understand and agree that the Shares when issued will continue to be subject to the Plan.

Sincerely yours,

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Address:  
\_\_\_\_\_  
\_\_\_\_\_





PORTAGE BIOTECH INC.

## 2021 EQUITY INCENTIVE PLAN

**Restricted Share Unit Award and Dividend Equivalent Rights Agreement**

This Restricted Share Unit Award and Dividend Equivalent Rights Agreement (this “**Agreement**”), dated as of the Grant Date, is between Portage Biotech Inc., a corporation formed under the laws of the Territory of the British Virgin Islands (the “**Company**”), and \_\_\_\_\_ (the “**Participant**”). The Company hereby grants to the Participant the following Restricted Share Unit Award and Dividend Equivalent Rights (the “**RSU**”) to purchase Common Shares of the Company in accordance with the terms and conditions of this Agreement and the Portage Biotech Inc. 2021 Equity Incentive Plan (the “**Plan**”):

<b>Total Number of Shares Subject to this RSU:</b>	_____
<b>Total Number of Dividend Equivalent Rights</b>	_____
<b>Grant Date:</b>	<b>January 19, 2022</b>
<b>Vesting Schedule:</b>	<b>Fully vested</b>
<b>Expiration Date:</b>	<b>January 19, 2032</b>

1. **Plan.** This Agreement, which constitutes an RSU Award and Dividend Equivalent Rights under the Plan, is granted pursuant to and is governed by the Plan, the terms and conditions of which are incorporated into this Agreement by reference. To the extent there is any inconsistency between the terms of the Plan and this Agreement, the terms of the Plan shall control. Unless the context otherwise requires, capitalized terms used herein without definitions shall have the respective meanings assigned to them in the Plan. By signing this Agreement, the Participant acknowledges receipt of a copy of the Plan.
2. **Grant of RSU Award.**
  - a. Grant. On the terms and conditions set forth in this Agreement, the Company grants to the Participant on the Grant Date RSUs as set forth above.
  - b. Vesting. The RSU Award is fully vested and nonforfeitable as of the Grant Date.
  - c. Distribution. The RSU Award shall be settled in cash or Shares, at the sole discretion of the Administrator, on the first to occur of the following:
    - i. Change in Control
    - ii. The Participant’s Separation from Service
    - iii. The Participant’s death, or
    - iv. The Participant’s Disability.

The Plan’s settlement of RSUs shall be made by the latest of: (i) the end of the year in which the payment is due; or (ii) the 15th day of the third calendar month following the payment due date provided that the Participant is not able, directly or indirectly, to designate the year in which such payment will be made.

3. **Grant of Dividend Equivalent Rights.**

- a. **Grant.** On the terms and conditions set forth in this Agreement, the Company grants to the Participant on the Grant Date Dividend Equivalent Rights as set forth above.
- b. **Vesting.** As of any date that the Company pays any dividend or distribution on its Common Stock, the Company make a cash payment in an amount equal to (i) the per share dividend or distribution paid by the Company on its Common Stock on such date, multiplied by (ii) the total number of Dividend Equivalent Rights subject to the Award, provided, however, that the Participant is an active employee as of the date such dividend or distribution is paid. If the Participant's service relationship with the Company or a Subsidiary terminates for any reason (including death or disability) prior to the date such dividend or distribution is paid, neither the Grantee nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such Dividend Equivalent Rights.
- c. **Distribution.** The Dividend Equivalent Right shall be settled in cash no later than the 15<sup>th</sup> day of the third month after the month in which the dividend or distribution to which such payment relates is paid.

4. **Restrictions on Transfer.** The Participant shall not sell, assign, transfer, pledge, hypothecate or otherwise dispose of, by operation of law or otherwise except by will or the laws of descent and distribution the RSU Award or Dividend Equivalent Rights granted herein..

5. **Withholding.** No Shares shall be issued or cash payment unless and until the Participant pays to the Company or makes provision satisfactory to the Company for payment of any federal, state or local withholding taxes required by law to be withheld in respect of the RSU Award or Dividend Equivalent Rights granted herein..

6. **Section 409A of the Code.** This Agreement shall be interpreted in such a manner that all provisions relating to the settlement of the RSU Award and Dividend Equivalent Rights granted hereunder are in compliance with or are exempt from the requirements of Section 409A of the Code.

7. **Amendment.** The Board may at any time or times amend the Plan or this Agreement for the purpose of satisfying the requirements of any changes in applicable laws or regulations or for any other purpose which at the time may be permitted by law. No termination, amendment of the Plan or amendment of this Agreement shall, without the Participant's consent, materially adversely affect the Participant's rights under this Agreement.

8. **Notices.** All notices, requests, consents and other communications shall be in writing and be deemed given when delivered personally, by telex or facsimile transmission or when received if mailed by first class registered or certified mail, postage prepaid. Notices to the Company or the Participant shall be addressed as set forth underneath their signatures below, or to such other address or addresses as may have been furnished by such party in writing to the other.

9. **Data Privacy Consent.** In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Participant (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Participant may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Participant shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

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10. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the British Virgin Islands without regard to conflict of law principles.
11. **WAIVER OF JURY TRIAL.** EACH PARTY HERETO IRREVOCABLY AND KNOWINGLY WAIVES (TO THE FULLEST EXTENT PERMITTED BY LAW) ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING (INCLUDING, WITHOUT LIMITATION, ANY COUNTERCLAIM) ARISING OUT OF THIS AGREEMENT OR ANY OTHER AGREEMENTS OR TRANSACTIONS RELATED HERETO OR THERETO, INCLUDING, WITHOUT LIMITATION, ANY ACTION OR PROCEEDING (A) TO ENFORCE OR DEFEND ANY RIGHTS UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HERewith, OR (B) ARISING FROM ANY DISPUTE OR CONTROVERSY IN CONNECTION WITH OR RELATED TO THIS AGREEMENT. EACH PARTY HERETO AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT A JURY.
12. **Entire Agreement.** This Agreement and the Plan constitutes the full and entire understanding and agreement between the parties with regard the subject hereof and supersedes in their entirety all other or prior agreements between or among the Company and the Participant regarding the subjects hereof.
13. **CONSENT TO JURISDICTION.**
- a. EACH OF THE PARTIES HERETO HEREBY CONSENTS TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE TERRITORY OF THE BRITISH VIRGIN ISLANDS, AS WELL AS TO THE JURISDICTION OF ALL COURTS TO WHICH AN APPEAL MAY BE TAKEN FROM SUCH COURTS, FOR THE PURPOSE OF ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF, OR IN CONNECTION WITH, THIS AGREEMENT OR ANY OF THE RELATED AGREEMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, INCLUDING, WITHOUT LIMITATION, ANY PROCEEDING RELATING TO ANCILLARY MEASURES IN AID OF ARBITRATION, PROVISIONAL REMEDIES AND INTERIM RELIEF, OR ANY PROCEEDING TO ENFORCE ANY ARBITRAL DECISION OR AWARD.
  - b. EACH PARTY HEREBY EXPRESSLY WAIVES ANY AND ALL RIGHTS TO BRING ANY SUIT, ACTION OR OTHER PROCEEDING IN OR BEFORE ANY COURT OR TRIBUNAL OTHER THAN THE COURTS OF THE TERRITORY OF THE BRITISH VIRGIN ISLANDS AND COVENANTS THAT IT SHALL NOT SEEK IN ANY MANNER TO RESOLVE ANY DISPUTE OTHER THAN AS SET FORTH IN THIS SECTION OR TO CHALLENGE OR SET ASIDE ANY DECISION, AWARD OR JUDGMENT OBTAINED IN ACCORDANCE WITH THE PROVISIONS HEREOF.
  - c. EACH OF THE PARTIES HERETO HEREBY EXPRESSLY WAIVES ANY AND ALL OBJECTIONS IT MAY HAVE TO VENUE, INCLUDING, WITHOUT LIMITATION, THE INCONVENIENCE OF SUCH FORUM, IN ANY OF SUCH COURTS. IN ADDITION, EACH OF THE PARTIES CONSENTS TO THE SERVICE OF PROCESS BY PERSONAL SERVICE OR ANY MANNER IN WHICH NOTICES MAY BE DELIVERED HEREUNDER.
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14. **Counterparts.** For the convenience of the parties and to facilitate execution, this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

*[Signature Page Follows]*

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The undersigned executed this Agreement as of the date set forth above.

**PARTICIPANT**

Print Name: \_\_\_\_\_  
Address: \_\_\_\_\_

**PORTAGE BIOTECH INC.**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_



PORTAGE BIOTECH INC.

## 2021 EQUITY INCENTIVE PLAN

**Share Option Agreement**

This Share Option Agreement (this "**Agreement**"), dated as of the Grant Date, is between Portage Biotech Inc., a corporation formed under the laws of the Territory of the British Virgin Islands (the "**Company**"), and \_\_\_\_\_ (the "**Optionee**").

The Company hereby grants to the Optionee the following option (the "**Option**") to purchase Common Shares of the Company in accordance with the terms and conditions of this Agreement and the Portage Biotech Inc. 2021 Equity Incentive Plan (the "**Plan**"):

Total Number of Shares Subject to this Option:	_____
Type of Option (ISO or an NQO):	NQO
Exercise Price per Share:	\$8.59
Grant Date:	February 15, 2022
Vesting Schedule:	Vests monthly over three years
Vesting Commencement Date:	February 15, 2022
Number of Vested Shares on Grant Date:	
Vesting Period:	3 years
Number of Shares Vesting at end of each Vesting Period:	_____
Expiration Date:	February 15, 2032

1. **Plan.** This Agreement, which constitutes an Award Agreement under the Plan, is granted pursuant to and is governed by the Plan, the terms and conditions of which are incorporated into this Agreement by reference. To the extent there is any inconsistency between the terms of the Plan and this Agreement, the terms of the Plan shall control. Unless the context otherwise requires, capitalized terms used herein without definitions shall have the respective meanings assigned to them in the Plan. By signing this Agreement, the Optionee acknowledges receipt of a copy of the Plan.

2. **Grant of Option.** On the terms and conditions set forth in this Agreement, the Company grants to the Optionee on the Grant Date this Option to purchase, at the Exercise Price Per Share set forth above, the Total Number of Shares Subject to this Option, as set forth above.

3. **Exercisability Schedule.** The Optionee may exercise this Option for such number of Shares as have become exercisable pursuant to the Vesting Schedule set forth above; provided that upon each vesting date the Optionee is employed with the Company or is otherwise providing services to the Company.



4. **Exercise of Option.** Prior to the Expiration Date (or such earlier date as set forth in Section 5 below), the Optionee may exercise this Option by delivering a Notice of Share Option Exercise in the form attached hereto as **Exhibit A** (the “**Notice**”), signed by the Optionee, and received by the Company at its principal office, accompanied by this Agreement and payment in full in the manner provided in the Plan. The Optionee may purchase less than the number of Shares covered hereby, provided that no partial exercise of this Option may be for any fractional Share or for fewer than ten (10) whole Shares. The Optionee (or any other person entitled to exercise this Option) shall not be entitled to any rights as a Shareholder of the Company with respect to any Shares issuable upon exercise of this Option until such Shares shall have been registered on the register of members of the Company in the name of the Optionee (or such other person).

5. **Exercise of Option After Termination of Employment.**

a. **Termination of service.** Except as otherwise determined by the Board, or as may otherwise be expressly provided in any employment agreement between the Company and the Optionee, upon the termination of the service of the Optionee to the Company (or to an Affiliate of the Company), this Option shall expire on the earliest of the following occasions:

- i. the date that is **three (3) months** after the voluntary termination of the Optionee’s service;
- ii. the date that is **two (2) years** after the termination of the Optionee’s service by the Company (or by an Affiliate of the Company) other than for cause;
- iii. the date of the termination of the Optionee’s service by the Company (or by an Affiliate of the Company) for Cause;
- iv. the date one (1) year after the termination of the Optionee’s service by reason of Disability;
- v. the date one (1) year after the termination of the Optionee’s service by reason of the Optionee’s death; or
- vi. the specified Expiration Date of the Option, as set forth above.
- vii. Any portion of this Option that is not exercisable on the date of termination of the Optionee’s service with the Company, for any reason, shall terminate immediately and automatically be null and void and of no further force and effect.

6. **Restrictions on Transfer.** The Optionee shall not sell, assign, transfer, pledge, hypothecate or otherwise dispose of, by operation of law or otherwise except by will or the laws of descent and distribution, and during the lifetime of the Optionee, this Option shall be exercisable only by the Optionee.

7. **Withholding.** No Shares shall be issued pursuant to the exercise of this Option unless and until the Optionee pays to the Company or makes provision satisfactory to the Company for payment of any federal, state or local withholding taxes required by law to be withheld in respect of this Option.

8. **Section 409A of the Code.** This Agreement shall be interpreted in such a manner that all provisions relating to the settlement of the RSU Award and Dividend Equivalent Rights granted hereunder are in compliance with or are exempt from the requirements of Section 409A of the Code.

9. **Amendment.** The Board may at any time or times amend the Plan or this Agreement for the purpose of satisfying the requirements of any changes in applicable laws or regulations or for any other purpose which at the time may be permitted by law. No termination, amendment of the Plan or amendment of this Agreement shall, without the Optionee’s consent, materially adversely affect the Optionee’s rights under this Agreement.

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10. **Notices.** All notices, requests, consents and other communications shall be in writing and be deemed given when delivered personally, by telex or facsimile transmission or when received if mailed by first class registered or certified mail, postage prepaid. Notices to the Company or the Optionee shall be addressed as set forth underneath their signatures below, or to such other address or addresses as may have been furnished by such party in writing to the other.

11. **Data Privacy Consent.** In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Participant (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Participant may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Participant shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

12. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the British Virgin Islands without regard to conflict of law principles.

13. **WAIVER OF JURY TRIAL.** EACH PARTY HERETO IRREVOCABLY AND KNOWINGLY WAIVES (TO THE FULLEST EXTENT PERMITTED BY LAW) ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING (INCLUDING, WITHOUT LIMITATION, ANY COUNTERCLAIM) ARISING OUT OF THIS AGREEMENT OR ANY OTHER AGREEMENTS OR TRANSACTIONS RELATED HERETO OR THERETO, INCLUDING, WITHOUT LIMITATION, ANY ACTION OR PROCEEDING (A) TO ENFORCE OR DEFEND ANY RIGHTS UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HEREWITH, OR (B) ARISING FROM ANY DISPUTE OR CONTROVERSY IN CONNECTION WITH OR RELATED TO THIS AGREEMENT. EACH PARTY HERETO AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT A JURY.

14. **Entire Agreement.** This Agreement and the Plan constitutes the full and entire understanding and agreement between the parties with regard to the subject hereof and supersedes in their entirety all other or prior agreements between or among the Company and the Optionee regarding the subjects hereof.

15. **CONSENT TO JURISDICTION.**

a. EACH OF THE PARTIES HERETO HEREBY CONSENTS TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE TERRITORY OF THE BRITISH VIRGIN ISLANDS, AS WELL AS TO THE JURISDICTION OF ALL COURTS TO WHICH AN APPEAL MAY BE TAKEN FROM SUCH COURTS, FOR THE PURPOSE OF ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF, OR IN CONNECTION WITH, THIS AGREEMENT OR ANY OF THE RELATED AGREEMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, INCLUDING, WITHOUT LIMITATION, ANY PROCEEDING RELATING TO ANCILLARY MEASURES IN AID OF ARBITRATION, PROVISIONAL REMEDIES AND INTERIM RELIEF, OR ANY PROCEEDING TO ENFORCE ANY ARBITRAL DECISION OR AWARD.

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b. EACH PARTY HEREBY EXPRESSLY WAIVES ANY AND ALL RIGHTS TO BRING ANY SUIT, ACTION OR OTHER PROCEEDING IN OR BEFORE ANY COURT OR TRIBUNAL OTHER THAN THE COURTS OF THE TERRITORY OF THE BRITISH VIRGIN ISLANDS AND COVENANTS THAT IT SHALL NOT SEEK IN ANY MANNER TO RESOLVE ANY DISPUTE OTHER THAN AS SET FORTH IN THIS SECTION OR TO CHALLENGE OR SET ASIDE ANY DECISION, AWARD OR JUDGMENT OBTAINED IN ACCORDANCE WITH THE PROVISIONS HEREOF.

c. EACH OF THE PARTIES HERETO HEREBY EXPRESSLY WAIVES ANY AND ALL OBJECTIONS IT MAY HAVE TO VENUE, INCLUDING, WITHOUT LIMITATION, THE INCONVENIENCE OF SUCH FORUM, IN ANY OF SUCH COURTS. IN ADDITION, EACH OF THE PARTIES CONSENTS TO THE SERVICE OF PROCESS BY PERSONAL SERVICE OR ANY MANNER IN WHICH NOTICES MAY BE DELIVERED HEREUNDER.

16. **Counterparts.** For the convenience of the parties and to facilitate execution, this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

*[Signature Page Follows]*

The undersigned executed this Agreement as of the date set forth above.

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**OPTIONEE**

**PORTAGE BIOTECH INC.**

Print Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
E-Mail: \_\_\_\_\_



Exhibit A

NOTICE OF SHARE OPTION EXERCISE

[DATE]

[ ]  
[INSERT ADDRESS]  
Attention: Treasurer

Dear Sir or Madam

Pursuant to the terms of the share option agreement between myself and Portage Biotech Inc. (the "**Company**") dated \_\_\_\_\_ (the "**Agreement**"), under the Company's 2021 Equity Incentive Plan, I, [Insert Name] \_\_\_\_\_, hereby [Circle One] partially/fully exercise such Option by including herein payment in the amount of \$ \_\_\_\_\_ representing the purchase price for [Fill in number of Underlying Shares] \_\_\_\_\_ Shares. I have chosen the following form(s) of payment:

- 1. Cash
- 2. Certified or bank check payable to [ ]
- 3. Other (as described in the Plan (please describe))

In connection with my exercise of the Option as set forth above, I hereby represent and warrant to the Company as follows:

(i) I am purchasing the Shares for my own account for investment only, and not with a view to, or for sale in connection with, any distribution of the Shares in violation of the Securities Act, or any rule or regulation under the Securities Act.

(ii) I have had such an opportunity as I have deemed adequate to obtain from the Company such information as is necessary to permit me to evaluate the merits and risks of my investment in the Company and have consulted with my own advisers with respect to my investment in the Company.

(iii) I have sufficient experience in business, financial and investment matters to be able to evaluate the risks involved in the purchase of the Shares and to make an informed investment decision with respect to such purchase.

(iv) I can afford a complete loss of the value of the Shares and am able to bear the economic risk of holding such Option Shares for an indefinite period of time.

(v) I understand that the Shares have not be registered under the Securities Act (it being understood that the Shares are being issued and sold in reliance on the exemption provided in Rule 701 thereunder) or any applicable state securities or "blue sky" laws and may not be sold or otherwise transferred or disposed of in the absence of an effective registration statement under the Securities Act of 1933 and under any applicable state securities or "blue sky" laws (or exemptions from the registration requirements thereof). I further acknowledge that certificates representing Shares will bear restrictive legends reflecting the foregoing.

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(vi) I understand and agree that the Shares when issued will continue to be subject to the Plan.

Sincerely yours,

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Name

Address:

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## PORTAGE BIOTECH, INC.

## NOMINATING COMMITTEE CHARTER

August 18, 2020

**I. Purpose**

The purpose of the Nominating Committee (the "Committee") of Portage Biotech Inc. (the "Company") is to exercise general oversight with respect to the governance of the Board of Directors of the Company (the "Board") by (i) identifying, reviewing the qualifications of, and recommending to the Board proposed nominees for election to the Board, consistent with criteria approved by the Board, and (ii) selecting, or recommending that the Board select, the director nominees for the next annual meeting of stockholders.

The Committee serves a board-level oversight role in which it provides advice, counsel and direction to management on the basis of the information it receives, discussions with management and the experience of the Committee members.

**II. Composition**

The Committee shall be composed of not less than two (2) non-employee directors, as determined by the Board. Each member shall satisfy the independence standards set forth in the NASDAQ listing rules and the independence requirements set forth in the applicable rules of the Securities and Exchange Commission (the "SEC").

**III. Responsibilities**

Within the scope of the role of the Committee described above, the Committee is charged by the Board with the responsibility to:

- Make recommendations to the full Board regarding the size of the Board, the composition of the Board, the process for filling vacancies on the Board and the tenure of Board members.
  - Make recommendations to the Board regarding the criteria for Board and committee membership, which shall include a description of any specific, minimum qualifications that the Committee believes must be met by a director nominee, and a description of any specific qualities or skills that the Committee believes are necessary for one or more of the Company's directors to possess, and periodically reassess the adequacy of such criteria and submit any proposed changes to the Board for approval.
  - Establish procedures to be followed by stockholders in submitting recommendations for director candidates.
  - Establish a process for identifying and evaluating nominees for the Board, including nominees recommended by other board members, executive officers or stockholders.
-

- Upon identifying individuals qualified to become members of the Board, consistent with the minimum qualifications and other criteria approved by the Board from time to time, recommend that the Board select the director nominees for election at each annual meeting of stockholders; provided that, if the Company is legally required by contract or otherwise to provide third parties with the ability to nominate individuals for election to the Board, the selection and nomination of such director nominees shall be governed by such contract or other arrangement and shall not be the responsibility of the Committee.
- Review any stockholder proposals and proposed responses.
- Develop and recommend to the Board a set of corporate governance guidelines applicable to the Company, review these principles at least once a year and recommend any changes to the Board, and oversee the Company's corporate governance practices and procedures, including reviewing and recommending to the Board for approval any changes to the other documents and policies in the Company's corporate governance framework, including the Company's Articles of Incorporation and Bylaws.
- Review and discuss with management the disclosure regarding the operations of the Committee and director independence, and to recommend that this disclosure be included in any Company's proxy statement or annual report, as applicable.
- Consider the Board's leadership structure, including the separation of the Chairman and Chief Executive Officer roles and/or appointment of a lead independent director of the Board, either permanently or for specific purposes, and make such recommendations to the Board with respect thereto as the Committee deems appropriate.
- Conduct a periodic review of the Company's succession planning process for the chief executive officer and any other members of the Company's executive management team, report its findings and recommendations to the Board, and assist the Board in evaluating potential successors to the chief executive officer and other members of the Company's executive management team.
- Review annually the adequacy of this charter and recommend any proposed changes to the Board for approval.
- The Committee shall oversee the annual evaluation of the Board and its committees.
- Perform such other duties and responsibilities as may be assigned to the Committee by the Board.

#### **IV. Authority**

By adopting this charter of the Committee, the Board delegates to the Committee full authority to:

Select, retain and obtain the advice of a director search firm as necessary to assist with the execution of its duties and responsibilities as set forth in this Charter. The Committee shall set the compensation, and oversee the work, of the director search firm. The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of outside counsel and such other advisors as it deems necessary to fulfill its duties and responsibilities under this Charter. The Committee shall set the compensation, and oversee the work, of its outside counsel and other advisors. The Committee shall receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to its compensation consultants, outside counsel and any other advisors.

Delegate such of its authority and responsibilities as the Committee deems proper to subcommittees thereof, subject to all applicable laws and regulations.

Appoint a chair of the Committee, unless a chair is designated by the Board.

#### **V. Committee Structure and Operations**

The Committee shall meet in person or telephonically at such times and places as shall be determined by the Committee chairperson. The chairperson, with input from the other members of the Committee, shall set the agendas for Committee meetings. A majority of the members of the Committee shall constitute a quorum for purposes of holding a meeting and the Committee may act by a vote of a majority of members present at such meeting. In lieu of a meeting, the Committee may act by unanimous written consent.

The Committee shall maintain minutes containing a summary of the actions taken at each Committee meeting and shall make regular reports to the Board with respect to actions taken by the Committee and areas of the Committee's responsibilities.

#### **VI. Delegation of Authority**

The Committee may from time to time, as it deems appropriate and to the extent permitted under applicable law, listing agreement, listing rules, and the Company's Memorandum and Articles, form and delegate authority to subcommittees.

#### **VII. Publication**

The Company shall make this charter freely available to stockholders on request and, provided the Company is subject to the periodic reporting requirements of the Exchange Act, shall publish it on the Company's website.

\* \* \*



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

I, Dr. Ian Walters, Chief Executive Officer of Portage Biotech Inc., certify that:

1. I have reviewed this Annual Report on Form 20-F of Portage Biotech Inc. for the fiscal year ended March 31, 2022.
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: August 1, 2022

/s/ Ian Walters

By: \_\_\_\_\_  
Dr. Ian Walters  
Title: Chief Executive 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 Annual Report on Form 20-F of Portage Biotech Inc. for the fiscal year ended March 31, 2022.
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: August 1, 2022

/s/ Allan Shaw

By: 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 Annual Report on Form 20-F of the Company for the fiscal year ended March 31, 2022 (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: August 1, 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 Annual Report on Form 20-F of the Company for the fiscal year ended March 31, 2022 (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: August 1, 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 August 1, 2022, with respect to our audits of the consolidated financial statements of Portage Biotech Inc. as of March 31, 2022 and 2021 and for the years ended March 31, 2022, 2021 and 2020, which report is included in this Annual Report on Form 20-F of Portage Biotech Inc. for the year ended March 31, 2022.

/s/ Marcum LLP

Marcum LLP  
Melville, NY  
August 1, 2022