

RNS Number : 8137P  
Agronomics Limited  
15 October 2019

**7.00am 15 October 2019**

## **Agronomics Limited**

**("Agronomics" or the "Company")**

### **Investment in Seattle Food Tech, Inc. trading as Rebellyous Foods**

The Board of Agronomics Limited is pleased to announce an investment in the plant-based alternative protein company Seattle Food Tech, Inc. trading as Rebellyous Foods ("Rebellyous"). The investment is USD \$250,000.00 (the "Subscription") in the form of a Simple Agreement for Future Equity (the "SAFE"), that will convert to approximately 1% equity in the next priced funding round. Rebellyous is an early stage, pre-revenue food technology and manufacturing company focused on developing plant-based chicken nuggets at scale to be price competitive with conventional chicken nuggets. Based in Seattle USA, their cash burn rate is approximately US\$ 83,000 per month. The Subscription will be paid using cash from the Company's own resources.

This is Agronomics' first investment in the plant-based space, to complement its existing portfolio of cultivated meat and pet food companies. The team at Agronomics believe this investment supports the need for sustainable food alternatives to existing meat products.

Richard Reed, Chairman of Agronomics, commented on the investment: -

"We are very excited to secure our first plant-based opportunity in the sector - Rebellyous Foods. Rebellyous is a very interesting company, whose founder, Christie Lagally, has extensive expertise in engineering and manufacturing design that will facilitate scale-up. We see this as an opportunity for plant-based products to be price competitive with real meat in the future. Agronomics look forward to seeing Rebellyous's progress over the next few years as the plant-based trend continues."

Christie Lagally, Founder and CEO of Rebellyous commented: -

"We are thrilled to partner with Agronomics in our work to transform a global industry. At Rebellyous, we are building a more efficient, profitable, and sustainable meat industry by reimagining the way meat is made. Through our novel production technology, we are enabling the production of plant-based meat at a scale not previously seen in this sector, and we could not do it without support from Agronomics."

### **Terms of the SAFE**

A SAFE is a "Simple Agreement for Future Equity". SAFE Agreements have similar characteristics to Convertible Loans and are designed to provide an early investor with an "edge" ahead of a larger planned funding. The edge is typically conversion of funds advanced for new equity at a discount to the subsequent raise. They are popular as it prevents a relatively small early investor setting a price for a round (which is set later by a lead investor), reducing the need for extensive due diligence and extensive negotiations regarding valuation. SAFE Agreements are increasingly popular in the US (they remain relatively rare in Europe) and are commonly used by tech and life science companies where the early stage of the IP is difficult to value. Being a SAFE investor also means an investor is not a creditor in a future insolvency.

**The SAFE Agreement** If the funding price of new shares issued by Rebellyous in an Equity Fundraising is less than US\$17 million (the "**Valuation Cap**") then the funds advanced by the Company will be converted at the issue price per share of the fundraise, or if the same or greater than the Valuation Cap, they will be issued at a price per share equivalent to the Valuation Cap. It would be typical for funds advanced under a SAFE to be converted at a discount to the issue price, although this is not the case here.

In the event of a Liquidity Event (change of control) the funds advanced under the SAFE are (at the election of the investor) repaid or immediately prior to the Liquidity Event converted at the Liquidity Price (Valuation Cap / issued shares).

Following a Dissolution Event to the extent there are funds available to be distributed they are paid first to SAFE investors (pro rata).

Following conversion, the Company is required to sign relevant transaction documents (shareholders' agreement, investor rights agreement etc. At this stage (ahead of the planned funding round) the terms of those documents (for example, in relation to drag and tag, board representation, rights of pre-emption, lock-up etc.), and the rights of the shares issued on conversion (voting rights, liquidation or distribution preference etc.) are unknown. The terms of the new equity will be negotiated (typically) by the lead investor at such time.

The SAFE terminates when the funds are converted to shares, or following repayment.

## **About Rebellyous**

Rebellyous, a leader in plant-based meat production innovation, creates delicious, cost-competitive plant-based meat for the foodservice industry. Driven by engineers, food scientists, and chefs, Rebellyous uses quality plant protein, high-throughput manufacturing automation, innovative low-energy manufacturing tools, and uniquely designed modular production facilities to craft better tasting, more affordable plant-based meat.

## **About Agronomics**

Agronomics is an investment company focused on opportunities within the nascent industry of modern foods, which are environmentally friendly alternatives to the traditional production of meat and plant-based sources of nutrition. It established an investment policy in April 2019, with a board of directors including Richard Reed, Jim Mellon, David Giampaolo, Denham Eke and Anderson Whamond. The Agronomics team are highly experienced entrepreneurs, investors and advisors with a track record of success.

Agronomics believes that the recent developments within cellular agriculture and alternative protein space will provide valuable contributions to meet the demands of increased global population growth and meat consumption in the future. The company sees cellular agriculture and aquaculture (also called cultivated meat or "clean meat") as a viable solution to relieve the pressure on arable farming and land usage.

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ('MAR'). Upon the publication of this announcement via a Regulatory Information Service ('RIS'), this inside information is now considered to be in the public domain.

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