RNS Number : 1294Q
Agronomics Limited
17 October 2019

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Agronomics Limited
("Agronomics" or the "Company")
Investment in VitroLabs Inc

The Board of Agronomics is pleased to announce it has completed a subscription of US$ 1,500,000 (the "Subscription") in VitroLabs Inc. ("VitroLabs"). VitroLabs, headquartered in San Jose, USA, is developing laboratory-produced, cruelty-free leather. The Subscription is in the form of a SAFE ("Simple Agreement for Future Equity"), that will convert at VitroLabs' next funding round giving Agronomics an expected interest of approximately 3.79% in the form of Series A Standard Preferred Stock. The Subscription will be paid using cash from the Company's own resources.

VitroLabs was founded by Ingvar Helgason and Dr Dusko Ilic in 2016. Dr Ilic is a highly experienced stem cell biologist from King's College, London, whose technical expertise in tissue engineering and stem cell biology has been applied in VitroLabs. VitroLabs' lab-grown leather offers an alternative to the use of animals in this aspect of the supply chain for the fashion industry. VitroLabs' leather significantly reduces waste, production time frames and the environmental footprint associated with leather production, while providing a more consistent product.

Since the Subscription is considered a Substantial Transaction under AIM Rule 12, this announcement requires certain disclosures under Schedule Four. VitroLabs is an early stage, pre-revenue company with costs of approximately US$ 250,000 per month and total assets as at 3 October 2019 of approximately US$ 860,000, including cash and near cash of US$ 500,000 and no material liabilities.

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

> *"Agronomics is thrilled to work with VitroLabs. VitroLabs is a perfect addition to our portfolio, as a pioneer offering a viable alternative to the slaughter of animals for leather predominantly used for fashion, automotive and interior design. As demand for transparency and sustainability grows in supply chains grows, especially in the fashion industry, we are eager to witness VitroLabs potential."*

Ingvar Helgason, Founder and CEO of VitroLabs added: -

> *"We are excited to be working with the experienced and dedicated team at Agronomics. Their mission is deeply aligned with our own and we look forward to accelerating our growth and increasing our traction with their support and expertise."*

SAFE Agreement

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. Principle terms of the SAFE:

- If the funding price of new shares issued by VitroLabs in an Equity Fundraising is less than US$25 million (the "Valuation Cap"), then the funds advanced by the Company will be converted at an 80% discount to 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, whichever results in the greater number of shares in Series A Standard Preferred Stock being issued..

- There is no minimum amount to qualify as an eligible Equity Fundraising. There is no maximum on the amount of funds that can be raised by way of SAFE agreements.

- 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, VitroLabs 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 typically negotiated by the lead investor at such time.

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

- SAFE under US law.

- A clause allows Agronomics to 'swap' their SAFE for better terms if post-investment the company issues further SAFEs, CLNs or other convertible securities with better terms to a new investor.

About VitroLabs

VitroLabs is a clean cellular-agriculture company creating slaughter-free, environmentally friendly leather in the world's first fully scalable tissue-engineering platform. The technology, inspired by nature, works at the intersection of biology, material science, design, and engineering to bring transformational change to the leather industry and beyond, for the good of people, animals, and the planet.

About Agronomics

Agronomics is an investment company focused on opportunities within the nascent industry of cellular agriculture, which includes environmentally friendly alternatives to the traditional production of animal-derived products. It established 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 consumer habits. The company sees cellular agriculture as a key solution which relieves the pressure on the environment, while also addresses animal welfare.

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.

For further information, please contact:

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