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## Consultation on Possible De-Listing & Tender Offer

### AGRONOMICS LIMITED

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Agronomics Limited

19 June 2020

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**19 June 2020**

#### **Agronomics Limited**

("Agronomics" or the "Company")

#### **Shareholder Consultation regarding a De-Listing from AIM**

#### **Potential Tender Offer**

The Board of Agronomics confirms today that, having carefully reviewed different funding options, it has initiated a consultation process with shareholders of the Company ("Shareholders") regarding a possible de-listing of the Company from the AIM Market. The Board believes the de-listing from AIM ("**De-Listing**") together with a tender offer (together the "**Proposals**"), would be in the best interests of the Company and Shareholders for the following reasons:

- a) the Directors believe that in current and foreseeable market conditions, the Company, as an investor in early-stage pre-revenue companies, does not expect to be able to secure the level of funding on public equity markets required to pursue its investment strategy to maximum effect;
- b) the nature of the Company's investment policy means that the majority of investee companies will continue to be pre-revenue/loss-making companies which will need additional capital from their Shareholders to realise their plans;
- c) if the Company is unable to access significant amounts of capital, it will not have the funds to participate in further investment opportunities which are now available (both for new and for follow-on investments within the existing portfolio) and may, therefore, miss out on the potential returns to Shareholders from its early-mover and market leading position;
- d) the Directors believe that the Company, as a private company, will be able to access substantial equity capital from investors specialising in private market investment; and
- e) the Board believes Shareholders will support the Proposals and the Board's conclusion that the implementation of the Proposals is the best way to preserve Shareholder value in what continue to be difficult markets.

Under AIM Rule 41 the De-Listing would be conditional on 75% of Shareholders voting to support a resolution to delist. Prior to convening any such general meeting, the Company has initiated a 14-day consultation process to establish the level of Shareholder support for the Proposals (the "**Shareholder Consultation**").

#### **Tender Offer**

The Board believes that it is important, considering that minority Shareholders may not either wish (or indeed be able) to hold shares in a private company, that the Company makes a tender offer (the "**Tender Offer**") to Shareholders to provide a partial or full cash exit prior to any proposed cancellation of its AIM listing. The intention is that the Tender Offer will be priced at six pence (£0.06) per ordinary share (the "**Tender Price**"), with the amount of cash available under the Tender Offer to be determined following consultation with Shareholders.

To fund the Tender Offer, the Company intends to raise funds from parties interested in supporting Agronomics as a private company, and in this context has received a non-binding commitment letter from Galloway Limited (a company beneficially owned by Mr Jim Mellon) to invest up to £1.0 million (depending on levels of third party participation) in an equity placing of up to £3.0 million, at a price per ordinary share of six pence (£0.06) (the "**Equity Placing**") and up to £2.0 million in a nil-interest convertible debt placing with a conversion price of six pence (£0.06) (the "**CLN Placing**"). The Board anticipate that other parties will also participate in the Equity Placing and/or the CLN Placing such that the Company has sufficient funds with which to execute the Tender Offer and, as such, the total cash resources from which the Company could execute the Tender Offer are not presently known.

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### Shareholder Consultation

The Company's intention is to procure undertakings from certain Shareholders not to accept the Tender Offer, and to consult with other Shareholders on whether they wish to hold shares in Agronomics as a private company, and on the proportion of their shares that they would wish to sell under the Tender Offer. These discussions will be used to assess Shareholder support for the Proposals and, therefore, determine whether to proceed with the De-Listing, and, if so, the size of the Tender Offer.

Following the Shareholder Consultation, if the Company does not have sufficient Shareholder support for the requisite resolutions relating to the Proposals to be passed at a general meeting, or is unable to satisfy the anticipated demand for the Tender Offer such that sufficient shareholder support for the Proposals can be achieved, the Company will not proceed with the Proposals.

The Shareholder Consultation is expected to close on 3 July 2020 and the Company will make a further update regarding the Proposals in the week commencing 6 July 2020.

Participation of Galloway Limited, beneficially owned by Mr Jim Mellon, a Non-Executive Director of the Company and its largest Shareholder (holding 65,142,909 ordinary shares representing approximately 19.64 per cent. of issued shares) with Mr Denham Eke, CFO of the Company and a Director of Galloway Limited, in the Equity Placing and the CLN Placing would constitute a Related Party Transaction under the AIM Rules and this will be considered by the independent Directors at the appropriate time.

### Richard Reed, Non-Executive Chairman, Agronomics Limited commented:

*"The Board believes a significant majority of shareholders will support the Proposals. It is however aware that, if the Proposed De-Listing goes ahead, it needs to consider the best interests of all shareholders, which is why the tender offer is intended to ensure minority shareholders who do not wish to remain as shareholders in a private investment company would have an opportunity to sell some or all of their shares. The announcement today allows the Company to gauge the position of its shareholder base so that, if it proceeds, the tender offer can be structured accordingly."*

### For further information, please contact:

| Agronomics Limited         | Beaumont Cornish Limited       | Zeus Capital Limited                             | Peterhouse Capital Limited |
|----------------------------|--------------------------------|--|----------------------------|
| <i>The Company</i>         | <i>Nomad</i>                   | <i>Joint Broker</i>                              | <i>Joint Broker</i>        |
| Richard Reed<br>Denham Eke | Roland Cornish<br>James Biddle | Rupert Woolfenden<br>Jamie Peel<br>Daniel Harris | Lucy Williams              |
| +44 (0) 1624 639396        | +44 (0) 207 628 3396           | +44 (0) 20 3829 5000                             | +44 (0) 207 469 0936       |

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