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Conclusion of consultation being to remain on AIM

AGRONOMICS LIMITED

Released 12:00:01 01 July 2020

RNS Number : 7222R
Agronomics Limited
01 July 2020

1 July 2020

Agronomics Limited

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

Conclusion of consultation being to remain listed on AIM

Further to the announcement of the Company dated 19 June 2020, the Board of Agronomics, having reviewed the shareholder feedback, has agreed unanimously to retain the Company's AIM Market listing, despite the short-term need for the Company to access capital to support existing portfolio companies and take advantage of new investment opportunities.

In particular, the results of its recent shareholder consultation confirmed a majority of shareholders recognise:

a) the need to raise the required capital to fully realise the Company's business plan;

b) that access to capital is limited at this time (partly due to the Covid-19 outbreak and also due to other factors); and

c) the need for the Company to access capital over the next 12 months to realise its ambitions and, to protect shareholder value and deliver growth in the net asset value of the portfolio, the Board must consider different forms of financing available to the Company;

In addition, a number of shareholders want:

d) the Company to review alternative structures for the Company to raise capital that would not result in the stock market listing being lost or surrendered; and

e) to retain a shareholding in the Company providing that its shares continue trading on AIM, and they would accordingly vote against any proposal to de-list.

The Board is conscious that, as a consequence of the consultation process, some shareholders, and/or potential new investors, may believe that, despite this decision, the medium-term ambition of the Board might be still to de-list the Company. To reassure shareholders that this is not the case, the Board has today provided Beaumont Cornish Limited (the Company's nominated adviser) with an undertaking that it will not, other than due to regulatory reasons beyond its control, or in the context of a proposed takeover by an arm's length third party (in compliance with the Takeover Code), seek to de-list the Company's shares for a period of three years from the date of the undertaking.

Meanwhile, the Board will continue to negotiate with potential funding partners for additional investment in the Company and/or its subsidiaries. Whilst terms for any such investment have not been agreed, and there can be no guarantee that such negotiations will be successful, to further reassure shareholders, the Board wishes to make clear that any proposal approved by the Board would (i) be at an implied net asset value per share ("NAV") equal to or not less than £0.06, being a 8.5% premium to the last published NAV, and (ii) existing shareholders of the Company would have the opportunity to participate on the same terms as any new investment.

As noted by the Board in previous announcements, the Company is fortunate to have the continued support of Jim Mellon, the largest shareholder and a non-executive director of the Company, at a time when funding is not easily available on terms that protect shareholder value. As such, Galloway Limited, a company indirectly wholly owned by Jim Mellon, has agreed to provide the Company with a nil interest unsecured 6-month bridging facility of £1.9 million (the "**Mellon Facility**") on a draw-down basis at its discretion. This will allow the Company, if required, to take advantage of the potential opportunities it currently has (within its existing portfolio and in relation to new investment opportunities).

The Mellon Facility (via Galloway Limited, a company indirectly wholly owned by Jim Mellon and of which Denham Eke is a director) is a Related Party Transaction under the AIM Rules for Companies and the Independent Directors (being Richard Reed, David Giampaolo and Anderson Whamond) having consulted with Beaumont Cornish Limited, the Company's nominated adviser, consider the terms of the

Mellon Facility to be fair and reasonable insofar as the Company's shareholders are concerned.

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

"The Board has listened to its shareholders. In particular, smaller shareholders (who make up a significant minority of the shareholder base) made clear that they did not want the AIM listing to be lost, and would not want to retain a shareholding in a private company, even if that

private company had better prospects of accessing private capital. The message received was that the Board had to find a funding solution that retained the public listing. This message has been heard loud and clear by your Board. We have gone back to the drawing board and are reaching out to new investors to find a funding solution that protects shareholder value, retains liquidity (in the form of the stock market listing), and allows the Company to grow the net asset value of its portfolio on a per share basis.

The Company and shareholders are fortunate that while we take these steps, we continue to have the support of Jim, who has agreed to provide a nil interest loan facility to bridge the Company so it can continue to invest and deliver on its business plan. Jim, like the rest of the directors, believes strongly that the Company can be a huge success, and deliver exceptional returns for shareholders if it can access capital and take advantage of its early mover status. That is the prize, for all shareholders, and that is what the Board will continue working hard to deliver."

Details of the Mellon Facility

The Mellon Facility was agreed at the request of the Company and the terms of the Mellon Facility were approved by the Company's Independent Directors for the purposes of the transaction, being Richard Reed, David Giampaolo and Anderson Whamond. The size of the Mellon Facility meant that the transaction was a related party transaction under the AIM Rules. A summary of the terms of the Mellon Facility are set out below:

- £1.9 million facility made available (no fees or set-off or contribution to costs)
- Drawn down at the request of the Company (subject to agreed use of proceeds with Galloway Limited)
- 6-month availability and repayment term
- Unsecured
- Nil interest
- Accelerated repayment if Company completes a debt or equity fundraising realising gross proceeds of greater than £2 million
- Standard events of default and warranties from both parties

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

For further information, please contact:

Agronomics Limited	**Beaumont Cornish Limited**	**Zeus Capital**	**Peterhouse Capital**
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