

RNS Miscellaneous



Announces Investment of US\$ 5 million in BlueNalu

AGRONOMICS LIMITED

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("Agronomics" or the "Company")

Announces Purchase of US\$ 5 million Convertible Promissory Note from BlueNalu

Agronomics, a leading listed investor in cellular agriculture with a focus on cultivated meat and alternative proteins, is pleased to announce that the Company has today completed a subscription (the "Subscription") for a US\$ 5.0 million (£3.8 million) Convertible Promissory Note (the "CPN") in existing investee company BlueNalu, Inc. ("BlueNalu"), a cell-based seafood company based in San Diego, California. The Subscription will be paid using cash from the Company's own resources.

The CPN will convert into equity in the event of a Qualified Financing, being a fundraise of US\$ 50 million or greater. In a Qualifying Financing, the Notes and interest due under the CPN convert to shares at the lesser of a 20% discount to the price of a Qualified Financing or the valuation cap divided by the total outstanding shares prior to a Qualified Financing.

Agronomics currently holds 192,005 shares of BlueNalu, comprised of 43,357 Seed Preferred Shares and 148,648 Series A Preferred Shares, with a book value, excluding the CPN investment, of £2,744,613. Assuming the CPN is subscribed in full and a Qualified Financing occurs at a price equal to the agreed valuation cap of the CPN, Agronomics will have an approximate equity interest of 5.85% of issued shares following conversion and would value Agronomics' position at approximately £13.4 million.

Concurrent with the investment Jim Mellon, a Non-Executive Director of Agronomics, has been granted the right to attend the Board Meetings of BlueNalu as an observer.

Commenting on the investment, Jim Mellon, noted: -

"Agronomics is delighted to be continuing its support for BlueNalu in their work on providing a sustainable solution to meeting the world's seafood demand. We are optimistic that advances by BlueNalu will be able to make a real difference in combating some of the current issues with the fishing and aquaculture industry."

BlueNalu began its operations in 2018 and now has a strong team of 31 employees in areas that include food innovation, cell biology, technology commercialisation, intellectual property, finance, tissue engineering, large-scale biopharma processing, and quality assurance, with a strong commitment to corporate development and strategic partnerships.

Since Agronomics' participation in BlueNalu's Series A financing, BlueNalu has established a 40,000 sq. ft. facility for the purposes of commercialisation and development.

BlueNalu is mentioned as a key player in the field of cellular agriculture in Jim Mellon's latest book - Moo's Law, which is due out on the 7 December 2020.

Lou Cooperhouse, co-founder, CEO and president of BlueNalu, added: -

"We are extremely thankful to the team at Agronomics for their continued support, and we are pleased to welcome Jim Mellon as an observer to our Board of Directors. Agronomics has participated in each of our financing rounds thus far, and has a keen understanding regarding the role that cell-based seafood can play in the global supply chain."

Since this Subscription is considered a Substantial Transaction under AIM Rule 12, this announcement requires certain disclosures under Schedule Four. BlueNalu is an early stage, pre-revenue company with operating costs of approximately US\$ 750,000 per month and total assets as at 30 September 2020 of approximately US\$ 13,834,510, including cash and near cash of US\$ 11,950,424 and no material liabilities.

[About BlueNalu](#)

BlueNalu's mission is to be the global leader in the manufacturing, marketing and sales of cell-based seafood, providing consumers with great tasting products that are healthy for people, humane for sea life, and sustainable for our planet. BlueNalu will produce a wide array of seafood products directly from fish cells, that will be trusted, safe, and free of mercury and environmental contaminants.

BlueNalu is aligned with 10 of the 17 Sustainable Development Goals (SDG) of the United Nations, a blueprint to achieve a better and more sustainable future for our planet. BlueNalu is based in San Diego, California.

[About Agronomics](#)

Agronomics is a leading listed investor in alternative proteins with a focus on cellular agriculture and cultivated meat. The Company has established a portfolio of 14 companies at the Seed to Series B stage in this rapidly advancing sector. It seeks to secure a 5-10% initial ownership in technologies with defensible intellectual property that offer new ways of producing food and materials with a focus on products historically derived from animals. These technologies are driving a major disruption in agriculture, offering solutions to improve sustainability, as well as addressing human health, animal welfare and environmental damage. This disruption will decouple supply chains from the environment and animals, as well as being fundamental to feeding the world's expanding population. A full list of Agronomics' portfolio companies is available at <https://agronomics.im/>

[About the Cultivated Meat Sector](#)

Funding in the cultivated (cell-based) meat sector is growing rapidly with US\$ 170 million invested globally between 2016 - 2019 and over US\$ 270 million already raised in 2020 alone. Additional financings are anticipated as the capital requirements of these companies grows to build out and scale up manufacturing facilities. Currently, it is estimated that there are 60 companies globally within the sector. AT Kearney, a global consultancy, has predicted that Cultivated Meat's market share of meat consumption will be 35% by 2040.

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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