

RNS Miscellaneous



Agronomics leads VitroLabs Series A Funding

AGRONOMICS LIMITED

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Agronomics Limited
("Agronomics" or the "Company")

Agronomics leads leather producer VitroLabs Series A Funding round

Agronomics, the leading listed alternative proteins company focused on cellular agriculture and cultivated meat, is pleased to announce it has led portfolio company VitroLabs Inc's ("VitroLabs") Series A funding round with a US\$ 7.0 million investment ("the Subscription"). The Subscription is part of a funding round being undertaken by VitroLabs with the proceeds being used to build and scale the world's first pilot production facility of cultivated leather.

Agronomics previously invested US\$ 3.5 million in VitroLabs via SAFEs and CLNs, which will convert on completion of this funding round. Therefore, in total, Agronomics will hold an equity ownership of 14.65% on a fully diluted basis and will have the right to a board seat. Agronomics will now carry this position in its accounts at a book value of US\$ 12.75 million, subject to audit, including an unrealised gain on cost of US\$ 2.25 million and an IRR of 40%. The VitroLabs position will represent approximately 8.7% of Net Asset Value.

VitroLabs is the Bay-Area-based biotechnology company focused on producing leather via its innovative and unique cell culture process. Its technology encompasses utilising a tissue engineering process to create genuine hides directly from animal cells for leather products. The global luxury leather goods market is a US\$ 48 billion opportunity, and VitroLabs is set to become the world's first company to commercialise cultivated leather.

Jim Mellon, non-executive director of Agronomics, recognises VitroLabs technology as a pioneer and category leader in the field of cultivated leather:

"The application of cell culture to produce materials provides VitroLabs with a unique positioning to supply genuine leather to the fashion industry in particular, offering a sustainable and direct replacement to conventional leather sourcing and production."

Ingvar Helgason, CEO and Co-founder of VitroLabs commented:-

"Sustainable sourcing is not a bonus anymore - it's fundamental to the future of not just the fashion industry, but also protecting the planet and our collective future. Our technology allows for sustainable sourcing without requiring compromise on the part of consumers or brands - that's why we see cultivated leather hides as the right solution for the luxury market."

About VitroLabs

VitroLabs, founded in 2016 and headquartered in the San Francisco Bay Area is a biomaterials company developing a scalable tissue engineering platform for the efficient and environmentally-friendly production of leather hides from only a few cells. Combining tissue engineering processes with proprietary advances to achieve commercial scale, VitroLabs is on a mission to produce a range of new biomaterials that achieve the look, feel and performance of traditional luxury materials without compromise. The cultivated leather process involves taking a one-time collection of cells from an animal. The cells are grown in a nutrient-rich environment. Without ever going back to the animal again, the cells grow, divide and form into tissue. The composition of cultivated tissue achieves the same complexity of traditional hides, containing a variety of cells and proteins that render a durable and luxurious material when finished, but without the need to raise or slaughter animals. The process is not only cruelty-free, but more sustainable than traditional leather. For more information, visit www.vitrolabsinc.com.

Since this 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 operating costs of approximately US \$300,000 per month, and total assets as at 30 June 2021 of US \$612,000 including cash or near cash of US \$512,000 with no material liabilities.

About Agronomics

Agronomics is a leading listed alternative proteins company with a focus on cellular agriculture and cultivated meat. The Company has established a portfolio of 16 companies at the Seed to Series B stage in this rapidly advancing sector. It seeks to secure minority stakes in companies owning 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 meat sector is growing rapidly with approximately US\$ 170 million invested worldwide between 2016-2019 and over US\$ 270 million 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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