Creating a Global Agtech Hub in the Research Triangle ...

Adrian Percy
Chief Technology Officer
Since 2006, we’ve provided growth capital to partner with the best and boldest companies that are helping to feed the world sustainably.
Global Challenges for Food Demand and Production

- Projected 10 billion world population
- Limited arable land
- 60% increase in food demand
- Impact of climate change
- Depletion of ground water
- Lack of available labor
- Loss of produce along the food chain
- Changing consumption preferences
$5TN(1) Ag & Food Opportunity Globally

Agtech is a horizontal, utilizing technologies from other venture sectors to improve productivity, quality and sustainability of agriculture.

Technology Tailwinds
- Big data / AI
- Digitization of ag
- Imagery and sensors
- Automation (labor)
- Breakthrough genomics (CRISPR)
- Novel farming (vertical farms, plant-based proteins)

Industry Themes
- In-flow of private innovation capital
- Open innovation model being adopted by “Big Ag”
- Heightened regulatory requirements
- Changing consumer preferences
- Sustainability & impact agenda

(1) McKinsey: “Pursuing the global opportunity in food and agribusiness”
**Investment Into Agtech Continues to Grow**

**Private Investment (VC) in Agtech**

- $2.2B invested in agtech in 2018
- ~$7.3B invested since 2012

- '12-'17 CAGR ($) : 40%

**Source:** PitchBook.

(1) As of April 2019.
Exit Activity Is Evolving as the Sector Matures

Ag Majors have traditionally been acquirers

<table>
<thead>
<tr>
<th>Company</th>
<th>Initial Market Cap</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Athenix</td>
<td>$400M</td>
<td>2010</td>
</tr>
<tr>
<td>AgraQuest</td>
<td>$425M</td>
<td>2012</td>
</tr>
<tr>
<td>The Climate Corporation</td>
<td>$930M</td>
<td>2013</td>
</tr>
<tr>
<td>Granular</td>
<td>$300M</td>
<td>2017</td>
</tr>
<tr>
<td>Blue River Technology</td>
<td>$305M</td>
<td>2017</td>
</tr>
<tr>
<td>Strider</td>
<td>n.a.</td>
<td>2018</td>
</tr>
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<td>AgriBle</td>
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</tbody>
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IPOs are an option for the truly elite companies disrupting the sector

$1.5B Initial Market Cap

BEYOND MEAT
(2019)

And consolidation emerges as an avenue to establish a broad platform

TELESENSE, Webstech, MAVRIX, Indigo, TellusLabs

2019, 2018, 2018
Agtech Is a Worldwide Phenomenon
What Makes a Successful Agtech Hub?

• Access to capital, talent & facilities
• Long-standing local networks
• Engaged government support
• High quality research
• Breakthrough technology
• Local customers & channel partners
The Research Triangle Has The Ingredients to be a Global Player

- Presence of major agribusinesses
- Vibrant start-up community
- Access to (limited local) capital
- Excellent talent pool
- New infrastructure (inc. greenhouses)
- Elite academic institutions
- NC State’s Plant Science Initiative
- Affordable economics
- Landing pad for European companies
- Diverse agricultural systems
• 10 Billion world population
• Loss of produce along the food chain
• Changing consumption patterns
• 60% increase in food demand
• 17% Yield reduction due to climate change
• Limited arable land
• Invasive pests
• Depletion of ground water
• Weed and pest resistance

A Great Story That Needs to Be Told...
THANK YOU!

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