



PRIVATE EQUITY FOSTERS AGRITECH INNOVATION

The growth of impact investing in private equity strategies is enabling a broader set of investors to benefit from companies delivering transformative agritech solutions and regenerating broken food systems.



Fabio Sofia

Co-Founder & Managing Partner, Zebra Impact Ventures, Mirabaud Asset Management's agritech investment partner.

SEPTEMBER 2024

Overconsumption is at the heart of Earth's environmental crisis – notably our broken food system. Breakthrough technologies have the potential to help the planet overcome this challenge, but the companies behind such innovative solutions need the right funding and support for product development, testing and scaling to achieve their full potential.

Private markets have traditionally been leaders in fostering innovation and have benefited from the high-growth rewards, as well as absorbing the risks involved. But

the investment landscape is changing. The growth of impact investing – particularly private equity funds that focus on impact – is enabling a broader set of investors to benefit from the companies driving transformative solutions.

ENHANCING GROWTH POTENTIAL

Private equity is undeniably at the riskier end of the investment spectrum, but risks can be managed. We focus on growth-stage companies – known as Series B – which have already gone through seed funding, technological innovations



have been proven, are ready to take the next development steps and have started to gain commercial traction.

These companies still offer significant growth potential, and this potential can be further enhanced by experienced private equity partners guiding the institutionalisation of business, refining governance aspects and helping international development by offering relevant global connections.

Given our specific focus on impact investing, we also use our expertise to advise founders and other shareholders about the value impact integration can add to a business. This ranges from ensuring impact is correctly and accurately defined, then measured, as well as ensuring that the appropriate disclosures are in place to meet the regulatory obligations for SMEs.

AGRICULTURE: RIPE FOR INNOVATION

Risk can also be mitigated by focusing on the right target areas.

Agritech is beginning to take a more critical role in addressing global food production and sustainability issues. While the challenge of humanity's ongoing need to eat has resulted in little consequential disruption for the agricultural sector as yet, powerful forces are starting to compel change.

Governments worldwide have set targets to lower emissions – sometimes embedding these into law. Corporates are being pushed to be more transparent about their supply chains and production practices, and consumers increasingly want a clearer understanding of the journey from farm to fork. These demands will not be met without a fundamental transformation of our food systems.

Fortunately, cutting-edge innovation is driving sustainable and regenerative developments in the way we produce food. Pitchbook's Q2 2024 Agtech Report identified several key areas that are attracting investor attention, including Ag finance and insurance, the development of livestock and land animal technology, the increasing use of drones and imagery analytics, as well as robotics and smart field equipment.

In addition, the World Economic Forum named alternative livestock feeds and their potential to revolutionise animal nutrition for sustainability as one of its top ten emerging technologies of 2024.

In our view, three core areas will lead the transformation:

1. Agritech, which utilises AI, robotics, big data and the internet of things (agriculture 4.0), to improve resource efficiency, productivity and carbon sequestration while reducing pesticide use.



2. Novel ingredients, which is the development of new food sources that are as attractive as today's mainstream animal proteins.

3. Waste and circularity, which seeks to improve product lifecycles, limit waste, promote more sustainable packaging and create opportunities to upcycle food waste.

INNOVATION IN ACTION

For us, the most important stage is identifying growth-stage companies creating transformative solutions, through redesigning how agricultural land is preserved and food is produced, and reinventing what we eat. In enabling a more sustainable, regenerative food system, such companies will be pivotal to achieving net zero by 2050, but to do this they need investment now.

REGENERATIVE GROWTH I PORTFOLIO EXAMPLES

Micropep

Micropep is where the worlds of biotechnology and agriculture collide. Harnessing the incredible potential of micropeptides – short natural protein molecules that target and regulate plant genes and proteins – Micropep is developing the next generation of safe, efficient and sustainable natural crop protection and crop stimulation solutions to help farmers adapt agricultural

systems to the impact of climate change.

While the science can be complicated to understand – Micropep utilises the combined powers of computational biology, bioproduction and delivery, and formulation science, technologies already widely used by pharmaceutical and cosmetics companies, to create its products – the potential outcome could be game-changing. In our view, biotechnology could solve some of the biggest challenges for sustainable agriculture by limiting its reliance on damaging chemicals, improving crop yields and protecting biodiversity.

Koa

Founded in Ghana, Koa upcycles waste to create new products. By processing previously unwanted cocoa pulp – the residue after cocoa beans have been harvested – it produces a natural sweetener that can be used for food and beverages. It has even established connections to the chocolate industry – taking the cocoa story in a full circle.

Not only is its focus on circularity and waste reduction an impactful concept, but it also has an agenda of empowering local communities by creating more income streams for small-scale farmers and creating new employment opportunities.



BettaFish

BettaFish is a German company developing impact-enhanced foods based on seaweed. Seaweed is a vastly untapped resource, which grows naturally without consuming any additional ingredients or water – it just needs sunlight. There are currently 10,500 known species of seaweed and its potential for further discovery is significant. Like many plants, seaweed naturally sequesters CO₂ and is a source of protein that can be applied to feeding animals or for human consumption.

And this is what BettaFish does. It uses seaweed to mimic the taste and texture of seafood. At present, it offers plant-based alternatives to tuna – ‘Tu-Nah’ – and salmon – ‘Sal-Nom’. A key differentiator for us is that, unlike other alternative meat manufacturers, BettaFish sells its products at price parity with similar products and has partnered with some of the major low-cost supermarkets in Germany, Austria and Switzerland, which should help it avoid the underwhelming sales experienced by premium meat-substitute products.

PRIVATE EQUITY FOR IMPACT

For investors seeking to directly contribute to meaningful change at speed and scale without compromising on financial performance, our impact-focused Regenerative Growth I strategy targets these twin objectives. Innovation-centred businesses need private capital to survive and thrive; our strategy focuses on growth-stage ventures with proven technology, post-revenues and commercial traction, and we use our extensive experience of supporting Series B companies to minimise risks and maximise value potential.

With the technology lens increasingly focusing on agriculture, we envision an ever-growing wave of cross-sector, nature-positive tech innovations that private capital can help fulfil their growth potential, as well as accelerating a nature-positive transformation of our planet.



IMPORTANT INFORMATION

This marketing material contains information or may incorporate by reference information concerning certain collective investment schemes ("funds") which are only available for distribution in the registered countries. It is for your exclusive use only and it is not intended for any person who is a citizen or resident of any jurisdiction where the publication, distribution or use of the information contained herein would be subject to any restrictions. It may not be copied or transferred.

This material is provided for information purposes only and shall not be construed as an offer or a recommendation to subscribe, retain or dispose of fund units or shares, investment products or strategies. It has been prepared jointly with Z Impact Ventures SA. Before investing in any fund or pursuing any investment strategy, potential investors should consult the relevant legal documents. Potential investors are recommended to seek prior professional financial, legal and tax advice. The sources of the information contained within are deemed reliable. However, the accuracy or completeness of the information cannot be guaranteed and some figures may only be estimates. In addition, any opinions expressed are subject to change without notice. There is no guarantee that objectives and targets will be met by the portfolio manager.

All investment involves risks, returns may decrease or increase because of currency fluctuations and investors may lose the amount of their original investment. Past performance is not indicative or a guarantee of future returns.

This communication may only be circulated to Eligible Counterparties and Professional Investors and should not be circulated to Retail Investors for which it is not suitable.

Issued by: in the UK: Mirabaud Asset Management Limited, which is authorised and regulated by the Financial Conduct Authority under firm reference number 122140. Potential investors should note that the Regenerative Growth Fund is an 'unregulated collective investment scheme' which is illiquid in nature, no secondary market is available, and investors are not afforded protections under the Financial Services Compensation Scheme or any rights of complaints to the UK Financial Ombudsman Service. In Switzerland: Mirabaud Asset Management (Suisse) SA, 29, boulevard Georges-Favon, 1204 Geneva, as Swiss representative. Swiss paying agent: Mirabaud & Cie SA, 29, boulevard Georges-Favon, 1204 Geneva. In France: Mirabaud Asset Management (France) SAS, Spaces 54-56, avenue Hoche, 75008 Paris. In Luxembourg, Italy and Spain: Mirabaud Asset Management (Europe) SA, 6B, rue du Fort Niedergruenewald, 2226 Luxembourg. The Prospectus, the Key Information Document (KID), the Articles of Association, as well as the annual and semi-annual reports (as the case may be) of the funds may be obtained free of charge from the above-mentioned entities. Fund I is a sub-fund of Regenerative Growth S.C.A SICAV-RAIF, a reserved alternative investment fund incorporated in Luxembourg. Further information on sustainability is available at the following link: <https://www.mirabaud-am.com/en/responsibly-sustainable>.