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OVERVIEW: THRIVE
THRIVE Canada in a Snapshot

INVESTMENT

SVG VENTURES
Pioneer Fund

ACCELERATION

THRIVE Canada Accelerator for Seed Companies
THRIVE Global Academy for Pre-Seed Startups

INNOVATION

Corporate Innovation

ECOSYSTEM

Demo Days and Thought Leadership Events
Startup and Mentor Database

Meet the THRIVE Canada team

John Cassidy, Canada Managing Director
Lisa Merdjan, Academy Manager
Dawn Trautman, Venture Studio & Innovation Manager
Justin Massar, Canada Accelerator Manager
Spencer Graling, Program Associate
Coleton Fisher, Academy Associate
Haley Massong, Corporate Innovation Manager

• 7 team members across 3 provinces
ABOUT US

Our Vision
Advancing food and agriculture for a more sustainable future

#1
Top Agtech Investor
Pitchbook, 2022

#1
Top Agrifood Accelerator
Agfunder Awards, 2019

40+
Corporate Clients

$1 billion
Value created

100+
Countries reached

9,000+
Global founder private network
Innovation & Investment Platform for Startups

- 9 Years of Global Accelerator
- THRIVE Global Academy
- Global challenges
  - Canada Challenge
  - Europe Challenge
  - Australia Challenge
  - LATAM Challenge
  - Africa Challenge
- Corporate programs & validation
  - Bayer Sustainability Challenge
  - Global Impact Challenge
  - THRIVE | Shell Climate-Smart Ag Challenge
  - CEA Driscoll’s /Plenty
- THRIVE Navigator system
  - 9,500 + start ups
- SVG Ventures portfolio

Thrive Accelerator + Academy
4000+ applications
100+ alumni

Corporate & Regional Challenges
2,000+ Applicants

Global THRIVE Platform
9,500+ Start ups

SVG Ventures Portfolio
80+ Start ups

Proprietary deal flow

thriveagrifood.com
THRIVE’s Global Ecosystem

34% North America

11% Latin America

41% EMEA

14% APAC

9,500+ global startup distribution
THRIVE’s Corporate Network Spans The Agrifood Value Chain

Crop Inputs  Ag Retail & Services  Farms & Co-ops  Supply Chain & Ingredients  Downstream

Government  Impact  Research  Technology

Logos of various companies and organizations related to agriculture and technology.
CANADA’S AGRIFOOD LANDSCAPE
Overview

Canada’s agrifood industry is a cornerstone of the country’s economy and culture

The agrifood industry accounts for:

- 7% of Canadian GDP
- Employs 1 in 9 Canadians
- $82.2 billion in exports with more than half going to the USA
- 62.2 million hectares of farmland
- 5th largest exporter globally, exporting to 200 countries
- Canadians spend $186.7B on food annually. The 2nd largest household expenditure

4 main sectors

- Principal Field Crops (Canola, Wheat, pulses)
- Food & Beverage (Dairy, eggs)
- Horticulture (Vegetables, nursery plants)
- Animal Production (Beef, pork, chicken)

*All figures are based on the year 2021
Global drivers continue creating demand for innovation in the agrifood sector

- **Population growth**
  Global population is expected to reach 10 billion by 2050.

- **Climate change**
  More extreme weather events impact growing conditions and yields.

- **Shifting demographics**
  Ageing workforce, urbanization, and preference influencing factors.

- **International agreements**
  National agricultural policies evolve to support integration of international initiatives.

- **Global trade**
  Agricultural production occurs at the best suited geographical location.

- **Agriculture technology change**
  New technologies offer improved efficiencies at lower cost (e.g., AI, biotechnology, IoT).

- **Digital marketplace**
  Digital platforms transform the range and types of services offered to consumers and across the value chain.

- **Value chain economics**
  Firms increase vertical integration for process optimization, from farm to consumer.

- **Natural resources scarcity**
  Increasing competition between food and non-food uses of biomass (e.g., biofuels, freshwater).

- **Consumption behaviours**
  Demand for higher quality and healthier food, new experiences, convenience, environmental and animal welfare verifications.
Innovation and Technology

Numerous opportunities for disruption through adoption of tech solutions
AGRIFOOD INVESTMENT TRENDS
Steady growth in global investment, with a more recent drop off in $-invested.

Four upstream investment sectors bucked the declining trend: bioenergy & biomaterials, ag biotech, novel farming and food systems, and farm management software & IoT.
>$1.6B venture capital invested in Canadian agrifoodtech in the last 5 years (15th), 5th in deal count
2022: Canada Holds in 5th Place

<table>
<thead>
<tr>
<th>Country</th>
<th>Deals</th>
<th>YoY % change</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>806</td>
<td>-33</td>
</tr>
<tr>
<td>India</td>
<td>211</td>
<td>-11</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>162</td>
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<td>China</td>
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<td>Israel</td>
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<td>Indonesia</td>
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<td>United Arab Emirates</td>
<td>38</td>
<td>+41</td>
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<tr>
<td></td>
<td>Canada</td>
<td>USA</td>
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<tr>
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</tr>
<tr>
<td><strong>Total agricultural land area</strong></td>
<td>581,990 sq. km</td>
<td>4,058,104 sq. km</td>
</tr>
<tr>
<td><strong>Total arable land area</strong></td>
<td>38,697,000 ha</td>
<td>157,736,800 ha</td>
</tr>
<tr>
<td><strong>Population</strong></td>
<td>38,654,738</td>
<td>329,500,000</td>
</tr>
<tr>
<td><strong>Total investment in agrifood tech ($USD)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017-2022 YTD</td>
<td>$7,525M</td>
<td>$247,868M</td>
</tr>
<tr>
<td>2021</td>
<td>$1,326M</td>
<td>$29,720M</td>
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<tr>
<td>2022</td>
<td>$572M</td>
<td>$10,504M</td>
</tr>
<tr>
<td><strong>VC investment in agrifood tech ($USD)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017-2022 YTD</td>
<td>$1,619M</td>
<td>$57,189M</td>
</tr>
<tr>
<td>2021</td>
<td>$195M</td>
<td>$6,698M</td>
</tr>
<tr>
<td>2022</td>
<td>$494M</td>
<td>$18,806M</td>
</tr>
</tbody>
</table>
Agrifood tech investment has been regionally concentrated, and largely mirrors population.
Upstream investment has been concentrated in controlled environment ag, and downstream in alt protein, processing, and ingredients.
FUTURE PERSPECTIVES & OPPORTUNITIES
Investment is a critical catalyst for scaling innovation and supporting continued advancement of Canada’s agrifood industry

**INNOVATION CATALYSTS**
- Equity investment
- Non-dilutive capital
- Tech accelerators & incubators
- Academic & research institutions
- Policy instruments

**INDUSTRY CHARACTERISTICS & NEEDS**
- Industry fragmentation
- Variability across different geographies, crops and livestock, and operation sizes
- Impacts of climate, natural processes, and seasonality
- Tight margins
- Need for investors with domain knowledge and experience
- Need for reliable, cost-effective products
What We Face In the Future

9.7B
POPULATION BY YEAR 2050
(27% INCREASE)

Source: United Nations

+70%
FOOD DEMAND
(2009 vs 2050)

Source: FAO

Net Zero
COP26 AMBITIOUS GOALS FOR 2030 AND 2050

Source: Cop26

“It’s clear that agriculture, done right, is the best means the world has today to simultaneously tackle food security, poverty, and environmental degradation”

- IRENE ROSENFELD -
Climate change remains top-of-mind for corporates, investors, and governments globally: aridification, shifting crop zones, focus extends beyond carbon to water & biodiversity.

What to expect in 2023 and beyond?

Climate

- Soil health & biodiversity
- Food security & waste reduction
- GHG reduction
- Water management
What to expect in 2023 and beyond?

Business Model Innovation

Technology advancement shifts traditional value chains toward ecosystems, digital services, more partnerships, & diversified revenue streams; (Deere <> Nutrien, Bayer <> MSFT)
Key industry trends are driving innovation and investment across the industry

- Agri-fintech & agri-insurtech
- Water, soil health, & ag carbon tech
- Tech solutions for livestock
- Controlled environment agriculture
- Novel crop nutrition solutions
- Labour & efficiency management
Going forward, a strategic and collaborative approach will be needed to accelerate agrifood tech investment.

**AREAS OF FOCUS**

- Improving productivity
- Increasing food security
- Reducing emissions & environmental impact

**ACTION LEVERS**

- Continued development of agrifood-focused funds
- Collaboration across the investment ecosystem
- Funding for companies at all stages of maturity
AGTECH INVESTMENT & OPEN SOCIAL INNOVATION
**Open Social Innovation**

**Open innovation:**
Sourcing ideas from external sources as well as internal ones (aka crowdsourcing). “Open innovation has the potential to widen the space for value creation: It allows for many more ways to create value, be it through new partners with complementary skills or by unlocking hidden potential in long-lasting relationships.” – HBR, 2020

**Social innovation:**
Creating ideas for change. “Social innovation refers to the design and implementation of new solutions that imply conceptual, process, product, or organizational change, which ultimately aim to improve the welfare and wellbeing of individuals and communities.” – OECD

**Open Social Innovation:**
A new approach to tackling problems, utilizing the participation of multiple stakeholders in the process from generating ideas to scaling solutions.
Creating collaborative action

“Open Social Innovation generates solutions at an exponential pace by enabling them to be amended, localized, and recombined. It empowers innovators to leverage collective intelligence, mutualization, and networked innovation.”

80% of the world’s challenges go unsolved, challenges for which traditional markets cannot create viable business models to sustain solutions.

20% of the world’s challenges create 80% of the issues. Viable business models, can be run to solve them.

https://www.dev4x.com/osi
Startup innovation in agrifood is accelerating under global mandates for sustainable, just, resilient, and healthy agrifood systems.

Incumbents must match pace of innovation or risk growth.
Open innovation and collaborative corporate venturing are important tools in today’s environment.

**Innovation Tools & When to Use Them**

- **Inside-in** – strong strategic conviction, incremental core portfolio improvements, strong innovation capability & right talent, core not threatened.

- **Inside-out** – high degrees of uncertainty, focus on learning and long-term, hedge against disruption, non-core / new ventures, innovation not core competency.

- **Outside-in** – influence innovation w/out full commitment, develop new & adjacent markets, expand capabilities, strong corporate dev function & strategic conviction.

Source: EY-Parthenon, Why Now May Be The Time To Start A Corporate Venture Capital Fund, Jan 2021; THRIVE Perspective
There's more work to be done to ensure the industry's resilience to a changing climate. The THRIVE Venture Studio identifies gaps and co-builds sustainable solutions, designed by and for the industry.

- Creating new partnerships with researchers and entrepreneurs to develop the talent pipeline
- Early & rigorous validation, creation, & scaling to bring value to producers
- Optimizing resources with a strategic build process and stage gates
- Ideation with industry leaders and THRIVE ecosystem to discover critical opportunities
Calling all innovators and entrepreneurs!

Join us September 13 & 14 in Calgary, AB and online for the THRIVE Venture Studio Agrithon, a 24-hour Venture Building Challenge to Develop Sustainable AgriFood Solutions.

1st place prize
$10,000

Prizes for challenge winners to develop their venture idea.

De-risk the start-up process by co-building with THRIVE Venture Studio.

Innovation and skill development, networking, partnerships, and more!

Apply at: thriveagrifood.com/agrithon
THRIVE’s 10-year vision to establish a more resilient food system through the promotion of sustainable practices and technologies. The programs and events designed for the THRIVE Global Impact Initiative aim to drive positive change and innovation in food, agriculture, and climate.
2023 GLOBAL IMPACT THEMES

THEME 1
Soil Health & Biodiversity
- Regenerative agriculture
- Novel crop nutrition & nutrient use efficiency
- Bio-based pest control
- Novel crops & ecosystem biodiversity
- Transition finance

THEME 2
Food Security & Waste Reduction
- On-farm efficiency, automation & digital
- Indoor agriculture
- Supply chain efficiency
- Precision nutrition
- Cultivated food & ingredients
- Waste-to-value streams

THEME 3
Reducing & Offsetting GHG Emissions
- Carbon sequestration & markets
- Emissions measurement, validation, and reporting
- Animal ag emissions reduction
- Dairy methane reduction
- On-farm & hauling electrification

THEME 4
Water Management & Quality
- Smart irrigation systems
- Cost-effective, remote measurement & validation
- Ecosystem payments; volume & quality incentives platforms
- Water-efficient inputs
- Water-conscious offtake

thriveagrifood.com
Open Social Innovation in beef production can even the playing field to bring unexplored ideas to the beef industry with collaborative underlying principles to pave the road from idea to impact. With collective action we can harness the potential of technologies in solving today’s challenges and build a resilient industry together.
QUESTIONS
LET’S ADVANCE THE FUTURE OF FOOD AND AGRICULTURE TOGETHER.

Contact Us
750 University Ave #260
Los Gatos, CA 95032
(408) 380-7200
https://thriveagrifood.com/
THRIVE@svgventures.com
Venture Capital Investment Snapshot

Venture Capital investment

Venture Capital (aka private equity) is a pool of financial resources from pension funds, corporates, high net worth individuals, insurance companies, etc.

Types of investments

VCs invest in early-stage companies who are unable to raise funds from typical channels, such as banks or other institutions. Investments tend to be high risk and high return.

Equity and management

Investors take equity as part of the investment arrangement and may participate in company management.

Types of funding rounds

Pre-seed: Proof of concept / prototype; <$1m
Seed: GtM, PMF; $1-5m
Series A: Scalability, business model fit; $10m+
Series B: Growth; $15-25m+
Series C+: Large scale expansions; $50m+