



Making venture capital work in food & agriculture

Rabo Ventures - Financing Food & Agriculture Innovation

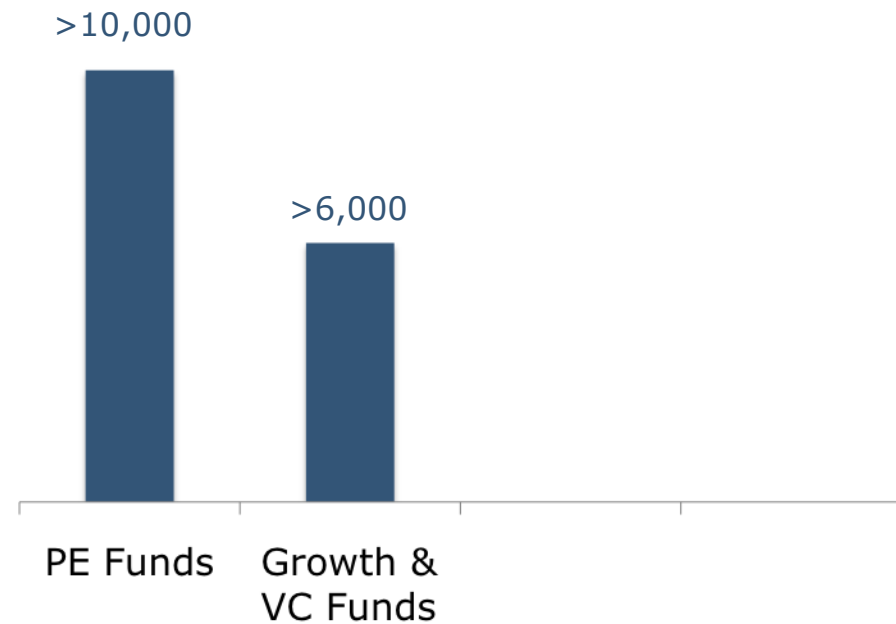
November 2011

Strictly private and confidential

There is a large private equity, growth and venture capital community out there....



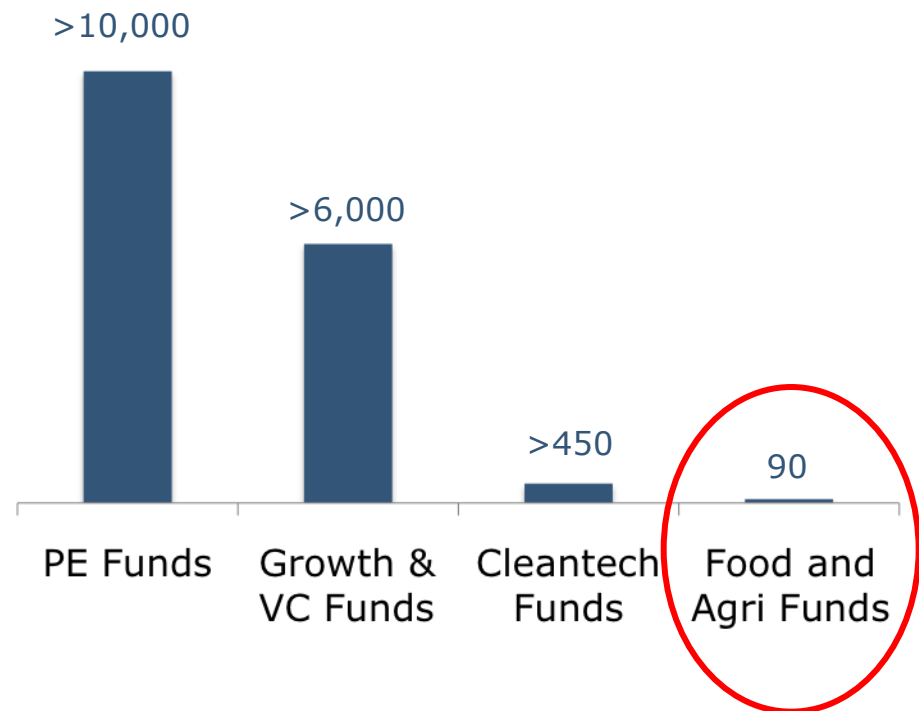
**Number of Independent Private Equity Funds,
Globally**



... but very few of these funds are focused on the food and agriculture sector



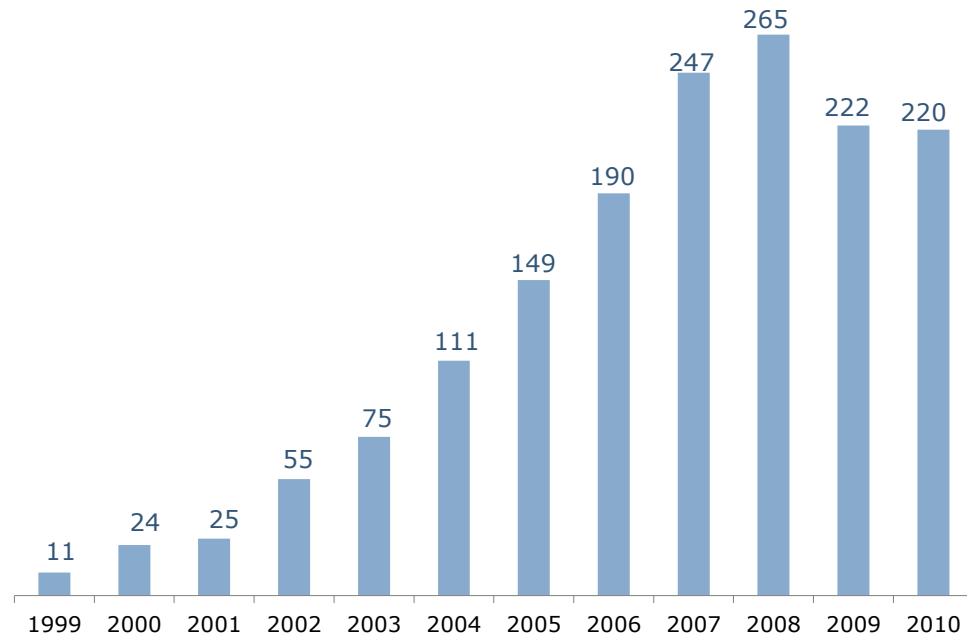
Number of Independent Private Equity Funds, Globally



We have seen new sectors like clean technology enter the venture capital arena



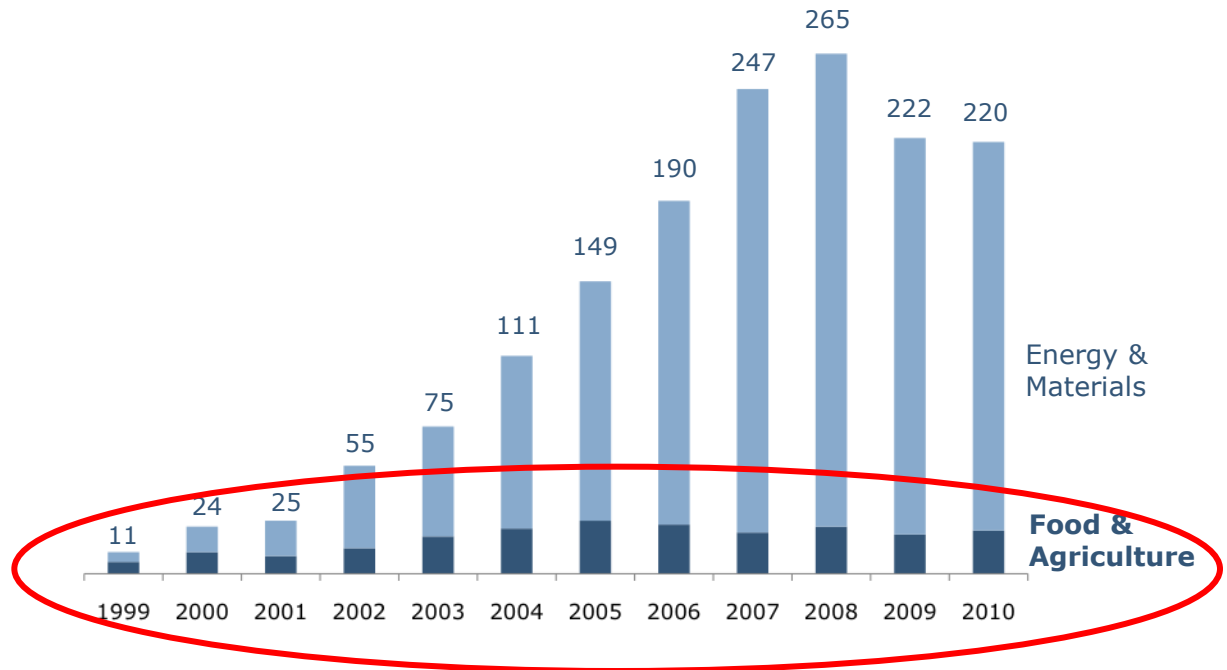
**Number of cleantech deals per year,
Europe**



.... and guide many companies through their nascence/puberty

...but the food & agriculture sector has missed this movement

Number of cleantech deals per year, Europe



Why haven't venture and growth investors been attracted to F&A?

Requirement	Driving Factors	Typical VC Investor	
International outlook	<ul style="list-style-type: none"> No local hub of food innovation Customers and supply chains are global Cyclical 	x / ✓	New approach is required: <ul style="list-style-type: none"> Think globally Partner for success: <ul style="list-style-type: none"> NGO's Government Big corporates Farmers Find creative financing solutions Sector Focus
Specialist knowledge	<ul style="list-style-type: none"> Few obvious technology mega trends Vast and complex supply chains 	x	
Network/ connection to end users	<ul style="list-style-type: none"> Conservative industry Multi-stake holder relationships essential 	x	
Access to capital	<ul style="list-style-type: none"> Rare for F&A companies to need only venture or growth capital Rare for fund investors to have an F&A division 	x	
Sovereign support	<ul style="list-style-type: none"> Country level enablers often missing 	x	

What do we need you to do?

Governments and NGO's

- Support F&A innovation (policy, regulation, communication)
- Educate
- Bring the required parties together

Corporations and Farmers

- Share your needs
- Embrace innovation
- Work with new ideas and small companies

Innovative F&A companies

- Practice how to engage with VC's
- Contact Rabo Ventures

Banks and pension funds

- Lend more
- Create an F&A banking division
- Invest in Rabo Ventures and other F&A innovation funds

An example: People are going to be eating more fish



**Potential market...
>\$50bln**

Yet the traditional supply chain is inefficient and carbon intense



...yet a company that solves this problem could not get the attention of the venture capital community

Fresh shelf life extended by 30 days...

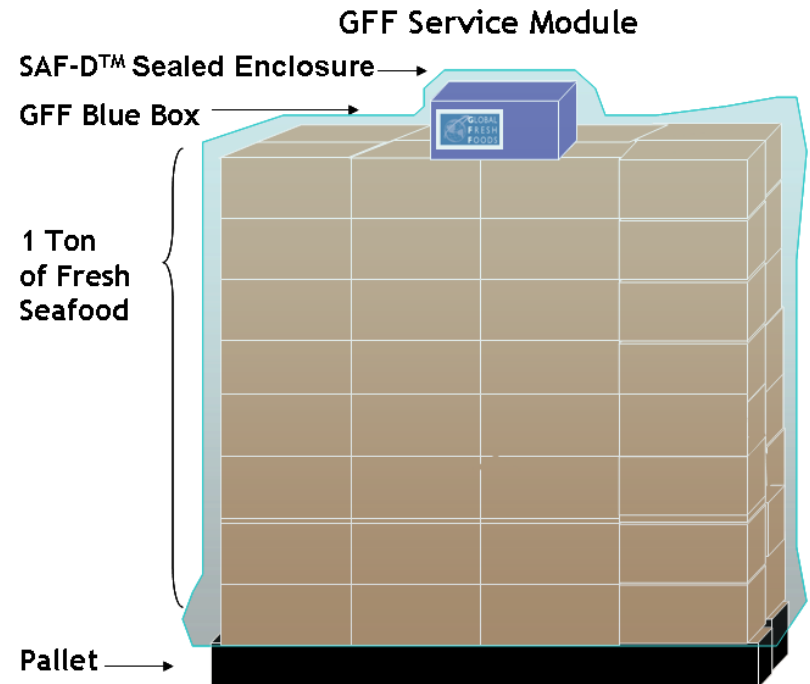
...allows fresh fish to be shipped instead of flown

- Saves transport costs
- Reduces carbon footprint by 99%
- Allows a fresh fish inventory
- Facilitates international trade
- Opens new markets
- ... with a respectable operating margin



A more sustainable value chain, less waste, more food, at a lower price

Proprietary technology SAV D system



... we must make it easier for more of these ideas to become a commercial, successful, sustainable reality



- Rabo Ventures invested in October 2010
- Utilised the Rabobank network to accelerate company progress and decrease risk
- Commercial shipments begin in January 2012
- Partnering with industry players across the value chain

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Appendices

Rabo Ventures invest in innovative, sustainable, food and agriculture companies

- **€60m commitment** *with Rabobank International as sole LP*
- **European focus**
- **Investing in Venture through to Growth** *with a clear view to cash flow breakeven and/or existing sales*
- **Focus on *innovative, high growth food and agriculture businesses* where there is the potential to leverage the broader Rabobank network:**

Knowledge

international research teams covering all aspects of agriculture, food & beverage

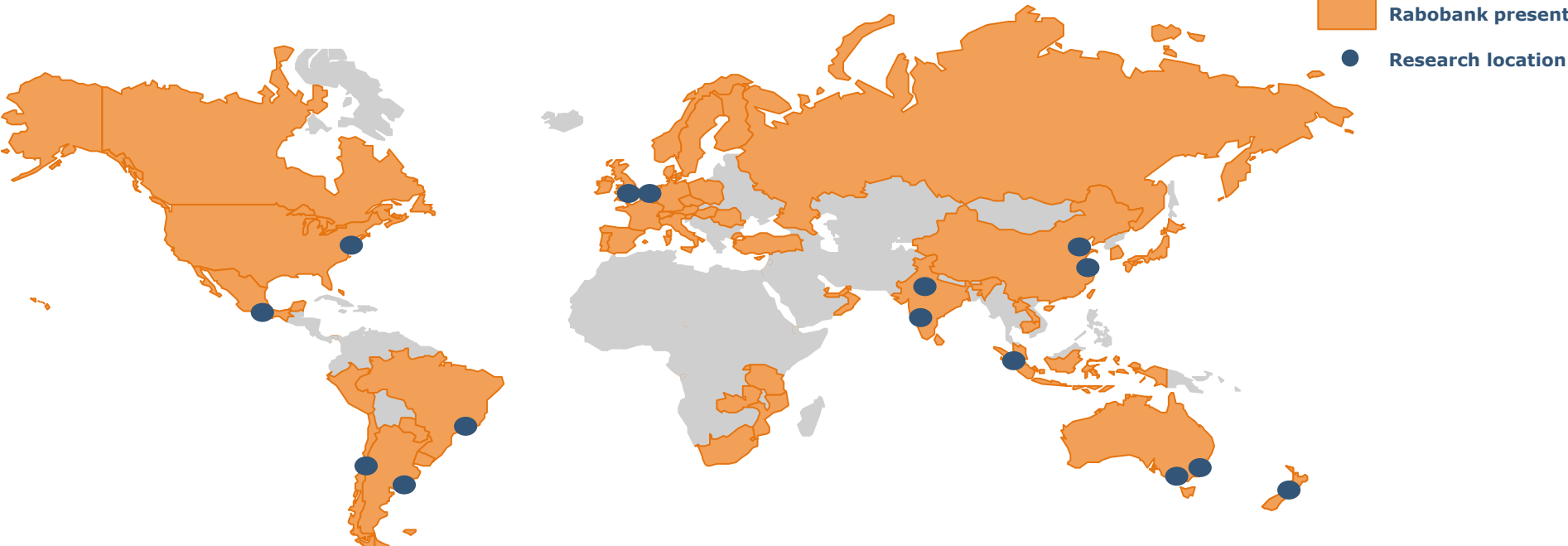
Network

leading international bank in agriculture, food & beverage (600bln+ balance sheet, operating in 48 countries)

Financial products

Rabobank provides a breadth of F&A focused financial products that can support a company as it grows

Rabo Ventures is backed by Rabobank, a global banking leader in food and agriculture



Global Scale

- €600bn+ full service bank specializing in international food, agriculture and beverage markets
- Highest rated private bank in the world according to S&P, Moody's and Fitch

Global Reach

- 60,000 employees in 2,000 offices across 48 countries
- Our international footprint covers 75% of global agriculture production

Leading knowledge

- Industry leading research division of 70 people spread across 12 major agricultural regions
- Extensive network within food industry through client base and market leading position