

UPL

Partnerships for Global Co-Innovation

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Hi, from North Carolina...

- 25+ yrs in AgChem & Seeds R&D
- R&D, Regulatory Affairs, Product Safety
- Bayer, Aventis, Rhone-Poulenc
- USA, Germany, France
- Current CTO at UPL
- VP at Finistere Ventures; working with several AgTech start-ups inc. Biolumic
- AgTech360 podcast (Spotify, Google & Apple Podcasts)



UPL:

Five decades
of innovation.

750+
R&D
professionals

20+
R&D facilities

>2.5%
of annual
revenues
invested in
R&D



OpenAgTM Innovation

Powered by UPL

OpenAgTM Center

A differentiated approach to technology partnering

- Located in Research Triangle Park, NC
- Operational in August 2020
- Team of approx. 30 scientists across multi-disciplines
- Capable of rapid screening; mode of action identification; analytical characterization; computational modelling, regulatory assessment
- 125+ technology evaluations on-going
- Online Portal: www.upl-ltd.com/OpenAg-Center/



Collaboration Across the Agricultural Sector

- No one technology or provider can act as a silver bullet to solve major agricultural issues. This will be a team effort...
- While some corporations will continue to fund their internal R&D efforts, they will look more and more beyond their walls for new innovation
- Some new players will complete forego internal discovery and will seek to be 'partners of choice' with providers of new technology that has been partially de-risked
- Corporations can offer investment opportunities, and development, regulatory, manufacturing and marketing platforms as well as market access
- Win-win commercial arrangements allow both large corporations and entrepreneurial companies to further their organizational goals

Effective partnering mechanisms

- A strong **co-dependence** exists between early-stage technology providers and Agribusiness
 - Distribution, technology licensing, co-development, equity investment, M&A...
- Effective technology deals **share risk & value** between both parties through upfront & milestone payments, in-kind contributions and royalties
- **Creative deal-making** mechanisms can be exploited such as equity investment
- **Efficient relationships** are created when both parties bring their strengths and clear responsibilities are established
- **Alignment** of goals, values and strategy lead to exits through M&A

Exit Activity Is Evolving as the AgTech Sector Matures

Ag Majors have traditionally been acquirers



IPOs are an option for the truly elite companies disrupting the sector



And consolidation emerges as an avenue to establish a broad platform



Effective Partnering – Pitfalls (personal view!)

- Getting lost – large organizations can be difficult to navigate & evolve constantly
- Can you articulate why you are special and different?
- The NDA and MTA game of tennis....
- Absence of a clear champion at executive level
- Absence of clear accountabilities on each side and lack of follow thru
- Approaching a potential partner too early (or when desperate):
 - Poor or lack of data to establish POC
 - No regulatory strategy
 - No pathway to achieve commercially viable COGs
 - No IP established or compromised IP position
- Lack of board alignment/messy cap table
- Unwillingness to share or enter a true collaboration
- Playing multiple partners off against each other

Some tips:

Do your homework. Navigating large organizations can be challenging. You've got an amazing technical innovation, but who, exactly, is the right person to share it with? Is it someone from the business team? Someone from M&A? Someone from the technical team? Nurturing as many relationships as possible is certainly important, but in large organizations, roles are constantly changing and you can only send so many "Hi, just checking in emails" before sounding desperate, or worse, downright irritating. It really pays to do your homework and have a strategy on whom to contact, at what time and with what aim in mind. For example, your best bet may be to start at a technical level, then shift toward the business team once your idea has been test proven by company experts.

Understand long-held biases. Big companies have a lot going on and are often focused on their own R&D programs, while simultaneously juggling relationships with multiple partners. Their sense of urgency and focus on your opportunity may not be what you want it to be. Additionally, while senior scientists in large companies with long track records of success can sometimes possess a "not invented here" syndrome, you will also come across open-minded and creative types who are excited to work on disruptive technologies. It is extremely important to connect with these champions of your technology and provide them with clear and well thought through scientific arguments that can help them create a groundswell of support within their infrastructure.

Some tips:

Prove it. It would be hard to find an AgTech startup drowning in extra time and resources. But it's important to understand that large firms are working within a completely different set of constraints. They'll want to test and re-test your technology for themselves—not just take your word for it. But to get to that point, you'll have to invest your time. Do the legwork of compiling solid greenhouse or field data and address basic environmental and human safety concerns up front, wherever possible, so you can thoughtfully and thoroughly analyze results with a future partner. It's the only way to get a seat at the table and a turn at bat.

Get creative about financing. There's a common misconception among startups that large agribusiness companies have operational expenses to burn. This is a myth, particularly in an era of low commodity prices and tightening R&D budgets. The reality is these companies are focused on supporting their own internal R&D infrastructures, so startups need to get creative about alternative financing strategies. For example, equity investments are important to consider, as they are generally not included in operational P&Ls. Internally, these types of investments are viewed as inexpensive, low-risk ways of accessing external technology—and may be the ideal way to get your foot in the door.

The logo features the text 'UPL' in a large, bold, black sans-serif font. Below it, 'OpenAg™' is written in a smaller, black sans-serif font. The text is centered within a circular graphic composed of several overlapping, semi-transparent layers of color. The colors transition from a bright yellow in the center to orange, then to a reddish-orange, and finally to a light pink at the outer edge. The background is white.

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