

### carrot

**The Third Option**For Commercializing AgTech

**MANAGED BY AVAC GROUP** 

# WHAT ARE THE THREE OPTIONS FOR COMMERCIALIZING AGRICULTURAL TECHNOLOGIES?

### LAUNCH A PRODUCT FROM WITHIN A PARENT COMPANY.

LEAD A STARTUP AS A TECH ENTREPRENEUR.



#### WHY DO YOU NEED A THIRD OPTION?

Not every innovation receives the internal support it deserves.

Not every researcher or inventor wants to be a CEO.

Sometimes promising technology stalls, and needs someone else to bring it to market.



Carrot is **The Third Option**.

We're the "someone else" who brings technology to market.

Carrot forms a new company based on your novel technology.

We recruit a CEO to be the founder.

You, the CEO and Carrot become shareholders in the new company.

The CEO prepares a business plan and raises capital to launch the business.

Carrot is the lead investor.

HOW DOES IT WORK?

Carrot does not finance existing companies.

#### WHAT'S THE BACK STORY?

Over the last 20+ years, AVAC Group has seen tech-founder led companies challenged in consistent and predicable ways.

These challenges include:

- Uncompelling value propositions
- Uninvestable CEOs and management teams
- Unworkable corporate and capital structures
- Limited ability to raise capital
- Lack of governance

These factors increase risk, repel investors, and severely limit success rates.

CARROT ADDRESSES THESE CHALLENGES DIRECTLY.

## THE CARROT SOLUTION

AVAC Group launched Carrot to eliminate the most predictable and troublesome barriers to success by means of the following:

- Selecting only scalable and marketfocused AgTech
- Recruiting professional CEOs to lead the new companies
- Forming new companies with investable corporate and capital structures
- Leading the first round of investment
- Ensuring appropriate governance











Carrot defines AgTech broadly. We include any technology connected to the production, manufacturing, logistics and distribution of food and agricultural products.

WHAT DEFINES AGTECH?

### WHAT ARE THE STEPS?

Carrot sources and acquires the rights to novel technologies. An experienced CEO is recruited to lead each venture. Carrot forms a new company. The CEO becomes the company founder, builds a business plan, raises capital, and assembles a team to execute on the opportunity.

Carrot is the first institutional investor, seeding each company with its first sizable investment. This helps qualify the opportunity for other investors, making it easier to raise the capital to drive the company forward.



Carrot ensures board-level oversight, and helps its portfolio companies tap into an extensive industry and financial network. The goal – the carrot, if you will – is to generate substantial equity growth, crystallized through an exit.

This is how all parties win.

THE GOAL? VALUE CREATION.

WHEN SHOULD YOU WORK WITH CARROT?

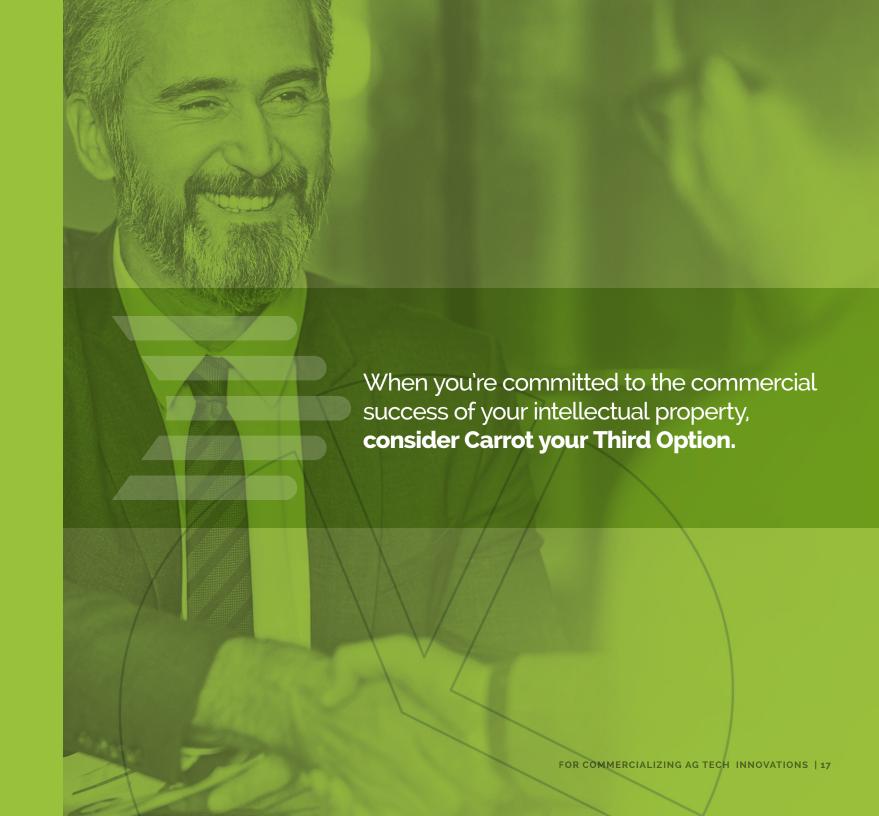


WHEN YOU WANT YOUR AGTECH VENTURE TO BE A SUCCESS

BUT YOU DON'T WANT TO DO IT YOURSELF.

#### CARROT IS A GREAT FIT FOR:

- Scalable technologies anywhere along the agricultural value chain
- Corporations with proven technology that lack resources and support
- Researchers and inventors with no interest in entrepreneurship
- Tech founders who prefer someone experienced take on the lead role
- CEOs with a track record of success
- Investors looking for qualified opportunities



# WHEN IS CARROT NOT A FIT?

Carrot does not finance existing companies. It is intended to be a **Third Option** for venture scale agricultural technologies without a clear path to market.

- You need financing for an existing company
- Your innovation has no connection to the agriculture and food value chain
- Your solution is not scalable
- You face a long regulatory approvals process
- Founders feel a need to maintain a controlling interest
- You're looking for an incubator or accelerator
- You're looking for a grant or traditional venture capital financing

If you're curious about fit, contact Carrot to learn more.

CARROT IS NOT A FIT WHEN...

### WHO IS CARROT?

**Carrot** commercializes novel agricultural technologies by forming and financing new companies.

AVAC Group is an internationally syndicated, early to late stage venture capital company.

**Where To Start?** If you think Carrot is the right option to bring your technology to market, contact us.

carrotventures.com 403.274.2774



