



CORPORATE Value Proposition PRESENTATION

Q2 2023



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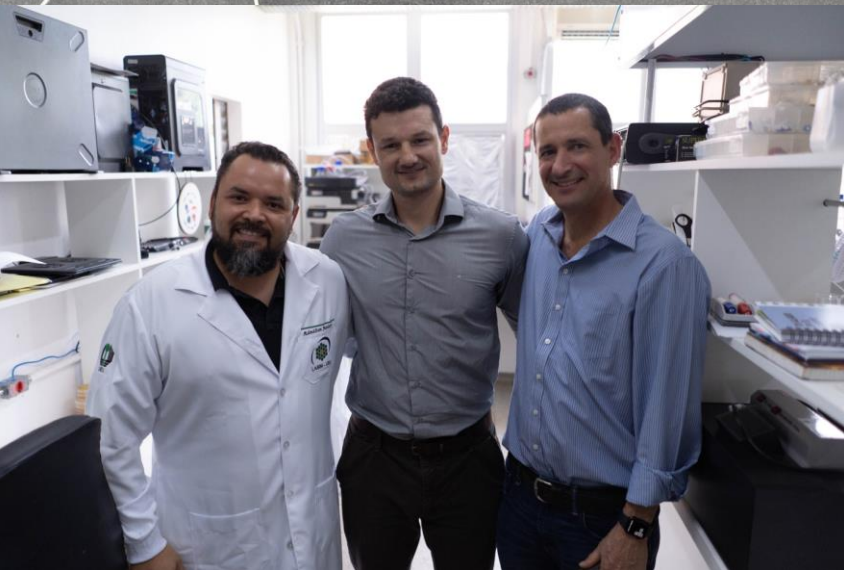
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GRACE BREEDING

Is an AgClimateTech company providing sustainable agricultural solutions for sustainable food supply

Replace climate-harmful,
synthetic products
while protecting the
environment

Protect crops from the
effects of climate change
stressors
while supporting profitable
crop production for
farmers



**See our lab., greenhouse and
field-level scientific and GTM trials**

[Video here](#)

Investment Highlights

- **Emerging leader in agricultural technology** providing solutions to protect crops from ongoing effects of climate change
- **Operating in large and growing addressable end markets**
 - Biofertilizers represent a global TAM of \$45 billion with a CAGR of 10.9%
- **Leading programs** are two novel, patent-pending, biological environmental Biofertilizers & stress tolerance technologies (NFT & WDS)
- **Reduce carbon emission, reduce reliance on synthetic fertilizers by 50% & increase yield in 20-30%**
- **Powerful unit economics and economies of scale** through availability to procure raw materials efficiently
- **Simplified regulatory pathway**, enabling the company, according to the company estimation, to launch commercially in Brazil mid-2024
- **Strong IP protection** with four separate utility patent applications
- **Validating strategic partnerships** and close industry relationships support R&D and pre-commercial efforts
- **Seasoned management team** with decades of combined cumulative experience in fertilizers, plant protection, and food supply

Upstream and Downstream Solutions to Support a Crop's Sustainable Growth Lifecycle

1

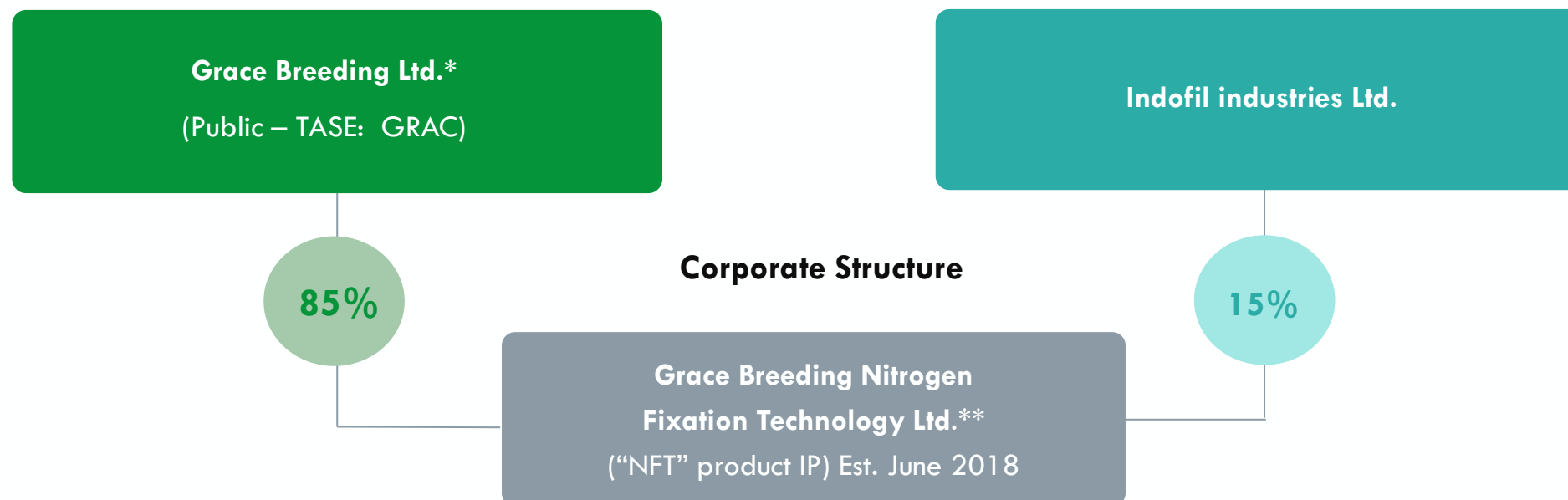
Upstream: "NFT" (Bio-Fertilizer)
Replaces climate-harmful, synthetic urea

2

Downstream: "WDS" (Climate Stress Solution)
Improves the crop tolerance to withstand abiotic climate stress

Company At-a-Glance

Established	2015
Headquarters	R&D center located in Israel's Rehovot's science park
Employees	12
Experience	Management with years of accumulated experience in the areas of Agtech, fertilizers, plant protection and food.
IPO	Feb 2022 (TASE: GRAC) with a market CAP ~ 100 Million ILS



Management



Morris Zelkha, Chairman of the Board of Directors

Founder and former CEO of LycoRed for 24 years
head of new product development Negev Phosphate ICL



Assaf Dotan, CEO

Senior Manager at ADAMA Agricultural Solutions Ltd.; entrepreneur in the ag-innovative world; former CEO of Casterra Ag. Former Ag Investment Advisor for Fortissimo Capital and RDC



Amit Avidov, CTO

Innovative agronomist and senior plant breeder with more than 30 years of experience and over 600 registered plant varieties attributed to his work



Moti Mordehai, CCO

Global Senior Manager at ADAMA Agricultural Solutions Ltd.; GTM expert with launch-to-commercial life cycle management experience & a deep understanding of the relationships between producers, distributors and product end-users



Orly Shuster, CFO

Graduate of the CPA firm EY Israel with 20 years of experience in accounting and economic services for a variety of private, public and governmental entities



Ricki Lahav, COO

Formerly head of budgeting and strategy at Evogene, with over 20 years of experience in sales, travel and administration at high-tech and agricultural companies



Professor Yoram Kapulnik,

Scientific Advisory Board - brings over 40 years experience in Life Science Innovations Industry and is a global expert in nitrogen fixation.



Valdemar Fischer,

Advisory Board – brings decades of experience in agriculture and leadership as Non-Executive Chairman at Syngenta Latin America

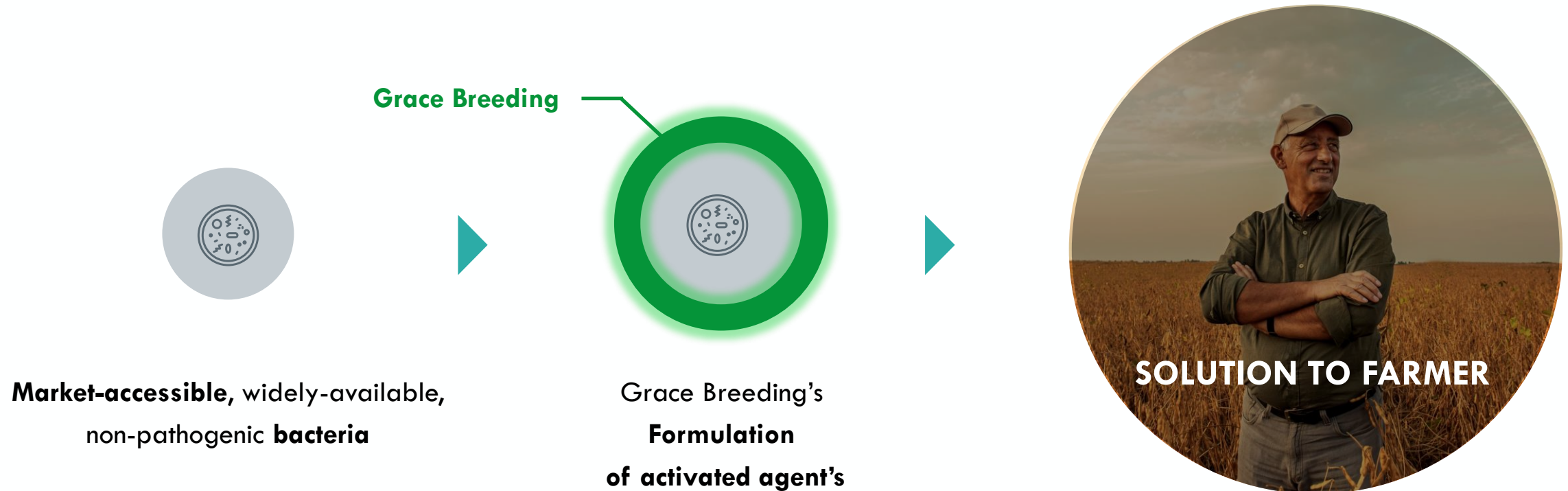


Shaul Friedland,

Director, Business Consultant - brings over 40 years of commercial expertise in the agriculture industry. ADAMA Agricultural Solutions Ltd. and ADAMA Americas

Our Technology: How We Are Differentiated Within the AgTech Industry

Disrupting a multi-billion-dollar industry* with solutions to fertilize sustainably and enable crop tolerance and vigor



Proprietary IP solutions that result from years of research evaluating a thousand biological molecules and their combinations with non-pathogenic bacteria



NFT (Proprietary Bio-Fertilizer) value Proposition

Bio-Fertilizer: NFT business model

NFT Benefits:

- 1** Reduce reliance on synthetic nitrogen by 50% (Corn/Maize)
- 2** Reduce carbon emissions to earn carbon credits (Corn/Maize)
- 3** Increase nutrient availability (Soybean)

Business models:

1. Direct

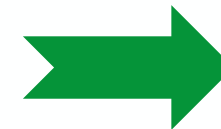
Product benefits

Flexibility to deal directly to farmer or through a dealer

2. In-direct

Earn Carbon Credits

Farmland owners potentially move to farming carbon credits



NFT: Bio-Fertilizer

Value Proposition

Reduce 50% synthetic nitrogen:



Reduce 50% of Synthetic nitrogen

Reduce farmer operational costs

Easy to apply

1:25 lower volume dose/Ha.

ROI Increase profitability



Reduce carbon emission:



Reduced CO2 pollution

Restoring soil quality

ESG - Environmental

Lower carbon footprints

Carbon credits



Increase nutrient availability:



Trigger plant defense system


Easy to apply

Safe to the environment

Increase yield

Increase profitability





WDS (Proprietary Stress Tolerance Enhancer) Value Proposition

Stress tolerance enhancer - WDS

WDS Benefits:

1

**Abiotic stress tolerance
(Industrial F&V)**

2

Create market access*
by IPM**
(Investment intensive F&V)**

3

**Improve plant efficiency
(Soybean & Cereals)**

Business Model:

1. Direct

Product benefits

Flexibility to deal
directly to farmer or
through a dealer



* F&V – Fruits & Vegetables

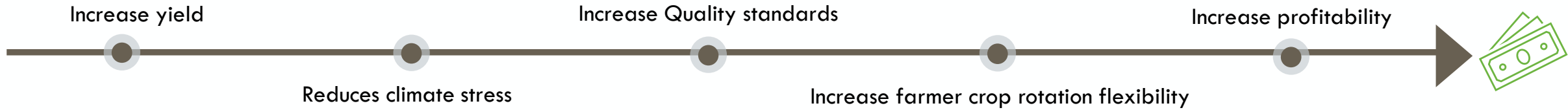
** IPM - Integrated Pest Management

*** Under Development

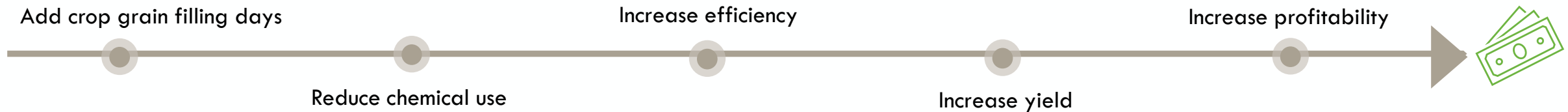
WDS: Stress tolerance enhancer

Value Proposition

Abiotic stress tolerance:



Improve plant protection efficiency***:

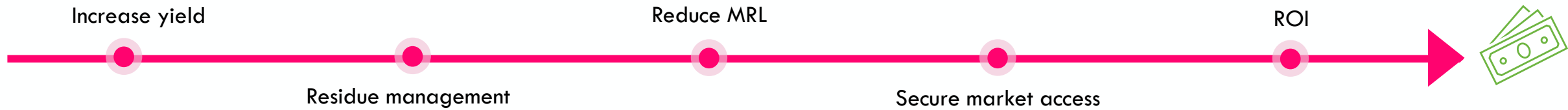


*** Under Development

Bio-stimulant (WDS⁺), Under Development

Value Proposition

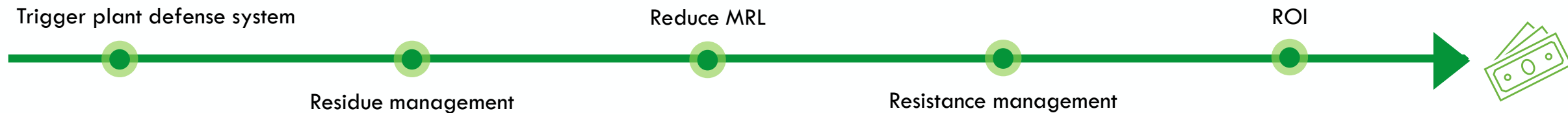
IPM**- Market access:



Quality (Specialty crops):



IPM- Market access:



** IPM - Integrated Pest Management



Target Market & Strategic Collaborators

Global Footprints

The company intends to start conducting field experiments and observations for marketing and sales around the world.



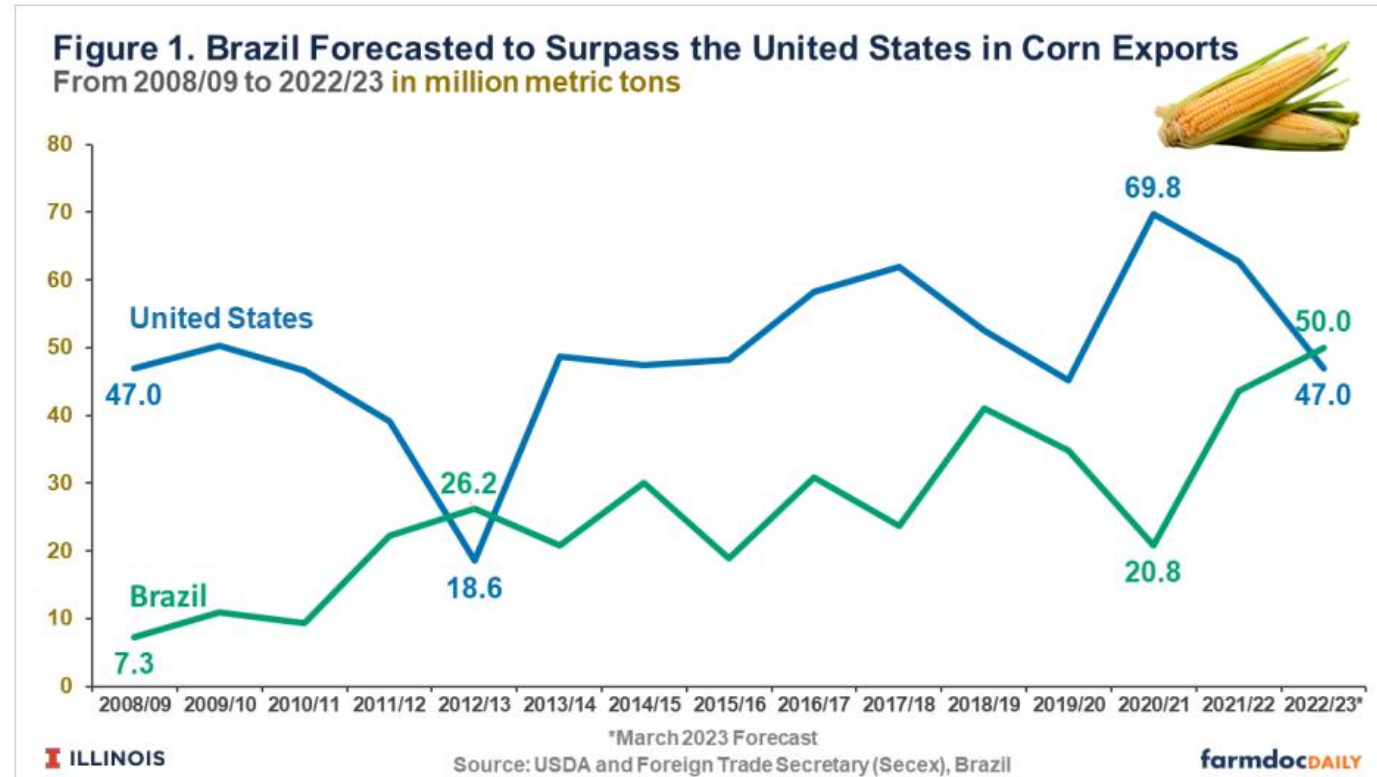
Brazil: Our First Strategic Market is An Agricultural Market Leader



- With 42 million Ha. of soybean and 22 million Ha. of maize (corn), **Brazil is one of the largest agricultural markets in the world.**
- Brazil is **the largest agricultural chemical market in the world**, with a turnover of 13 billion USD.
- **Brazil is a major importer of fertilizers: 95%** of the urea used in corn and 75% of the phosphorus used in corn and soybeans is imported.
- **23%** of Brazil's annual **imported fertilizers** are from Russia.
- Russia is planning to impose an **export tax of 23.5%** on all fertilizers.
- The market of **biological products grew 40%** this last year in Brazil.
- Grace Breeding announced a **strategic R&D collaboration** with the **University of Londrina (UEL)**, based in Paraná State, Brazil (11/2022).

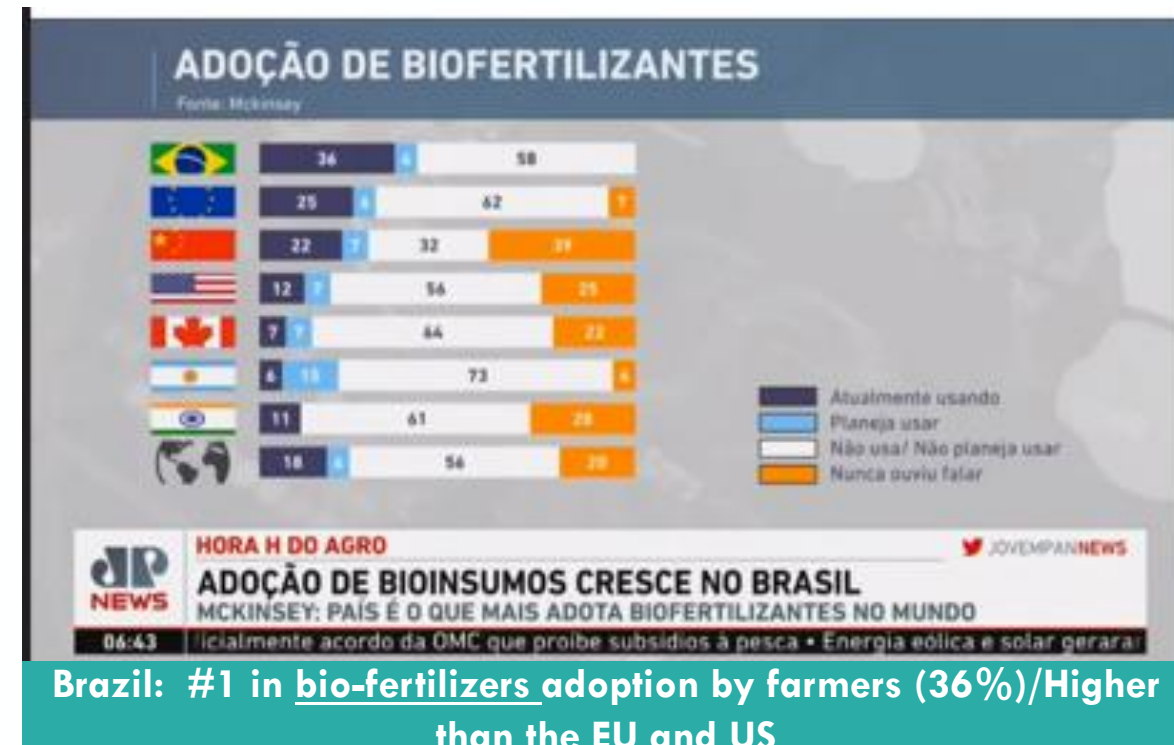
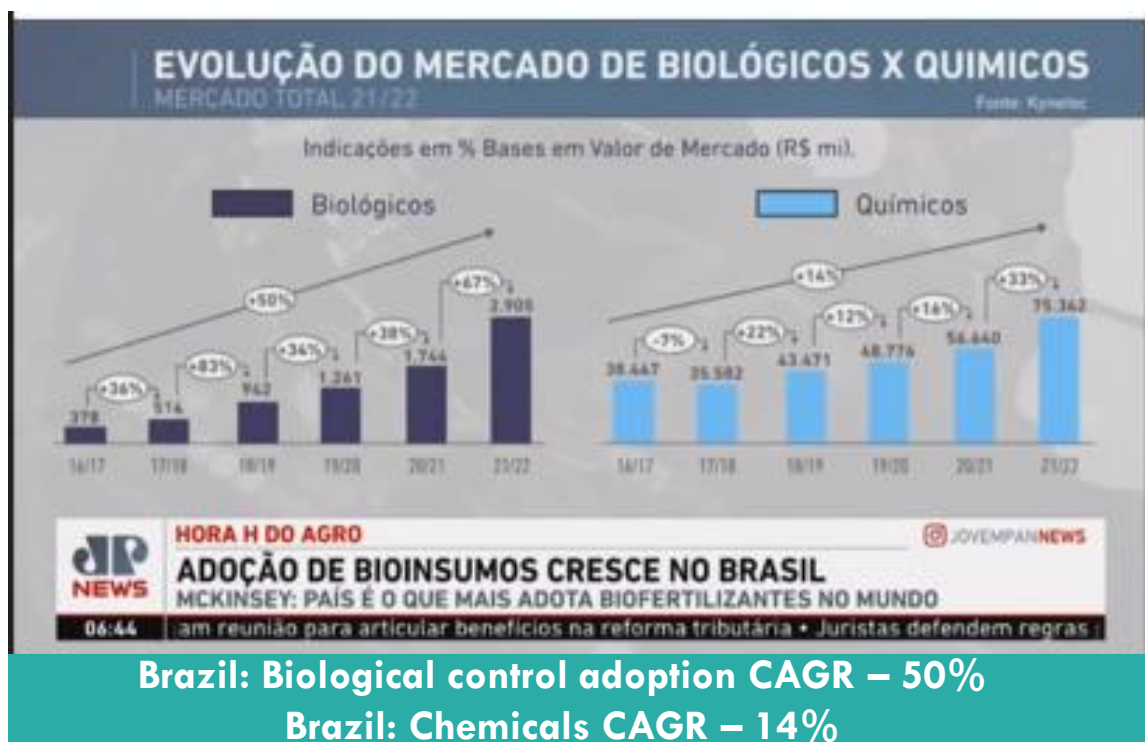
Geopolitical changes - Brazil is Forecasted to Surpass the U.S. in Corn Exportation

First shipment of Brazilian corn to China occurred in November 2022, after Phytosanitary agreement signed between the countries



In the 2021-2022 marketing year, the primary destinations of Brazilian corn were Iran, Spain, Japan, Egypt & Colombia

Brazil is #1 in Biological Control Products Adoption and Bio-fertilizers Adoption





Political, Economic, Social, and Technological (PEST) analysis

Brazil/NFT

P

POLITICAL

- There are programs that promote the substitution of imported fertilizers.
- For organo-mineral fertilizers and biofertilizers there are reduced taxes
- A new government was elected, there could be changes in the regulatory area.

E

ECONOMIC

- Agricultural GDP is 25% of total GDP. It is a strategic sector of the Brazilian economy.
- The sale of fertilizers is seasonal.
- The input market, mainly specialty products, is traded in local currency.
- The inflation target for 2023 is 5.8% per year.

S

SOCIAL

- In the interior of the country the farmer is an important figure in society.
- There is a high demand for professionals in the agricultural segment, mainly for people qualified in the biological sector.

T

TECHNOLOGICAL

- Today an estimated 40% of farmers use seeding machines with in-furrow inoculation systems;
- Continued growth is projected as biologicals continue to show positive results and regulatory support.
- 95% of the machines are farmer-owned.



Grace Breeding Products - Strengths and Weaknesses

Brazil/NFT

S

STRENGTHS

- Reduces the use of nitrogen fertilizer in crops
- Offers potential carbon credit business model
- Brings profitability to the input supply-chain, while the profitability of urea is very low.
- Naturally-derived, safe, low environmental impact
- Easy to apply
- Grace's management and advisors bring extensive market expertise
- Promotes plant interaction with non-pathogenic microorganisms

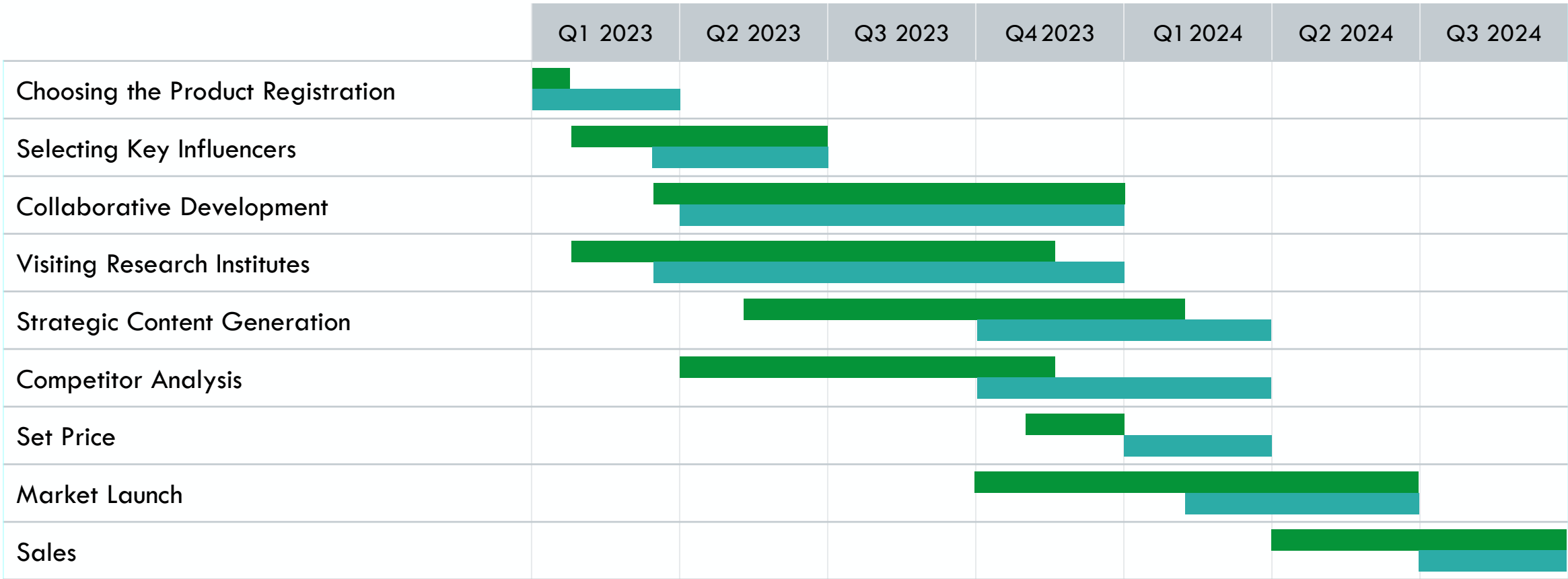
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WEAKNESSES

- Technology mode of action is still not known; this makes the sales pitch difficult
- Application volume needs to be reduced for efficient in-furrow application (spray volume)
- Product shelf life is 1 year
- The technology behavior needs to be quantified in the different Brazilian soils and climates
- Lack of local validation related to the % of fertilizer that can be substituted
- On-farm production of micro-organisms



GTM Roadmap (Brazil): NFT and WDS



NFT WDS



GTM

Implementing a Hybrid GTM Strategy

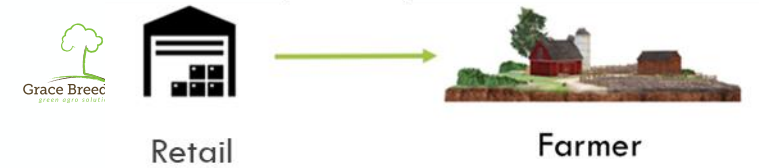
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Tier-1 Industry players



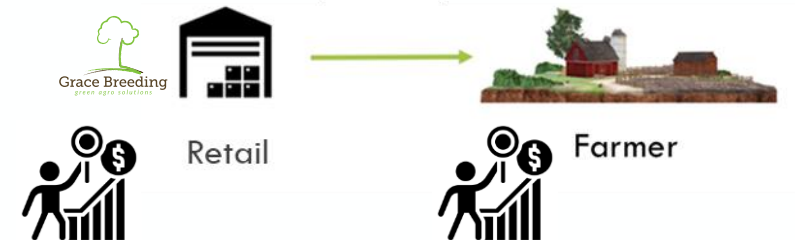
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Tier-2 & 3 Industry players



3

Acting on demand creation at the retail/farm level.





Market trends and benchmark M&A activities

Over the Last 20 Years the Investment in R&D Expenditure of the Conventional Crop Protection Market has Shifted

**\$171
Billion**

**The global
fertilizer market is
estimated at \$171
Billion**

**\$45
Billion**

**Biofertilizers TAM
(urea-nitrogen
only) – US\$ 45
Billion**

**2.9%
CAGR**

**Conventional
agrochemicals
projected at 2.9%
CAGR**

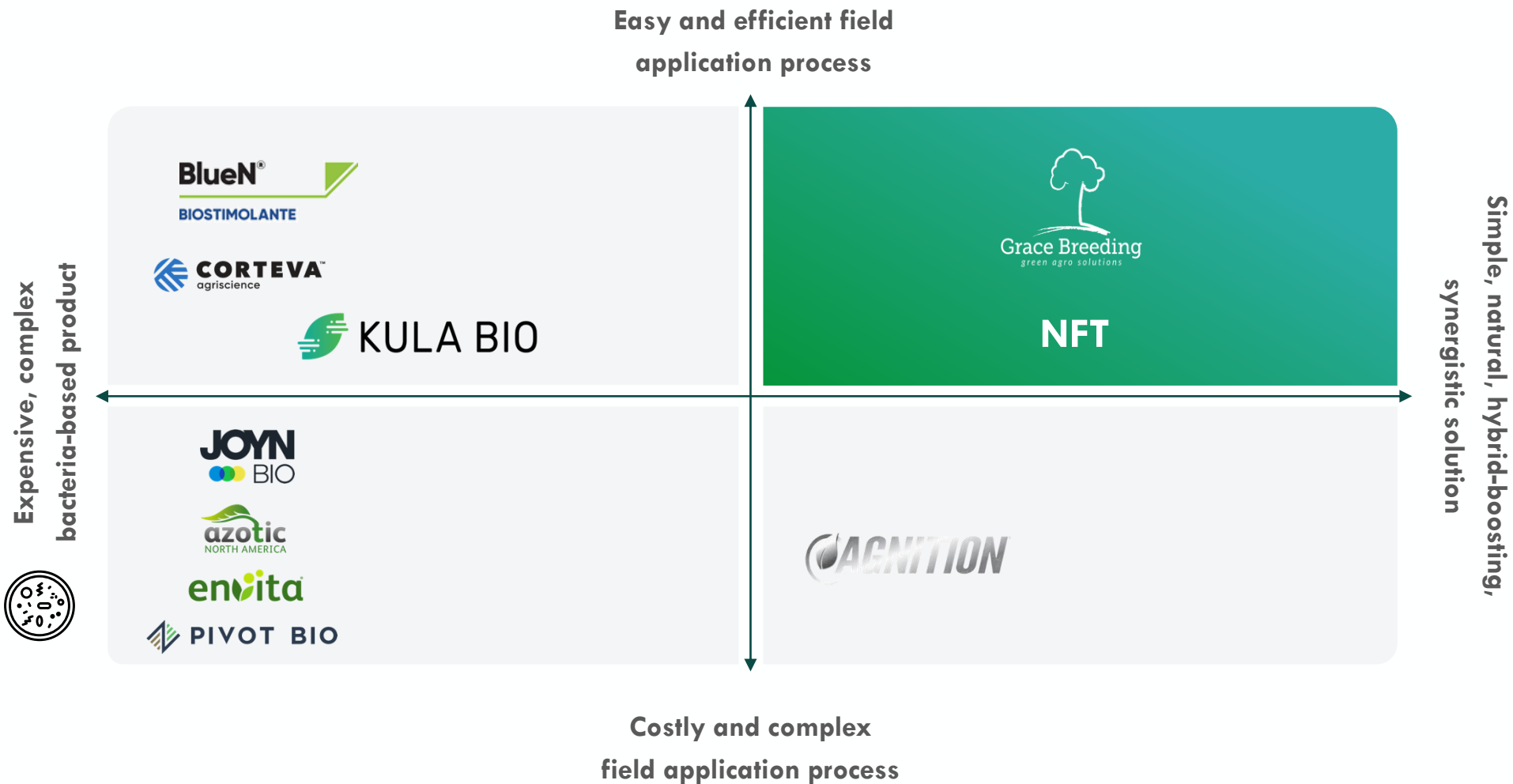
**10.9%
CAGR**

**Global biofertilizer
market to witness
a CAGR of 10.9%**

**11.9%
CAGR**

**Bio-stimulants market
is booming: 11.9%
CAGR forecast for
2023-2028**

Bio-Fertilizer Approaches: Market Landscape



Joint Venture with Bayer
Crop Science



Joint Venture with Corteva



\$430M Series D @ \$1.7B
post-money valuation
(July 2021)

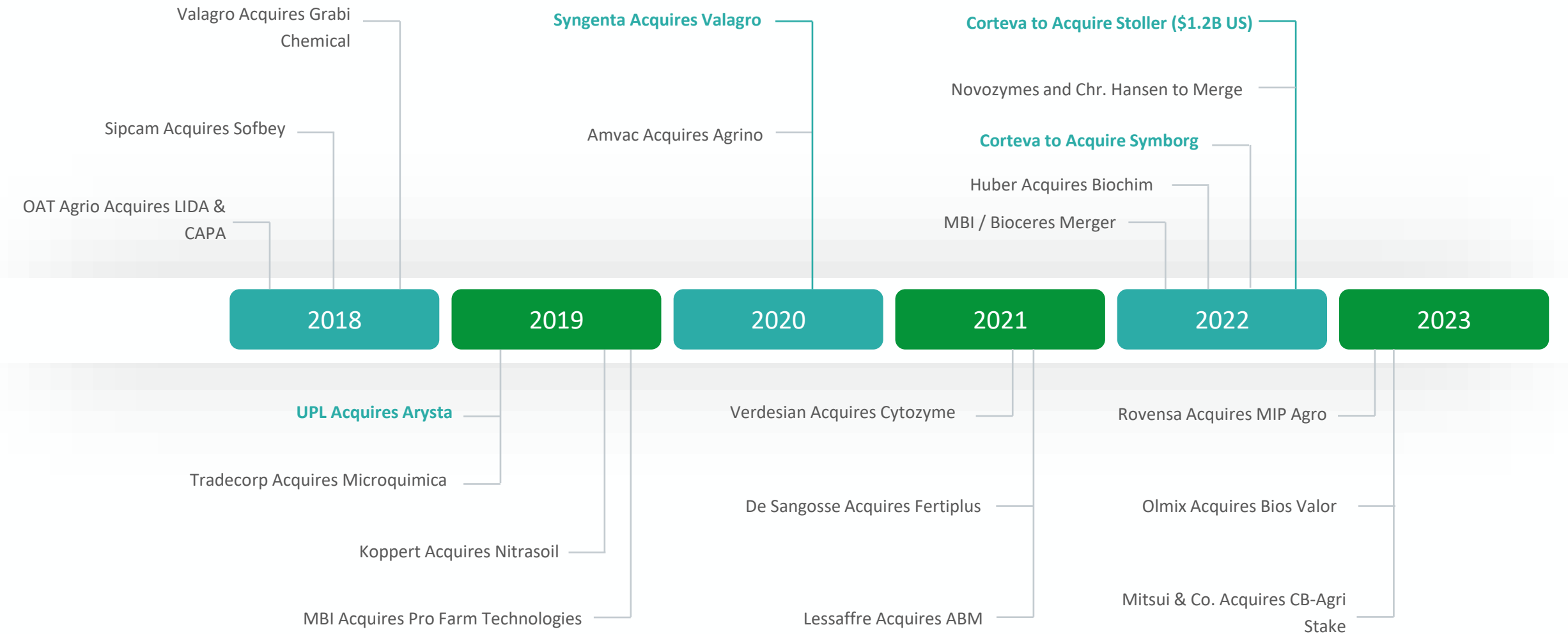


Private Investment by
Koppert

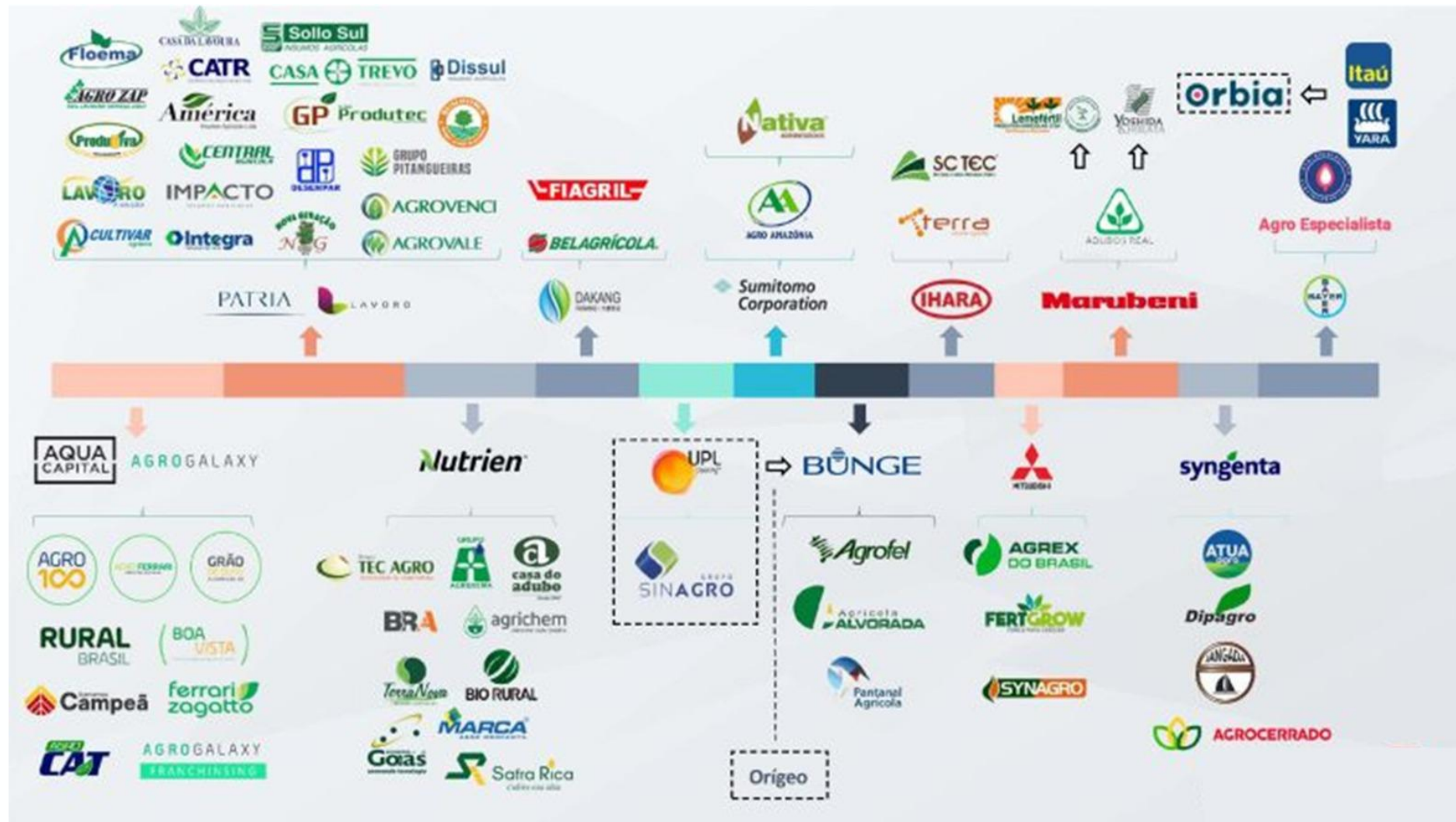


\$50M Series A @ \$210M
post-money (Jan 2022)

BioStimulants Recent global M&A Activity



Brazil – Market consolidation and M&A map





THANK YOU!

