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3 KEY TAKEAWAYS

Recent Trends in Food & Wine Industry and Their Legal Implications

Business Investments in the Nascent Alt Meat Industry: What Investors Are Looking For

Kilpatrick Townsend Partner Siegmar Pohl recently spoke at the Contra Costa County Bar Association's 25th Annual MCLE Spectacular in Walnut Creek, California on "Recent Trends in Food & Wine Industry and Their Legal Implications." His presentation focused on "Business Investments in the Nascent Alt Meat Industry: What Investors Are Looking For."

Mr. Pohl provides three key takeaways from the presentation regarding how emerging companies in the alternative meat industry differ from tech start-ups:

1

Seed and Preferred A and B investment rounds are usually for much higher amounts than in other industries. Reasons include the perception of a huge potential for profit in the global market for meat, and the recognition that the research cycles from invention to a product's market readiness are much longer, especially for cell-based or lab grown meats and meat products.

2

Patents or other intellectual property can have a lot of weight, especially when they relate either to creating meats or meat products that are closer to the texture, taste or nutritional values of actual muscles cuts (such as chicken breast, tuna or salmon). Some of the production methods of the most successful alternative meat companies are actually not protectable, but instead the ability to source plant-based protein and supply contracts for scalable qualities set the companies apart from their competition. That is also the reason why investors increasing look for start-ups that offer the tools, services, infrastructure and horizontal technologies that can be used by a variety of existing alternative meat companies.

3

New groups of investors include social impact investors, as well as traditional Consumer Packaged Goods companies that enter into strategic collaboration agreements with innovative meat start-ups to support them with logistics and receive an infusion of passion and engagement with new generations of customers.

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