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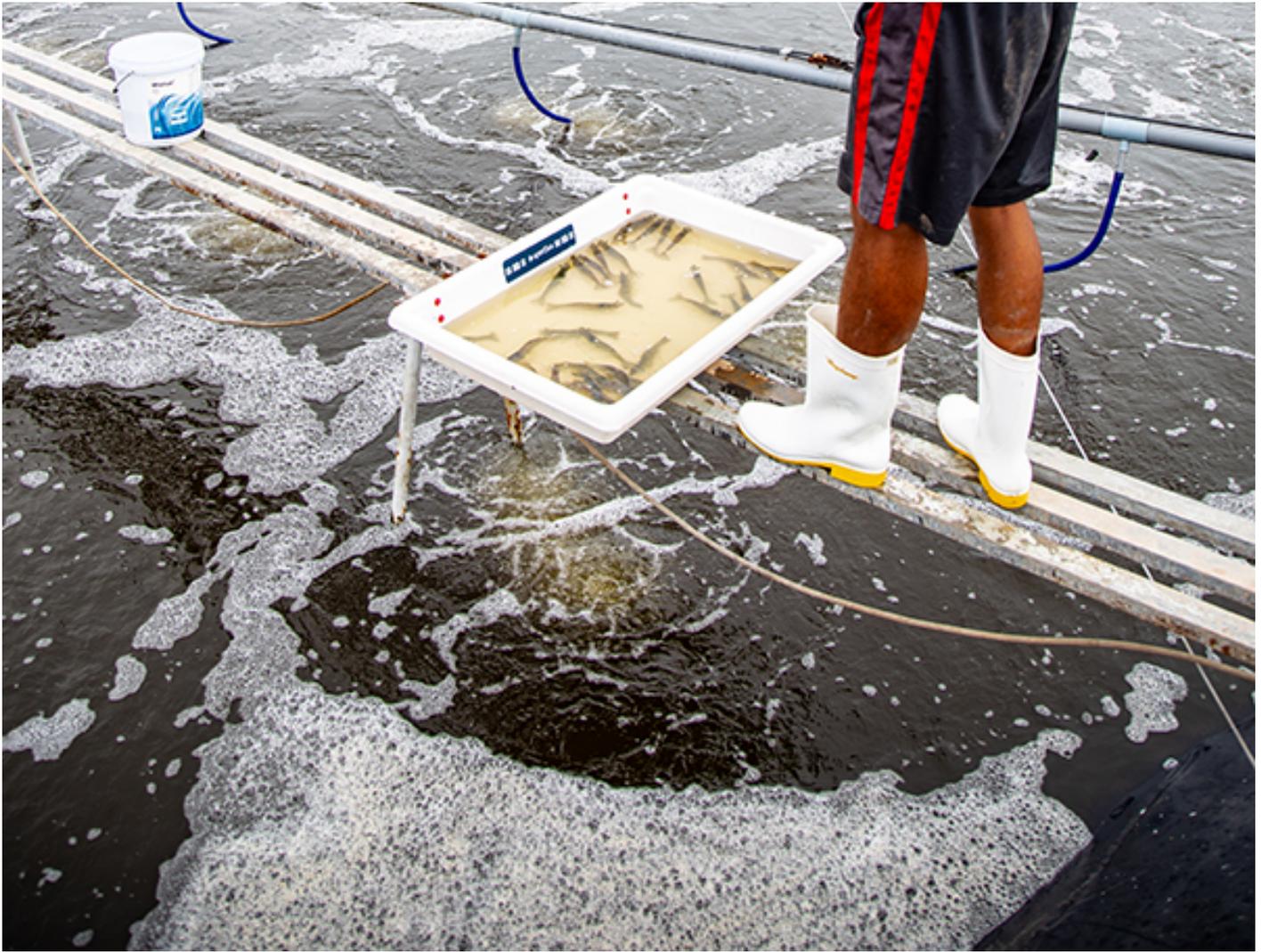
Investors see a flurry of activity putting aquaculture on fast-forward

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By Lauren Kramer

String of August deals marked by new investors to the aquaculture technology sector





A Vietnamese farmer uses XpertSea's smartphone app to gather data on his shrimp production. The Canada-based country recently attracted some \$20 million in investments, mostly from investors new to the aquaculture sector. Photo courtesy XpertSea.

The global aquaculture industry is the world's fastest-growing food production sector, despite a range of production challenges and, at least historically, a lack of investment capital. But a 48-hour period in August might have changed everything. In a head-swirling chain of events, roughly (U.S.) \$50 million was invested in aquaculture technologies like floating fish farms, a digital marketplace exchange and a potentially game-changing **alternative to antibiotics** (<https://www.globalseafood.org/advocate/proteon-pharmaceuticals-poised-to-grow-its-bacteriophage-products-for-aquaculture/>).

For Amy Novogratz, co-founder of Netherlands-based venture capital firm Aqua-Spark, which focuses entirely on the aquaculture value chain, it was more than just a notable moment in the news cycle. It was a turning point, or as Novogratz said, "a moment for aquaculture."

"There have been a ton of investors on the sidelines watching this space, but until now there wasn't enough traction to get outside investors in," she said. "Now, the traction is there and those investors are feeling ready to participate."

Canada-based XpertSea – an evolving company offering shrimp farmers a secure, mobile buying-and-selling platform as well as access to financing – was one of the **big winners** (<https://www.globalseafood.org/advocate/xpertsea-raises-20-million-to-grow-its-data-driven-marketplace-and-financial-services/>), closing a \$20 million Series B funding round. Novogratz noted that this announcement held something special: All the new investors were first-time aquaculture investors: "They're bringing their experience from different sectors into aquaculture, which makes it even more exciting," she said.

One of those investors bringing new energy and ideas to aquaculture is Tony Fadell, principal at Future Shape, who has a 30-year career in developing and marketing extraordinarily popular consumer electronics products. Fadell led the development teams for Apple Computers' iPod division and early generation of the iPhone and co-founded Nest Labs.

During the **GOAL 2021 conference** (<https://www.globalseafood.org/advocate/entrepreneur-tony-fadell-joins-goal-2021-to-talk-technology-and-aquaculture/>), Fadell spoke of his willingness to invest in "foundational deep technology" that disrupts the existing state of play in an aquaculture marketplace that has been the same for decades – but is quickly changing.

"We like to invest in stuff that's going to change how people interact in the value chain today and that will give them greater confidence that seafood was grown sustainably," he said of Future Shape's aquaculture investments. "These technologies allow you to do track and trace that's never been seen before. They disrupt the middleman, which will allow us to see more innovation over time, and they bring confidence throughout the value chain. And we've found that when tech comes with financing and a marketplace, that's when you see tech be adopted by small farmers."

Powerful new tools

Lauren Morton, a partner at QED Investors, noted her excitement in seeing fintech become a differentiating capability in aquaculture.

"The XpertSea team has been focused on solving their customers' core problems from day one," said Morton, who will join XpertSea's board of directors, resulting in both an executive team and a board with women in the majority. "Not surprisingly, it turns out that one key problem many shrimp farmers face is capital management, and the key to unlocking that capital is powerful data and new financial tools. We're eager to partner with XpertSea to help solve this challenge, and others, informed by the unique insights they've been building for many years."

Aside from Aqua-Spark, Future Shape and QED, XpertSea's investment team also includes Atlantico, Investissement Quebec, Obvious Ventures, Real Ventures and edō Capital.



Apps, AI and algae: Meet Hatch Blue's fourth cohort

Hatch Blue's fourth cohort performed their pitches online for the first time, showcasing a spectrum of aquaculture product and service businesses.



Seeing the potential

The majority of Singapore Aquaculture Technologies' (SAT) equity investment was made by Siemens Financial Services via its financing arm, Siemens Project Ventures GmbH. With a 24 percent share in the company, Siemens is SAT's first institutional shareholder. SAT is a pioneer of tank-based, closed-containment aquaculture systems on floating structures and has used Siemens as its technology supplier since 2018.

"It was never clear in the early days that they'd be interested in investing in us, but they saw the potential of our solution while working with us," said Dirk Eichelberger, co-founder of SAT. "Our other shareholders are the founders and acquaintances who believed in our vision from the start, but it's a different certificate of approval having an institutional investor compared to friends and family. It opens the arena for next steps such as Series B financing or private placements. And an institutional investor also helps the company prepare for anticipated growth by upgrading the organization and internal processes."

SAT's first smart floating fish farm was launched in February 2020 and integrates an efficient solar energy management system, self-regulated control cycles and artificial intelligence to achieve a productive, scalable and environmentally friendly operation. Siemens' investment will allow SAT to add two new smart farms in Singapore this fall, increasing its fish production capacity to over 1,000 metric tons per year. Eichelberger said the company needs to grow its team, establish an overseas presence and continue to work on its smart farm solutions.

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Steffan Grosse, CEO of equity finance at Siemens Financial Services, said the company is deeply committed to sustainability.

"By investing in SAT, we hope to **further support sustainable food production** (<https://new.siemens.com/global/en/products/financing/siemens-financial-insight-center/dig-in-green-investments-to-feed-the-future.html>), and help Singapore to achieve its '30 by 30' goal of 30 percent local food production by 2030," he said in a release.

Poland-based Proteon Pharmaceuticals' investors included animal feed producer Nutreco as well as Aqua-Spark and PFR Life Science. Proteon plans to use the funds to speed up the commercialization of its bacteriophage-based products and to thereby reduce the industry's reliance on antibiotics.

"This investment increases our ability to make bacteriophages available to the global livestock and aquaculture markets, where they will increase the environmental sustainability of protein production as well as significantly reduce the need for antibiotics," said Proteon COO Matthew Tebeau, who presented during the **virtual GOAL** (https://www.aquaculturealliance.org/goal/?_hstc=236403678.d4c012496cd10af868ee3fb48224cd2f.1633365461137.1633365461137.1633365461137.1&_hssc=236403678.1.1633365461137&_hsfp session in April.

Novogratz sees the 48-hour wave of investment in August "as part of a trend, one I think we'll see grow quite rapidly," she said. It may serve as a flashpoint in aquaculture investment history, as a date we can later pinpoint as the moment the mood changed forever.

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