FROM START-UP TO SCALE-UP AND EXIT:

Lessons learned from 30 years of building and selling technology companies in transactions round the world.

David Farquhar

Intelligent Growth Solutions

5 Key Lessons

1. People: Culture as a Platform
    - Never hire yourself
    - Go diverse - it takes 15 players to score a try
    - Permission to succeed ➔ Proceed until apprehended
2. Capital:
    - You don’t “give equity away” ➔ investors buy it AND SOME ARE USEFUL
    - Matching your business: sectoral focus / the right thesis
3. “It depends” ➔ being bold and thriving on uncertainty
4. Go after a BIG market ➔ frame the problem in the customer’s language
5. How positioning & differentiation drive strategy and define the business model

About IGS

- Vertical Farming **INFRASTRUCTURE**
- Founded by a real farmer 2013
- £75m raised
- £25m invested in R&D
- 26 patents in 6 families
- Fully productised
- Total Control Environment Agriculture ("TCEA")

S2G VENTURES SEED 2 GROWTH
Chicago, IL

AGFUNDER
San Francisco, CA

Scottish Enterprise
Glasgow, Scotland

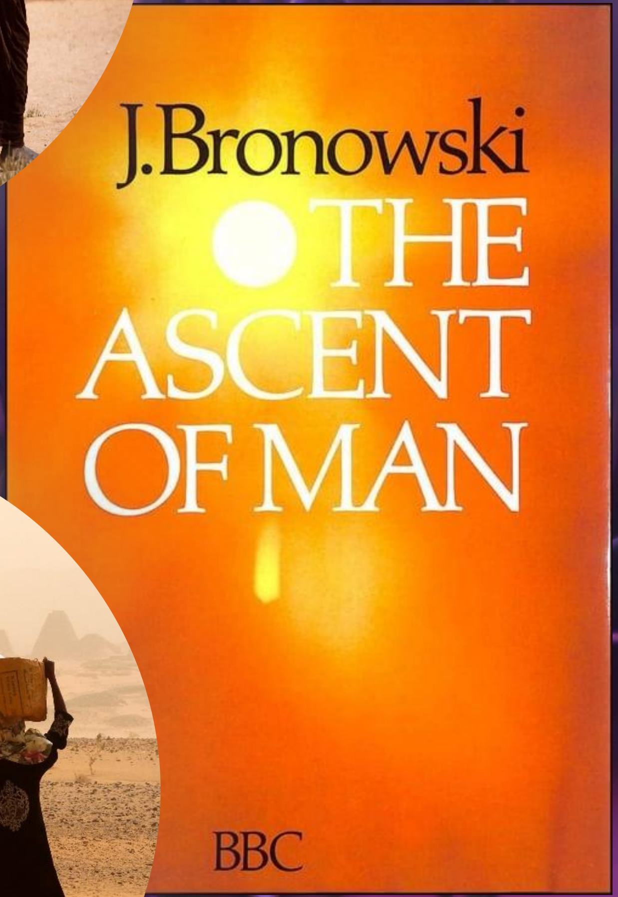
Ospraie AG SCIENCE
New York City, NY

Amsterdam, NL & Zug, CH

Chicago, IL

DC THOMSON
Dundee, Scotland

We humans used to be nomads…





…then 10,000 years ago agriculture began…in the Middle East & Latin America!

IGS

-300,000 years

1950	1975	2000	2025	2050
2.5	4.1	6.1	8	10

We’ll need more food in the next 30 years than the previous 10,000 combined

Source: UN

And yet: 12-39% of the Earth’s land surface will develop novel climates*

*Williams, Jackson, Kutzbach, 2007

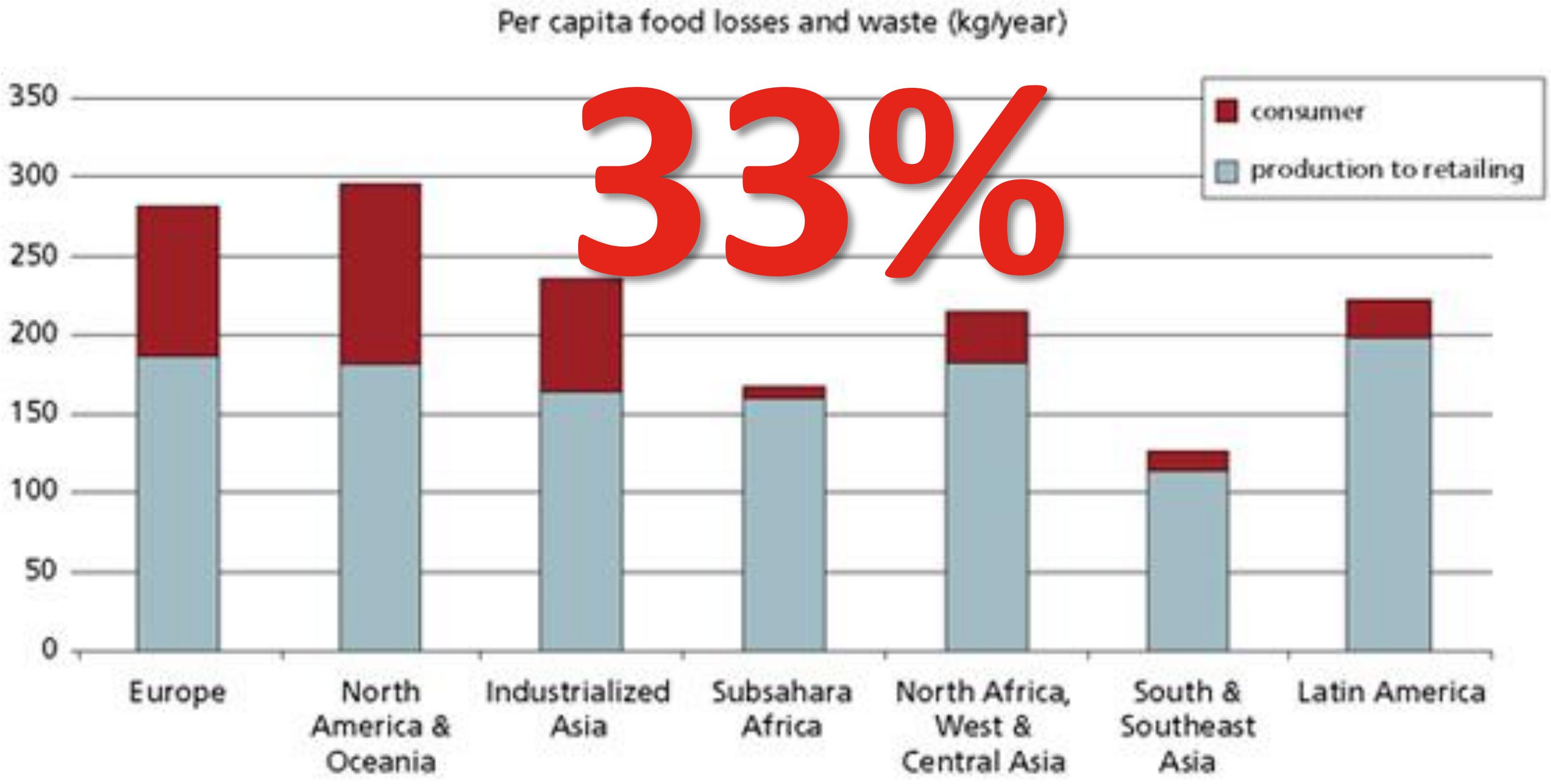
URBANISATION
ARABLE LAND
POLLUTION
CLIMATE

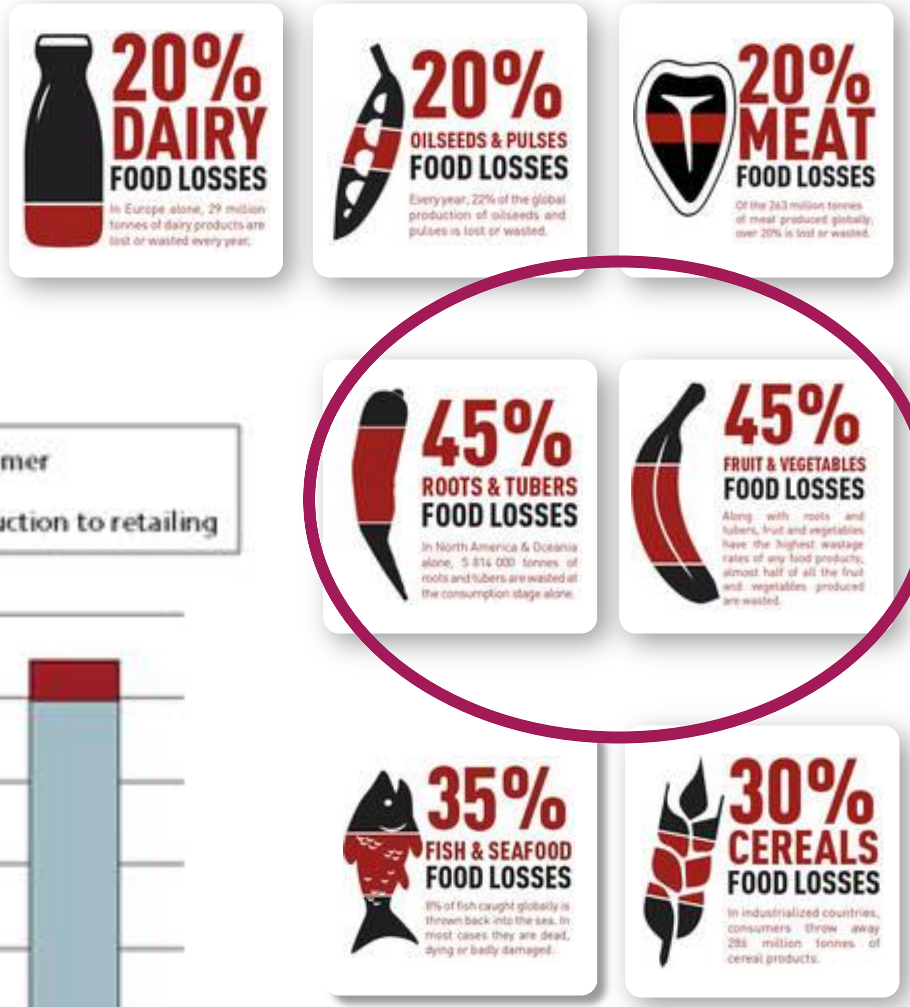
FOD

ENERGY
PESTICIDES
FRESH WATER
POPULATION

POLITICS REGULATION COVID WAR

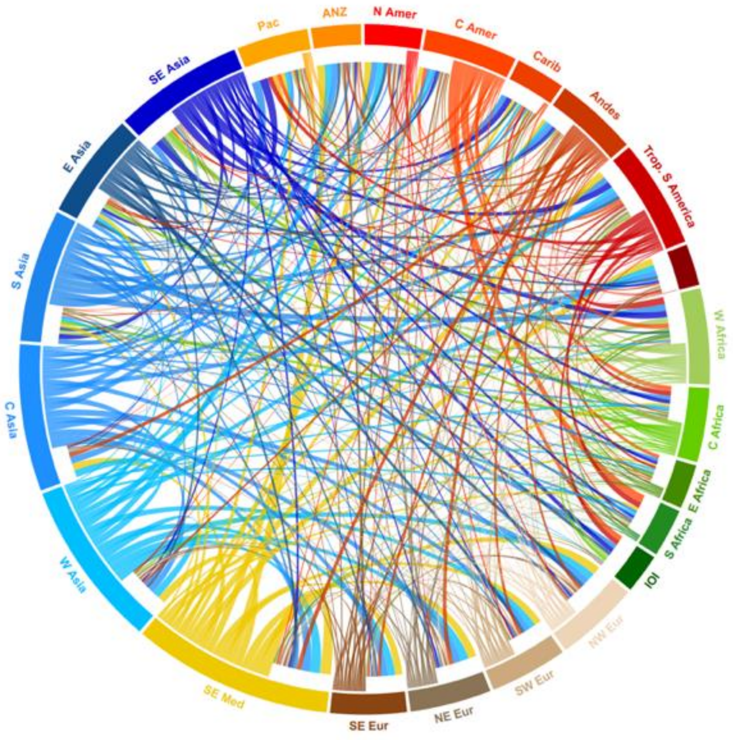
33%





Agriculture → Post-harvest → Processing → Distribution → Consumption

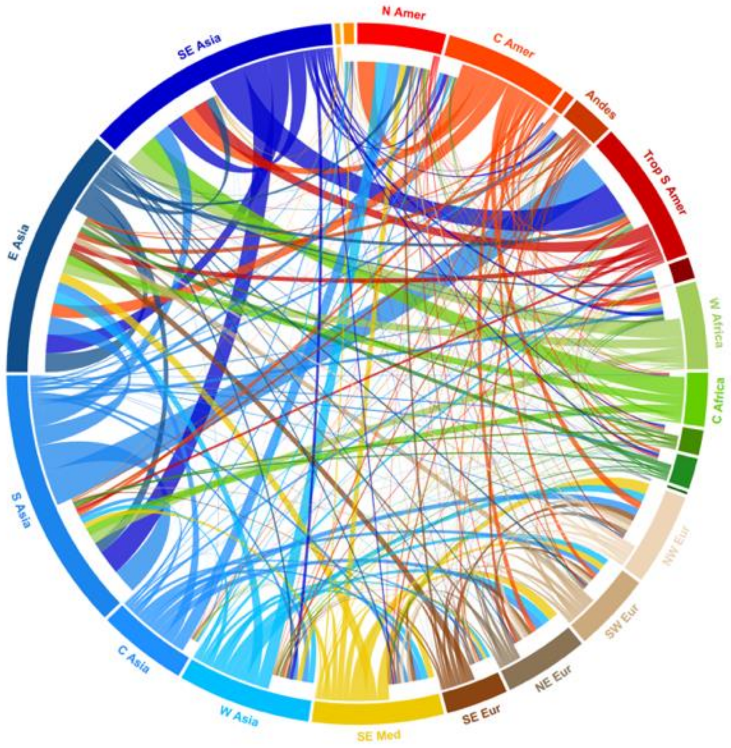
http://www.fao.org/save-food/resources/keyfindings/infographics/roots/en/



Origin	Northwest Europe
Consumer	Australia and New Zealand
Total	183.7

Top Crops

Crop	Name	Value	Metrics
	Sugar	108.5	g/capita/day
	Apples	72.7	g/capita/day
	Oats	2.5	g/capita/day



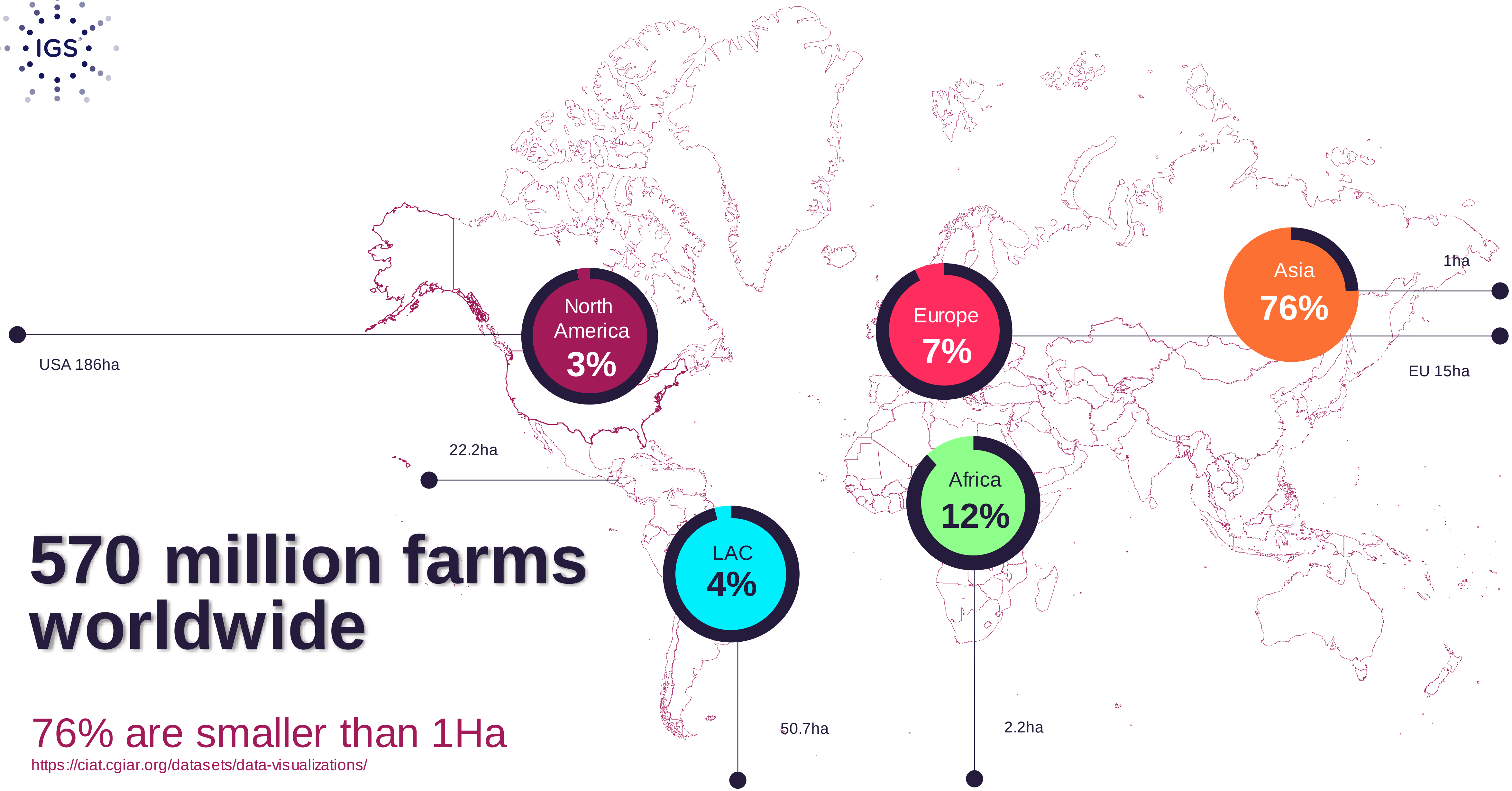
Origin	South Asia
Producer	Tropical South America
Total	844,044,566

Top Crops

Crop	Name	Value	Metrics
	Sugarcane	789,663,138	tonnes
	Bananas and plantains	23,697,012	tonnes
	Rice	21,647,734	tonnes
	Coconuts	3,310,558	tonnes
	Mangoes mangosteens guavas	2,084,163	tonnes

72% of world food is ex/imported

https://ciat.cgiar.org/datasets/data-visualizations/



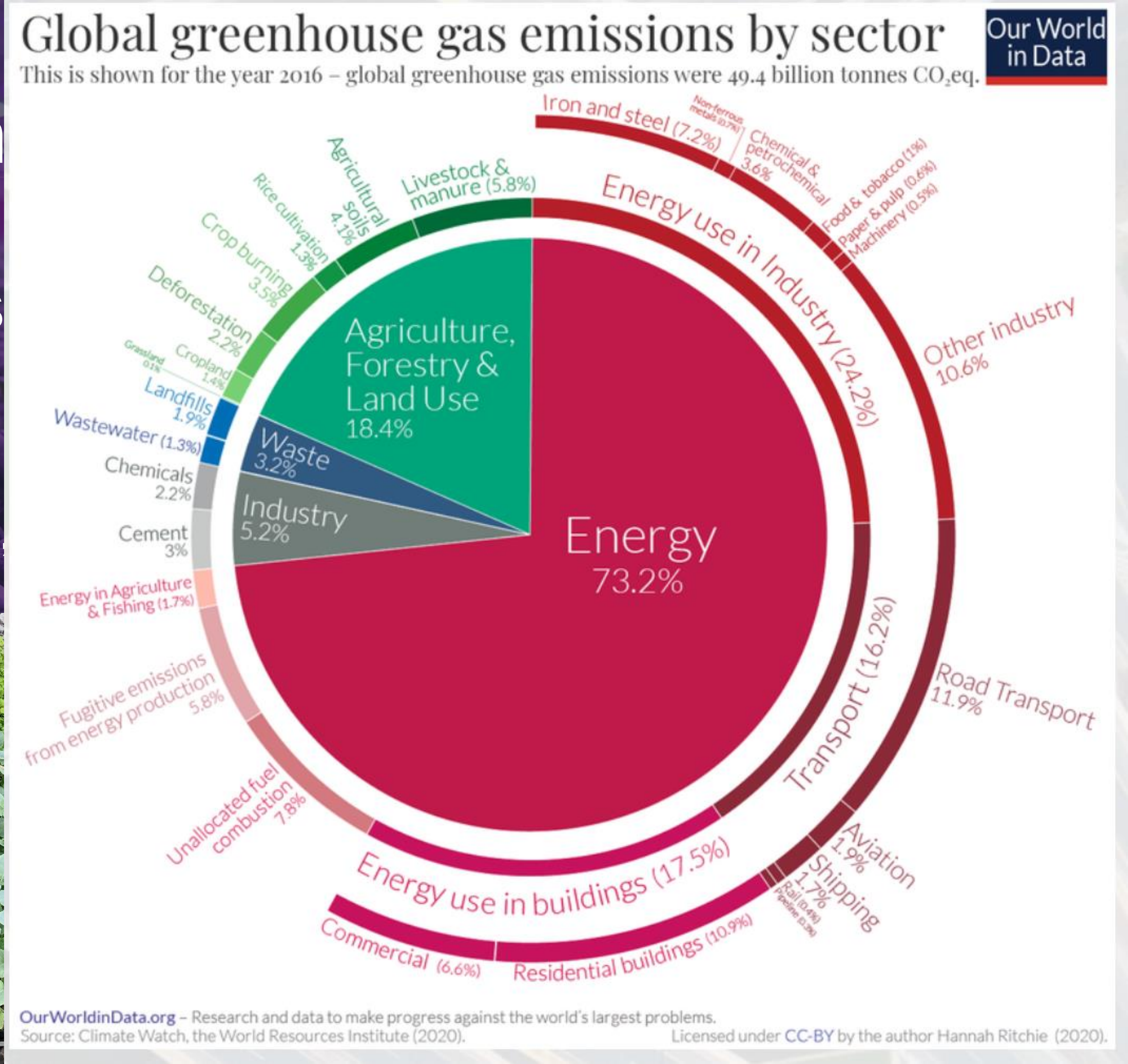
570 million farms worldwide

76% are smaller than 1Ha

https://ciat.cgiar.org/datasets/data-visualizations/

Farmin

- Global $ ... ation
- Pace of ... s
  - Agri =
- Farming.



We will never grow crops for commercial sale

Productised, Scalable, Industrial, Modular & Agile

Enabler of Agriculture 4.0

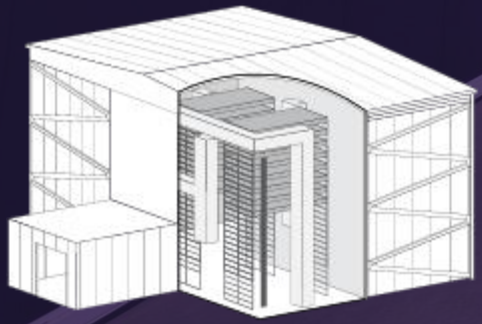
We only grow for R&D, optimising performance and developing growth recipes

How to make a vertical farm

Take a **field**

Cut it into trays the size of snooker tables

Stack them 9m high



Put them in a box

Make perfect **weather**

Control it with your tablet or phone

IMPACT

Our Farmers

New breed urban farming entrepreneurs
seeking to buy rather than build

Traditional broadacre farmers
seeking better starter plants, diversification, keeping the next generation on the land

Existing indoor growers 45% waste
seeking better starter plants, extend the growing day and season to maximise returns

Forest managers 65% waste
seeking better starter plants & less predation: crop trees / reforestation / afforestation

Who do they serve?

Food Service (Contract Catering)

Food manufacturers

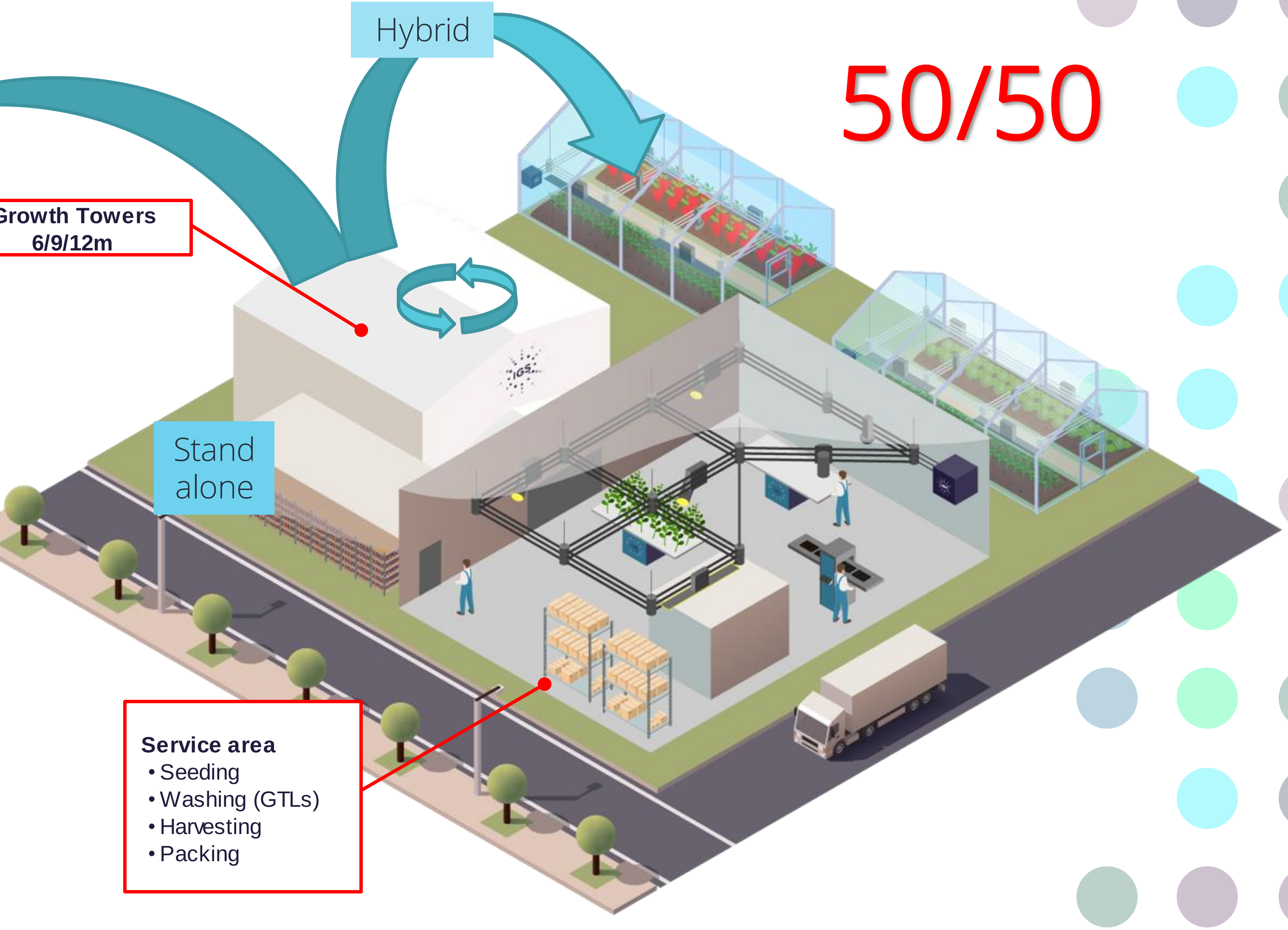
Grocery Retailers

Hospitality and tourism
All wanting reliable supplies of fresh, premium, sustainable ingredients

Landowners
Wanting local growing; lower rejection and predation rates

Plus: Governments seeking sustainable food security and reforestation from localised production in-country

An Integrated Platform for TCEA



50/50

<u>The Grower</u> is our Customer

IGS

3-Es

Excellent produce

Economic viability

Environment friendly

IGS

Healthy and safe

Nutrient-rich and chemical free

Extended shelf-life

Full-cycle crops

Supporting farmers globally

Chillies

Micro-greens

Dill

Parsley

Pak choi

Fennel

Lettuce

Mustard

Radish

Sorrel

Pea shoots

Mint

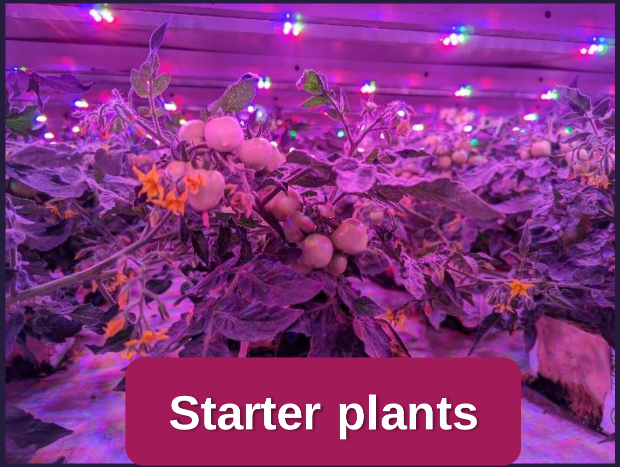
Basil

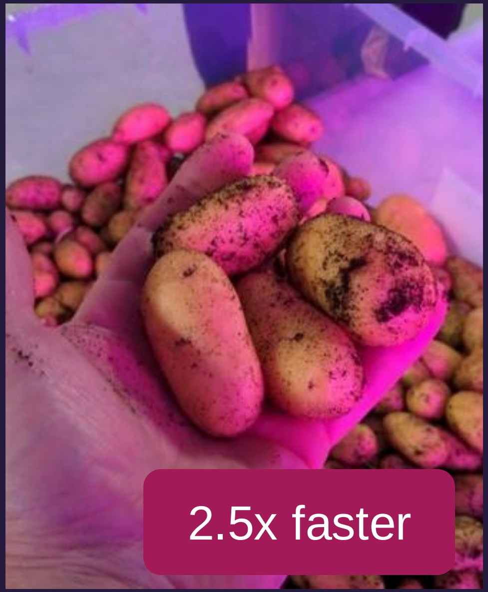
Flowers

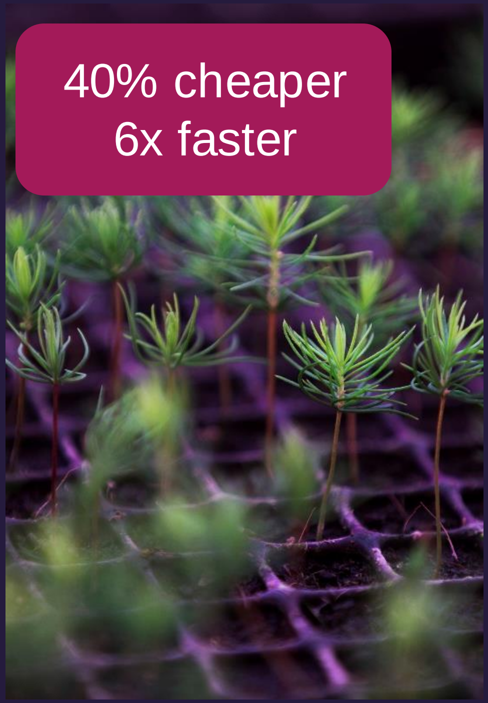
>20% IRR

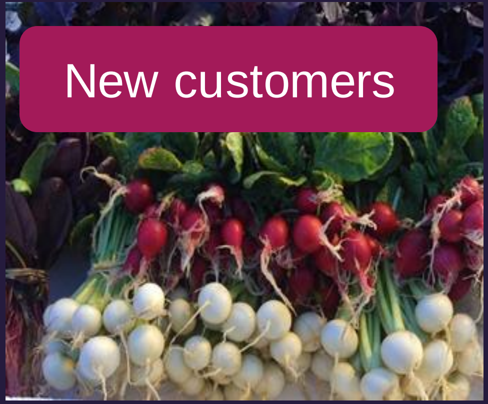
5-year payback

Greatest crop diversity on the planet









IGS and the Environment:

Zero emissions

Collapsing food miles

250:1 water savings

10,000:1 smaller footprint

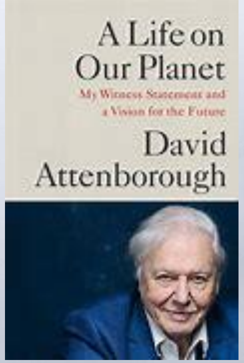
Zero pesticides

Zero hydrocarbons

"The IGS farm technology could have a huge impact on reversing habitat loss."

- WWF Scotland

WWF

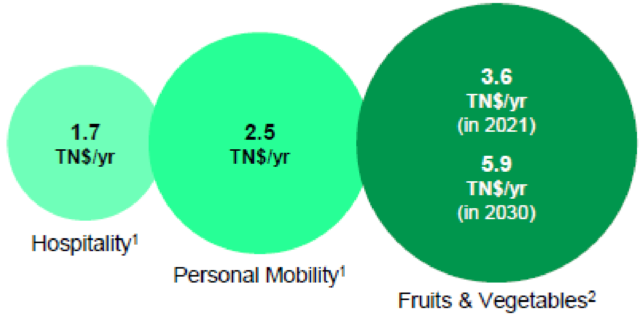


The Massive TAM confirmed by UBS

Food production is a massive undisrupted market…

The market is RIPE disruption—food production is a massive undisrupted market

$3.6tn market in 2021 anticipated to reach $5.9tn by 2030



At the earliest stage of tech transformation

Industry	% Disrupted[3]	Incumbent & Capitalization	
Retail		amazon	($1.1tn[4])
Hospitality		airbnb	($70bn[4])
Personal Mobility		Uber	($46bn[4])
Agriculture	<0.1%[5]	IGS	

Millennials & GEN Z revolution—the food sector has a massive TAM and is RIPE for disruption

- By 2050, millennials will be the largest consumer group[6]
- Consumers increasingly prefer local, tasty and sustainable produce
- Conventional agriculture fails to meet these criteria

The priorities of millennials and Gen Z fit well with IGS' value proposition

GEN X — ~30% (2015) → ~20% (2050)

- Familiar taste
- Functionality
- Cost focus

% share of total disposable income

MILLENNIALS — ~15% (2015) → ~50% (2050)

- Healthy and wellness focused
- Willingness to pay a premium
- Authentic and experiential
- Environmentally conscious

% share of total disposable income

GEN Z — ~0% (2015) → ~30% (2050)

- Impact focused
- More sustainability focused
- Higher adoption of technology

% share of total disposable income

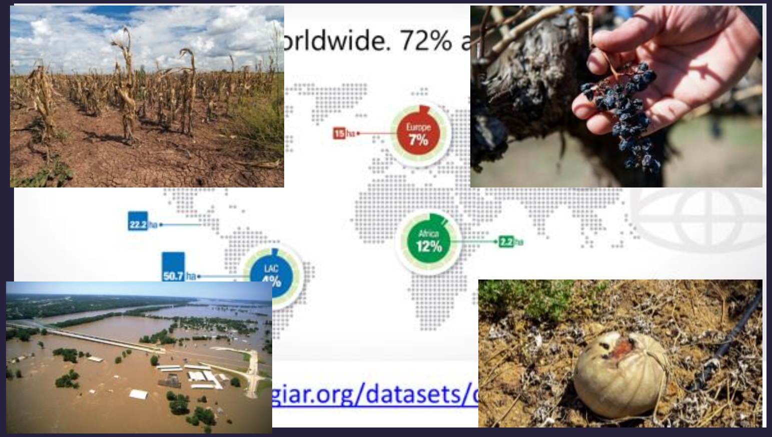
IGS

Source: % share of disposable income estimates as derived from the fundstrat's Coming of Age Report (June 2018)

1 Expressed as TAM, Source: Leading investment Banks research reports
2 Expressed as TAM; converted to USD from EUR based on FX rate of 1.18 as of 24 August 2021; Fruits & Vegetables 2021 TAM extrapolated based on 2030 TAM and 2015-30 CAGR. Source for 2015 and 2030; Oliver & Wyman Fruit Logistics Trend Report
3 As online penetration, which is based on public fillings and third-party research
4 Fully diluted market cap as Factset 17 June 2022
5 Company estimate
6 Management's estimates based on fundstrat Coming of Age Report

Competition

Do nothing



Not an option

Do it themselves

Plenty®

VERTICAL FUTURE

&ever

AeroFarms®

BOWERY

AppHarvest

Going bust

Alternatives

bosman van zaal

cubicfarms
TECHNOLOGY TO FEED A CHANGING WORLD

ARTECHNO Growsystems

INFINITE ACRES

Limitations

Direct substitutes

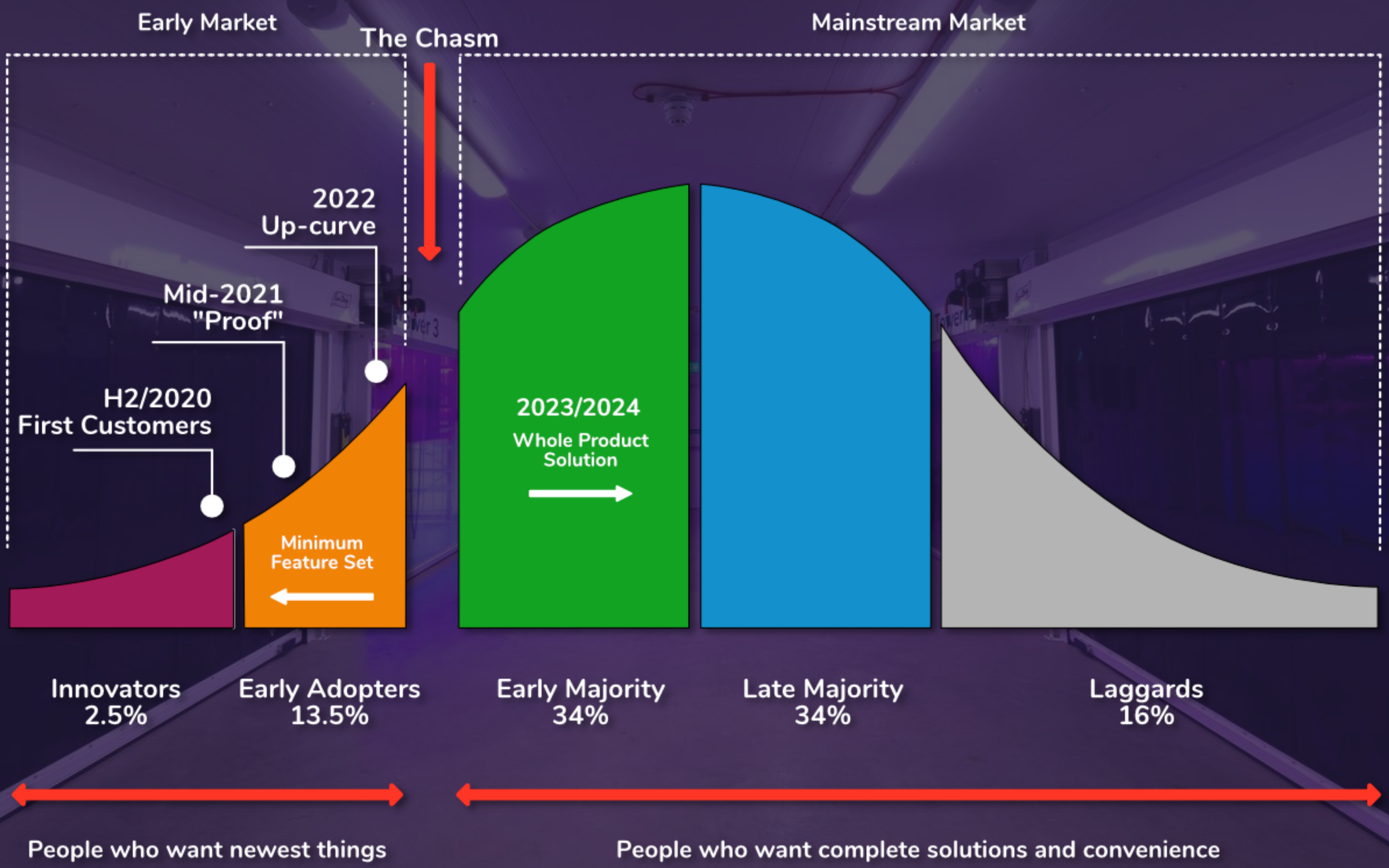
YesHealth Group

URBAN CROP SOLUTIONS

LACKING:

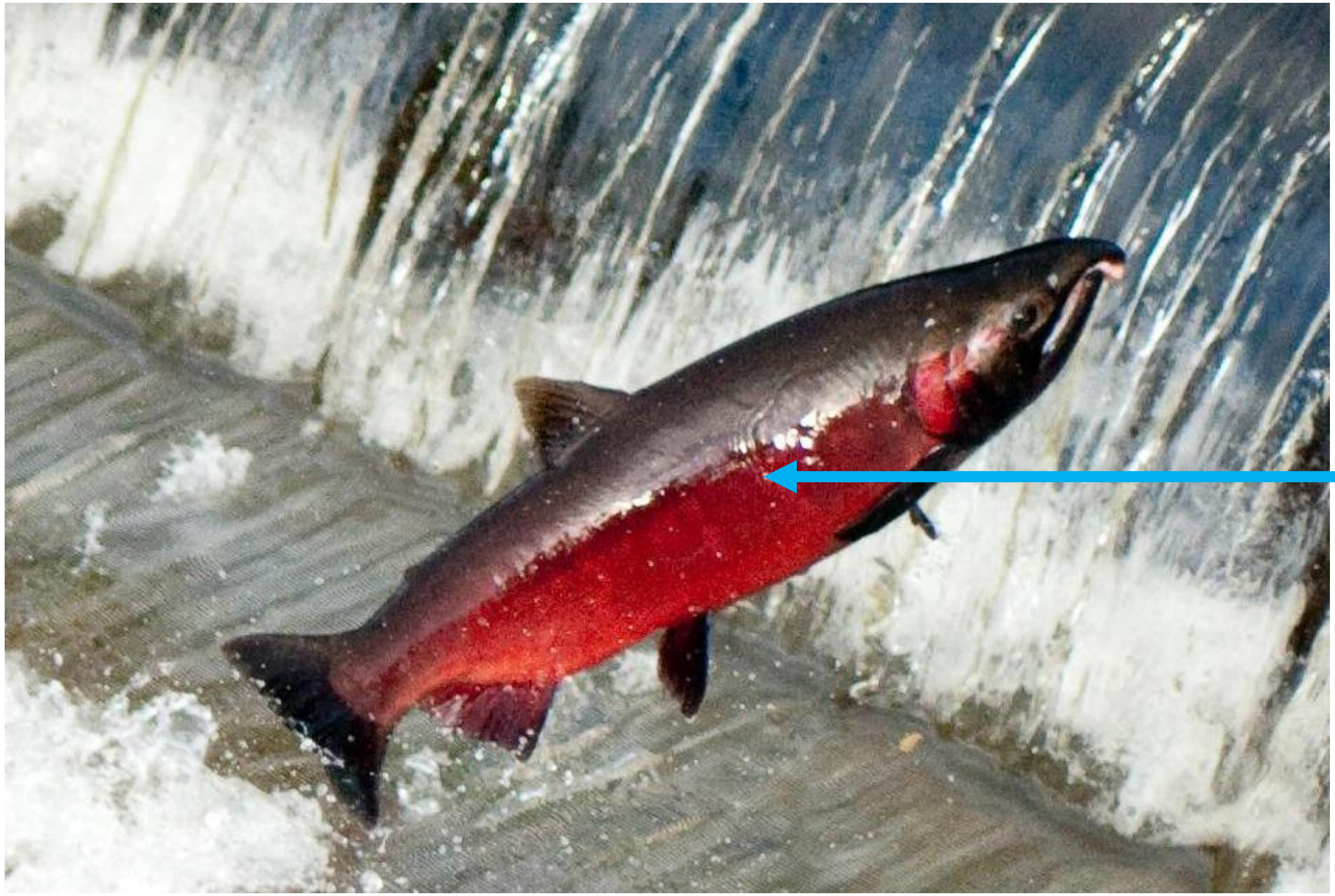
Productised, Industrial, Scalable, Modular & Agile

Timing fit with market growth



We have to ignore the macro-economic flack to focus on the mission

Vertical Farming is struggling…why is ***really*** obvious

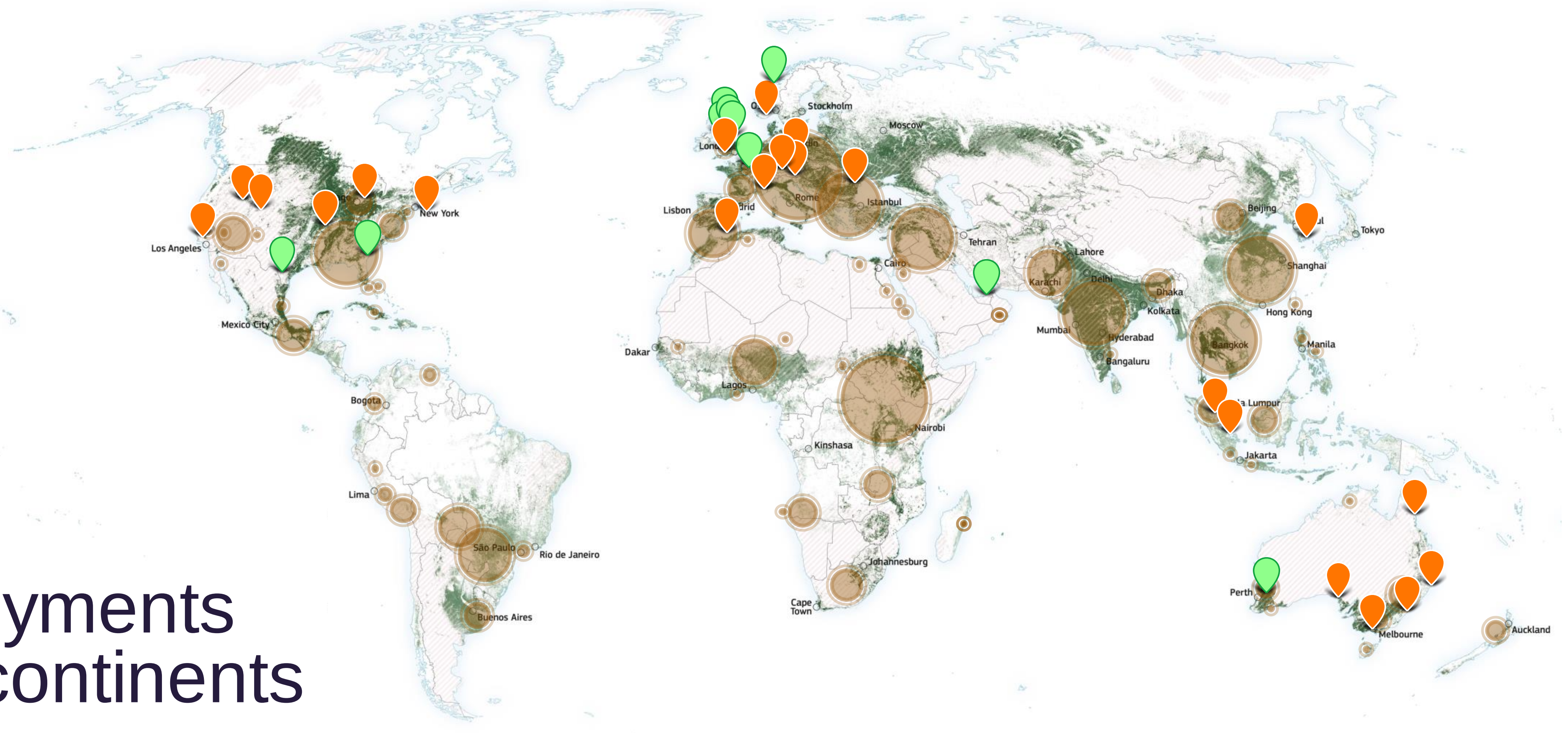


- IGS
- Infinite Acres
- Urban Crop Solutions
- Bowery Farming
- Freight Farms
- InFarm
- Kalera
- Vertical Future
- AeroFarms
- Plenty

Most of the others being swept downstream having raised up to 20x equity

Answer? Name the last farmer to build his own combine harvester

![IGS logo]



Deployments on 4 continents

Supporting local food challenges

Severe degradation

IGS-powered Farms (built or started)

Roll-out

IGS™

See AGRICULTURE **4.0** at 11’53” here

[Innovation: Blood, Sweat and Dreams – Film 1 (economist.com)]