



Address:

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Company Website:

<http://www.growup.org.uk>

Company History:

Founded 2013. In 2015, GrowUp built the UK's first commercial-scale urban vertical farm, securing a £340,00 grant from InnovateUK and £1,000,000 convertible loan from Ignite Social Enterprise. Over £1.9 million raised to date.

Capital requirement:

The company is raising investment of £750k (EIS) and already has £350,000 of the round committed. Close anticipated in November 2018.

Use of Funds:

The investment will be used build an R&D Product Validation Lab, to recruit a research manager, hire FD and Commercial Sales Lead, complete the design of the next farm and carry out branding and marketing work to focus on the salad product.

Management Team:

Co-Founder & CEO – Kate Hofman: BA English and Education, Durham University, MSc Environmental Technology and Business, Imperial College London. 5 years' management consulting experience with IBM.

Co-Founder and CTO – Tom Webster: BSc Biology, University of Lancaster, MSc Sustainable Cities, Kings College London 3 years' experience Sustainability Consulting for engineering firms.

Financial Director – Jonty Levin: B.Com(Hons) (Econ), HDip in Co Law, MBA and CFA. > 20 years' investment banking experience.

Commercial Sales Lead – David Coles: Director of DGC Consulting. >30 years' experience working with major UK retailers

NXD – Vernon Mascarenhas: >25 years in food, farming and restaurant distribution

NXD & Chairman – Martin Hofman:

Entrepreneur and small business owner.

For more information, contact Greenbackers:
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Description / Company Overview:

The UK imports around 60% of its fresh produce from regions that are increasingly vulnerable to climate change. Brexit is going to disrupt those supply chains, and with 70% of the UK's fresh produce supply chain staffed by European labour, increasing the business case for more localised and resilient production. GrowUp Urban Farms Ltd is the UK's most advanced Controlled Environment Production (CEP) grower of salad leaves. Our integrated vertical farming system responds to growing demand for high value, highly perishable baby leaf salads which benefit from local and controlled production 52 weeks per year.

Market Opportunity / Customer Need:

Retailers and processors will pay a premium for produce that reduces supply chain risk and is consistently available year-round. The UK market for leafy salads:

- Forecast to be worth £2.12bn by 2019
- 40% of UK consumers buy pre-packaged salads on a weekly basis
- Mostly imported – in 2016 >110,000 tonnes of lettuce imported in 2016
- Post-Brexit, price of fresh produce imported could increase by up to 14%

Food retailers, fresh produce wholesalers and food-to-go companies are driven by three key criteria:

1. Supply chain resilience: Indoor growing significantly reduces environmental risk factors which impact product availability. Removing the need to wash and process ensures longer shelf life for products.
2. Provenance: Full traceability along a shortened and more local supply chain reduces risk and reduces reliance on imported produce and uncertain impacts of Brexit.
3. Product quality and consistency: Controlled growing conditions give us a high degree of certainty of output in terms of quality and quantity and the potential to exceed quality assurance and product safety standards.

Product / service solutions:

GrowUp's first product will be baby leaf bagged salad for the retail and wholesale market. This product will be unwashed and "ready-to-eat", a specification only achievable through our facility's end-to-end ISO standard clean room growing environment.

Competitors:

Our competition for salad production currently comes from traditional salad growers, but our competition in the space of Vertical Farming is likely to be the larger competitive challenge to the business going forward. In that space our competitors include Jones Fresh Produce (UK), Aerofarms and Plenty (USA). Our competitive advantage is our unique operational experience and proprietary knowledge gained from over five years in the industry. Our technical partnerships integrate the market leading technology for CEP, allowing us to offer a product to retailers that is safer, cleaner and more reliably grown than anything else available on the market.

Business model / Milestones /Market Strategy:

We work with a Project Development Partner who are responsible for the capital raise to build each farm asset, of which GrowUp owns a ~15% shareholding. We charge a design and build fee for delivering industrial-scale farms, and then a management fee for operating the farm facilities. The majority (no less than 60%) of produce from each farm is sold through Purchase Agreements with large customers, whilst the remaining output can be sold through merchant sales.

Roadmap and Exit

GrowUp plans to build 10 farms in the next 6 years, creating a production capacity to match 1.5% of UK imported leafy salads. Investors' interests in GrowUp would be monetised as a result of a liquidity event which would be in the form of a listing on a stock exchange, a sale to financial investors to trade investors. An acquisition by trade investors in the form of leading food wholesalers or retailers would be targeted. Under this scenario, both the 'TopCo' and its proprietary knowledge and brand, and the individual farm assets themselves would be suitable for acquisition.