



Innovation  
Agritech  
Group.

Investor Newsletter

Autumn 2024





## A letter from the CEO...



As summer 2024 draws to a close, we're excited to share a comprehensive update covering a range of important developments within the business.

At the forefront of our plans is our much-anticipated IPO. As you will read in the pages ahead, our management team and Board of Directors are fully focused on ensuring that we are ready to launch at the right moment. We have made significant progress on this front, undertaking a rigorous legal due diligence process, and conducting the necessary audits to comply with listing requirements. Given the current state of the IPO market, we are seeking to establish a private share trading facility with a leading trading venue. We are putting everything in place to support a smooth and successful listing while responding to the needs of our investors.

Our strategy continues to adapt and evolve, leveraging the advancements in R&D, product development and team expansion we achieved over the past year. These initiatives are opening new market opportunities and revenue streams, positioning IAG for sustained growth in the UK and globally. We are particularly excited about prospects in education, software licensing, R&D, and commercial vertical farming.

In education, we will be expanding our presence with the new IAG Educate brand, which we have now soft launched. We are also particularly proud of our recent installation at the University of Essex, which has been fully operational for several months; and look forward to completing the final stages of installation at Sparsholt University College. On the commercial vertical farming side, we're in discussions with UK and international companies, exploring the use of our technology for commercial sustainable agriculture.

This year we have made significant investment in building a world class team increasing our headcount by circa 25 percent and filling identified skills gaps. The new team members bring experience and competencies from vertical farming, food and beverage, engineering, plant science and people management. This well diverse team will help implement the corporate strategy and bring fresh ideas and processes to the business.

These are just a few of the exciting developments we have in progress and as you'll see in this newsletter there is even more happening across the business. So as part of our ongoing commitment to keep you informed and engaged with our progress, I am pleased to announce that IAG will be hosting an Investor Day in Q4 2024. This event will offer a unique opportunity to delve deeper into our strategic initiatives and future growth plans. Once the date has been confirmed, we'll send out personal invitations with more details. We look forward to welcoming you and sharing the latest progress at IAG.

As always, I thank you for your confidence and support in our vision. I also extend my gratitude to the IAG team, who continues to deliver world-leading solutions, keeping us on the path of growth and innovation while upholding our value of sustainability.

With so much underway, we know that you might have questions or queries. If so, I invite you to email our investor relations team at [replies@iagri-tech.com](mailto:replies@iagri-tech.com).

With best wishes,

Jaz Singh  
CEO, Innovation Agritech Group





# Public Listing Update

We continue to take significant strides on our path towards an IPO, ensuring that we have a successful listing as soon as market conditions allow. We are making excellent progress in our preparations for the listing and are pleased to share that we have successfully completed several key steps. We have also taken measures to support investors and shareholders who wish to realise the value of their investment before the IPO is launched:

## Legal and financial due diligence

We have engaged CMS, a leading international law firm, to carry out the legal due diligence required for our IPO. Legal due diligence is essential for providing transparency to potential investors and the exchange, ensuring that any legal risks or issues, such as potential pending lawsuits, intellectual property matters, or regulatory compliance, are fully assessed and documented. This process will result in a comprehensive due diligence pack, which is necessary for our listing.

We have tasked Adler Shine LLP with completing and signing off our compulsory audited financial statements for the past three years. This is a key reporting consideration in preparing for an IPO and supports the company's valuation. Audited accounts are crucial in establishing our financial history, providing credibility and ensuring compliance with the requirements of UK stock exchanges. A three-year track record in compliance with International Financial Reporting Standards (IFRS) is a mandatory element for listing, as it allows potential investors to evaluate our financial health and valuation.

We have also appointed Neville Registrars to manage our share registration and ensure compliance with CREST, the UK's central securities depository.

CREST facilitates the electronic settlement of share trades, which is a requirement for any company listed on a UK stock exchange. Neville Registrars will maintain our required shareholder register and handle the administrative duties associated with share trading, ensuring that the process is smooth, secure, and compliant. Their role includes issuing our International Securities Identification Number (ISIN), which is essential for facilitating electronic trading.

The Company has received advanced assurance from HMRC for the Enterprise Investment Scheme (EIS) Knowledge Intensive Scheme for an additional investment amount up to £10,000,000.00. EIS offers higher investment thresholds and, therefore, tax allowances and benefits for investors in knowledge-intensive companies (KICs), private investors and EIS or knowledge-intensive funds that engage in these businesses.

This will allow the Company to explore future fund raises that will facilitate and accelerate our R&D work through the implementation of Pods. These Pods will allow us to run several trials simultaneously, dramatically reducing the time it takes to develop our growing recipes within the controlled environment.



As we advance through the IPO process, our management team and Board of Directors regularly engage with external advisors—most notably our legal team at CMS and our investment bank, Cavendish—to gather insights into current market conditions and determine the best timing for our listing. Several factors have contributed to the challenges facing the UK IPO market since 2021. The number of IPOs remains significantly lower: there were 126 UK IPOs in 2021, 66 of which were on AIM. In contrast, in 2024, only 10 IPOs have taken place in the UK, with just 5 on AIM. Our investment bank Cavendish has issued the company with an advice note, that we have summarised below.

*Cavendish noted that “Since the start of 2022, UK equity markets have experienced some significant challenges, notably a result of the aftermath of the COVID-19 pandemic, the cost-of-living crisis and the global impact of the war in Ukraine.*

*The impact of these on the equity markets are that UK-focussed equity funds are experiencing “outflows”. Outflows generally have a two-fold effect on publicly listed businesses, being that (i) share prices fall as funds are required to sell their positions rather than invest in order to meet the outflows; and (ii) there are less funds available to participate in fundraises IPOs.”*

*Cavendish goes on to say that “While the IPO market will take additional time to ‘normalise’, as the capital is available is primarily being utilised*

*to support investments in companies that a fund manager already has. There is some capital available for IPO candidates, however this is still behind 2021 levels.*

*With any IPO candidate, there is only really “one shot” with potential IPO investors - if IAG tries and fails to generate interest from institutions at this stage, it becomes a far more difficult task to change that investor’s mind if it tries again six months further down the line.*

*In conclusion, Cavendish remains confident that IAG has the characteristics of a business that will have a very successful listing on the AIM Market. However, this process should not be accelerated until Cavendish has a high level of confidence in execution.”*

## Management and Board Deliberation

With the above in mind, the management team and Board of Directors have carefully considered the best way to move forward, keeping both the Company and its shareholders’ interests at the forefront. We have taken advice from Cavendish and recognise that some shareholders may wish to realise the value of their investment before the IPO is launched when the market has significantly recovered.





# Private Share Trading Facility

We will be introducing a private share trading facility with JP Jenkins. This will allow shareholders and investors to buy or sell shares before the IPO, with the facility expected to go live before 10th October 2024. Those wishing to participate will need to contact a regulated UK stockbroker.



## About JP Jenkins

[JP Jenkins is the UK's leading platform for private company share trading](#), offering services that help businesses engage with shareholders and manage private shareholdings. They have extensive experience with companies like NCP, Arsenal FC, Liverpool FC, Weetabix, and Dyson Group Plc. JP Jenkins currently works with fantastic growth companies such as GS Verde, Cafe Direct, Superdry, Thrive Renewables and Quantum Financial. In 2023 alone, JP Jenkins onboarded 17 new companies and traded over £35 million in shares. Their platform has over 20,000 registered users and can distribute company press releases internationally via EQS.

## Trading Details

IAG will begin trading with an implied market capitalisation of £75 million and an initial share price of £0.75. This price will guide future buy or sell orders. Shareholders can trade shares through any UK-registered broker that can be found [here](#). By providing details such as the company name and ticker code ("IAGT"). If you do not have an account with a broker, you will need to provide proof of shareholding, which will be confirmed with our share registrar, Neville Registrars. Trades will be settled within two working days, and shares will be transferred to the chosen brokerage account. Please watch the below video which shows a step by step on how to trade via JP Jenkins: <https://www.youtube.com/watch?v=CildHG2bBLg&feature=youtu.be>

If you still have questions or queries regarding trading, how or who to utilise as a broker and anything else – please contact the JP Jenkins team on [info@jpjenkins.com](mailto:info@jpjenkins.com) who are happy to support.

## EIS Shareholders

EIS shareholders should be aware that selling shares within the three-year holding period will result in the loss of tax reliefs. Please verify your EIS registration date on your certificate.

## Potential Tax Implications

None of the foregoing should be taken as financial or tax advice. We strongly recommend that shareholders get qualified independent tax advice, as every jurisdiction and individual circumstance is unique. If you hold shares through a nominee structure and wish to buy or sell shares, please contact your nominee representative.

## Articles of Association Update

As part of this process, IAG needed to revise the Memorandum and Articles of Association to allow for uncertificated shares to be registered with CREST. You will have received a resolution to the effect, requesting that shareholders adopt the updated Articles of Association to replace the existing version. We are pleased to say the Special Resolution has been approved with over 75% of shareholders voting in favour of it. Therefore no further action is required.



# Strategic Developments & Business Growth

## Strategy Review

We are capitalising on the success of our GrowFrame360™ technology, centring our strategy around sales on non-commercial sectors such as education and the civil service, where the technology has already proven highly effective and in education where we now have two installations in place. This success in education provides us with a solid foundation for expanding both in the UK and globally, building on our achievements with renowned UK universities.

We are currently conducting extensive market research to identify and target educational institutions worldwide. The full “end-to-end,” modular, commercial-grade farm package, combined with its user-friendly design, makes it ideal for educational environments. Moreover, these international installations will serve as powerful marketing tools to drive commercial sales efforts in their respective regions.



We will also explore other avenues like R&D centres, pharmaceuticals, and medical research. Our initial focus includes Europe and Middle East—areas where we already have internal expertise—and we remain open to uncovering further opportunities in other promising markets as our strategy progresses.





## Education Offering



We are excited to announce the development of a new brand, “IAG Educate,” specifically designed to support our growing presence in the education sector. With clear, targeted messaging and a distinct marketing approach, IAG Educate will showcase why we are the best choice for educational institutions. Our team is diligently working to put the right sales tools in place, from defining our offering to implementing a fresh and unique brand identity that highlights our expertise in this space. This will culminate in a launch event at the University of Essex in November, followed by a second event at Sparsholt, coinciding with the completion of a new install on their site. These events will be part of a comprehensive marketing campaign, which will include digital marketing and a variety of other channels designed to build excitement and engagement around the new brand. Stay tuned for more details on the full campaign rollout!

IAG Educate will also include a dedicated training arm. This initiative will provide installers with comprehensive training on the system and its benefits, creating an additional revenue stream for the company. The training will be available to both new customers and as an annual refresher course, ensuring that those who install our systems are fully equipped with up-to-date knowledge and best practices.



The IAG Educate brand is carefully crafted to incorporate meaningful, complex elements that represent the core values of our offering. The design instantly resonates, featuring abstract representations of people—symbolising pupils and education—alongside three key elements: agriculture, represented by a leaf; education, depicted as a book; and people, through visualised heads, adding a human factor into the design.

## Software Licensing

We are currently working on a strategic initiative to explore the introduction of an annual licensing model for the IAG software with the aim of creating an additional revenue stream by offering a recurring, service-based model. By transitioning to a licensing format, we can provide long-term support and updates to our customers while further expanding our business model.





# Research and Development

As a disruptor and innovator in our industry, we continue to invest resources in R&D, ensuring that we maintain our leadership across the sector. As such, our R&D programme is reviewed quarterly, structured in alignment with commercial opportunities in the UK and internationally. We're building our committed strategy plan around consumer trends, creating our crop list based on researched market trends and identifying the key crops in each area.

## Pod Expansion

As mentioned in our previous newsletter, we have reviewed our proposed R&D programme and made the decision to commit to further developing our technology and agricultural process. We have previously discussed installing Pods, these will be built in two phases to ensure we rigorously test the technology before committing to the full set. After successfully proving the technology in the first 9 months, we will begin scaling up our GrowFrame360™ room.

This accelerates our efforts across a broader range of crops and helps us achieve our goals within an 18-month period, once investment is secured. It will further position IAG as trailblazers, enabling us to continue to pioneer vertical farming innovations. By having the capability to test crops before purchasing the technology, we are not only providing a unique selling point for our customers but also unlocking a new revenue stream for the business as they can be used by third parties for commercial trials as well as R&D.

## Environmental Control Improvements

We are making significant enhancements to our environmental controls, broadening the operating parameters to improve overall optimisation. This will ensure greater flexibility and efficiency in a range of environments. We are confident this will contribute to even better performance metrics across our systems.

## Opex Improvements

Trials continue at our HQ facility in Bracknell, with a focus on delivering improvements in both yield and cycle time. Operational expenditure (Opex) costs are being reduced and optimised further, as we work towards greater efficiency.





# Bracknell HQ Updates

## UK Grower Trials in Bracknell

In a promising new development, we are in active negotiations with a UK grower to lease our GrowFrame360™ room for growing trials. This collaboration will not only allow the grower to experience our technology firsthand before committing to a purchase but also provide IAG with invaluable access to real-time growing data and feedback. The insights gained from this commercial growing operation will further inform our R&D efforts, ensuring that we stay aligned with the needs of professional growers.

## Substrate Procurement Update

We are pleased to report that the trials with our European substrate supplier have gone very well. Based on the results, we aim to transition to this supplier once our current stocks are depleted. Meanwhile, our work with the two other suppliers remains ongoing. The partnership with the Asian supplier, exploring a joint venture, and the collaboration with a UK-based supplier linked to our academic networks are both long-term projects that continue to show potential.

## Red Tractor Audit

We successfully passed our annual Red Tractor audit. Thanks to the team's outstanding performance and dedication, the audit was seamless. Our ongoing commitment to enhancing system performance and upholding the highest standards of health and hygiene ensured another excellent result.



# Sustainability

Sustainability is a stated and deeply ingrained value at IAG. It remains at the forefront of our decisions. To further this commitment, we have created a focus group to identify actionable strategies and achieve our sustainability goals. This initiative will focus on the following areas:

**Scope 1** Addressing our direct emissions to minimise the environmental impact of our day-to-day operations.

**Scope 2** Continuously reducing indirect emissions from the energy we purchase.

**Scope 3** Analysing and mitigating the indirect emissions across our entire supply chain.

Taking this a step further, we are undertaking a full analysis of our supply chain to identify opportunities for reducing carbon output and improving sustainability at every step. Through these focused efforts, we are confident in our ability to lead the way in sustainable vertical farming solutions, aligning our business practices with the long-term health of the environment.





# Installation Updates

## University of Essex

The installation at the University of Essex has now been fully operational for several months, showcasing the reliability and efficiency of our GrowFrame360™ technology. The system has consistently demonstrated its capacity to deliver high-quality results, further reinforcing our position as a leader in vertical farming solutions.



University of Essex

## Sparsholt University College

The installation of our GrowFrame360™ technology at Sparsholt University College is in its final stages. Having started in July, we are on track to complete full installation in October. As part of the handover process, we will deliver comprehensive training to ensure a smooth transition for the team at Sparsholt. Earlier in the process, we hosted higher education lecturers from Sparsholt at our Berkshire facility, which was an opportunity to understand the extensive R&D opportunities for the farm. The installation consists of one GrowFrame unit, alongside a germination and a propagation room. This will be a strategic resource, supporting a broader R&D initiative at the college and contributing to a novel crop production facility across the LSIP (Local Skills Improvement Plan) geographical area.

The initial academic scope provides a scalable framework which, through the work of our IAG UK R&D team can expand in terms of growing footprint and crop variety.



# Commercial & Sales



## Berkshire Farm

We are currently in advanced discussions with a UK-based company for an IAG vertical farm installation in Berkshire. This farm will supply high-end hotels and restaurants with premium-quality herbs and leafy greens. They have secured a site, and the necessary unit upgrades have been specified and costed. We have submitted a broad design proposal offering both one and two-zone options, for 20 GrowFrames. The projected start date for this exciting venture is expected in Q2 2025.

## Latin American Health Supplements Company

We are in active discussions with a large Latin American company specialising in health supplements and herbal products. This company is exploring the potential of installing our vertical farming technology to support the production of high-quality, sustainable niche ingredients for their product range. We have submitted a proposal and will continue to provide updates about this potential collaboration which highlights the growing demand for our solutions across markets.

## University of Reading

We are engaged in positive discussions with the University of Reading, which holds a leading position in agriculture training for both undergraduate and postgraduate students. IAG has a longstanding relationship with Reading, particularly with their Controlled Environment Lab (CEL) faculty. Together, we are planning the installation of a commercial GrowFrame360™ facility for research and joint R&D initiatives. This facility will also support the university's "Crops on Campus" project, where students are trained to cultivate and distribute commercial-grade crops for the campus's restaurant and dining services, with the potential to expand to broader markets.





# Marketing & PR

Our marketing and PR efforts continue to build our profile and reach, strengthening our industry presence and highlighting our innovative solutions.

## Industry Awards



We are thrilled to announce that IAG has won two major awards at the Vertical Farming World Awards 2024! We took home Best Community Impact Initiative for IAG Educate and Best Collaborations / Partnerships

Initiative for our groundbreaking work with the University of Essex.

We are incredibly proud to be recognised by the leading awards body in the vertical farming industry and to be the only company to win two awards this year. This recognition reinforces our leadership in vertical farming and highlights our strategic focus on education and R&D. These awards validate the progress we've made in advancing innovation through academic partnerships and community engagement, driving us toward a more sustainable future.



IAG have been shortlisted for three notable awards at the FPC Fresh Awards 2024 in the

categories of **Team of the Year, Agritech & Innovation Excellence**, and **Sustainability Excellence**. While we didn't take home the top prizes, being named finalists in these highly competitive categories by the Fresh Produce Consortium (FPC) is a strong recognition of our ongoing commitment to innovation, sustainability, and leadership in the fresh produce sector.

## Special Feature



We were recently selected amongst a select group of companies to feature in [CLA - Land & Business Magazine](#) (pg 48)

as part of their industry snapshot on Agricultural Technology. The Country Land and Business Association (CLA) is the membership organisation for owners of land, property and businesses in rural England and Wales. With a circulation of 26,000, their magazine is delivered directly to the doors of CLA members, offering us significant exposure to this important audience.

## Events and Outreach

We have participated in several industry events designed to bridge the gap between agri-tech and education. Our team engaged with industry peers, exploring the latest trends, and building valuable connections with academic professionals. Such interactions keep us informed about competitor activities and provide essential insights into how our technology aligns with the needs of educators and their students.

As mentioned earlier in this newsletter, we will host a targeted sales event at the University of Essex in November. This will provide educational institutions with the opportunity to experience our vertical farming installation firsthand, demonstrating the benefits of our innovative technology, and fostering deeper partnerships with universities who offer relevant courses, or those with available funding, ultimately encouraging further sales and collaborations.



## Events We Attended

We participated in multiple events as part of our initiatives to grow our brand and engage with stakeholders:



University  
of Essex

**Essex University Launch Event:** We announced our installation at the University of Essex through a successful day, featuring different speeches, including one from the Wolfson Foundation.



FORM THE FUTURE

**Form the Future:** As part of a school outreach program, we delivered an online presentation to students choosing their GCSE subjects, highlighting career opportunities in the vertical farming sector.



**Farmers Weekly Transition Event:** We had the opportunity to listen to members of Defra (the Department for Environmental Protection, Food Production and Standards, Agriculture, Fisheries, and Rural Communities) discussing land use and climate-friendly farming.

Groundswell

**Groundswell Festival:** We attended to learn about the latest topics surrounding regenerative agriculture and the challenges facing UK farming, with a particular interest in determining if vertical farming is part of the conversation.



UNIVERSITY OF  
SURREY

**University of Surrey:** We engaged in discussions on using aeroponic technology to grow willow tree whips for non-food applications. The university is planning a return visit.

SPARSHOLT  
COLLEGE HAMPSHIRE

**Sparsholt College:** We hosted the Higher Education Team to discuss training and installation plans.



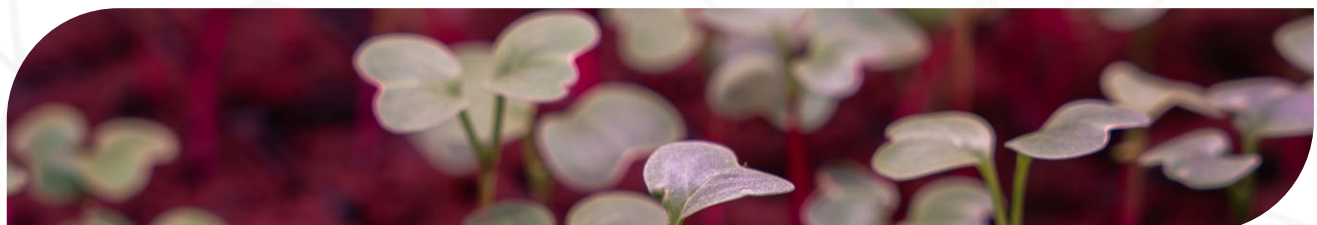
PLUMPTON  
COLLEGE

**Plumpton College-Student visit:** We hosted year 1 BTEC horticulture students for a presentation on alternative growing systems, sparking interest in sustainable farming practices, particularly amongst students who had never visited a vertical farm.



School of Sustainable  
Food and Farming

**Harper Adams School of Sustainable Food and Farming:** Met with senior staff to discuss the absence of vertical farming in the curriculum and were invited to present to students in December.





# Industry News

## UK universities: Environment case for vertical farming is stacking up

A recent study by the University of Aberdeen and the University of Surrey highlights the environmental benefits of vertical farming. The research found that growing lettuce in vertical farms can be as environmentally friendly as traditional field farming, while using significantly less land. This could save over 8,000 hectares of land in the UK alone. Additionally, the study highlighted how vertical farming can reduce the climate impact of agriculture, especially when powered by renewable energy

[Read more](#)

## Saudi Arabia invests \$10 billion to improve food security

Saudi Arabia is investing US\$10 billion to enhance food security as part of its Vision 2030 initiative. The investment includes advanced agricultural technologies such as hydroponics and vertical farming, which are crucial for increasing efficiency and productivity. This plan aims to stabilize the global food supply chain and boost domestic agricultural production, addressing challenges like arid climate, limited arable land, and water scarcity. These technologies reduce water consumption and enable year-round production, even in urban settings, making them a significant positive development for the vertical farming industry.

[Read more](#)

## Nottingham University offers Masters degree to teach "Smart" future of farming.

Nottingham Trent University is launching a new master's degree in "smart agriculture" this September, attracting global applicants. The course will cover advanced farming techniques, including vertical farming, AI, automation, and precision agriculture, as means to address major agricultural challenges.

[Read more](#)

## Japan: Low-potassium lettuce sold at triple price of 'regular' produce

Espec Mic Corp in Japan has successfully developed a low-potassium lettuce that is sold at three to four times the price of regular produce. This premium product caters to individuals who need to limit their potassium intake, demonstrating a lucrative niche market for vertical farming. This success story highlights the commercial viability for vertical farming to diversify its product offerings and tap into high-value markets.

[Read more](#)





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