

WELCOME TO THE SUMMER EDITION OF OUR NEWSLETTER

In the few months since our last newsletter, the world has seen social and economic upheaval, as well as battling health, wellness, and food security. In this newsletter, we cover how this time has impacted both Urban Health Farms and the indoor vertical farming community and we will begin with a message from our founder, Bernard Sleijster.

I hope you and your loved ones have been safe and healthy during this time and remain so in the coming period. The last months have certainly had an impact on Urban Health Farms; although, unlike many other industries, indoor vertical farming has seen some silver linings from recent events. I explain more about the boost our industry, and our company in particular, has seen from the first half of 2020 in the "Market Update" on page 4.

One of the recent developments I am personally most excited about is the welcome addition of new Managing Director, Leen Zevenbergen. Not only do I consider Leen a great professional and personal friend, but I'm continually impressed by his ability to walk the talk and his commitment to living and breathing social and environmental change. Among other things, Leen is a recognised international leader in sustainability and technology companies and his energy, network and outlook are an exciting addition to Urban Health Farms. You can read more about Leen's impressive background and his unique perspective on the industry and our business on page 3.

As the founder of Urban Health Farms, Leen's arrival to our team is timely for both the company and for my own role within it. After a year of solid foundation-building, Urban Health Farms is ready to enter the next stage of

development. With Leen spearheading the beginning of the operational stage, I can devote my attention to business development and investor relations. To start with, I can form deeper relationships within the investor community in the weeks to come, and plan the launch of the investment vehicles that will finance the rollout of our network of indoor vertical farms throughout Europe.

In addition, I will focus on a growing part of the company which we briefly introduced in our [Spring 2020](#) newsletter - the Medicinal and Wellness Products Division, under the guidance of pharmaceutical and medical expert Dr. Khalid Salim. This division is the ultimate proof of how Urban Health Farms sets itself apart from any other indoor vertical farming company out there. Unlike other indoor vertical farms who mainly produce and promote leafy greens in wholesale to supermarkets, we will also focus on processing those primary ingredients into products like essential oils, probiotics and food supplements from the all natural, pure ingredients grown on our farms. These products have tremendous added value and increased margins for our stakeholders.

With the unexpected insight and experience from the tumultuous first six months of this year, I am excited to focus on developing and building strong relationships, as well as growing and producing healthy products at a time when health, wellness and the sustainability of our local communities is more important than ever.

Many thanks for your attention and I hope you will enjoy this summer edition of the Newsletter.

Bernard Sleijster



URBAN HEALTH FARMS CONFIRMS 1ST INVESTMENT ROUND

Industrial Scale Fully Automated Farms

Urban Health Farms is in the initial planning phase to build the first three industrial scale, fully automated indoor vertical farms. After thorough research and careful consideration, we have selected the following locations: Toulouse, France; Milan, Italy; and Madrid, Spain. In order to become fully operational, these industrial sized farms can take considerable pre-development and construction time. As such, while those are in the design and planning stages, we are launching three Showcase Farms in the desired locations.

Showcase Farms

The Showcase Farms are an exciting all-inclusive solution to entering a local market with a much lower investment while creating credibility, building an offtake network and providing a firm proof of concept.

With their award-winning technology, Urban Crop Solutions will provide Urban Health Farms with a ground-breaking design of 10 containers that are interconnected, so each Showcase Farm will provide 8 growing areas, a cold storage room, an office and a control room. While the larger farms are under construction, the flexibility, efficiency, low labour costs and low risk of the Showcase Farms will deepen our market penetration in each specific location.

Once established in a market with the Showcase Farm, and with our produce selling well and consistently to local clients (like retailers, supermarkets, and the hospitality industry), Urban Health Farms can begin the transition to the industrial sized indoor vertical farms. Once the large farm is operational, we can pluck the Showcase Farms from their sites and ship them to the next location, where they can be operational immediately, ready to enter a new country and create a new market for Urban Health Farms without additional CAPEX.

The Investment

We are excited to confirm Urban Health Farms' upcoming first investment round. This initial investment offering, which is structured as a Convertible Bond, will provide the funding to swiftly begin operations in all three countries with the Showcase Farms. The total raise of the Convertible Bond will be €8 million. We will kick off the investment round with a very limited Friends & Family Offering, starting shortly after the publication of this newsletter; the Friends & Family Offer will be available on a first come, first served basis. If you'd like more information about this highly exclusive offer, please email Bernard Sleijster at bernard@urbanhealthfarms.com.



Barclays Capital released an investor note, announcing...

“Vertical farms ‘in pole position’ to disrupt the food system”

The renowned investment bank's recent announcement was published in Food Navigator this spring, claiming that vertical farms are poised to capitalise on a US\$50bn global market opportunity and will provide solutions to some of the greatest long-term challenges facing the food system today.

“Leveraging advanced technology, vertical farms can grow hundreds of acres' worth of crops on one acre with such precision that produce is ultimately more flavourful and pesticide-free. Vertical farming does not require deforestation or large amounts of water, and does not add to water pollution. And, because these farms can be located virtually anywhere and are highly automated, produce is local and fresher, food waste is reduced, and underserved populations can be reached - features that can be particularly advantageous in critical times such as the current COVID-19 pandemic.”

Given all that the current food system has to overcome, including volatile weather, growing populations, complicated supply webs and a warming climate, the analysts at Barclays Capital see indoor vertical farming as a timely opportunity. “With the technology proven and a value proposition that is appealing to developed and developing economies alike, we believe vertical farms are in pole position to disrupt the global agricultural industry.”

Although they caution the industry has to expand beyond leafy greens, invest in sustainable energy sources and overcome the initial capital investment, they remain firm that the prospects offered by vertical farming can have a far-reaching impact on participants throughout the fresh food value chain. On the whole, they assert the industry will impact established food retailers, as well as ‘relatively new entrants to the category’ such as Amazon, as well as restaurants and food service distributors. “Importantly, we believe that the potential environmental and social benefits would appeal to all participants.”





INTRODUCING OUR NEW MANAGING DIRECTOR - LEEN ZEVENBERGEN

LEEN ZEVENBERGEN, URBAN HEALTH FARMS' MANAGING DIRECTOR, ON HIS WALNUT FARM IN SOUTHERN FRANCE.

Urban Health Farms is thrilled to introduce our new Managing Director, Leen Zevenbergen. Leen is a seasoned international leader with over 25 years of experience founding and building more than 20 companies with a focus on sustainability and technology. As a recent TEDx speaker and the author of five bestselling books on the topic, including a new release, *Once Upon a Future* (see page 5), Leen is a recognized expert in sustainable development, corporate social responsibility, and the founder of B Lab Europe, where he facilitated the certification of over 800 European companies as B Corp. See more about Leen's impressive background on our [website](#).

How did you first become convinced that indoor vertical farming was an integral part of the future of sustainable food?

I believe people everywhere have a desire to be healthy. Yet obesity and undernourishment are both global health problems, and there is still inequality in food production and access. At the same time we emit tons of greenhouse gasses every year transporting seasonal produce from tropical countries, just so we can have our fresh fruit in the winter. We're used to being able to eat everything regardless of the season. Indoor vertical farming allows us to continue those trends that are so important to consumers, while also helping to solve a number of sustainable problems in the world today.

You've held a lot of different titles and responsibilities in your distinguished career - bestselling author, Founder and Chairman, CEO, and farmer to name a few. Do you identify yourself with one of those over the others?

My work has always reflected my outlook on life, which is a full, holistic viewpoint. Others might have a specialty in the details, whereas mine is the big picture. In that way, all the hats I have worn as a professional work together to fuel my biggest passions. Some have called me a serial sustainable entrepreneur, but I have more to me than that. I like to build things out of nothing, and every title I have held can go back to that idea. Often, there's nothing more than a dream or a spark of an idea. But when I put in the work, build the foundation by building my team and specialties, that's when it is time to expand and build. My identity lies in what others can barely see or only dream about. It is at that

stage that I can see the end product, and then I build those dreams into reality.

We feel strongly you are the right person to join Urban Health Farms at this particular moment. What drew you to feel the same?

All the companies I have founded or been involved with during my career have had sustainability and technology at their core. Indoor vertical farming is a perfect example of how those separate cores become one. While the sustainable food industry might be new, the building blocks of the business are the same. For example, the production of the produce from vertical farms is incredibly technical. But in the end, the produce is something consumers are familiar with. I enjoy the challenge of highlighting the sustainability of the technology. While a consumer might not marvel over the 'sustainability' of the food they are eating, they will undoubtedly be impressed by the lack of pesticides and chemicals, and that it is fresh, local and affordable. It is that side of Urban Health Farms that excites me, and I see the huge growth potential in that story.

How do you see yourself fitting into the growing Urban Health Farms community and team?

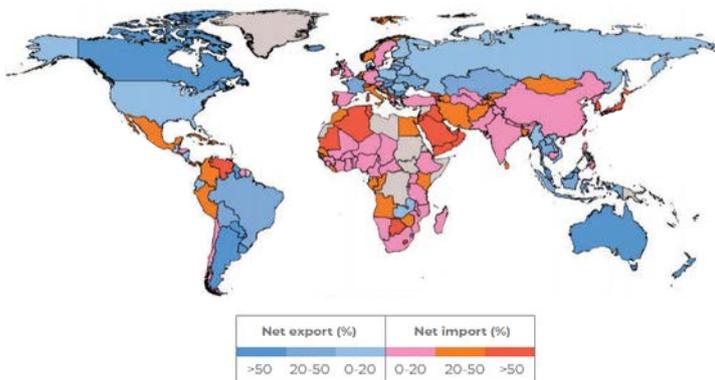
Bernard Sleijster, the Founder of Urban Health Farms, and I have known each other for years, and while our passions overlap, our strengths complement each other. I see Urban Health Farms at the perfect point for our strengths to work together and take the company to the next level. One of the things I see as the most important and potentially underrated part of a successful company is to have a team of people around you that you can trust, that are professionally competent and that have fun in their work. With that working environment, you have a winning formula, and that is what we are doing right now at Urban Health Farms. I feel very passionate about the idea of building a company that is more than just about serving the shareholders and investors - although it is about that as well. But with Urban Health Farms, I get to help mold it into something even more, a company that also serves its local community, the environment, the employees and that comes out with a product that is a key part of delivering health and wellness to a growing global population, without sacrificing anything along the way.



MARKET UPDATE

In the last few months, as the COVID-19 pandemic swiftly circled the globe and lockdowns had us all at home most of the time, the one thing people everywhere were still going out for was to buy food. As the pandemic built, many areas of the world saw empty grocery store shelves and a rush on panic buying, making it nearly impossible for supply chains to keep up with the unprecedented spike in demand. In other areas, warehouses full of food sat undistributed. Seasonal migratory workers couldn't get to the fields and fresh spring produce was left to rot, highlighting just how interconnected our food supply chain is on a global scale. As Tim Benton, research director in emerging risks at Chatham House think tank in London says pointedly, "Without the food supply, societies just totally break."

While we continue to battle the immediate effects of COVID-19, keeping people fed and healthy is the number one priority. Here at Urban Health Farms, that priority has fueled our own commitment and passion that supporting indoor vertical farming has never been more important. We can now see with our own eyes how dangerous it is to rely only on traditional agriculture, which in turn relies heavily on manual labour and complicated supply webs to keep cities from becoming food deserts. As the map below illustrates, there are many countries around the world that rely heavily on imports for the majority of their food (Source: FAO Global Perspective Studies). This reliance leaves many at risk during times of turmoil, which is broader than even the most recent crisis, as weather patterns and a changing climate continue to put a strain on traditional agriculture.



Healthier food builds stronger immune systems, making the quality and quantity of the food we eat the number one preventative measure we can take to fight off illness. With this pandemic, even the most food secure communities are thinking about food access and how it relates to our long term health and security. If eating local products was once considered trendy, eating healthy with a reliable supply of local food is now considered vital.

In the past, the benefits of the localised production of food in vertical farms were highlighted because sustainability, flavour and nutrition all improve the shorter distance food travels. But now it is clear indoor vertical farms can make local communities self-sufficient and in charge of their own health and security. Eliminating urban food deserts and granting cities independence from the environmental, social or health conditions of the outside world will allow cities to be resilient to all manner of crises.

Local solutions to global problems

As other industries have been crushed in the first part of 2020, high-tech farming is growing and many high-profile investors and groups are taking notice, from Barclays Capital to IKEA to the World Wildlife Fund who are "trying to spark an indoor farming revolution." In a post-COVID world, it is time to transform our outdated food system to one that is locally resilient. The consumer goods analysts at Barclays Capital (see sidebar on page 1) believe that vertical farms could have a far-reaching impact on participants throughout the fresh food value chain.

Researchers are studying how our eating and food purchasing habits have changed due to the pandemic and resultant lockdowns. Early evidence suggests that people are adopting more sustainable behaviors and are increasingly buying locally produced food. Indoor vertical farming has always produced food in a high care environment, with very few people coming into contact with the products. In a post-COVID world, that feature will be more important than ever to consumers, who are now worried about how many people have touched their food on its way to the shelves.

Other important features in a post-COVID world inherent in vertically farmed produce include:

Local. The production of safe and fresh food can still take place within lockdown zones and produce is not kept in warehouses or processing plants awaiting transportation.

Automated. Labour shortages will not impact harvests and can supply fresh food with minimal to no direct physical contact between workers and produce.

Controlled environment. Infection risks to workers and crops are significantly reduced.

Modular options. Farms can be designed into shipping containers and can be transported to neighborhoods in need, like in lockdown zones.

Reliable. Farms consistently produce high-yield and high-quality harvests, regardless of external conditions.

Affordable. Reduced labour costs and investment in renewable energy make produce from vertical farms accessible and affordable year round.

No pesticides or herbicides. The absence of pesticides and heavy metals makes our produce pure and healthy.

Sustainable production. A reduced supply distribution chain gets fresh produce to people faster, increasing the shelf life of fresh foods.

Accountable. People know and trust where their food is coming from and what processes it has been through before it reaches them.

For those investing in foodtech and agtech innovations like indoor vertical farming, the ability of individual, local, tightly controlled farms that ensure food safety are an advantageous selling point for our goods. According to industry specialists, foodtech could provide the best opportunities to entrepreneurs and investors, with both commercial success and strong social impact. Joel Cuello, Professor of Biosystems Engineering at the University of Arizona agrees. "Going forward, especially in terms of the enormous COVID-19 disruptions in the fresh produce chain, vertical farming will continue growing", he says. "It should be economically viable, but it shouldn't just be a growth story, but also of sustainability and resilience." The indoor vertical farming industry, with the aid of technological advances, will play a pivotal role in increasing food security and achieving environmental sustainability in the years to come.



A Gift to Our Friends

Receive a free copy of *Once Upon a Future* by bestselling author and Urban Health Farms' Managing Director, Leen Zevenbergen.

The world is changing at an accelerated pace. For those of us who work on feeding the growing number of people on this planet, that means we have to figure out innovative ways to do that, while addressing inequalities in wealth and food, producing food more locally in a healthy, affordable, sustainable way.

In *Once Upon a Future*, Leen Zevenbergen presents us with a comprehensive description of the three biggest disruptors of our time: an exponential development in technology, a rapidly decaying ecological system, and widely spreading globalisation. While food production is a focus in the book, it also dives into eight other megatrends that will change the world as we know it. From healthcare to education, financial systems to government, this important book presents us with complete future scenarios, ones that will impact us all.



A fascinating expedition into a world we all long for, *Once Upon a Future* is an important read for optimists, realists and even pessimists and will bring clarity and concrete hope that the future can be a better world. Supported by years of research, this book will shed new light on how you can actively contribute and enhance both your personal and professional life.

As a thank you for your support of Urban Health Farms, Leen has graciously offered an e-book of [Once Upon a Future](#) with a signup of our newsletter when the English version is published at the end of July, 2020.

[Click here to register for your free copy](#)



Urban Health Farms Managing Director Leen Zevenbergen gave an inspiring 2018 TEDx Talk on the history of sustainability. In his speech, Leen calls on us to learn from the successes and failures of the sustainability movement, but also to dig deep and find the biggest inspiration within ourselves. After all, following your dreams to build a sustainable future takes passion, energy and the desire to succeed, says Leen. "Your passion will help us survive."

