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Netled's Vera[®] vertical farm begins industrial-scale herb production in Sweden

Netled's client, Oh My Greens (OMG), opens an industrial-scale vertical farm in Söderfors, Sweden, to produce high-quality herbs for ICA, Sweden's leading grocery retailer. The herbs will be available for consumers in June 2022.

Netled, the leading vertical farming technology provider in the Nordics, together with its client OMG, a Swedish herb supplier, launches an industrial-scale vertical farm that will produce up to 2.7 million pots of 14 different herbs per year.

The distributor is ICA, the leading grocery retailer in Sweden with around 1 300 stores and a market share of around 36 %. ICA will be the first private label brand in the Nordics with vertically farmed products. Starting in June 2022, the vertically farmed herbs will be available to almost 350 ICA stores north of the city of Avesta.

"Netled's Vera[®] vertical farming technology will allow us to provide customers throughout Sweden with fresher herbs and leafy greens, grown hyper-locally and with a significantly reduced carbon footprint", says **Moses Isik**, CEO of OMG. "Not only does the customer benefit, but the planet does, too!"

"The reason why we have ICA as a customer basically buying all the volumes is that they want to be at the forefront of developing a sustainable food system of the future."

First vertical farm in the world delivering Climate Neutral Certified herbs

Vertical farming comes with many environmental and financial benefits. The Economist listed vertical farming as one of the top 22 emerging technologies to watch in 2022* and the vertical farming market size is estimated to reach over 19 bn USD by 2027.**

OMG's facility is the first vertical cultivation in the world delivering climate neutral herbs from seed to shelf – following the <u>Climate Neutral Certification programme</u>. They calculate their emissions footprint on a granular level including ingredients, storage, production, packaging, mobility, and upstream and downstream logistics until the products reach the shelf.

The facility is built in an old steel factory of 2 000 m2 (21,528 sqft) and it operates with renewable energy: wind power. The remaining CO2 emissions are compensated by supporting an NGO's agroforestry project of 214 hectares in India.***

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The production is done indoors in a totally controlled environment. Almost everything is automated and operated mechanically with control screens where the amount of nutrients, water, temperature, and light is controlled. With the Vera® vertical farming system, production can be up to 2.5 times larger, energy consumption 70 % lower, and water consumption up to 95 % lower when compared to traditional greenhouses. The overall carbon footprint can be nearly 80 % smaller than in traditional greenhouse growing.

Vertical farming offers security of supply by allowing for cultivation all year round and does not use pesticides. Vertical farms can be located close to the consumer resulting in fewer food miles and the consumers get access to fresher produce.

"The reason I went into the vertical farming business is that I'm seeing that we are heading off a cliff with our current food production. I felt the need to participate in catalyzing a change," Moses Isik states.

Technology provider is key

As a turn-key vertical farming project provider, Netled is not just a technology company, but also offers all services and support needed for building a commercially viable vertical farming business.

"We considered 17 different vertical farming technology providers and came to the conclusion that, in terms of its technology, know-how, and delivery capabilities, Netled is years ahead of the competition," says Moses Isik.

"When you want to go to industrial scale and do a big-size investment, you really need to know you have a partner who understands the technology, has the employees, the backbone and history of also being able to create a project like this. There is a lot of complexity. We chose Netled and we are happy with our choice."

For Netled, the launch solidifies its position as the Nordic market leader in vertical farming technology.

"This launch not only allows OMG to produce fantastic products for customers throughout the whole of Sweden, but it is a clear example to farm operators of the industrial-scale opportunities our Vera[®] vertical farming technology and our experienced project team can provide," Netled CEO **Niko Kivioja** says.

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Netled is a Finnish AgTech company that designs and builds cutting-edge turn-key vertical farming technology and offers a suite of services for commercial-scale controlled environment agriculture operators. Netled's proprietary Vera® vertical farming technology enables hyper-local, sustainable fresh food production anywhere. Netled is a family business with over 35 years of experience in controlled environment agriculture. The company currently has 27 employees and clients in Europe, North America, the Middle East, and Japan. Read more: https://netled.fi/

Oh My Greens (OMG), a Swedish herb supplier, is part of Applied Value Group, a Swedish-American investment, management consultancy, and social impact firm. OMG operates in Sweden together with its sister company Bake My Day (BMD). BMD is a 25 million USD revenue company serving 800 customers with daily deliveries including around 400 grocery stores. Working together, BMD and OMG can offer a wide range of the highest quality fresh food products to retail throughout Stockholm and the Mälardalen region, covering 40% of the Swedish population.

Read more: www.ohmygreens.se

ICA is the leading grocery retailer in Sweden with around 1 300 stores and a market share of around 36%. The business is operated in cooperation with independent ICA retailers. They each own and operate their own store, which makes it possible for them to tailor concepts and offers to local demand.

Read more: https://www.ica.se/

Attachments:

Video interview: Oh My Greens CEO Moses Isik - Netled's Vera[®] vertical farm begins industrialscale herb production in Sweden: <u>https://youtu.be/uWxKtK-ETw4</u>

Images: https://netled.fi/for-media/

ICA's press release: <u>https://www.icagruppen.se/arkiv/pressmeddelandearkiv/2022/ica-lanserar-vertikalt-odlade-farska-kryddor/</u>

References:

*The Economist: <u>https://www.economist.com/the-world-ahead/2021/11/08/what-next-22-emerging-technologies-to-watch-in-2022</u>

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**Global Market Insights: <u>https://www.gminsights.com/industry-analysis/vertical-farming-</u> market

***Oh My Greens is committed to a 25% emissions footprint reduction by 2030 and a 90% reduction by 2050 for their products. Today they use 100% renewable energy (wind power) in production and the key future measures that will be taken to reach the goals are: (1) electrification of their upstream and downstream transport, (2) nearshoring suppliers to reduce transport distances by ~50%, (3) using return pallets for the products, and (4) collaborating with and choosing suppliers to become completely climate neutral.

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