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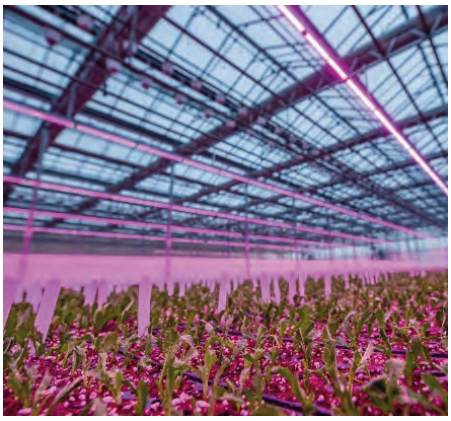
THE WORLD MARKET FOR HORTICULTURAL LIGHTING

Population growth and climate change are putting stress on existing food supply chains. The world's existing agricultural systems cannot keep pace with population dynamics. Unfavourable weather and changing climatic conditions are making it difficult to grow crops under sunlight. Technology is going to be crucial to meet the food demands of our societies. Therefore, more and more companies are shifting towards controlled environments, where crops are grown under artificial lighting. In addition, more and more countries are legalizing high value crops that yield CBD and THC used for both medicinal and recreational purposes. These crops are most often grown in either protected, indoor areas with artificial lighting or in greenhouses with supplemental lighting. As a result, the horticultural lighting is one of the fastest growing markets in the lighting industry today.

FACTS AND FIGURES OF HORTICULTURAL BUSINESS

Between 2018 and 2020, while the total lighting fixtures market dropped at an average rate of 3% per year, the horticultural business kept increasing at a CAGR of 30%. CSIL estimates that the sector will reach USD 1.8 billion by 2023. According to CSIL report "The world market for Horticultural Lighting", despite the pandemic, the horticultural lighting market is still set to grow exponentially. The Covid-19 effect on the market for horticultural lighting was less severe the pandemic outbreak did not weaken the path of grow of the market. The pandemic delayed projects and commercial partnerships, while small projects and research activities remained steady. Therefore, CSIL estimates a growth for 2020 of 5.5% year-on-year.

The use of LED technology has definitely changed the way the horticulture industry operated and is opening up a whole new world of opportunities. The spectral versatility of this technology allows horticulture lighting to target the active spectrum for any plant species or any growth stage of a plant. The share of LED lighting is going to pass from less than 47% (2018) to 94% (2023). LED technology for horticultural applications has a leg of a few years compared to the general lighting market, but it has been catching up fast.
The largest regional market is Asia Pacific, followed by North America and Europe. Asia Pacific and CSI countries are expecting to report the fastest growth between 2020 and 2023. In term of applications, commercial agriculture is the largest



market for horticultural lighting manufacturers. Because it allows to save water and reduce transportation costs, it is growing fast and it has been affirming as a sustainable way to produce food. Right now, the global market for horticultural market can be broken down in descendent order in: greenhouse, cannabis, indoor and vertical farming and research. The market is quite concentrated among the largest players. The top 10 largest players in CSIL sample hold a cumulative market share of over 50%.

The first edition of CSIL Report "**The world market for Horticultural Lighting**" has been published in September 2021. Horticulture lighting is a technology that stimulates photosynthesis in plants by emitting suitable wavelength. The scope of the analysis includes different types of horticulture lighting installations: Top lighting, Vertical farming, Interlighting (intracanopy lighting). These lighting systems play several roles in plant growth: supplemental lighting, photoperiodic lighting, and sole-source lighting. The Report aims at better understand the global market for horticultural lighting, its competitive landscape, and new opportunities arising from the growth of the agritech business. All CSIL Reports can be purchased online and downloaded from **www.worldfurnitureonline.com**