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PRESS RELEASE

FarmInsect raises oversubscribed €8m Series A to commercially scale its insect farming technology

- Agritech start-up FarmInsect has successfully completed an oversubscribed Series A financing round, raising a total of € 8 million.
- The round was led by Sandwater with participation from Bayern Kapital, Australia's Minderoo Foundation, and the EIC fund, with additional participation from existing investors HTGF and UnternehmerTUM Funding for Innovators.
- The Munich-based company has developed an end-to-end, modularized solution for decentralized production of insects as sustainable feed.
- Insects represent a more sustainable and less CO2 intensive protein alternative for animal feed, providing circular use of local waste streams and minimizing deforestation and overfishing related to traditional soy and fishmeal.
- The funds raised will support FarmInsect's commercial scale-up and continued development of the company's technology.

Munich, 23-October 2023 – German insect technology company FarmInsect today announces the close of an oversubscribed €8m Series A funding round. The round was led by Sandwater, a climate-tech venture capital firm based in Oslo, alongside Bayern Kapital's Growth fund, the Minderoo Foundation's Strategic Impact Fund, and the European Innovation Council Fund. Existing investors HTGF and UnternehmerTUM Funding for Innovators also participated.

A prominent source of the agriculture sector's CO2 emissions lies in the production and worldwide transport of protein-rich animal feed, including soy and fishmeal. The cultivation of soybeans, often utilized in livestock and pet food diets, necessitates extensive land clearing, frequently through deforestation. Likewise, the production of fishmeal involves energy-intensive processing and further strains wild fishstocks.



Picture: Founders of FarmInsect (from left to right) Thomas Kuehn and Wolfgang Westermeier in their insect farm, holding a box with larvae of the Black Soldier Fly ready to be used as feed.



Small insects – big effects

Founded in 2020, FarmInsect offers a more sustainable alternative protein source for animal feed — namely black soldier fly larvae. In contrast to most insect farming companies today who are building mega-factories, FarmInsect wants to decentralize production to better utilize stranded energy and onsite feedstocks and put this opportunity directly in the hands of farmers.

FarmInsect has developed an end-to-end solution, enabling customers to construct modular insect farms onsite at their own facilities. FarmInsect sends customers weekly shipments of seed larvae which are fattened onsite with regional waste materials, such as peels or harvest residues – in a week, the larvae will grow over 250x their body weight. This circular system produces high-quality, protein-rich feed produced directly on the farm more cheaply, with lower CO2 emissions and independently of global supply chains.

FarmInsect's fattening system also produces compost as a by-product, which can be sold as high-quality fertiliser or used for biogas production. Overall, FarmInsect allows farmers to reach feed cost savings of up to 30%. Each step in the process is monitored by a proprietary software platform that guides the customer through production step by step.

Fresh capital to scale commercial footprint and continue R&D work

FarmInsect will use the new financing to support the commercial scale-up of its insect farming solution and to fund further R&D work to continue to improve its technology.

Thomas Kuehn, Founder and CEO of FarmInsect, welcomes the additional financing and outside validation of the company's potential. "We are very grateful for the trust that our investors have placed in us. Together we will pursue our ambitious goal to make insects the go-to protein source ahead of soy and fishmeal in the EU. In this next stage, we plan to intensify our R&D activities in order to decisively expand and further improve the current breeding lines."

Morten E. Iversen, Partner at Sandwater, said "We've recognized the commercial and environmental potential of insects for a long time. But we struggle with the existing business model, which involves substantial capital investment and has proven difficult to scale. We were missing a commercially available, low capex solution capable of driving meaningful volumes, and FarmInsect offers just that. We strongly believe in the founders' ability to scale FarmInsect and accelerate the transition away from CO2 intensive protein sources."

Monika Steger, Managing Director of Bayern Kapital, said "One thing was clear to us even with our first stake around two years ago: Insect-based feed is a key part of the puzzle for sustainable and future-proof agriculture. FarmInsect's experienced team developed the company in a very positive way, installed the first customer systems and opened a new production site. We are highly satisfied with the collaboration to date and see a lot of potential for the future."

Cronje Wolvaardt, Director of Impact Investing at Minderoo Foundation, said "We were impressed by FarmInsect's founders as well as its low capex, decentralised business model which has the ability to ramp up significant insect production in a sustainable way, providing the ability to deliver a scalable



alternative source of protein to fishmeal. This aligns with Minderoo's goal to protect and restore ocean ecosystems, including by reducing pressure on wild caught fisheries.”

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[FarmInsect press pictures](#)

About FarmInsect

FarmInsect is an insect technology company headquartered in Munich. Founded in 2020, FarmInsect was one of the founding cohort of the Technical University of Munich's Food, Agro, & Biotech Venture Lab.

FarmInsect provides a modularized, end-to-end solution for decentralized, on-site insect larvae production. With a constant focus on innovation, FarmInsect has developed industry-leading breeding practices and genetic strains with enhanced adaptability to local feedstocks.

FarmInsect customers benefit from up to 30% savings on feed costs, more circular use of organic waste streams, and additional revenue sources from fertilizer, biogas and sale of larvae to third party processors.

For more information about FarmInsect, visit farminsect.eu.

About Sandwater

Sandwater (Oslo, Norway) propels forward those companies which will lead the way globally in driving positive climate impact and improvements to our health systems. Sandwater typically invests into European companies at Late Seed to Series A and has made 12 investments out of the current fund to-date. As a thematic investor with a strong impact mandate, Sandwater focuses on four verticals of Resource Efficiency, Energy Transition, Impact Enablers, and Health.

sandwater.com/

About Bayern Kapital

Bayern Kapital GmbH (Landshut, Germany) is the venture/growth capital company of the Free State of Bavaria. It supports innovative high-tech companies in Bavaria through their various growth phases, from seed to later stage, with equity capital from €0.25 to €25 million. Since its formation in 1995, Bayern Kapital has invested around €450 million equity capital in around 300 start-ups and scale-ups from industries such as life sciences, software & IT, materials, nanotechnology and environmental technology.

bayernkapital.de

About Minderoo Foundation

Minderoo Foundation (Perth, Australia) takes on tough, persistent issues with the potential to drive massive change. Founded by Andrew and Nicola Forrest in 2001, Minderoo Foundation is proudly Australian, independent, forward thinking and seeks effective, scalable solutions. Through bold, collaborative and selfless action, we must dismantle the systems that entrench inequality. Together we collaborate, advocate, innovate, fight and act for a fairer future.

minderoo.org



[About European Innovation Council](#)

The European Innovation Council Fund from the European Commission invests across all technologies and verticals, and all EU countries and countries associated to Horizon Europe. The EIC Fund's main purpose is to support companies in the development and commercialisation of disruptive technologies, bridging a critical financing gap, and risk-sharing by building a large network of capital providers and strategic partners suitable for co-investments and follow-on funding.

eic.ec.europa.eu/eic-fund/

[About HTGF](#)

The seed investor High-Tech Gründerfonds (HTGF) finances tech start-ups with growth potential and has supported more than 700 start-ups since 2005. With the launch of its fourth fund, HTGF now has €1.4 billion under management. HTGF's focus is on high-tech start-ups in the fields of digital tech, industrial tech, life sciences, chemistry and related business areas. To date, external investors have injected about 5 billion euros of capital into the HTGF portfolio via more than 2,000 follow-on financing rounds. In addition, HTGF has already successfully sold shares in more than 170 companies.

htgf.de

[About UnternehmerTUM Funding for Innovators](#)

UnternehmerTUM Funding for Innovators is the pre-seed funding initiative at UnternehmerTUM, Europe's leading center for innovation and business creation. We support outstanding early-stage B2B start-ups in (deep) tech from our ecosystem with the needed capital and network. Our offers are prototyping grants, founder-friendly convertible loans as well as follow-on investments. Our key focus is on identifying pioneering technologies and extraordinary teams that hold the promise of becoming venture capital cases.

funding.unternehmertum.de