

Insect Breeding Innovator Ynsect Raises \$15.2m to Help Build a Sustainable Global Food System

- *Latest round brings total raised to \$37m.*
- *News comes as EU authorizes use of insect proteins in fish feed.*
- *Ynsect uses robotics and A.I.-enhanced vertical farming tech.*
- *Insect protein essential to feed growing global population.*

Paris and London, 15th December 2016 – Ynsect – the global leader in the mass-scale breeding of insects for the animal feed markets – today announces that it has closed a \$15.2m Series B round led by Future Positive Capital, Quadia SA and Bpifrance Ecotechnologies, with participation from existing investors Emertec, Demeter, Vis Vires New Protein Capital and Business Angels. This latest round brings the cumulative amount Ynsect has raised, from private and public sources, to \$37m over the last three years – the largest-ever investment in the sector.

The announcement comes as EU member states this week endorsed a European Commission proposal to allow the wider use of insect proteins in animal feed. A vote taken on Tuesday, during a session of the EU Standing Committee on Plants, Animals, Food and Feed (SCoPAFF), clears the way for insect proteins to be used in fish feed in Europe from July 2017. An industry game-changer, the decision was brought about in large part thanks to the advocacy work of the International Platform for Insects for Food and Feed (IPIFF), of which Ynsect's CEO Antoine Hubert is President.

Ynsect farms and transforms insects into a high-quality natural diet for livestock and pet nutrition. With cutting-edge R&D, patented technologies and a world-leading multidisciplinary team, whose skills range from physiological entomology to biochemistry through robotics and IT, Ynsect was founded on a single visionary idea: placing insect-derived protein at the heart of the agri-food system to sustainably address the growing global demand for meat and fish.

“Few people today are aware of how the animals they eat have been fed,” explains Ynsect CEO Antoine Hubert, who cofounded the company in September 2011 alongside Alexis Angot, Jean-Gabriel Levon and Fabrice Berro. “In fact, farmed animals mostly consume GM soya, grains, and sometimes poultry feather meal, as well as fish meal. It was fish meal, in particular, which caught our attention.

“Fish meal is derived from catches of small fish, the global supply of which is under duress due to overfishing. In turn, that's causing severe depletion of ocean biodiversity,

and leading to food safety concerns due to the high content of heavy metals which bio-accumulate within dwindling fish stocks.”

While insects account for a significant share of the diets of fish, birds and mammals in the wild, the same isn't true of their farmed equivalents, Antoine Hubert continues. “At Ynsect, we produce insect proteins that can change this unnatural and unsustainable situation. We can now feed animals with a higher quality and more nutritious diet, while reducing the amount of fish meal they consume. Crucially, we can also combine this with far greater sustainability.”

Disruptive technology.

Ynsect's main product today is known as 'TMP' - *Tenebrio molitor* protein - a de-fatted protein meal made of farmed mealworm larvae. To date, TMP is the only insect protein that shows considerable benefits to animal growth and health, when fish meal is substituted with TMP in their diets.

The company has designed proprietary technology to farm mealworm larvae, as well as other insects. Automation and machine-learning software are connected to sensors embedded in the farm, to ensure the highest-possible welfare standards for the insects, while promoting animal growth and safeguarding operators' health. As well as owning the leading patent portfolio in the sector globally, Ynstitute -- as Ynsect's headquarters and R&D centre is known -- is the largest private research facility in this field worldwide.

Antoine Hubert and the team will use the investment to increase capacity at Ynsect, Ynsect's pilot centre in Jura, France, and to begin preparatory engineering work on the world's largest insect unit that will have the capacity to produce at least 20,000 metric tons of insect protein a year.

The company's initial focus has been on early-adopter fish feed and pet food companies, for whom the superior quality and 72% protein content of Ynsect's TMP – which is the same protein level as that of the highest-grade fish meal – is a major selling point. Once Ynsect's new unit begins production, the team expects several large animal feed players to become customers.

“The four of us started the company because we wanted to improve a global food system that is unsustainable and leading to a host of undesired impacts, including growing greenhouse gas emissions, the collapse in oceanic biodiversity and anxieties over food safety and security,” says Antoine Hubert. “That's why we're so delighted that some of the most renowned and innovative investors in the food tech and clean tech sectors, Future Positive Capital and Bpifrance Ecotechnologies, are joining us to help

make our vision - of insects playing the same leading role in the global food system as they occupy in the wild - a reality.”

Sofia Hmich, founder of Future Positive Capital, says: “This investment shows our long-term commitment to finding and supporting companies who are tackling intractable global challenges head on, with world-beating IP and flawless execution. We’re so excited for Antoine and his team, and looking forward to seeing Ynsect grow into a major global agro-food player.” (Sofia Hmich has [published a post](#) that highlights her investment thesis about Ynsect.)

Gilles Schang, Deputy Managing Director Ecotechnology Investments at Bpifrance Investment, adds: “Ynsect is a true pioneer in breeding insects for animal feed and has established itself as the frontrunner in the rapid development of this market. We are delighted to be positioning ourselves alongside the company’s founders and management in order to make Ynsect the global leader of disruptive agro-food technologies and to deploy worldwide the expertise they have developed in France.”

Ynsect was advised for this fundraising round by Alantra.

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Notes to editors.

About Ynsect.

Founded in 2011 by Alexis Angot, Fabrice Berro, Antoine Hubert and Jean Gabriel Levon, Ynsect is an innovation company which farms and transforms insects into a high-quality natural diet to meet the needs of the (farmed and domestic) animal feed markets, and potentially, in the longer term, human nutrition markets too. With cutting-edge R&D, patented technologies and a world-leading multidisciplinary team, Ynsect was founded on a visionary idea: placing insect-derived protein at the heart of the agri-food system to sustainably address the growing global demand for meat and fish.

About Future Positive Capital

Future Positive Capital is an investment firm on a mission to build a prosperous, fulfilling and equitable future. Our investment philosophy is based on a conviction that tomorrow’s most successful companies will strategically elevate the definition of value beyond financial returns to include human capital, innovation capital and societal impact. We find, fund and foster the world’s most inspiring entrepreneurs – radical

minds applying proprietary science and technology to solve challenging socio-economic-environmental problems at scale. We bring patient capital to align interests for the long-term – investing between \$250K and \$5m, with capacity to follow-on in subsequent financing rounds for companies that outperform. Human-driven, we provide personal development and leadership growth, and give them access to our community of world-class experts. Recognizing that talents are everywhere, we are industry and sector-agnostic.

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About Quadia SA

Quadia is a regulated investment manager specialized in social and environmental finance. With close to USD 150 million invested in over 25 companies, projects and funds, Quadia is a pioneering impact investor. Its core investment thesis centres on sustainability as a pillar of risk management and economic valuation. It targets significantly impactful companies which have positioned their products and services to meet a growing demand influenced by an irreversible paradigm shift driven in turn by worldwide interdependent social, environmental and economic stakes.

Quadia provides innovative investment solutions for private, institutional and corporate clients, technical assistance and capacity building services for portfolio companies and strategic impact evaluation expertise.

About Bpifrance Ecotechnologies

This €150m fund is managed by Bpifrance, a subsidiary of the Caisse des Dépôts group, within the framework of the PIA (Future investments program) entrusted by the ADEME. The Ecotechnologies fund invests amounts ranging from €1m to €10m, while systematically seeking-out co-investments with private actors and investors. This fund participates in equity operations through minority equity investments in privately-held innovative and mainly French SMEs. The Ecotechnologies fund's main focus areas relate to the four Future investment programs managed by ADEME i.e.: Carbon-free renewable energies and green chemistry, smart grids, circular economy (waste recycling, eco-design and industrial ecology) and smart mobility. These themes are described more precisely in the calls for interest launched by the ADEME: www.ademe.fr/IA_fonds_propres www.bpifrance.fr – follow us on: @bpifrance For more information:

www.investissement-avenir.gouvernement.fr

<http://investissementsdavenir.bpifrance.f>

About VisVires New Protein (VVNP)

New Protein Capital and VisVires Capital Asia have teamed up to create one of the most sought-after venture funds, a partner for innovative start-up companies in today's global food and feed industry. Based in Singapore, VVNP has a unique presence within the ecosystem, having established strong relationships with multiple research institutes, incubators, agencies, and universities worldwide.

VVNP has identified animal protein alternatives, the positive interaction between health and nutrition, food safety technologies, and food waste mitigation, as the solutions to the main bottlenecks of an obsolete production model. A more sustainable and efficient food system will be the foundation of a much-needed paradigm shift that will bring tremendous investment opportunities globally.

They believe that investing in innovative processes is the most effective way to comprehensively rethink the entire food production and supply chain, and engage game-changing perspectives.

About Demeter Partners and Emertec Gestion :

Demeter Partners is an independent private equity firm with €650m under management. All the funds invest equity and quasi-equity in the most relevant players of the environmental and energy transition sectors, mainly in France, Spain and Germany. It covers all stages from seed to growth and LBOs, including infrastructure with a team of 21 and offices in Paris and Madrid.

FPCI Demeter 3 Amorçage, shareholder of Ynsect, has been raised with the help of the European Investment fund (EIF) through the framework Program of the European Union for the Competitiveness and the Innovation (CIP) and of the Fonds National d'Amorçage (managed by BPI France Investissement in the framework of the Programme d'Investissement d'Avenir). www.demeter-partners.com

Emertec Gestion is a French venture capital firm, dedicated to energy transition, sustainable development and advanced materials. Emertec has raised €150m from large institutional and corporate investors and is by far the leading French early-stage investor in these areas. The team consists of 10 professionals located in Paris, Grenoble and Metz.

Emertec 5 fund, investing in Ynsect, is a €50m fund dedicated to seed financing of disruptive technologies. It has been raised with the support of the Fonds National d'Amorçage (managed by BPI France Investissement in the framework of the Programme d'Investissement d'Avenir) and with the support of the European Investment fund (EIF) through the framework Program of the European Union for the Competitiveness and the Innovation (CIP). www.emertec.com

In 2016, Demeter Partners and Emertec Gestion closed a deal to create the major European private equity player dedicated to the energy transition, environmental and innovative materials sectors, comprising of €800m of assets under management, with 120 companies financed in 10 years and teams consisting of 31 professionals with complementary backgrounds.

Legal counsel for the fund raising:

For Ynsect: Harlay Law (Olivier Cognard & Liên Lê)

For Future Positive & BPI : JonesDay (Jean-Gabriel Griboul)

Financial advisors :

Alantra (Franck Noat, Aurélien Guénot & Gautier Frantz)

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