



Ynsect accelerates its international expansion with the acquisition of Dutch AgTech business Protifarm, as it scales into the market for insect-based food ingredients

The integration announces growth in Ynsect mealworm production capacity with two mealworm species now in its portfolio

April 13, 2021 - Ynsect, the world leader in natural insect protein, has acquired Protifarm, the global leader in mealworm ingredients for human applications. Their joint offering will accelerate manufacturing capabilities with a third production site, as the company moves to deliver on its long-term strategy to offer a natural, healthy and long-term sustainable solution to the accelerating consumption of protein. Following the European Food Safety Authority deeming mealworms safe for human consumption this January, Ynsect is fast-tracking its impact in the alternative protein sector, by expanding into the market of food ingredients derived from insects.

New assets to consolidate Ynsect's strengths

In addition to its sites in France, Ynsect now expands internationally with the integration of Protifarm, a Dutch Agtech company with a production site based in Ermelo, one hour east of Amsterdam. This solidifies the company's position as the world's largest player in insects for food and feed.

"We are very excited to welcome Protifarm into our family. Protifarm is a compelling strategic fit for Ynsect, perfectly matching our long-term goals and sustainability values. Acquiring Protifarm is a strategic next step for us, strengthening Ynsect's leading position in the global market and allowing us to properly address the human food and pet-food markets with complementary products", explains Antoine Hubert, Co-Founder and CEO of Ynsect.

The Dutch state-of-the-art vertical farm and processing facility produces more than 1,000 metric tons of food ingredients annually, aiming to expand the facility to 20,000 metric tons of insect-derived ingredients to feed humans, pets and plants. With two Ynsect production sites in operation and one under construction, the result is an increase in volume and an acceleration of production and delivery to customers in the short and medium term. This will represent a total capacity of over 230,000 metric tons of ingredients per annum.

Ynsect and Protifarm already share a lot of common ground, from the way they approach science and technology on mealworms, to quality and operational excellence. They have a common vision of sustainable farming with opportunity for unlimited scalability: to produce at a greater magnitude and in a much more sustainable way compared to other food or feed producing businesses. These similar identities help to facilitate the sharing of best practices and know-how, and the emergence of a common culture. Protifarm brings nearly 40 years of experience in insect breeding and owns 37 patents across 10 categories, bringing the total number of patents owned by Ynsect to nearly 300.

"The evolution of a more sustainable and healthier intake of nutrition is only at its beginning, but the demand for products meeting these standards is set to grow exponentially in the coming years. The consolidation of Protifarm's leading position in insect-based human premium food ingredients with the leading player in insect-based premium feed and pet food ingredients will expand our scale to meet this demand globally" comments Tom Mohrmann, CEO of Protifarm.

Ÿnsect will also gain a skilled workforce from Protifarm, with expertise essential to this integration. The Dutch production site employs about 50 people in production, R&D, and cross-functional areas. The local management team will remain in place, in charge of integrating Protifarm into the Ÿnsect group.

Expanding to the food sector

With the European Food Safety Authority deeming mealworms safe for human consumption this January, Ÿnsect is now striving to obtain food authorization for its protein concentrate meal for human consumption. Protifarm is a global leader in the insect food ingredient sector, with established food customers in Germany, the Netherlands, England, Denmark, and Belgium, allowing Ÿnsect to strategically boost its growth in the sector.

The Netherlands is a world leader in food and agriculture and offers significant advantages in terms of export possibilities, being ideally located for customers in the Benelux and the North of Europe. The country is spearheading innovation with universities like global food and Ag leader Wageningen University, who is pioneering with its own insect research centre. Protifarm's Novel Food application is expected, same as Ÿnsect's, to receive EU approval in the near term. With many consumers in the Netherlands highly oriented towards a lifestyle of health and sustainability, there is also a higher acceptance rate among Dutch consumers of food produced with ingredients derived from insects.

A common vision for the mealworm

As the global leader in mealworm cultivation and processing, Ÿnsect confirms the leadership of mealworms in the insect sector with this acquisition. Mealworm ingredients are premium products as they are uniquely "food grade" compared to other insects used only in animal feed. As Protifarm's so-called Buffalo mealworm and Ÿnsect's Molitor mealworm meet complementary needs, the company now offers a platform of interchangeable food and feed ingredients that addresses the demand for different premium applications coming from two types of mealworm.

Molitor based ŸnMeal is produced for sports performance and food supplements. Its high protein and low ash content make it a highly digestible premium ingredient that can be used as a supplement for digestive diseases. Combined with its superior amino acid profile and exceptional capabilities in reducing cholesterol levels (study by the Justus-Liebig University of Giessen in Germany showed a dramatic 60% reduction in cholesterol when mice were fed our insect meal), ŸnMeal is a highly efficient source of necessary supplements in both sports nutrition and elderly nutrition.

On the other hand, the Buffalo mealworm-based products sold under the brand AdalbaPro offer technical functionalities, like texture, binding and solubility. The AdalbaPro ingredients show excellent nutritional properties (protein, vitamin B1, B2, B5, B6, B9, B12, potassium and calcium) combined with a mild flavor, allowing consumers to focus solely on taste and enjoyment. These ingredients allow the creation of tailor-made solutions for the food industry that are suitable for a wide range of product applications, including meat replacement, protein bars, shakes, baked products, snacks, confectionery and beverages.

Ÿnsect also plans to reach out to new customers in wet pet food with Protifarm's production surplus of Buffalo mealworms.

Protifarm's founding and lead investor *Marvesa Proteins & Fats BV* has confirmed their strong belief in the insect protein space by becoming shareholders of the Ÿnsect mother company with this operation, thereby further expanding Ÿnsect's shareholders footprint to the Netherlands. Ÿnsect is consolidating the sector, building a sustainable project that is attracting international investors and companies alike.

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About Ÿnsect

Ÿnsect is the world leader in natural insect protein and fertilizer production. Founded in 2011 in Paris, France by scientists and environmental activists, Ÿnsect transforms insects into premium, high-value ingredients for pets, fish, plants, and human beings. From its purpose-built state of the art farms, Ÿnsect offers an organic, long-term sustainable solution to accelerating consumption of protein and plants. Ÿnsect uses pioneering proprietary technology protected globally by c.300 patents to produce *Molitor and Buffalo* mealworms in vertical farms. Ÿnsect is currently building its third production unit, the largest vertical farm in the world, in Amiens, France and operates two sites in France (since 2016) and the Netherlands (since 2017). The company has raised c. \$425 million from leading global investors and is exporting its products worldwide. www.ynsect.com