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PRESS RELEASE

Divaks attracts €3M to take its sustainable insect ingredients to next level

Lithuanian food-tech company Divaks has raised €3 million in seed funding to develop its high-quality insect-derived ingredients for the food industry.

With the insect protein sector growing at a fast pace, Divaks is focused on creating a wide range of sustainable, traceable ingredients from the yellow mealworm (*Tenebrio molitor*). Insect farming offers significant environmental advantages over livestock farming, generating lower greenhouse gas emissions and requiring less land and water.ⁱ To ensure the most sustainable rearing process, Divaks is using low-value side-streams from local food producers and agri-industry for feed.

The yellow mealworm also provides a complete protein source containing all essential amino acids, vitamins, and minerals. Its nutritional values and functional properties unlock broad opportunities for use in products including meat alternatives, sports nutrition, snacks, and confectionery as well as premium pet food.

Kęstutis Lipnickas, Divaks' Co-Founder and CEO, said: "Yellow mealworm is an exceptional protein source, combining the nutritional quality of beef with the sustainability credentials of many plant-based alternatives. Our focus from day one has been on using these insects to create added value ingredients, solutions, and specialties for the food industry. With our unique, vertically integrated technology, we can provide high-quality insect protein products that are tailored to the demands of both clients and consumers."

Investment plans

Following Divaks' foundation in 2020, it has worked closely with Lithuanian universities and academic institutions to develop its ingredients and has already conducted initial rearing and breeding trials.

Having now completed a second round of seed funding, the company is finalizing the launch of its own pilot manufacturing facility. This will allow it to provide assumptions verification on a larger scale plus first samples preparation for potential clients.

In addition, the funds will be used to secure Novel Food authorization with the European Commission. The company recently signed a Novel Food Dossier (NFD) licensing agreement with insect industry pioneers Protix that covers whole dried mealworms and whole mealworm powder. As a next step, Divaks has begun preparing additional NFDs for a range of specialist ingredients including defatted insect protein and soluble insect protein concentrate.

It will also carry out further R&D through its in-house team and academic institutions. This will involve identifying the most efficient rearing and breeding conditions as well as providing further insights into yellow mealworm processing and premium ingredient creation.

Kęstutis Lipnickas said: “We’re delighted to have raised the funds we need to take our project to the next level. The €3 million will allow us to continue our company’s growth while building an insect industry hub together with local and international academic institutions, partners, and suppliers.”

Scaling up

Divaks is now seeking to raise up to €50 million through its Series A funding round, which is planned to close in Q1/Q2 2023.

Its ambition is to open a fully automated, vertically integrated insect rearing and processing facility, which would be one of the largest in the Baltic States. The company has already acquired a land plot and is working with one of the leading turn-key solution providers on plant design, with an intended launch date of mid-2024.

Audrius Grušnis, Divaks’ Co-Founder and Chairman of the Board, said: “Amid significant concern around sustainability and the disruption to food supply chains, it’s clear that insect protein has vast scope for growth. Along with renewable energy and electric cars, we see it as one of the industries with the greatest potential over the coming 10 to 15 years. We’re building a vertically integrated insect protein business that can meet demand by delivering a wide array of high-quality, added value ingredients.”

Kęstutis Lipnickas added: “Insect meal will become an important commodity in the very near future and we see particularly high potential in the food industry. While the quality requirements and complexity are higher than in the feed industry, the possible returns are higher, too. Many of those in our core team have

backgrounds in the food industry, giving us the expertise we need to play a vital role in this fast-growing sector.”

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About Divaks

Based in Vilnius, Lithuania, Divaks is a fast-growing food-tech company developing high-quality insect-derived ingredients for the food industry. Its fully automated, vertically integrated approach focuses on building a fully managed process from insect breeding to individually crafted products for human consumption. The company’s goal is sustainability and traceability in every step, with a commitment to only use environmentally friendly by-products from local agriculture and food industry. For more information, visit: <https://www.divaks.com>

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ⁱ Van Huis, A. & Oonincx, D.G.A.B. 'The environmental sustainability of insects as food and feed. A review' Agronomy for Sustainable Development (2017)