

Singapore Venture Capital Firm Invests in Overseas Food Tech

Singapore – Sirius Venture Capital Pte Ltd (“Sirius”), a venture capital and entrepreneurial finance company has made a strategic investment in Hargol FoodTech (“Hargol”), a multi-award winning Israeli start-up that pioneered sustainable grasshopper farming to yield consumable protein. Hargol secures US\$600,000 in seed funding, led by Sirius and Netherlands-based SLJ Investment Partners. Wong Hin Sun Eugene, Sirius’ Founder and Managing Director, will join Hargol’s board.

Founded in 2014, Hargol is the world’s first food technologist to introduce an innovative system to breed grasshoppers quickly and reliably in climate-controlled facilities at industrial scale. It employs vertical farming using Hargol’s specialised innovative cage infrastructure, in which grasshoppers grow under highly sanitised conditions all year round.

As demand for protein is estimated to double by 2050, Hargol is well-positioned to cater to the growing alternative protein market.

“We are pleased to support a food tech start-up helmed by forward-thinking and passionate founders. By investing in a venture that offers pioneering solutions to circumvent the foreseeable shortage in animal protein, we are advocating new dietary habits and at the same time, generating new market opportunities,” said Eugene Wong.

This round of funding will be a tremendous boost to Hargol’s growth trajectory, as the company plans to increase production capacity to solidify its position as a global provider of alternative protein.

“With Sirius’ investment at an early stage, along with the on-going support from its management, Hargol was able to realise its vision of becoming the world’s first commercial grasshopper farm in Northern Israel in a short period of time. Sirius’ involvement at such an early stage provided the company the recognition and support to evolve into a world leader in this new and exciting industry. Beyond its investment, Sirius extended to us strategic consulting and access to its wide network of business partners, regulators and investors,” said Dror Tamir, CEO of Hargol.

A Sustainable and Economical Protein Source to Feed a Growing Global Population

Safe, nutritious and affordable, edible insects as a non-traditional protein source first launched into the food tech scene a few years ago and is infiltrating new food markets as awareness of insects’ nutritional and economical value grows.

Compared to plant protein—another alternative protein source—insect protein requires lesser processing, and is hence more economical to produce. Given its less distinctive smell and flavour, it is also more palatable than algae protein, and used in powder form in flour, protein bars and other snacks.

Contrary to livestock farming for protein, which accounts for nearly one-fifth of unnatural greenhouse gas emissions, Hargol's approach to producing alternative protein has seen high food conversion rates, very low water footprint, zero waste farming and minimal greenhouse gas emissions. Essentially, the process poses little threat to the environment.

Currently, more than two billion people across Asia and Africa consume insects as an integral part of their diet. As global population grows to an estimated nine billion in the next few decades, demand for sustainable and affordable protein sources such as insect protein is poised to increase.

Of all the edible insects, grasshoppers' swarming nature makes them most suited for intensive farming to meet rising market demands. This creates an opportunity for Hargol to provide a protein alternative that is efficient to produce, low cost and superior in nutrient content—comprising 72 per cent protein content, all the essential amino acids, and zero saturated fat and cholesterol.

“Grasshoppers are found to have the highest protein yield per kilogramme among all the edible insects. However, it has been a challenge growing grasshoppers in a scalable fashion, until Hargol came up with a revolutionary method to reduce incubation period of eggs from 40 weeks to two weeks,” said Eugene Wong.

Reinforce Singapore's Vision to Become a Leading Food and Nutrition Hub in Asia

In recent years, Sirius has been focused on harnessing technology to improve agriculture and food production. This is in line with the company's investment mandate to invest vertically in the food ecosystem to create new synergy with which companies can tap on to scale.

Prior to investing in Hargol, Sirius has a strategic placement in Chapul, a US company that promotes edible insects as a healthy and sustainable source of protein. The objective of investing in Chapul is to create potential partnerships in the US market. Sirius has also invested in AgFunder, a US-based platform for agriculture and food start-ups to seek investment capital from investors, to gain greater insights into food tech start-ups worldwide.

These investments help facilitate Sirius' plan for overseas food tech companies to make Singapore their base to expand into Asia. This aligns with the government's vision to transform Singapore into a leading food and nutrition hub in Asia and reinforces her position as a launchpad for early- and mature-stage food tech start-ups.

“Our placement in food tech is aligned with our investment direction of seizing emerging opportunities in the food domain. We believe that a global food revolution is imminent, and that

a new generation of tech entrepreneurs holds the answer to the future of food innovation,” said Eugene Wong.

ABOUT HARGOL FOODTECH

Hargol FoodTech is an Israeli start-up that breeds grasshopper species using new methods and technology. It is the leading intensive grasshopper rearing company in the world, responsible for providing nutritious grasshopper supplies and protein powder to food and ingredient manufacturers worldwide.

ABOUT SIRIUS VENTURE CAPITAL PTE LTD

Sirius Venture Capital Pte Ltd is a Singapore-based venture capital and entrepreneurial finance company with vested interest in F&B companies in the areas of food production, supply chain and consumption. Sirius has expanded its portfolio to include food delivery businesses through its venture in Lalamove and has invested further upstream to include food tech companies.



ABOUT EUGENE WONG

Eugene Wong is the Founder and Managing Director of Sirius. As an investor, he sees significant growth and investment opportunities in both the traditional F&B and food tech sectors.

His first food investment was in 2007 when he advised and invested in Ajisen China’s initial public offering in Hong Kong. He also invested in Paradise Group subsequently, but has since withdrawn his investments in both Ajisen China and Paradise Group. Currently, his portfolio companies include a number of growing traditional F&B companies in Singapore and the region: Singapore-listed Japan Foods, Neo Group and Singapore Kitchen Equipment, homegrown private company OJJ Foods, and Shigemitsu Industry Co. Ltd., Japan brand owner and franchisor of Ajisen brands including Ajisen China and Japan Foods Holding.

He is an active member on these companies' boards and helps them in their strategy, competency and capital planning. Eugene currently serves as the Chairman of CrimsonLogic and is a director on the boards of International Enterprise Singapore, Agri-Food and Veterinary Authority of Singapore, Singapore Cruise Centre and Cargo Community Network Pte Ltd, a subsidiary of SIA Cargo. He also sits on the board of several SGX-listed companies, including Japan Foods Holdings, Neo Group, Jason Marine Group and Singapore Kitchen Equipment.

Eugene is a member of NTU's Food Science and Technology Industry Advisory Panel. As a panel member, he contributes to the development of the NTU Food Science and Technology Programme. He also provides perspectives and advisories on industry developments and trends.

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