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Kern Tec raises €12 million in Series A funding to scale technology that turns food waste into food ingredients

Vienna, Austria. Kern Tec, an Austrian FoodTech company utilizing upcycling to produce valuable food products, announces that it raised €12 million in Series A funding. The company will use these funds to scale up the production & commercialization of its sustainable ingredients for plant-based dairy and confectionery products. These ingredients are derived from upcycled stone fruit pits such as apricots, plums and cherries – of which 500,000 metric tons are land-filled each year in Europe alone. In processing these pits towards food safe and sustainable food ingredients, Kern Tec contributes to a circular and more resilient food system.

Luca Fichtinger, Co-Founder and Managing Director at Kern Tec, comments: “This investment will accelerate our global scaling capabilities and enable more products to the market that are derived from the valuable stone fruit seeds. This will scale our impact of reducing waste, whilst unlocking further growth in the plant-based dairy industry”.

Founded in 2019, Kern Tec employs a series of proprietary processing steps to obtain valuable oils and protein from the seeds within the currently mostly neglected stone fruit pits. These unique ingredients are further transformed into a base compound for delicious, sustainable and cost-effective alternative dairy products such as plant-based milk, yoghurt and cheese. The company already signed purchase orders for its ingredients worth millions of euros in revenues over the coming years.

The €12 million Series A round was led by Telos Impact, with participation from the PeakBridge Growth 2 fund and the European Innovation Council (EIC) Fund. In addition to equity financing, the company has secured significant local and international grants.

“We are delighted to welcome Kern Tec as the latest addition to our growing European portfolio. This investment is consistent with our desire to back inspiring founders and companies developing long-term sustainable competitive advantages. We are very excited to be leveraging our network and expertise to support the company’s ambitious growth strategy”, notes Guillaume Boury, Investment Manager at Telos Impact.

"Innovations in food ingredients, like those propelled by Kern Tec, play a pivotal role in transforming the food industry towards healthier and more sustainable products, at affordable costs. Kern Tec’s initiatives pave the way for responsible production and consumption, while also offering enhanced flavour possibilities. We stand firmly behind Kern Tec as they lead the way in this domain, and we are honoured to be part of their exceptional journey", commented Erich Sieber, Co-Founder and General Partner at PeakBridge.

Svetoslava Georgieva, Chair of the EIC Fund Board, adds: “The EIC Fund has established itself as a strong force in EU deep-tech investments. This unique form of financing via EIC - combining grants and equity – is proving itself highly attractive to Europe's most promising start-ups and companies. Our investment will provide Kern Tec with the means to scale their business in Europe and, thanks to their innovative technology, contribute to saving resources and supporting farmers and businesses.”

About Kern Tec:

Kern Tec is an Austrian food tech company valorising stone fruit pits from apricot, plum and cherry. Fruit seeds have been overlooked in the food industry, but these largely undiscovered resources offer great value due to their unique ingredients. At Kern Tec, a set of new technologies and supply chains have been developed to turn these seeds into B2B ingredients for dairy alternative applications such as milk, yoghurt, ice cream and cheese. With having successfully processed over 2.500 tons of fruit pits in their Austrian production facility, the company enters the growth stage scaling the whole value chain and their global customer base. The company was founded in 2019 by Michael Beitzl, Luca Fichtinger, Sebastian Jeschko and Fabian Wagesreither. Website: www.kern-tec.com.

About Stellar Impact, managed by Telos Impact:

Stellar Impact is a family-owned impact investment company active in the areas of food & ag, plastic pollution and water. To find out more about Stellar Impact, visit www.stellar-impact.eu.

About PeakBridge:

PeakBridge VC is a pioneering global fund manager in Agri-FoodTech investing that focuses on discovering and nurturing high-growth startups, entrepreneurs, and technologies that impact the future of the world's food systems. PeakBridge is a core member of EIT Food and a member of the Edmond de Rothschild Private Equity partnership.

About EIC Fund:

The European Innovation Council Fund from the European Commission is an agnostic Fund: it invests across all technologies and verticals, and all EU countries and countries associated to Horizon Europe. It provides the investment component of the EIC Accelerator blended finance. The EIC Fund aims to fill a critical financing gap and its main purpose is to support companies in the development and commercialisation of disruptive technologies, bridging with and crowding in market players, and further sharing risk by building a large network of capital providers and strategic partners suitable for co-investments and follow-on funding.

The Fund pays particular attention to the empowerment and support of female founders as well as the ambition to reduce the innovation divide among EU countries.

